

AFRICAN CASHEW ALLIANCE

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

**TRUST ASSOCIATES
(CHARTERED ACCOUNTANTS)
BOX MB 102
MINISTRIES-ACCRA**

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

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AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

CORPORATE INFORMATION

EXECUTIVE COMMITTEE

Georgette Tarraf (President)
Edgar Diones Maokola-Majogo (Vice-President)
Yao Appia Koffi (Vice-President)
Tola Faseru (Nigeria)
Patrick Wainaina (Kenya)
Jace Rabe (USA)
Venkatesan Rajkumar (India)

SPENDING OFFICER

Roger Brou

REGISTERED OFFICE

African Cashew Alliance Secretariat
32 Nortei Ababio Street
Airport Residential Area
P O Box KA9698
Accra, Ghana

AUDITORS

Trust Associates
Chartered Accountants
P. O. Box MB102
Ministries-Accra

SECRETARY

African Cashew Alliance
Jubilee House
4th Street, Kuku Hill
Osu - Accra
PMB, Osu-Accra
Ghana

BANKERS

Merchant Bank Ghana Ltd.
Ecobank Ghana Ltd.
Fimbank Malta

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ghana Companies Act, 1963 (Act 179) requires the Directors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act, 1963 (Act 179). They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and irregularities.

The above statement which should be read in conjunction with the statement of the Auditors' responsibilities set out on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and Auditors in relation to the financial statements.

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

REPORT OF THE DIRECTORS TO THE MEMBERS OF
AFRICAN CASHEW ALLIANCE (ACA)

The Directors present their report and the financial statement of ACA for the year ended 31 December 2014.

Financial Statements

The results for the year are as set out in the attached financial statements.

The Directors consider the state of ACA's affairs to be satisfactory.


Nature of Business

The ACA's object is to increase the competitiveness of the African cashew sector through four pillars:

- Develop and advocate country-specific cashew policy agendas
- Facilitate exchange of information, best practices, benchmarks on cashew processing, production innovations, post-harvest handling and local trade facilitation
- Develop and implement interventions in support of the competitiveness of the African cashew industry
- Promote the African cashew industry to national and international markets



Director
Georgette TARAF



Director
Patrick WAINAINA

Accra

December, 2015

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF AFRICAN CASHEW ALLIANCE (ACA)

We have audited the accompanying statements of financial position of African Cashew Alliance as of 31 December 2014, and the related statements of activities, functional expenses and cash flows for the period then ended.

Respective Responsibilities of Directors and Auditors

These financial statements are the responsibility of the Directors of African Cashew Alliance. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books have been kept and the financial statements which are in agreement therewith present fairly in all material respects, a true and fair view of the financial position of African Cashew Alliance as of 31 December 2014, and the changes in net assets and its cash flows for the year then ended, in conformity with International Financial Reporting Standards (SME) and comply with the Companies Act, 1963 (Act 179).

Trust Associates
Chartered Accountants
Accra


15th December, 2015

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

	Notes	2014 US\$	2013 US\$
Assets			
Cash and Bank Balances	7	106,981	148,143
Accounts Receivables	5	136,451	99,196
Property and Equipment	8	58,846	59,311
		-----	-----
Total Assets		302,278	306,650
		=====	=====
Liabilities			
Accounts Payable	6	120,512	114,006
Net Assets			
Unrestricted Net Assets		(172,179)	(44,819)
Restricted Net Assets		353,947	237,463
		-----	-----
		181,766	192,644
		-----	-----
Total Liabilities and Net Assets		302,278	306,650
		=====	=====



 Director
 Georgette TARAF



 Director
 Patrick WAINAINA

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED 31 DECEMBER 2014

	2014 Unrestricted US\$	2014 Temporarily Restricted US\$	2014 TOTAL US\$	2013 TOTAL US\$
Support, Revenue and Gains				
Membership dues	40,853	-	40,853	64,763
USAID - GDA	-	489,994	489,994	590,000
USAID - TIME	-	317,265	317,265	-
ACI	-	-	-	73,000
Private sponsorships	363,912	-	363,912	697,845
Total Support, Revenue and Gains	404,765	807,259	1,212,024	1,425,608
Expenses				
Activities				
Technical assistance and training	51,137	350,304	401,441	432,170
Farmer Training and Market Study	-	133,121	133,121	-
Information Dissemination & Communication	833	59,761	60,594	92,075
Conferences	66,084	8,751	74,834	266,793
Total Programme Services	118,054	551,937	669,991	791,038
Support Services				
Secretariat Team Compensation	343,528	20,724	364,251	583,669
Administrative Support	70,525	118,135	188,660	29,744
Total Support Services	414,053	138,858	552,911	613,413
Total Expenses	532,106	690,795	1,222,902	1,404,451
Change in Net Assets	(88,385)	76,464	(10,878)	21,157
Net Assets at 1 Jan	(44,819)	237,463	192,644	171,487
Net Assets at 31 December	(133,223)	313,947	181,766	192,644

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2014

	2014 US\$	2013 US\$
Change in Net Assets	(10,878)	21,157
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation	33,019	29,744
Change in Accounts Receivable	(37,256)	(69,837)
Change in Accounts Payable	6,507	79,606
Net Cash from Operating Activities	(8,608)	60,670
Office Equipment Purchased/received	(32,554)	(79,937)
Cash and Cash Equivalent at 1 January	148,144	167,411
Cash and Cash Equivalent at 31 December	<u>106,981</u>	<u>148,143</u>

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED 31 DECEMBER 2014

	2014 USAID GDA US\$	2014 USAID TIME US\$	2014 Private US\$	2014 Total US\$	2013 US\$
Personnel	210,588	118,473	236,772	565,832	393,050
Fringe Benefits	74,531	-	107,204	181,735	174,334
Travel	95,605	34,416	28,678	158,698	282,100
Consultants	25,081	9,577	44,338	78,996	90,570
Supplies	7,953	4,570	3,843	16,366	17,078
Contract	58,060	51,942	78,253	188,256	417,576
Depreciation	-	-	33,019	33,019	29,744
	<u>471,817</u>	<u>218,978</u>	<u>532,106</u>	<u>1,222,902</u>	<u>1,404,451</u>

Contracted services include notional charges for space rental and property and equipment usage amounting to US\$nil (2013: US\$ 18,154)

The accompanying notes are an integral part of these financial statement.

AFRICAN CASHEW ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. Nature of Organisation

African Cashew Alliance (ACA) is a company limited by guarantee under the Ghana Companies Code, 1963 (Act 179) and obtained its Certificate of Incorporation on 7 June 2007. ACA, an NGO is established to increase the competitiveness of the African cashew sector.

2. Basis of Accounting

The financial statements have been prepared on the historical cost basis and set out in the relevant accounting policies below. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small Medium Enterprises (SMEs) and the requirements of the Companies Act, 1963 (Act 179).

3. Summary of Significant Accounting Policies

In the accompanying financial statements, ACA has combined its financial resources into two (2) classes of net assets: unrestricted and temporarily restricted. Accordingly ACA's net assets are classified and reported as follows:

Unrestricted net assets represent amounts available to be used in accordance with the terms and conditions of the funding rules.

Temporarily restricted net assets comprise resources that are restricted by donors for specific purposes or time periods.

Revenue Recognition

a. Membership dues

Membership dues are recognized when no significant uncertainty exists as to their collectability.

b. Contributions

Revenue consists substantially of amounts received from USAID, GTZ and private sector organization and the fair value of unconditional promises to give to the organization.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts. Management believe the organization is not exposed to any significant credit risk on cash and cash equivalents.

AFRICAN CASHEW ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effects are material.

Vehicle, Office Space and Equipment use

ACA is allocated vehicle, office space and equipment without any charges from African Cashew Initiative, which is the umbrella organization through which GTZ funds ACA. To reflect full disclosure of its operations, notional costs for the usage of vehicle, office space and equipment have been included in the financials. These are captured under other sponsorship.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the beginning of the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Activities.

4. Contributions Receivable

Contributions receivable represents unconditional promises by donors to give cash and other non-cash assets to ACA.

5. Accounts Receivables

	2014	2013
	US\$	US\$
Sundry debtors	92,017	-
Advances and prepayments	44,434	99,196
	-----	-----
	136,451	99,196
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

6. Property and equipment

Year end 31 December 2014	Motor Vehicle	Office Equipment	Total
Cost			
Balance at January 1	65,000	27,330	92,330
Additions	-	32,554	32,554
	-----	-----	-----
Balance at December 31	65,000	59,884	124,884
	-----	-----	-----
Accumulated Depreciation			
Balance at January 1	21,667	11,352	33,019
Charge for the year	21,667	11,352	33,019
	-----	-----	-----
Balance at December 31	43,334	22,704	66,038
	-----	-----	-----
Net Book Value			
31 December 2014	21,666	37,180	58,846
	=====	=====	=====
31 December 2013	-	9,118	9,118

AFRICAN CASHEW ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

	Motor vehicle	Office equipment	Total
Cost			
Balance at January 1	-	12,393	12,393
Addition	65,000	14,937	79,937
	-----	-----	-----
Balance at December 31	65,000	27,330	92,330
	-----	-----	-----
Accumulated Depreciation			
Balance at January 1	-	3,275	3,275
Charge for the year	21,667	8,077	29,744
	-----	-----	-----
Balance at December 31	21,667	11,352	33,019
	-----	-----	-----
Net book value			
31 December 2013	43,333	15,977	59,311
	=====	=====	=====
31 December 2012	-	9,118	9,118

7. Accounts Payables

	2014 US\$	2013 US\$
Accrued expense	68,879	36,397
Sundry creditors	51,633	77,610
	-----	-----
	120,512	114,007
	=====	=====

8. Cash and cash equivalent

	2014 US\$	2013 US\$
Bank and cash	106,981	148,143
	=====	=====

9. Related Party Transaction

Related party transaction amounted to US\$ nil for 2014 in respect of space provided by African Cashew Initiative, the parent body (2013: US\$18,154).

10. Commitments and Contingencies

There were no known significant commitments and contingencies at the year end (2013: nil).