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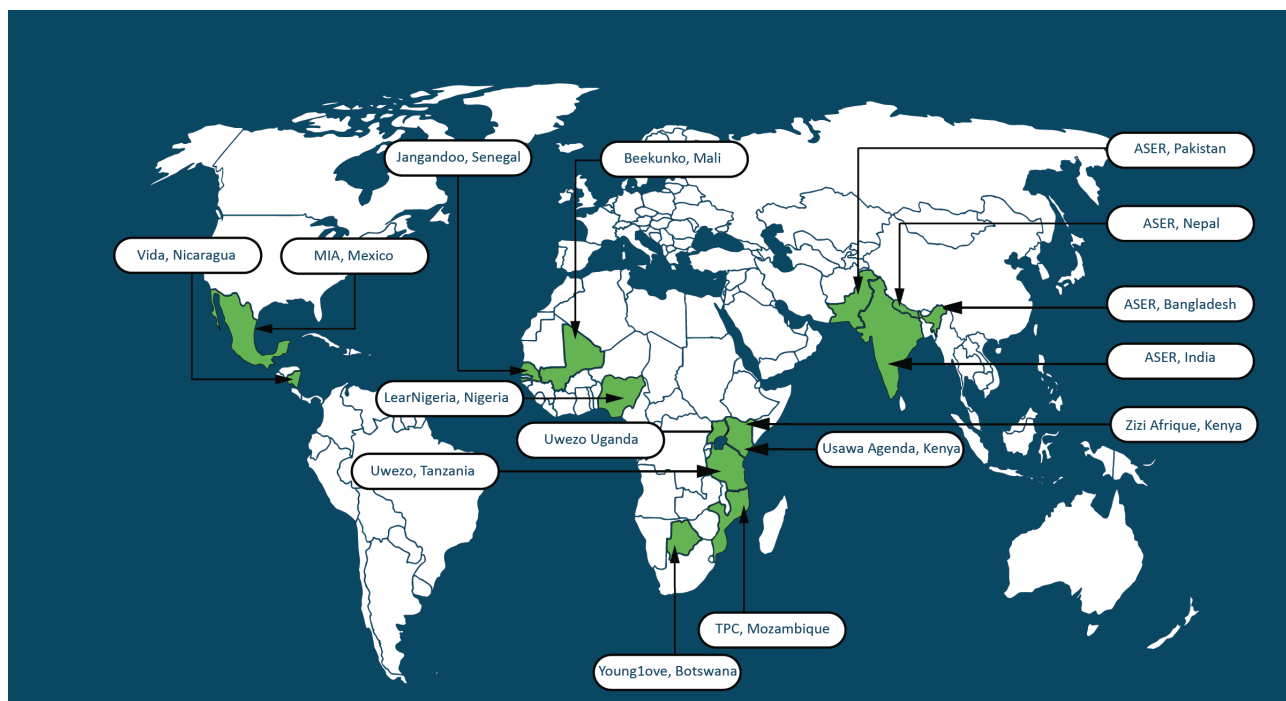
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ANNUAL REPORT

Who We Are

The People's Action for Learning Network (PAL Network) is a south-south partnership of 15 organisations in 14 countries working across Africa, the Americas, and Asia. Member organisations conduct citizen-led assessments and/or action programs aimed at improving learning outcomes.



About this report

This report presents our narrative report and the accompanying financial statements for the year ending on 31st December 2019. PAL Network prepares, produces and publishes an annual report with the accompanying financial statements in strict compliance with the NGO Act, the commitment to our members, donors, partners and the general public.

The financial information presented is prepared in line with the International Financial Reporting Standards (IFRS).

Abbreviations and acronyms

ASER	Annual Status of Education Report
CIESAS	Centre for Research and Higher Studies in Social Anthropology
CLA	Citizen-led Assessment
CLAN	Citizen-led Assessment of Numeracy
DFID	Department For International Development
DQSF	Data Quality Standards Framework
IFRS	International Financial Reporting Standards
NGO	Non-Governmental Organisation
MELS	Monitoring Evaluation Learning and Sharing
OMAES	l'Œuvre Malienne d'Aide à l'Enfance au Sahel
OSPC	Open Society Policy Centre
PAL	Peoples' Action for Learning
SDG	Sustainable Development Goal
TEP	The Education Partnership Centre



Location

Le Mac Building, 1st Floor Suite 1
Off Church Road, Westlands
P.O Box 6183 -00100
Nairobi, Kenya.

Board Members

1. Dr. Suman Bhattacharjea - Chairperson
2. Dr. Sara Ruto - Secretary & CEO
3. Mr. Sinaba Massaman - Treasurer
4. Dr. Emmanuel Manyasa - Member
5. Dr. John Mugo - Member
6. Dr. Ariel Fiszbein - Member
7. Ms. Fernanda Farinha - Member

Senior Management

1. Dr. Sara Ruto - CEO
2. CPA Ezekiel Sikutwa - Finance & Administration Manager
3. Mr. Amos Kaburu - Program Manager

Principal banker

Stanbic Bank Kenya Limited
Waiyaki Way Branch
P.O Box 30550 - 0000
Nairobi, Kenya.

Independent auditor

Kiige & Associates
Certified Public Accountants
3rd Floor, All Africa Conference of Churches
Waiyaki Way
P.O. Box 104428 – 00101
Nairobi, Kenya.



Notice of the 2nd Annual General Meeting

Notice is hereby given that the 2nd Ordinary Annual General Meeting of the PAL Network will be held in Nairobi, Kenya on Tuesday, 17th March 2020 starting at 0900hrs.

Agenda

1. Confirmation of quorum.
2. Reading the notice convening the Meeting and adoption of the agenda.
3. Confirmation of minutes of the last annual general meeting held on 7th March 2019.
4. Reports from the Board Chair and the Chief Executive Officer.
5. Receiving, considering and, if approved, adopting the organization's audited Financial Statements for the year ended 31st December 2019.
6. Receiving of 2019 Annual Activity Report(s).
7. The appointment of Kiige & Associates, Certified Accountants as the Statutory Auditors for PAL Network for a period of one year.
8. Transacting any other business in respect of which due notice has been received.

Please confirm your attendance by 10th March, 2020 via e-mail to sruto@palnetwork.org.

By the order of the Board



Dr. Sara Ruto
Board Secretary
People's Action for Learning Network
P.O. Box 6183-00100
Nairobi, Kenya

Our Vision, Mission and Principles

Our Vision

A world where all children have a foundation for lifelong learning.

Our Mission

To generate evidence through assessments and action to inform, influence and improve learning outcomes.

Our Principles

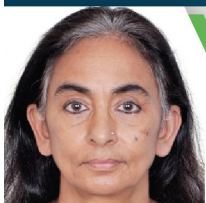
1. We generate responses from the global south that are appropriate for our shared context and issues, communicating and sharing our results and learning from each other.
2. We monitor and evaluate our assessments and actions in order to learn and take decisions based on evidence.
3. We freely share our tools and methods with partners, volunteers, and other organizations.



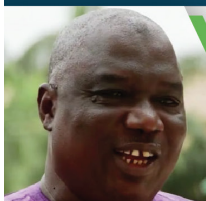
Structure of the Network

	General Assembly The General Assembly of 15 members is the highest organ that meets annually
	Board of Directors The Board of Directors of 7 members maintains oversight over implementation of Network programs
	Advisory Group The Advisory Group of 7 members provides technical advice on program implementation
	The Secretariat The Secretariat headed by the Chief Executive Officer (who is also the Board Secretary) implements the Network activities drawn from the Strategic Plan

Our Board of Directors



Dr. Suman Bhattacharjea
Chairperson
Director of Research, ASER Centre, India



Mr. Sinaba Massaman
Treasurer
Director, OMAES, Mali



Dr. Sara Ruto, EBS
Secretary
Chief Executive Officer, PAL Network, Kenya



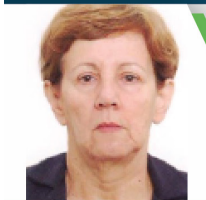
Dr. Emmanuel Manyasa
Board Member
Executive Director, Usawa Agenda, Kenya



Dr. John Mugo
Board Member
Executive Director, Zizi Afrique Foundation, Kenya



Dr. Ariel Fiszbein
Board Member and Director
Inter-American Dialogue



Ms. Fernanda Farinha
Board Member and Consultant

Our Advisory Group

Ms. Baela Raza Jamil
Chairperson
CEO, Idara-e-Taleem-o-Aagahi, ASER Pakistan



Prof. Abdou Salam Fall
Member
Director, Research Laboratory on Social and Economic Transformation (LARTES),
Jàngandoo, Senegal



Mr. Armando Ali
Member
Senior Advisor, Facilidade and TPC Mozambique



Prof. Felipe Hevia
Member
Professor, Centre for Research and Higher Studies in Social Anthropology (CIESAS)
and Co-Director, Medición Independiente de Aprendizajes (MIA), Mexico



Dr. Mary Goretti Nakabugo
Member
Executive Director, Uwezo Uganda



Dr. Modupe Adefeso-Olateju
Member
Managing Director, The Education Partnership Centre (TEP Centre) and LEARNigeria



Ms. Zaida Mgalla
Member
Executive Director, Uwezo Tanzania



Message from the Chairperson

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report, comprising of the PAL Network activities and the financial status for the period ended 31st December 2019.

2019 marked the final year of the first PAL Network strategy period from 2017. During this period, members continued to generate robust data on learning outcomes. Beyond national-based assessments, we embarked on a new and exciting phase to develop a common metric that allows the generation of internationally comparable data. We are emboldened to report that our global south effort to measure children's learning has been acknowledged widely, and citizen-led assessment is a source of evidence used to track the SDG learning indicator of basic literacy and numeracy.

I am happy to report that we continued to strengthen our relationship with existing funders and have increased efforts in fundraising activities. Our funders increased from three in 2017 when we started implementing our first strategy to seven in 2019 when the strategy period ended. With sustained funding, we are determined to continue our implementation of effective programs as we seek to fulfill our promise: to ensure that all children have a foundation for lifelong learning.

As 2019 marked the end of the first strategy period, we embarked on developing the 2020-2023 strategy that focuses on four pillars, namely, assessment, action, research, and advocacy. These four areas are supported by four enablers: membership, communication, fundraising and MELS (Monitoring, evaluation, learning, and sharing). With just a decade to the deadline for the Sustainable Development Goals in 2030, the new strategy presents a great opportunity to accelerate progress towards SDG 4.

In conclusion, my special gratitude goes to our esteemed funders for believing in us and providing necessary financial and non-financial support to enable us to realize our vision and mission. I also thank my colleagues on the Board and the Advisory Group for their invaluable advice and support, members organizations, the PAL country leaders and the entire staff for their hard work and dedication.

To you all, thank you.



Suman Bhattacharjea Ed.D.
Chairperson



“We are emboldened to report that our global south effort to measure children's learning has been acknowledged widely, and citizen-led assessment is a source of evidence used to track the SDG learning indicator of basic literacy and numeracy.”

Message from the CEO

2019 marks the end of the three-year strategic plan we collectively developed, so it seems in order not only to reflect on what we did in 2019, but how we performed over the last three years. It is with a sense of pride and satisfaction that I look back.

In 2016, we met to deliberate on our collective vision as a group from the Global South acting to improve learning outcomes. We recognized the centrality of the evidence we generate in informing and shaping our work. We agreed that we must be our first judge and define the standards we were ready to commit ourselves to. This collective resolve resulted in the Data Quality Standards Framework. In hindsight, it laid the foundation for collaborative work that was to begin in earnest in 2019.

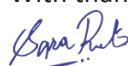
We have seen significant shifts in the network. While previous years were defined with our acknowledgement of being united by similar work, a significant milestone was made in our embarking on network projects. The start was cautious, that we ought to develop common metrics. The reflection suggested that we need to be bolder: that we should actually do a common assessment across the countries. This resulted in the Citizen Led Assessment of Numeracy – CLAN. This is our offering to the world, a first of its kind. We must laud ourselves for being brave enough to venture the untrodden path.

We yielded to a critique levelled to the network, that we must invest as much time in solutions to the learning crisis. We looked towards Pratham's Teaching at the Right Level approach to energise national and regional discussions on learning. As a result, Kenya, Nigeria, Mozambique, Tanzania and Uganda joined other network members like Botswana, Mali, Mexico, India, Pakistan and Senegal who are already undertaking learning interventions.

Our global advocacy work continued in 2019. We celebrated the upgrade of indicator 4.1.1a from tier 3 to tier 1 by the Inter-agency and Expert Group on SDG Indicators. This means that the indicator is conceptually clear, has an internationally established methodology and standards are available, and countries regularly produce data. It allows international policy alignment and we can clearly see our contribution in generating evidence from the global south that will help check if we are on track to the SDG 4.1 commitments.

We are ready to step into the new decade. We are guided by the network aspirations, which through the Outcome harvesting session conducted in 2019, defined our focus to be around the four pillars of Assessment, Action, Advocacy and Research. We are led by the network principles that urge us to communicate our global south contexts in a robust manner, to share and to learn. As long as our vision stands clear, I have no doubt that we have the agency and energy to achieve.

With thanks,



Sara Ruto Ph.D.
Chief Executive Officer



“We have seen significant shifts in the network. While previous years were defined with our acknowledgement of being united by similar work, a significant milestone was made in our embarking on network projects.”






Summary of the 2019 Annual Plan

We proposed to develop and implement a common assessment in a few districts in each member country in 2019. In addition to providing data for cross-country comparisons, this common assessment was expected to bring the member countries closer and would result in adherence to stringent quality standards thereby strengthening the assessment vertical.

We intended to strengthen our monitoring, learning and sharing posture to track effectiveness of our activities. For members' action intervention programs, we planned to brainstorm on appropriate M&E systems that can provide actionable insights to improve processes at local, country and finally at the

Network level. In 2019, we sought to consolidate our offerings on learning enhancement programs and present cumulative data on number of children with improved foundational learning levels through our action programs.

2019 was also the last year of PAL Network's strategy period. In order to envision the new strategy, Outcome Harvesting methodology was selected to look back at the progress and achievements made in the current strategy. We were hopeful that in 2019 we would strengthen our member-led nature and meet our collective goals with renewed vigor.

Assessment 	1. First Network common project (Citizen-led Assessment of Numeracy) designed and conducted in 13 countries.
Action 	1. Cross-learning for the Network members implementing interventions facilitated to deepen understanding.
Advocacy 	1. First PAL Research Conference held. 2. PAL findings shared in global forums.
Governance 	1. First annual general meeting held. 2. Board skill set diversified. 3. Funding sources diversified. 4. 2020-2023 Strategic Plan developed through Outcome Harvesting methodology.
MELS 	1. Monitoring system for Action programs developed. 2. Network assessment conducted.

Detailed Achievements

What did we do in 2019?

The People's Action for Learning Network believes that with the driving force of people's actions, driven by new ideas, all children can have a foundation for lifelong learning. This summary provides key achievements in 2019.

Citizen-Led Assessment of Numeracy (CLAN) Undertaken

To meet the education targets specified in Sustainable Development Goal 4, countries need to generate robust and comparable data on children's learning levels. We implemented a citizen-led assessment of numeracy in 13 countries of the network assessing foundational skills ability of children aged 5-16 years. True to our principle to share our tools, processes, and datasets, we developed data sharing guidelines that allow for a systematic flow of evidence from common projects.



Influencing and Shaping Discussions on Learning Outcomes

Our data continue to influence and shape discussions on learning outcomes. Our network-wide collective participation in political forums, high-level meetings and conferences contributed to the upgrade of Indicator 4.1.1 from Tier II to I by the Inter-agency and Expert Group on SDG Indicators. To amplify our work, we increased our online reach and sustained greater visibility engagement on Twitter, Facebook, Newsletter and website. We were named among the 100 inspiring education innovations from around the world by the HunderED. We shall endeavor to further the learning agenda and its tracking at to inform policy and practice.



Bringing Together Policymakers at National Levels

We consider it essential to champion national level engagements that bring together everyone who cares about children's learning outcomes. To that end, we actively participated in the 3rd National Conference on Curriculum Reforms in Kenya that was graced by H.E. President Uhuru Kenyatta and attended by 2,300 stakeholders to deliberate on the theme, Enhancing Inclusion, Reaching Every Learner Through Education Reforms. To continue with these discussions, we began coordinating policy dialogues, an opportunity to address challenges of inclusion and equity in education. Moving forward, the network will support its members to amplify national level voice on children's learning.



Inclusion and Equity Matters

Ensuring all children learn: Lessons on inclusion and equity from the global south” was the theme of a two-day biennial conference hosted from 5-6 November by the PAL Network in Kathmandu, Nepal. One hundred and sixty-two participants from 25 countries attended. The conference resulted in the ‘Kathmandu Declaration’ that underscores our commitment to generating citizen-led household-based assessments as an inclusive mechanism to track the learning progress for all children. We shall continue to invest in learning forums that connects researchers, practitioners, policymakers, and civil society actors across the global South, catalyzing learning, sharing and knowledge exchange.



Leaving No One Behind

When a problem is made visible, solutions must be created. To solve the learning crisis, we were inspired by the Pratham’s Teaching at the Right Level approach.

As a result, Kenya, Nigeria, Mozambique, Tanzania and Uganda joined other network members like Botswana, Mali, Mexico, India, Pakistan and Senegal who are already undertaking learning interventions. Members reached over 19,812 children left behind by the conventional classroom to acquire the basics of reading and numeracy. We are committed to invest in solutions that ensures every child has a solid foundation.



Strengthened Network

The strength of a network comes from its ability to bring together organizations of diverse perspectives and strengths, and combine these in a collective force for change. Moving together demands that we strengthen our governance processes and systems. We held our inaugural Annual General Meeting in March 2019 to approve the annual narrative report and audited financial statements for the year ended 31st December 2018. We diversified the membership to our Board to have representation from Asia, Africa, and the America and inject new skill sets.











2020-2023 Strategic Plan Finalised

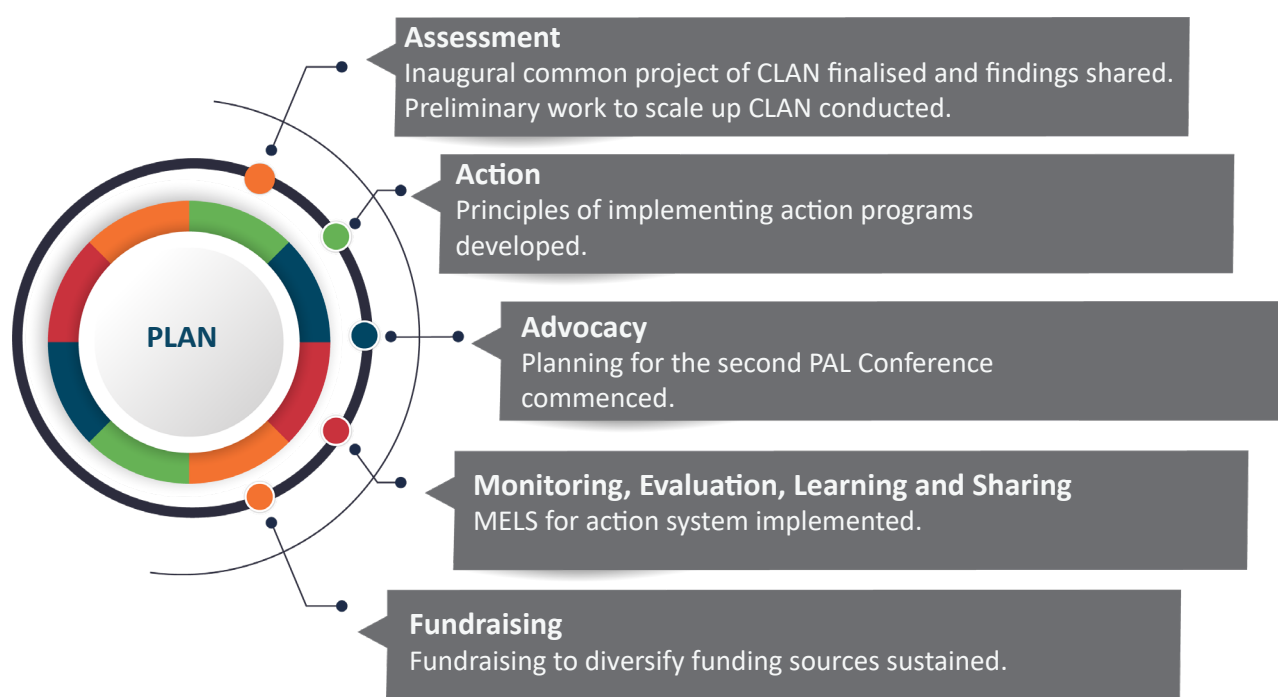
We completed the 2020-2023 Strategic Plan. The process started with analysing our collective gains using the Outcome Harvesting Methodology. These outcomes allowed an initial concept note to be developed on the probable strategic focus. A gradual, systematic and consultative process was used where views from member organisations, partners, researchers, education thought leaders, donors and friends were invited to shape the next strategy, whose focus will be around the four pillars of Assessment, Action, Advocacy and Research.



Overview of the 2020-2023 Strategic Plan

Focus Areas	Enablers
 Assessment	 Membership
 Action	 Fundraising
 Research	 Communication
 Advocacy	 Monitoring, Evaluation, Learning & Sharing

Highlights of the 2020 Annual Plan



FINANCIAL STATEMENTS

Report of the Management

The Board of Directors submit their annual report and the audited financial statements for the year ended 31 December 2019, which disclose the state of affairs of the organisation.

Registration

The organization is registered in Kenya Under the Non - Governmental organization Coordination Act and is domiciled in Kenya. The address of the registered office is as set out on page 2.

Organisation and nature of activities

The Peoples Action for Learning (PAL) Network is a south - south partnership of countries working across three continents to assess basic reading and numeracy competencies. Member countries conduct citizen led assessments and/or citizen led actions aimed at improving learning outcomes.

By order of the Board
(For and on its behalf)

Board Chair



Vision

A world where all children have a foundation for lifelong learning.

Results

The results for the year are set out on page 17.

Management

The management who served during the year are set out on page 2.

Independent auditor Kiige & Associates, Certified Public Accountants were appointed during the year and have expressed willingness to continue in office.

18th February 2020, Nairobi

Statement of Management's Responsibilities

The Board is required to prepare financial statements which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the organisation's operating results for that year.


The board is also required to ensure the organisation maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the organisation. Management is also responsible for safeguarding the assets of the organisation.

The Board 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 generally accepted non-profit accounting principles and applicable international financial reporting standards. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation as at 31 December, 2019 and its operating results for the year then ended.

Management further confirm the accuracy and completeness of the accounting records maintained by the Organisation which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal controls.

Nothing has come to the attention of Management to indicate that the organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Approved on 18th February, 2020

Signed by: 
Board Chair


Board Treasurer

Report of the Independent Auditor on the Financial Statements to the Management of PAL Network

Opinion

We have audited the accompanying financial statements of PAL Network, set out on pages 17 to 23, which comprise the statement of financial position as at 31 December, 2019, the statement of comprehensive income, the statement of changes in fund balances, the statement of cash flows for the year then ended, and notes, including a summary of statement of accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organisation as at 31,December 2019 and of its financial performance for the year then ended in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards (IFRS).

Basis of 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 organization 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 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.

Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the accounting policies and basis of preparation set out on pages 17 to 19, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements, the management is responsible for assessing the organization'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 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.

Report of the independent auditor on the financial statements to the management of PAL Network (continued)

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

- i) 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.
 - ii) 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.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) 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 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 the auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
 - v) 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 Peter Kiige Practicing Certificate No.1775.

Kiige & Associates
Certified Public Accountants (K)
Nairobi



18th February 2020

Fund Accountability Statement for the Period Ending December 2019

	2019 KES	2019 USD	2018 KES	2018 USD
Income				
Hewlett Foundation	70,686,722	697,390	60,687,599	595,677
Open Society Foundation	-	-	16,138,379	158,406
Anonymous Donor	9,966,923	98,333	10,496,263	103,026
Wellsprings Philanthropic Fund	20,650,843	203,740	15,106,055	148,273
DfID	66,017,393	651,322	-	-
PAL Partners Contributions for Specific Joint Activities	2,440,124	24,074	2,372,259	23,285
The African Studies Centre of Leiden University	4,851,738	47,867	-	-
Open Society Policy Center ("OSPC")	5,124,852	50,561	-	-
Total income	179,738,594	1,773,287	104,800,556	1,028,667

Expenditure				
PAL Network Capacity to Generate Data Improved	32,252,043	318,196	7,575,457	74,357
Network Strengthened to Inform Global Monitoring Efforts	2,956,389	29,167	4,185,896	41,087
Actions Taken to Improve Learning Outcomes Understood	6,496,650	64,095	12,206,477	119,812
Network Strengthened by Responsive Governance and Diversified Fund	46,736,885	461,102	22,701,262	222,824
Organisational Competence Grown And Learning, Monitoring And Evaluation	12,420,744	122,542	904,828	8,881
Salaries & Benefits	32,066,847	316,369	48,615,300	492,141
Administration cost	13,125,753	129,498	1,523,989	14,958
Other expenses				
Depreciation	466,265	4,600	336,456	3,302.47
Foreign currency gains and losses	851,174	8,398	963,176	9,454
Total expenditure	147,372,749	1,453,968	99,012,841	986,816
Deferred Grants for the year	32,365,845	319,319	5,787,715	56,809
Add:Balance B/F	33,725,173	331,028	27,937,458	274,219
Net Balance c/f	66,091,018	650,347	33,725,173	331,028

Statement of Financial Position

	Note	2019 KES	2019 USD	2018 KES	2018 USD
Fixed Assets					
Property, plant & Equipment	2	991,013	9,777	740,919	7,272
		991,013	9,777	740,919.00	7,272
Current assets					
Cash and cash equivalents	3	68,880,637	679,571	27,906,567	273,916
Accounts receivable	4	3,658,512	36,095	484,841	4,759
Total current assets		72,539,149	715,665	28,391,408	278,675
Less: current liabilities					
Accounts payable	5	11,107,724	109,588	3,277,414	32,169
Net current assets		61,431,425	606,078	25,113,994	246,506
Net assets		62,422,438	615,855	25,854,913	253,778
Represented by:					
Funds	8	62,422,438	615,855	25,854,912	253,778
Total funds		62,422,438	615,855	25,854,912	253,778

The financial statements were approved on 18th February, 2020 and signed on its behalf by:



Board Chair



Board Treasurer

Statement of Changes in Funds

	General funds	Total
Fund movements		
	KES	KES
Year ended 31 December, 2018		
As at 1 Jan 2018	27,937,458	27,937,458
Prior year adjustment	(7,870,261)	(7,870,261)
Balance for the year	5,787,715	5,787,715
As at 31 December 2018	25,854,912	25,854,912
Year ended 31 December, 2019		
As at 1 Jan 2019	25,854,913	25,854,913
Prior year adjustment	4,201,679	4,201,679
Balance for the year	32,365,845	32,365,845
As at 31 December 2019	62,422,438	62,422,438
	General funds	Total
	USD	USD
Year ended 31 December, 2018		
As at 1 Jan 2018	275,629	275,629
	-	
Prior year adjustment	(77,647)	(77,647)
	-	57,101
Balance for the year	57,101	-
As at 31 December 2018	255,082	255,082
Year ended 31 December, 2019		
As at 1 Jan 2019	255,082	255,082
Prior year adjustment	41,453	41,453
Balance for the year	319,319	319,319
As at 31 December 2019	615,855	615,855

Statement of Cash flows

Cash flows from operating activities	2019 KES	2019 USD	2018 KES	2018 USD
Balance for the year	32,365,845	319,319	5,787,715	56,809
Adjustments for:				
Prior year adjustments	4,201,679	41,453	(7,870,261)	(77,250)
Depreciation	469,078	4,628	327,997	3,219
Changes in working capital				
Decrease/(Increase) in accounts receivable	(3,173,671)	(31,311)	(226,699)	(2,225)
Increase in accounts payable	7,830,310	77,253	(1,496,163)	(14,686)
Net cash used for operating activities	41,693,241	411,342	(3,477,411)	(34,133)
Cash flows from investing activities				
Purchase of assets	(719,173)	(7,095)	(338,388)	(3,321)
Net cash used in investing activities	(719,173)	(7,095)	(338,388)	(3,321)
Decrease in cash and cash equivalents	40,974,068	404,247	(3,815,799)	(37,454)
Movement in cash and cash equivalents				
Cash and cash equivalents at start of year	27,906,566	275,324	31,722,365	311,370
Decrease in cash and cash equivalents	40,974,068	404,247	(3,815,799)	(37,454)
Cash and cash equivalents at end of year	68,880,636	679,571	27,906,566	273,916

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Notes to the Financial Statements

1. Summary of significant accounting policies

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

a) Basis of preparation

The organisation prepares its financial statements under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out herein.

b) Foreign currencies

The books of account are maintained in Kshs as the base currency. Transactions in currencies other than the Kshs are converted into the base currency (Ksh) using monthly exchange rates sourced from Xe . Foreign currency monetary assets and liabilities held at the date of the statement of financial position are translated into the base currency using Xe ruling at that date .The resulting exchange differences are recognized in the statement of comprehensive income.

c) Income

Revenue consists mainly donor funds meant for various activities undertaken by the organization. Revenue is recognized in the books of the organization when it is actually received.

d) Expenditure recognition

Expenditure is recognized when payments are made. However, accruals are made for expenses that have been incurred but have not been paid as at the date of the financial position.

e) Intercompany

This relates to amount paid by Zizi Afrique Foundation & Zizi Afrique Limited on behalf of PAL Network.

f) Fixed assets

Capitalization of assets takes place when the benefits of the expenditure are expected to extend over a period beyond one year and cost more than KES 10,000 or the equivalent foreign currency. The assets will be held as fixed assets on the balance sheet and charged proportionately to expenditure over the expected useful life of the assets. The depreciation are as follows:

Asset class	Rate (%)
Furniture & Fittings	12.5
Computers & Printers	33.3
Motor Vehicles	25
Other equipment & tools	25

g) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash and deposits held with the bank.

h) Trade and other receivables

Receivables are stated at nominal value less write downs for any amounts expected to be irrecoverable

i) Trade and other payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

j) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2. Property, Plant & Equipment	Computers	Equipment	Furniture and fittings	Total
	Shs	Shs	Shs	Shs
Cost				
1st January 2019	1,427,225	102,158	90,000	1,619,383
Additions	686,113	33,060	-	719,173
31st December 2019	2,113,338	135,218	90,000	2,338,556
Accumulated depreciation				
1st January 2019	801,851	44,695	34,732	881,278
Annual depreciation	436,725	22,631	6,909	466,265
31st December 2019	1,238,576	67,326	41,641	1,347,543
Carrying amount				
31st December 2019	874,762	67,892	48,360	991,013

Year ended 2019 (USD)				
Cost				
1st January 2019	14,081	1,008	888	15,977
Additions	6,769	326	-	7,095
31st December 2019	20,850	1,334	888	23,072
Accumulated depreciation				
1st January 2019	7,911	441	343	8,695
Annual depreciation	4,309	223	68	4,600
31st December 2019	12,220	664	411	13,295
Carrying amount				
31st December 2019	8,630	670	477	9,777

3. Cash and cash equivalents				
	2019	2019	2018	2018
	KES	USD	KES	USD
Stanbic KES Account	16,255,107	160,372	13,019,704	127,795
Stanbic USD Account	33,420,016	329,719	14,885,938	146,112
Stanbic GBP Account	18,198,692	179,547	925	12
Stanbic Credit card	375,320	3,703	-	-
Mpesa Account	631,502	6,230	-	-
	68,880,637	679,571	27,906,567	273,919

4. Accounts receivable				
Receivables	1,013,590	10,000	221,614	2,175
Prepayments	-	-	240,000	2,356
Member Organizations imprest	2,512,717	24,790	-	-
Staff imprest	132,205	1,304	23,228	228
	3,658,512	36,095	484,842	4,759

5. Accounts payable				
Accounts payable	237,718	2,345	360,087	3,534
Audit fees	348,000	3,433	290,000	2,846
Accruals	10,522,006	103,809	2,627,327	26,168
	11,107,724	109,588	3,277,414	32,548

6. Presentation currency

The financial statements are presented in Kenya Shillings (KES) for the purposes of local statutory reporting.

7. Taxation

No provision for corporate tax has been made in these financial statements. The organization qualifies for exemption from Kenyan corporate tax under the provisions of paragraph 10 of the first schedule to the Income Tax Act, Cap 470 (Laws of Kenya).

8. Staff retirement benefits scheme

Staff members contribute to the National Social Security Fund (NSSF) of the Republic of Kenya. The rate of contribution per staff member is pegged by statute at the lower of 5% of the basic salary and a maximum contribution of Kshs 1,080/= per month. The employer, PAL Networks, makes a matching contribution to the NSSF scheme each month for each employee.

9. Capital commitments

There were no capital commitments as at 31, December 2019

10. Employees

Employees as at 31 December, 2019 were (9).

Notes

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