

SOLIDARIDAD EAST AND CENTRAL AFRICA EXPERTISE CENTRE
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SOLIDARIDAD EAST AND CENTRAL AFRICA EXPERTISE CENTRE
Consolidated report and financial statements
For the year ended 31 December 2021

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ORGANISATION INFORMATION

Board of Directors	:	Ms.Rachel W.Wanyoike
	:	Mr.Kamau Kuria
Organization secretaries	:	Kimamo and Associates
	:	P.O Box 4583-00100
	:	Nairobi
Auditors Kenya Office	:	MGK Associates LLP
	:	Certified Public Accountants
	:	Mayfair Business Centre,off Parklands Road
	:	P.O Box 6358-00100
	:	Nairobi
Tanzania Office	:	Nexia SJ Tanzania
	:	Certified Public Accountants
	:	1st Floor,Oyster Plaza,Haile Selassie Road
	:	P.O Box 12729
	:	Dar es salaam, Tanzania
Uganda Office	:	KAL Associates
	:	Certified Public Accountants
	:	Plot 61-67JP Plaza, Nkrumah Road,
	:	P.O Box 20084
	:	Kampala, Uganda
Ethiopia Office	:	Tambizot Minwuye
	:	Certified Audit Firm
	:	P.O Box 46295
	:	Addis Ababa, Ethiopia

SECRETARY GENERAL
P/713
KIMAMO KURIA
CPS No. 464
P.O. BOX 4583-00100 NAIROBI

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Statement of directors responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 17-06-2022 and signed on its behalf by:

DocuSigned by:

Rachel Wanyoike

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Director : Ms.Rachel W.Wanyoike

Director : Mr.Kamau Kuria



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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SOLIDARIDAD EAST AND CENTRAL AFRICA EXPERTISE CENTRE FOR THE YEAR ENDED 31ST DECEMBER 2021.

Opinion

We have audited the accompanying consolidated financial statements of Solidaridad East and Central Africa Expertise Centre (the organisation), set out on pages 7 to 18, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and medium sized entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards for Small and medium sized entities and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SOLIDARIDAD EAST AND CENTRAL AFRICA EXPERTISE CENTRE FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED).

Directors' responsibility for the financial statements (continued)

In preparing the financial statements, the directors are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA James Gichuru of Practising Certificate No. 2640.



For and on behalf of
MGK Associates LLP
Certified Public Accountants
Nairobi, Kenya

17th June 2022

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Consolidated statement of income and expenditure

		2021 Euro	2020 Euro
Grants income			
Other income	5(a) 6	7,452,190 33,070	4,704,406 58,824
Total income		<u>7,485,260</u>	<u>4,763,230</u>
EXPENDITURE			
Projects expenses	7(a)	5,707,737	3,125,360
Administration expenses	7(b)	1,764,408	1,597,984
Total expenditure		<u>7,472,145</u>	<u>4,723,344</u>
Surplus for the year		<u>13,115</u>	<u>39,886</u>

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Consolidated statement of financial position

	Notes	2021 Euro	2020 Euro
ASSETS			
Non-current assets			
Property and equipment	8	37,568	33,918
Current assets			
Deposits			
Other receivables	10	6,863	7,613
Cash and cash equivalents	9	728,665	320,086
Total current assets	11	3,426,647	4,943,006
		4,162,175	5,270,705
Total assets		4,199,743	5,304,623
FUNDS AND LIABILITIES			
Reserve funds			
Office funds	13(a)	954,628	1,139,118
Deferred grants	13(b)	2,066,770	3,032,615
		3,021,398	4,171,733
Current liabilities			
Other payables	12	1,178,345	1,132,890
Total funds and liabilities		4,199,743	5,304,623

The financial statements on pages 7 to 18 were approved for issue by the Board of Directors on 17-06-2022 and were signed on its behalf by:

DocuSigned by:

Rachel Wanyoike

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Director : Ms.Rachel W.Wanyoike

Director : Mr.Kamau Kuria

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Statement of funds movement

Project No.	Project Name	Balance on 1 January 2021	Grants received	Other receipts	Transfers from projects	Disbursements	Deferred
PR-003512	Data collection project – Acorn	-	23,742	-	-	(19,046)	4,696
PR-000845	ECA SME support women-led busin	-	-	-	27,081	(27,081)	-
PR-000640	Leather Initiative for Sustainable Employment in Ethiopia(LISEC)	-	812,813	-	-	(177,601)	635,212
PR-003218	ASM RVO TZ	-	58,613	-	-	(58,179)	434
	EPRM - Lake Victoria Gold Program	-	4,332	-	-	(2,040)	2,292
	LDF	-	20,372	-	-	(45,051)	(24,679)
PB-0013	RSI bundle - ECA (Reclaim Sustainability!)	-	1,628,085	-	-	(1,085,324)	542,761
PR-000776	Traceable Organic Coffee from Kenya	140,335	454,975	-	-	(357,378)	237,932
PR-000687	Passport to Coffee Export (PACE) Lot 3	1,842,199	-	-	240,505	(1,621,245)	461,459
PR-000775	Passport to Coffee Export (PACE) Lot 5	193,749	-	-	240,505	(743,427)	(309,174)
PR-000686	Oromia Coffee Dairy Development Project	162,176	20,938	-	5,586	(188,700)	-
PR-000690	REC EAF Catalyst for Business Driven and Climate Smart Dairy Farming	24,191	142,762	-	-	(130,798)	36,155
PR-000592	Bottom up Solidaridad Ethiopia	340,847	-	-	(145,752)	-	195,095
PR-000626	GPRI-Green Tanning Initiative	-	59,281	-	42,070	(101,351)	-
PR-000701	SDC- Tackling pollution from the cotton farm in water stewardship	7,178	36,612	-	-	(5,519)	38,271
PR-000845	PFC Capacity Enhancement SECAEC	-	-	-	11,463	(11,463)	-
PR-000595	FOSEK-ECA-Kenya	82,076	593,875	-	-	(905,566)	(229,615)
PR-004123	Anti-child labour in ASM Gold Mines	4,251	30,102	-	-	(2,545)	31,808
PR-000845	Fairtrade Gold IMPACT Project	(34,473)	11,815	-	19,264	-	(3,394)
PR-000688	Project d'Assistance-Congo	(4,135)	-	-	-	-	(4,135)
PR-000845	Food for All project Kenya(F4APK)	7,448	-	-	6,341	(13,056)	733
PR-000845	WOTRO IRESO Project	(40,010)	39,914	-	-	(3,844)	(3,940)
PR-004088	AgriCrowd PlusPlus Origination Fund	64,293	-	-	9,068	(48,894)	24,467
PR-000845	Follow the Food Kenya	(11,576)	19,960	-	(9,524)	-	(1,140)
PR-000893	Development Initiative for Northern Uganda(DINU)	32,061	38,974	-	-	(38,974)	32,061
PR-000589	aBi Trust-CSV	49,178	95,223	-	-	(95,223)	49,178
PB-0005	PFC Extension - ECA	175,586	1,000,439	-	(481,010)	(341,962)	353,054
	Foundation for ASM Development (FADev)	(2,757)	-	-	-	-	(2,757)
PR-000845	General funds	1,139,118	-	13,115	1,250,272	(1,447,878)	954,628
	Total	4,171,733	5,092,826	13,115	1,215,869	(7,472,145)	3,021,398

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Cashflow statement

	Notes	2021 Euro	2020 Euro
Cash flows from operating activities			
Grants received during the year	5(b)	5,092,826	6,300,716
Other receipts		33,070	58,821
Change in deposits and other receivables		(407,829)	125,089
Change in other payables		45,455	616,826
Project payments and administrative expenses		(6,264,798)	(4,365,644)
Net cashflow (used in)/generated from operating activities		<u>(1,501,276)</u>	<u>2,735,807</u>
Cash flow from investing activities:			
Assets additions	8	(15,083)	(5,391)
Net cash used in investing activities		<u>(15,083)</u>	<u>(5,391)</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(1,516,359)</u>	<u>2,730,415</u>
Movement in cash and cash equivalents			
At the start of the year		4,943,006	2,212,591
(Decrease)/increase in cash and cash equivalents		(1,516,359)	2,730,415
Cash and cash equivalents at the end of the year	11	<u>3,426,647</u>	<u>4,943,006</u>

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NOTES

1 General Information

Solidaridad East and Central Africa (the Organisation) is incorporated in Kenya under the Kenyan Companies Act, and is domiciled in Kenya. The address of its registered office and principal place of business and the company principal activities are set out on page 2.

2 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. They are presented in Euros. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

a) Revenue recognition

Grants

Grants income is recognized in the accumulated funds upon receipt. Subsequently, the amounts expended are transferred from the grant fund account to the statement of comprehensive income as grant income.

Interest income

Interest on bank deposit are credited to respective donors grants and are accounted for as an additional grants.

b) Property and equipment

All property and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a reducing balance basis to write down the cost of each asset annually to their residual values over their estimated useful life as follows:-

Computers	30%
Furniture & fittings	12.5%

A full year's depreciation is charged in the year of acquisition. No depreciation is charged in the year of disposal.

Gains or deficits arising from disposal of property, plant and equipment are computed by reference to the sales proceeds and the net carrying amounts at the date of disposal. The gains or deficits are dealt with through the income statement.

c) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and bank balances.

d) Taxation

The organization has made an application for tax exemption to the Kenya Revenue Authority. As at the time of reporting no response has been received. The directors are of the opinion that the application will be granted, therefore, no tax provision has been made in the financial statements.

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NOTES (CONTINUED)

2 Basis of preparation and summary of significant accounting policies (continued)

e) Employee entitlements

Pension Obligation

The organization also contributes to a statutory defined contribution pension scheme, the National Social Security Fund(NSSF).Contributions are determined by local statute and are currently limited to 6% of basic pay per employee per month, with the organization contribution similar amount. The organization's contributions to the above scheme are charged to the income and expenditure account in the year to which they relate.

Other employee benefits

All employees are expected to take their annual leaves as and when it matures during the year up to a period of six months after such a date. The management must approve leave taken after six months have elapsed or otherwise stated.

f) Translation of foreign currencies

Income received in foreign currency is converted at an average rate determined at the beginning of the year, while expenses incurred are translated into Kenya shillings at the rate of exchange ruling at the statement of financial position date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and deficits arising from the translation are dealt with in the income statement.

g) Financial instruments

Financial assets and liabilities are recognized on the organization's statement of financial position when the organization has become a party to the contractual provisions of the instruments.

(i)Financial assets

The organization classifies its financial assets into the following categories: financial assets at fair value through Surplus or deficit; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the appropriate classification of its investments at initial recognition.

Financial assets at fair value through Surplus or deficit

This category has two sub-categories: Financial assets held for trading and those designated at fair value through Surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and deficits arising from changes in fair value are recognized in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the organization provides money, goods or services directly to a debtor with no intention of trading the receivable.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity where the bank has the positive intent and ability to hold to maturity other than loans and receivables originated by the bank are measured at amortized cost.

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NOTES (CONTINUED)

2 Basis of preparation and summary of significant accounting policies (continued)

h) Financial instruments (continued)

(ii) Financial liabilities

Grants payable and other payables

The liabilities for grants payables are carried the committed amount as per contract, which is measured at the fair or contractual value to be paid in respect of goods or services supplied to the organization, whether billed or not.

i) Provisions

Provisions for liabilities are recognized when there is a present obligation (legal or constructive) resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation.

j) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognized but are disclosed unless they are remote.

3 Risk Management objectives and policies

a) Financial risks

The organization's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The organization does not have any financial assets subject to price risk.

The organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the entity's financial performance.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various functions heads.

i) Market risk

- Foreign exchange risk

The organization is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The risk arises from future transactions, assets and liabilities in the statement of financial position.

The carrying amounts of the company's foreign currency denominated monetary assets at the balance sheet date are as follows:

	2021	2020
	Euro	Euro
Bank balances	<u>3,426,647</u>	<u>4,943,006</u>

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NOTES (CONTINUED)

3 Risk Management objectives and policies (continued)

a) Financial risks

i) Market risk (continued)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

ii) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

None of the financial assets that are fully performing has been renegotiated in the last year.

The Organization's cash and cash equivalents and short term deposits are placed with reputable financial institutions.

4 Critical Accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances:

i) Critical accounting estimates and assumptions

Property and equipment

Critical estimates are made by the management in determining depreciation rates for the property, plant and equipment. The rates are set out in note 2 (b) above.

ii) Critical judgments in applying the entity's accounting policies

In the process of applying the organization's accounting policies, management has made judgments in determining:

- Whether assets are impaired
- The classification of financial assets and leases
- Contingencies and commitments

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NOTES (CONTINUED)

5 Grants	2021 Euro	2020 Euro
(a) Grants income recognized		
Amounts transferred from accumulated grants fund	7,452,190	4,704,406
(b) Amounts received during the year transferred to accumulated grants fund		
	2021 Euro	2020 Euro
aBitrust	-	129,504
Agriconsulting Europe	-	12,673
Agricrowd	-	66,432
Alliance for water stewardship	36,124	26,513
Assheton carter Limited	4,274	-
Comic Relief	32,316	283,475
DANIDA	448,911	375,671
European Union	-	2,564,483
FADEV	-	4,775
Louis Dreyfus Foundation	20,101	-
Others	19,694	78,647
People in Need	801,981	-
Rabo Bank Nederland	23,425	-
RVO Netherlands	-	46,251
Solidaridad Europe	3,666,618	2,520,344
Solidaridad NS	-	136,348
Solidaridad SSEA	-	33,158
Wageningen University	-	2,063
WOTRO	39,382	20,377
Total transferred to accumulated grants fund	5,092,826	6,300,716
6 Other income		
Foreign exchange gain	-	3
Interest income	17,826	42,287
Sundry income	15,244	16,534
	33,070	58,824
7 Expenditure		
(a) Programme expenses		
Advocacy for Change (DSO)	-	359,205
Coffee Programs	3,213,386	941,921
Dairy and Leather program	141,188	149,443
Food Security	851,488	672,617
General office costs	54,613	93,406
Gold	139,407	187,638
Horticulture (Fruits and Vegetables)	205,825	172,703
Knowledge and research	9,115	6,617
Practice for Change (PFC)	1,030,881	541,810
Tea Programs	61,834	-
	5,707,737	3,125,360

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NOTES (CONTINUED)

(b) General and administration expenses	2021 Euro	2020 Euro
Audit fees	12,466	5,304
Bank charges	9,695	8,655
Depreciation	11,433	9,243
Foreign exchange losses	74,223	-
Insurance expense	13,624	42,814
Income tax expense	4,634	9,565
Legal and professional fees	8,962	3,585
Licenses and subscriptions	4,800	1,923
Meeting expenses	1,745	65
Motor vehicles expenses	48,424	8,712
Office expense	37,049	21,978
Penalties	50	-
Postage, stationery and printing	4,172	3,423
Rent and rates	41,780	54,215
Repairs and maintenance	19,531	35,010
Salaries and wages	1,378,783	1,298,154
Staff medical	46,900	47,251
Staff training and welfare	11,500	6,070
Telephone and internet	33,069	36,917
Travel and meetings	1,568	5,101
	<u>1,764,408</u>	<u>1,597,984</u>

8 Tangible fixed assets

	Furniture & Fittings Euro	Computers & equipment Euro	Total Euro
2021 Cost			
As at 1 January	37,559	69,226	106,785
Additions	<u>5,659</u>	<u>9,424</u>	<u>15,083</u>
As at 31 December	<u>43,218</u>	<u>78,650</u>	<u>121,868</u>
Depreciation			
As at 1 January	17,336	55,531	72,867
Charge for the year	<u>4,395</u>	<u>7,038</u>	<u>11,433</u>
As at 31 December	<u>21,731</u>	<u>62,569</u>	<u>84,300</u>
Net Book Value			
31st December 2021	<u>21,487</u>	<u>16,081</u>	<u>37,568</u>
31st December 2020	<u>20,223</u>	<u>13,695</u>	<u>33,918</u>

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	2021	2020
	Euro	Euro
9 Receivables		
Due from donors	91,384	108,764
Due from partners	569,130	26,937
Prepaid expenses	970	3,435
Staff receivables	61,765	41,063
Other receivables	5,416	139,886
	<u>728,665</u>	<u>320,086</u>
10 Deposits and prepayments		
Rent	6,242	6,924
Telephone	543	602
Utilities	78	87
	<u>6,863</u>	<u>7,613</u>
11 Cash and cash equivalents		
For the purpose of cash flow statement, the year end cash and cash equivalents comprise of the following:-		
	2021	2020
	Euro	Euro
Bank balance	3,426,721	4,942,841
Petty cash balance	(74)	165
	<u>3,426,647</u>	<u>4,943,006</u>
12 Trade and other payables		
Trade payables	-	36,909
Due to project partners	1,064,892	958,424
Payroll liabilities	74,445	102,363
Accrued expenses	14,210	16,963
Other payables	20,197	1,447
Withholding tax payable	1,545	2,544
Income tax payable	3,056	14,238
	<u>1,178,345</u>	<u>1,132,890</u>
13 Reserve funds		
	2021	2020
	Euro	Euro
(a) Office funds		
Balance brought forward	1,139,118	704,444
Grants received during the year	-	128,543
Transfers from projects/(grants utilized during the year)	(197,605)	266,245
Surplus/(deficit)	13,115	39,885
Balance carried forward	<u>954,628</u>	<u>1,139,118</u>
(b) Deferred income		
Balance brought forward	3,032,615	1,493,841
Grants received during the year	5,092,826	6,172,172
Effects of foreign exchange on consolidation	-	89,947
Transfers (to)/from office funds	(34,403)	-
Grants utilized during the year	(6,024,267)	(4,723,344)
Balance carried forward	<u>2,066,770</u>	<u>3,032,615</u>
Total reserve funds	<u><u>3,021,398</u></u>	<u><u>4,171,733</u></u>

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14 Fund and Cash reconciliation

	2021 Euro	2020 Euro
Bank balance as per the financial statements	3,426,647	4,943,006
Fund balance	<u>(3,021,398)</u>	<u>(4,171,733)</u>
Variance	<u>405,249</u>	<u>771,273</u>
Represented by:		
Deposits and other receivables	735,528	327,699
Funds used on fixed assets(Net book value)	26,135	24,675
Other payables and income tax	(1,178,345)	(1,132,890)
Non cash expenses(accumulated depreciation)	11,433	9,243
	<u>(405,249)</u>	<u>(771,273)</u>

15 Events after the year end

Since the end of the financial period, no matter or circumstances have occurred that have or may significantly affect the operations or the state of affairs of the Company in subsequent financial years.

16 Contingent Liabilities

The Company has no legal matters either for or against pending in any courts.

17 Capital Commitments

The Company has no capital commitments, whether authorized and contracted or authorized and not contracted.