

**LIFELINE-GEDO (LLG)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

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*Lifeline Gedo-(LLG)*  
*Annual report and financial statements*  
*For the year ended 31st December 2020*

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**ORGANISATION INFORMATION**

<b>Board of trustees</b>	Ismail Abdi Barre	Chairperson
	Dagane Abdirahman Aden	Treasurer
	Abdifatah Ahmed Mohamud	Operations Manager
	Mohamed Aden Barre	Member
	Timira Diriye Gurhan	Member
	Mohamed Abdi Osman	Member
	Abdiwahab Bulle Hussein	Member

<b>Senior Management</b>	Osman Mohamed Abdullahi	Programs Manager
	Abdifatah Ahmed Mohamud	Operations Manager

<b>Registered office</b>	Dolow (Gedo region) Somalia Office- Head Office Belet-Hawo, Elwak, Garbaharey and Bardhere. Nairobi - Kenya Correspondence Office
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<b>Auditor</b>	M.N Cliff & Associates Certified Public Accountants (K) 3rd Floor, Westlands Commercial Centre P.O Box 25593-00100 Nairobi
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<b>Principal banker</b>	Salam Somali Bank - 31395745 Mogadishu, Somalia
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## MANAGEMENTS REPORT

The management submit their report together with the audited financial statements for the year ended 31st December 2020, which disclose the state of affairs of the Organisation.

### Main objective of LLG

It has long-term objectives to build people's capacity and preparedness in withstanding crisis and disasters created by nature or man's evil deeds by consistent training programs. We have expanded our programs from Gedo region to South Somalia and plan further expansion to entire Somalia subject to the availability of resources and capacity to expand program activities.

### Lifeline Gedo

Lifeline - Gedo International (LLG) is a Humanitarian, Non-profit and non-governmental Organization dedicated to responding to humanitarian emergencies through provision of life-saving support mechanisms in partnership with national and international role players, promoting peace and stability, advocate against all kinds of violence, initiate long term and short term development projects.

LLGI was found in Gedo region in the districts of B/Hawo and Elwak of Somalia on 20th of October 2005 by a group of Somali elites, who geographically hail from the same region, in response to the Humanitarian crises that claimed many lives and properties in this region. LLGI has got its head office in Gedo region but created operation and logistics office in Mandera and Correspondence and liaison office in Nairobi. We also have representatives and fundraising offices in Australia, USA and Europe

### Projects/Activities

To support communities affected by natural disasters (conflict, droughts, floods & etc) through improving their livelihoods in partnership with the other important role players.

To promote peace and democracy in Somalia through building the capacity of the community leaders and CSOs enabling them to make decisions based on their long term interests

To devise strategies for peace building and the de-escalation of conflicts through dialogue and discussions at local and national level.

To theorize and systematize the relationship between democracy and development by analysing the Somali context.

To research the theoretical and practical aspects of security, democratisation and development in Somalia by drawing on lessons from transitions elsewhere

To help establish and sustain institutional structures that will serve the constitutional management of economic, social, gender and civic relations of the community through provision of capacity building programs.

To produce training modules in democracy building, human rights, good governance and participatory leadership style.

To stand for the poor and powerless by making their voices heard and their cases recorded

The Management who held office during the year and to the date of this report are set out on page 1.

### Independent Auditor

The organisation's auditor, MN Cliff & Associates, Certified Public Accountants , have expressed willingness to continue in office.

### By order of the Board



.....  
Chairperson

### By order of the Board



.....  
Board Treasurer



**STATEMENT OF MANagements' RESPONSIBILITIES**

The Management are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of its profit or loss for that year. It also requires the Management to ensure that the organisation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organisation. The Management are also responsible for safeguarding the assets of the organisation.

The Management accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

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

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

Approved by the Board in ...15th May .....2021 and signed on its behalf by:

**Chairperson:** 



**Boar Treasurer:** .....

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIFELINE -GEDO**

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### **Opinion**

We have audited the financial statements of Lifeline Gedo as, set out on pages 6 to 13 which comprise the statement of financial position as at 31 December 2020, and the statement of Income and Expenditure and other comprehensive income, statements of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the organisation as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **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 Somalia, and we have fulfilled our ethical 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 Management is 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 on the other information, 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.

### **Responsibilities of Directors and those charged with Governance for the Financial Statements**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is 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 management either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for over seeing the Organisation's financial reporting process.

### **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.

**REPORT OF THE INDEPENDENT AUDITOR (continued)**  
**TO THE MEMBERS OF LIFELINE -GEDO**

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**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 the Managements.
- Conclude on the appropriateness of the Managements' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the organisation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organisation's audit. We remain solely responsible for our audit opinion.
- We communicated 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.
- We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that they may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on other legal and regulatory requirements**

As required, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii) in our opinion proper books of account have been kept by the Organisation, so far as appears from our examination of those books; and
- iii) the Organisation's statement of financial position and the statement of comprehensive income are in agreement with the books of account.

*M. N. Cliff & Associates*

**MN Cliff & Associates**  
**Certified Public Accountants(K)**  
**P.O.Box 25593 - 00100**  
**Nairobi, Kenya .....**



16th May 2021

*Lifeline Gedo-(LLG)*

*Financial Statements*

*For the year ended 31st December 2020*

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**STATEMENT OF COMPREHENSIVE INCOME**

	<u>Note</u>	<b>2020</b> <b>US\$</b>	<b>2019</b> <b>US\$</b>
Income	0	1,227,443	716,518
		<hr/>	<hr/>
		1,227,443	716,518
		<hr/>	<hr/>
<b>EXPENSES:</b>			
Programme Expenses	Annex	1,249,996	742,518
		<hr/>	<hr/>
		1,249,996	742,518
		<hr/>	<hr/>
<b>Project fund balances</b>		<b>(22,553)</b>	<b>(26,000)</b>
		<hr/>	<hr/>



**STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>Note</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	5,254	6,358
		5,254	6,358
<b>Current assets</b>			
Accounts Receivable		-	-
Cash and bank balances	5	21,533	44,084
		21,533	44,084
<b>Total assets</b>		<b>26,787</b>	<b>50,442</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital Fund account		5,254	6,358
General fund account		21,033	43,585
<b>Shareholders' equity</b>		<b>26,287</b>	<b>49,943</b>
<b>Current liabilities</b>			
Borrowings		-	-
Accounts payables	6	500	500
		500	500
<b>Total equity and liabilities</b>		<b>26,787</b>	<b>50,442</b>

The financial statements on pages 5 to 17 were approved for issue by the board of directors on ...15th May 2021..... and were signed on its behalf by:

**Chairperson**

**Board Treasurer**

*Lifeline Gedo-(LLG)*

*Financial Statements*

*For the year ended 31st December 2020*

**STATEMENT OF CHANGES IN FUND BALANCE**

	<b>Capital Fund US\$</b>	<b>General Fund US\$</b>	<b>Total US\$</b>
<b>Year 2019</b>			
Property, plant & equipments	9,600	92,394	101,994
Year End Adjustment	-	(22,809)	(22,809)
Amortisation	(3,242)	-	(3,242)
Fund Balance	<u>-</u>	<u>(26,000)</u>	<u>(26,000)</u>
<b>At 31st December 2019</b>	<u>6,358</u>	<u>43,585</u>	<u>49,943</u>
<b>Year 2020</b>			
Opening Balance	6,358	43,585	49,943
Members contribution	-	-	-
Amortisation	(1,103)	-	(1,103)
Fund Balance	<u>-</u>	<u>(22,553)</u>	<u>(22,553)</u>
<b>At 31st December 2020</b>	<u>5,254</u>	<u>21,033</u>	<u>26,287</u>

**STATEMENT OF CASH FLOWS**

	<b>Note</b>	<b>2020</b> <b>US\$</b>	<b>2019</b> <b>US\$</b>
<b>Cash flows from operating activities</b>			
<b>Profit / (Loss) before income tax</b>		(22,553)	(26,000)
<b>Adjustments for:</b>			
Amortisation		-	-
Depreciation of property, plant and equipment	4	-	-
<b>Operating (loss) / profit before working capital changes</b>		(22,553)	(26,000)
Decrease / (increase) in:			
Trade and other receivables		-	-
Trade and other payables		-	-
<b>Cash (used in) / generated from operations</b>		(22,553)	(26,000)
<b>Net cash (used in) / generated from operating activities</b>		(22,553)	(26,000)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	-
<b>Net cash (used in) investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Deferred Income		-	-
Directors Contribution		-	(22,809)
<b>Net cash generated from / (used in ) financing activities</b>		-	(22,809)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(22,553)	(48,809)
<b>Cash and cash equivalents at 1st January 2020</b>		44,085	92,894
<b>Cash and cash equivalents at 31st December 2020</b>	5	21,533	44,085

## NOTES

### 1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards under the historical cost basis of accounting. The presentation currency used in the preparation of the financial statements is United States Dollars.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the organisation. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the organization and revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized.

Grants are recognized as revenue when receipts from donors are credited in the organizations bank

Interest is recognized when received.

#### c) Property, plant and equipment

All categories of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates.

Depreciation is calculated using the reducing balance method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

	<b><u>Rate - %</u></b>
Computers, copiers & faxes	30
Furniture & fittings	12.5
Equipments	12.5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.



**NOTES**

**1. Accounting policies (continued)**

**c) Property, plant and equipment (continued)**

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

**d) Cash and cash equivalents**

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

**e) Payables**

Payables are recorded at the undiscounted amount of cash and cash equivalent expected to be paid or the fair value of the consideration received in exchange of the obligation. Trade and other payables are stated at their nominal value.

**f) Currency**

The Financial Statements are presented in United States Dollars

**NOTES**

<b>2. Income</b>	<b>2020</b>	<b>2019</b>
<b>Funds Received:</b>	<b>US\$</b>	<b>US\$</b>
DFID BRCiS	0	0
EU	19,677	190,828
ECHO	1,870	-
World Bank	-	-
DFID BRCiS (ii)	1,090,495	455,153
Members contribution	-	-
DFID IRF	115,401	70,538
	<u>115,401</u>	<u>70,538</u>
Less:Capital Grant	0	0
	<u>1,227,443</u>	<u>716,518</u>

**3. EXPENDITURE**

Building resilience communities in Somalia (BRCiS )	1,069,446	481,267
Durable Solution (EUTF)		195,094
Drought Response Project in Somalia.		31,046
IRF 5 Drought response-DFID	154,178	
Durable Solution (EUTF)	23,513	
BRCiS SHARP Uplift Project	0	34,611
Audit Fees	500	501
Other administrative expenses	2,359	0
Deprecitation	-	-
	<u>1,249,996</u>	<u>742,518</u>

**NOTES**

**4. Property, plant and equipment**

	<b>Computers copiers &amp; faxes US\$</b>	<b>Furniture &amp; fittings US\$</b>	<b>Equipments US\$</b>	<b>Total US\$</b>
<b>Year ended 31st December 2019</b>				
Property,Plant & Equipment	3,600	3,000	3,000	9,600
Closing carrying value	<u>3,600</u>	<u>3,000</u>	<u>3,000</u>	<u>9,600</u>
<b>At 31st December 2019</b>				
Opening Balance	1,080	375	375	1,830
Depreciation	756	328	328	1,412
Accumulated Depreciation	<u>1,836</u>	<u>703</u>	<u>703</u>	<u>3,242</u>
Carrying Value	<u>1,764</u>	<u>2,297</u>	<u>2,297</u>	<u>6,358</u>
<b>Year ended 31st December 2020</b>				
Opening Balance	3,600	3,000	3,000	9,600
Additions	-	-	-	-
Closing carrying value	<u>3,600</u>	<u>3,000</u>	<u>3,000</u>	<u>9,600</u>
<b>At 31st December 2020</b>				
Opening Balance	1,836	703	703	3,242
Depreciation	529	287	287	1,103
Accumulated Depreciation	<u>2,365</u>	<u>990</u>	<u>990</u>	<u>4,346</u>
Carrying Value	<u>1,235</u>	<u>2,010</u>	<u>2,010</u>	<u>5,254</u>



**NOTES**

<b>5. Cash and bank balances</b>	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>
For the purpose of the cash flow statement, cash and cash equivalents comprise the		
Cash at bank	21,533	44,084
Cash in hand	-	-
	<u>21,533</u>	<u>44,084</u>
<b>6 Accounts payable</b>		
Accountancy and consultancy fees	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>