

**Rwanda Development Organisation
(RDO)**

**Financial Statements
Year ended 31 December 2022**



Mr. Eugene Rwibasira
Executive Secretary
Rwanda Development Organisation (RDO)
P.O. Box 368,
Kigali, Rwanda

Dear Sir,

Subject: Report on the audit of the financial statements of RDO for the year ended 31 December 2022

We are pleased to submit to you the report on the audited financial statements of Rwanda Development Organisation (RDO) for the year ended 31 December 2022. We have structured the report with the following key headings:

- Section 1 Executive summary
- Section 2 Statement of management's responsibilities
- Section 3 Independent auditor's report
- Section 4 Financial Statements

We wish to express our appreciation to Rwanda Development Organisation (RDO) for the opportunity accorded to us to provide our professional services. We also wish to thank the management and staff of RDO for their cooperation during the assignment.

Yours sincerely


Susan Mutohi
Partner


RUMA Certified Public Accountants
P.O.Box 2611
KIGALI-RWANDA
Tel: 0252 573781
Fax: 0252 574816

Date: 29 MAR 2023

Table of contents

	Page No
1 Executive summary	1
1.1 Brief description of Rwanda Development Organisation (RDO)	1
1.2 Audit objectives	1
1.3 Disclaimer and confidentiality	2
2 Statement of the management's responsibilities.....	3
3 Independent auditor's report	4
4 Financial statements.....	6
4.1 Statement of Financial Position as at 31 December 2022.....	6
4.2 Statement of revenues and expenditure for the year ended 31 December 2022	7
4.3 Statement of changes in fund balance for the year ended 31 December 2022.....	8
4.4 Statement of cash flows for the year ended 31 December 2022.....	9
4.5 Significant accounting policies.....	10
4.6 Notes to the financial statements	11



1 Executive summary

1.1 Brief description of Rwanda Development Organisation (RDO)

RDO is a Non-profit, Non-Governmental Organisation (NGO) legally operating in Rwanda having been granted legal personality by law no 139/11 of 17/12/2003. RDO was established in 1995 to support the initiatives of Rwandans in social and economic development.

Vision

Sustainable development of the people by the people where Rwandans enjoy a good standard of living with ability to sustain their basic and secondary needs.

Mission

Empowerment of the people so that they are able to have clear perception of what their real problems and potentials are for designing feasible solutions. In this way, people will build better and sustainable socio-economic development.

RDO has set the following strategic goals in order to attain its mission and vision while keeping within the national and global development context:

- Human and Institutional Capacity Development (HICD)
- Attainment of Food Security and Nutrition
- Social promotion and protection for vulnerable groups

RDO's major area of intervention is in Eastern province and Nyanza, Ruhango, Muhanga, Kamonyi, Nyaruguru, Gisagara and Huye in Southern province, Musanze and Burera in Northern Province and Karongi, Nyamasheke, Rusizi, Nyabihu, Ngororero in Western Province.

The structure of RDO

RDO organs comprise of the General Assembly, the Board of directors and the executive secretariat. The members of the board of Directors of RDO are appointed by the General Assembly.

1.2 Audit objectives

RUMA Certified Public Accountants was engaged to conduct an audit of RDO for the year from 1 January 2022 to 31 December 2022 in accordance with International Standards on Auditing.

The specific objectives of the audit were as follows;

- Express a professional opinion on whether the financial statements were correct, and give a true and fair view of the financial position at the end of the fiscal year.
- To report to management through a management letter the internal control weaknesses and give appropriate recommendations to address such weaknesses.

Special attention was paid to establish that:

- RDO's financial statements have been prepared in accordance with modified cash basis of accounting and give a true and fair view of the financial status of the organization at the end of the financial year.



- Goods and consultancy services have been procured in accordance with stipulations in financing Agreements and RDO's financial, procurement regulations and procedures.
- All necessary supporting documents, records and accounts have been kept in respect to the organization's financial transactions and expenditure reported in statements of revenues and expenditure.

To achieve the audit objectives, we performed the following tasks:

- On a sample basis verified that relevant contracts, laws and regulations were complied with;
- On a sample basis verified that expenditure reported was properly authorized;
- On a sample basis verified that expenditure was duly supported by bona fide invoices, receipts and other vouchers and was correctly recorded in the books of account;
- On a sample basis verified that revenues were completely and accurately recorded and reported;
- Verified that the financial statements fairly represent the transactions for the year and;
- Verified that proper books of account were maintained by the management to enable preparation of financial statements.

1.3 Disclaimer and confidentiality

This report is strictly private and confidential and is addressed solely to the management of Rwanda Development Organization (RDO). RUMA CPA cannot be held responsible for its unauthorized distribution.

We have produced this report specifically for management of Rwanda Development Organization (RDO) as per the terms of reference for the audit. The interpretation, use or application of the report for other purpose without our prior written consent imposes no obligation on RUMA CPA.



2 Statement of the management's responsibilities

Law No. 04/2012 of 17/02/2012 governing the organization and functioning of National Non-Governmental Organizations requires management to maintain adequate accounting records and integrity of the financial statements and related financial information. Rwanda Development Organisation (RDO) management team is responsible for the preparation of financial statements for each financial year, which presents fairly the financial position of Rwanda Development Organisation (RDO) and of its operations and cash flows. It is also management's responsibility to keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organization.

Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the organization's assets. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The management team of Rwanda Development Organisation (RDO) accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with RDO accounting policies and procedures. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the organization and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.


Nothing has come to the attention of the management to indicate that the Rwanda Development Organisation (RDO) will not remain as a going concern for at least the next twelve months from date of this statement.

The management team acknowledges that the independent audit of the financial statements does not relieve them of their responsibilities.

The financial statements, as indicated above were approved on 29 / 03 / 2023 and were signed by:


Rwibasira Eugene
Executive Secretary


Mutembe Georges
Director of Finance and Administration


Hategekimana Cyprien
Accountant



3 Independent auditor's report

To the management of Rwanda Development Organisation (RDO)

Opinion

We have audited the accompanying financial statements of Rwanda Development Organisation (RDO) as set out on pages 6 to 14 which comprise the statement of Financial Position as at 31 December 2022 and the Statement of Revenues and Expenditure, the Statement of changes in fund balance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes

In our opinion, the financial statements give a true and fair view of the state of financial affairs of Rwanda Development Organisation (RDO), as at 31 December 2022 in accordance with the funding agreements and Generally Accepted Accounting Principles in Rwanda.

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) and we have fulfilled our other ethical responsibilities in accordance with 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 team is responsible for the other information. The 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 accordance 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 material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles in Rwanda, 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, 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 management intends to cease operations. Management is responsible for overseeing the organisation's reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

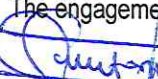
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of 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 organization'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 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 organization'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 organization 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 within the organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organization's audit. We remain solely responsible for our audit opinion.

We communicate with management 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 on the audit resulting in this independent auditor's report is


Susan Mutoni
Partner



Date 29 MAR 2023

4 Financial statements

4.1 Statement of Financial Position as at 31 December 2022

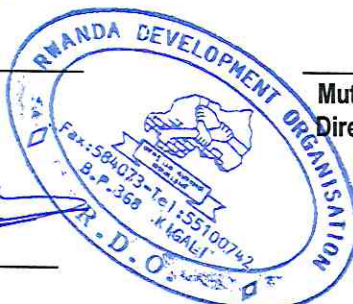
Financial assets	Notes	2022 Frw	2021 Frw
Current Assets			
Accounts receivable	4.6.1	54,270,988	59,420,510
Cash and bank	4.6.2	86,453,456	30,776,597
Total assets		140,724,444	90,197,107
 Accumulated Surplus	4.6.3	 41,053,635	 58,558,693
		41,053,635	58,558,693
Financial Liabilities			
Accounts Payable	4.6.4	99,670,809	31,638,414
Total Accumulated fund and Liabilities		140,724,444	90,197,107

The financial statements were authorized for issue on 29/03/ 2023 jointly by

Rwibasira Eugene
Executive Secretary

Mutembe Georges
Director of Finance and Administration

Hategekimana Cyprien
Accountant



4.2 Statement of revenues and expenditure for the year ended 31 December 2022

		2022	2021
Revenue	Note	Frw	Frw
Grants	4.6.5	2,046,875,796	1,363,257,074
Other Income	4.6.6	39,085,189	17,107,470
Total Revenue		2,085,960,985	1,380,364,544
Expenditure			
Equipment, Materials and suppliers	4.6.7	407,340,761	52,007,892
Transport	4.6.8	92,214,480	48,388,910
Service consumed	4.6.9	998,247,404	752,016,859
Staff costs	4.6.10	601,930,754	544,823,230
Finance cost	4.6.11	3,720,144	683,071
Total expenditure		2,103,453,543	1,397,919,962
Surplus /(Deficit)		(17,492,558)	(17,555,418)

TRUE COPY OF ORIGINAL
29 MAR 2023
RUMA CPA

4.3 Statement of changes in fund balance for the year ended 31 December 2022

	Accumulated fund Frw	Fund balance Frw
At 1 January 2022	58,558,693	58,558,693
Prior period adjustments	(12,500)	(12,500)
Deficit for the period	(17,492,558)	(17,492,558)
At 31 December 2022	41,053,635	41,053,635
 At 1 January 2021	 76,114,111	 76,114,111
Prior period adjustments	-	-
Deficit for the period	(17,555,418)	(17,555,418)
At 31 December 2021	58,558,693	58,558,693

TRUE COPY OF ORIGINAL
29 MAR 2023
RUMA CPA

4.4 Statement of cash flows for the year ended 31 December 2022

Description	Year ended 31 December 2022 Frw	Year ended 31 December 2021 Frw
Cash flow from operating activities		
Grants from Donors	2,046,875,796	1,363,257,074
Other revenue	39,085,189	17,107,470
Adjustments for;		
Adjustment In opening balance	(12,500)	-
Changes in receivables	5,149,522	78,308,463
Changes in payables	68,032,395	(232,900,974)
Total cash receipts from operating activities	2,159,130,402	1,225,772,033
Payments for operating expenses		
Equipment, Materials and suppliers	(407,340,761)	(52,007,892)
Transport	(92,214,480)	(48,388,910)
Service consumed	(998,247,404)	(752,016,859)
Salaries and wages	(601,930,754)	(544,823,230)
Finance cost	(3,720,144)	(683,071)
Total payments for operating activities	(2,103,453,543)	(1,397,919,962)
Net cash flow from operating expenses	55,676,859	(172,147,929)
Net increase in cash and cash equivalents	55,676,859	(172,147,929)
Cash and cash equivalent at beginning of the year	30,776,597	202,924,526
Cash and cash equivalent at end of the year	86,453,456	30,776,597

TRUE COPY OF ORIGINAL
29 MAR 2023
RUMA CPA

4.5 Significant accounting policies

Basis of accounting

The Financial Statements have been prepared on modified cash basis of accounting. Modified cash basis of accounting means financial transactions are recognized in the books of account as follows:

1. Generally, transactions are recognized only at the time the associated cash flows take place;
2. The expenditure on acquisition of fixed assets is not capitalized. Thus, fixed assets are written-off on acquisition and the wear and tear (depreciation) of those assets is not recorded in the books of account; and
3. Prepaid expenditure/advances are written-off during the period of disbursement.

The recognized "modification" is as follows:

1. Invoices for goods and services which are outstanding on the date of the closure of the fiscal year are recognized as liabilities for that specific fiscal year; and book balances denominated in foreign currencies are converted into the Rwanda Francs at average rate of exchange ruling on that date issued by the National bank of Rwanda.

Reporting period

The Financial statements are prepared for a period of one year from 1 January 2022 to 31 December 2022.

Reporting Currency

The Rwandan Franc is the reporting currency which is also the functional currency.

Grants from development partners

These are funds received from donors. Grants/income are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. They are recorded on donor current (deferred income) accounts until their actual utilization.

Other income

Other income includes reimbursement of maternity leave and disposal income generated from the sale of the assets.

Expenditure

Expenditure is recognised when paid but unpaid expenditure as at the end of the year is accrued.

Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and cash at bank.

Receivables and Advances

Receivables include staff salary advances and VAT refundable from VAT paid on expenditure of donor funded projects exempted from VAT and balances from float given to partners for the implementation of the project activities

Accounts payable

These relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for the fiscal year. In addition, unutilized donor funds in the period are recorded as deferred income and recognised as liabilities at the end of the year.

Foreign currencies

Transactions denominated in foreign currencies are translated to the Rwandan Franc at the rate of exchange issued by the National bank of Rwanda (NBR) applicable for the dates of the transaction. At balance sheet date, book balances denominated in foreign currencies are converted into Rwandan Francs at the ruling BNR exchange rate. The associated exchange losses/gains are recorded as expenditure/revenue in the books of account



4.6 Notes to the financial statements

	2022	2021
	Frw	Frw
4.6.1 Accounts receivable		
Salary advances	17,327,956	6,676,950
VAT refund	13,156,844	1,750,557
Partners/STES GROUP LTD	169,657	169,657
Partner/RWARRI	13,316,531	-
Receivable from farmers	3,000,000	44,823,346
Other receivable	7,300,000	6,000,000
	54,270,988	59,420,510

	2022	2021
	Frw	Frw
4.6.2 Cash and Bank balances		
ECOBANK 0010013800739301-RDO 16	19,663,007	23,396,035
ECOBANK 0160013800739301- RDO/UN WO	2,480	5,269
EQUITY 4012211303155- RDO/WFP	501	-
BK 006115641211-RDO/TROCAIRE	4,854,512	50,838
EQUITY 4012200451004- RDO/HIV NSP G	9,537	195,051
RDO HINGAWEZE/OPERATIONS	-	1,183,455
RDO/INTERACTION GRANT RWF	8,750	8,750
RDO/FONERWA GRANT_RWF	-	1,726,084
ECOBANK 01700138739303 RDO/RGB	15,501,945	261
ECOBANK 0170083813238402/RDO-HINGAW	-	11,584
BK 00613849/Tarpaulins	72,335	72,335
RDO Bank of Kigali /FERILIZERS RECOVERY	79,550	79,550
BK/RDO IN PUT	939,000	939,000
BK RDO/SNV PROJECT	2,937,058	3,100,035
RDO/UNICEF PROJECT	1,650,704	-
RBF Maralia/RDO	24,084,787	-
ECOBANK -6852003319/CRA PROJECT	2,698,012	-
RDO/WORLD VISION GRANT	13,863,578	-
Petty Cash	87,700	8,350
	86,453,456	30,776,597

	2022	2021
	Frw	Frw
4.6.3 Accumulated fund		
Balance brought forward	58,558,693	76,114,111
Adjustment on opening balance	(12,500)	-
Surplus /(deficit) for the period	(17,492,558)	(17,555,418)
	41,053,635	58,558,693

	2022	2021
	Frw	Frw
4.6.4 Accounts Payable		
Statutory payable		
PAYE	14,583,393	-
RSSB Pension	4,152,832	-
RSSB CBHI	178,016	-
Maternity	311,465	-
Withholding taxes(15%)/RRA	1,002,718	821,604
Student Loan	340,376	-
RDO Staff Saving Scheme	1,079,500	-
	21,648,300	821,604

Deferred Income



DEFF/TROCAIRE -IRISH	-	50,838
DIFF/RALMS-SNV PROJECT	-	3,100,035
DEFF/CNFA Operations	-	1,183,455
DEFF/CNFA	-	11,584
DIFF/FONERWA	-	1,726,084
DEFF/CCOAIB	2,688,012	-
DEFF/RGB	15,501,945	-
DIFF/RALMS-SNV PROJECT	2,937,058	-
DIFF/RBF Malaria _RDO	24,084,787	-
DEFF/WORLD VISION RWANDA	2,814,178	-
DEFF/TROCAIRE-VULNERABLE WIDOWS	4,854,512	-
	52,880,492	6,071,996

Other payables

Other Creditors	25,142,017	3,709,742
Partner/RWARRI	-	21,035,072
	25,142,017	24,744,814
	99,670,809	31,638,414

	2022 Frw	2021 Frw
4.6.5 Grants recognized		
Trocaire	-	61,686,161
Income/Mosquito Nets	-	9,113,165
TROCAIRE-IRISH AID	85,510,628	-
AGRA Project	-	1,177,000
CCOAIB	5,811,988	-
World Food Programme (WFP)	1,258,509,681	732,950,916
TARPAULINS_WFP	-	6,857,629
SPIU/RBC	-	18,282,136
Grants/UN WOMEN	188,270,625	80,621,749
Grants/SNV RWANDA	24,143,041	12,234,544
Grants/RGB	9,498,055	-
Grants/CNFA_	13,936,425	205,126,530
CNFA/OPERATIONS	1,046,512	936,649
FONERWA	-	164,253,611
INTERACTION	8,479,170	70,016,984
Grants/UNICEF	79,230,460	-
SPIU-RBC/HIV	90,331,067	-
Grants/SPIU_ RBF Malaria	118,021,742	-
Grants/Wolrd Vision Rwanda	132,526,914	-
Grants/Trocaire_Vulnerables	31,559,488	-
	2,046,875,796	1,363,257,074

4.6.6 Other Income

"Others Income	1,285,189	2,107,470
Sales of assets	37,800,000	15,000,000
	39,085,189	17,107,470

4.6.7 Equipment, Materials and suppliers

	2022 Frw	2021 Frw
Building, Hangar, Land, Model field	61,022,420	-
Vehicles	64,091,001	-
Equipment & furniture	23,897,543	5,137,400



Other equipment & furniture	10,812,708	3,585,000
Materials, others Products/Beneficiaries	219,758,069	28,183,741
Seeds	3,271,062	3,066,439
Pesticides	257,250	-
Fertilisers	5,321,577	-
Stationeries	13,341,927	6,369,906
Electricity	650,000	1,547,000
Office consumables	4,510,516	3,398,380
Water/Training, Meeting, Seminar, etc	406,688	720,026
	407,340,761	52,007,892

	2022	2021
4.6.8 Transport	Frw	Frw
Fuel & lubricants	60,966,706	40,811,200
Hiring car	26,462,959	4,586,470
Transport/Participants	4,784,815	2,991,240
	92,214,480	48,388,910

	2022	2021
4.6.9 Service consumed	Frw	Frw
Rent	2,040,000	1,740,000
Session/Meals& transport	16,341,023	9,225,950
Monitoring & Evaluation	-	225,000
Mission Allowances	60,122,403	30,898,505
Communication	29,583,279	18,389,588
Machine Repair/fabrication	-	100,300
Vehicle and Motorbikes Repair	9,130,163	10,219,706
Audit	5,000,000	5,106,200
Advertisement	400,000	250,000
Other Expenses	11,035,834	11,049,334
Services rendered	90,257,944	71,377,049
Security	74,000	24,000
Insurance/Vehicle & Others equipment	7,535,136	3,813,827
Training costs/meetings	107,577,650	35,989,585
Training materials	11,326,141	12,024,621
Workshop costs	885,000	220,000
Hall hire	-	202,500
Contribution & Taxes Dues	-	4,028,596
Taxes/Land, Houses, etc..	10,860,584	5,490,632
Grant guarantee/FOs	-	15,560,000
Impression and Photocopy	6,347,330	9,995,660
Fines	413,000	425,500
Penalties	28,797	-
Donation/Corporate Social Responsibility	3,969,763	1,642,400
Other charges & Losses	46,922,765	1,258,334
Expenditures/RWARRI	578,396,592	354,717,813
Expenditures/STES GROUP	-	148,041,759
	998,247,404	752,016,859



	2022	2021
	Frw	Frw
4.6.10 Staff costs		
Salaries and wages	540,965,348	504,101,425
Medical Insurance	60,965,406	40,721,805
	601,930,754	544,823,230
4.6.11 Finance Cost		
Bank Charge	3,720,144	683,071

TRUE COPY OF ORIGINAL
29 MAR 2023
RUMA CPA