

Company no. 4271537
Charity no. 1144010

Rift Valley Research Limited
Report and Financial Statements
31 December 2012

sayer vincent

auditors and advisors

Rift Valley Research Limited

Reference and administrative details

For the year ended 31 December 2012

Company number 4271537

Charity number 1144010

Operating as Rift Valley Institute

Registered office and operational address 1 St Luke's Mews
LONDON
W11 1DF

Trustees Trustees (who are also directors of Rift Valley Research Limited for the purposes of company law) who served during the year and up to the date of this report were as follows:

John Ryle
Ann Grant
Justin Willis
Lindsey Hilsum
Mohamed Osman

Principal staff John Ryle Chief Executive

Bankers HSBC

Auditors Sayer Vincent
Chartered accountants and registered auditors
8 Angel Gate
City Road
London
EC1V 2SJ

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

The trustees of Rift Valley Research Ltd, operating as the Rift Valley Institute (RVI), who are also directors of the company for the purpose of company law, present their statutory report and audited accounts for the year ended 31 December 2012.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Structure, governance & management

Rift Valley Research Limited (hereafter Rift Valley Institute; RVI; the Charity) is a company limited by guarantee and not having a share capital. The company was incorporated on 16 August 2001 (company number 4271537) and registered as a charity (charity number 1144010) on 27 September 2011.

Governance

The objects, powers and governance structure of the charitable company are set out in its Articles of Association. The RVI is governed by a Board of Trustees which meets twice annually. The trustees delegate the day-to-day operation of the Charity and management of its staff to the Executive Director who seeks guidance from trustees when important strategic, financial and governance issues arise.

The recruitment, appointment and induction of new trustees

Trustees are appointed in accordance with the Articles of Association. The trustees are subject to retirement by rotation and may be re-appointed if re-elected. The Board of Trustees has the power to appoint new trustees by ordinary resolution. The recruitment and appointment of trustees is by recommendation from existing trustees after consulting fellows and the wider community of those sharing the goals of the Institute. Trustees are recruited with the aim of providing the diversity and skills needed to ensure the good governance of the Charity. These skills may include strategic planning, fund-raising, financial management, administration, law, media management, and specialist knowledge of Eastern and Central Africa. The trustees are not remunerated for their work as trustees.

The procedure for inducting and training a new trustee entails a visit to the RVI UK office in order to familiarize the new trustee with the Charity – with its aims, standard procedures and policies – and a meeting between the new trustee and management staff of the Institute. On appointment, trustees receive a package of documents that includes the Articles of Association, minutes, documents and board books from the previous three trustee meetings, copies of the Charity's most recent publications and written policies relevant to the governance and risk management of RVI.

Offices and related parties

The Charity has four offices: its headquarters in London, in the United Kingdom; a regional office for Eastern Africa in Nairobi, Kenya; an office in Juba, South Sudan; and an office in Annandale-on-Hudson, in the state of New York, in the United States. The Charity is registered as a company in Kenya and as an NGO in South Sudan.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

RVI has a sister organisation, Rift Valley Institute Inc., in the United States which has an office in the state of New York. Rift Valley Institute Inc. was incorporated under Section 402 of the Not-for-Profit Corporation Law in New York State on 30 August 2006. Rift Valley Institute Inc., is registered as a charity with the Charities Bureau, New York State. An application for 501(c)3 (ie non-profit) status has been submitted. Rift Valley Institute Inc. was created to raise and distribute funds and to provide support and coordination to the UK entity, Rift Valley Research Limited. Rift Valley Institute Inc. has three Board Members: John Ryle, Kenneth Anderson and Kwame Anthony Appiah. The Board Members are not remunerated for their work for Rift Valley Institute Inc. John Ryle is also a trustee of the Rift Valley Institute (i.e. the UK entity).

Risk management

The Board of Trustees has given consideration to the major risks to which the Charity is exposed. These include operational, financial, and legal risks, risks in matters of governance and risks from external factors. The Charity faces special risks associated with conflict, insecurity and failures of governance in a number of the countries where it operates. The Board is satisfied that systems or procedures have been established to manage those risks. A detailed Register of Risks, and the policies in place to manage these risks, is reviewed and approved by the Board of Trustees twice a year.

Public benefit

The trustees are satisfied that they have complied with the Charity Commission's guidance on public benefit. The description of the Charity's objectives and activities below demonstrates the public benefit arising from the work of the Charity.

OBJECTIVES AND ACTIVITIES

Background

The RVI was founded in 2001 as a non-profit research, education and advocacy organisation operating in Eastern and Central Africa. The Institute works with communities, institutions and individuals to bring local knowledge to bear on political, economic and social development in crisis-affected countries in the region. It operates in Sudan, South Sudan, Somalia (including Somaliland and Puntland), Ethiopia, Djibouti, Kenya, Uganda, the Democratic Republic of Congo, Rwanda and Burundi. RVI programmes are designed to inform aid interventions, support local research capacity and record indigenous culture.

Charitable objects

The Charity was established, in the words of the Articles of Association, "to advance the education of the general public, particularly but not exclusively in Eastern and Central Africa", "to promote research into Eastern and Central Africa and related subjects", "to disseminate the useful results of such research throughout the world", and "to promote human rights".

The objectives are for the public benefit as set out in the Charities Act 2006. In furtherance of these objectives, the Charity undertakes three core activities: research and publication; education and training; and conservation and digitization of archives. These three areas of enterprise have been identified as the most effective means of implementing the Institute's aim of bringing local realities to bear on social, economic and political development in Eastern and Central Africa.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

The RVI adheres to the principles of the Budapest Open Access Initiative, seeking to promote free public access to knowledge. RVI books, reports, maps and newsletters are published, wherever possible, under a Creative Commons open-access license. Digital versions of RVI publications are available for free download from the Institute website. Digital archives created and run by the RVI use UNESCO-endorsed open-source software (Greenstone) and are accessible without charge.

Partners

In fulfillment of the Rift Valley Institute's aims of bringing local knowledge to bear on development in Eastern and Central Africa and supporting local research, the RVI undertakes its activities in collaboration with numerous indigenous bodies and regional organisations. Collaboration takes the form of technical and specialist training, material support, use of shared resources, research assistance and co-hosting of events, and, more broadly, the mutual exchange of skills and knowledge.

RVI's partners in the region in 2012 include: in South Sudan, the Sudd Institute, the Gurtong Trust and the Centre for Peace and Development Studies at the University of Juba; in Sudan, Partners in Development Services and the Institute of African and Asian Studies at the University of Khartoum; in Kenya, the Kwani Trust and the National Museums of Kenya; in DRC, the Catholic University of Bukavu; in Somalia, the Centre for Research and Dialogue; and in Somaliland, the Academy for Peace and Development.

Strategic objectives and activities in 2012

The main strategic objective of the Charity in 2012 was to extend its activities in the Horn of Africa, the Sudans and the Great Lakes and develop a long-term programme covering the full range of RVI's charitable activities. To support this project-driven expansion, the Institute also sought to enhance the administrative, managerial and technical capacity of its Eastern Africa office in Kenya and establish a new South Sudan country office in Juba. Developing RVI's presence in the region also follows the logic of the Institute's aim of strengthening ties with local institutions and communities.

A second aim in 2012 was to extend the Institute's growing publication programme and to match this with an increased technical and administrative capacity in the dissemination of publications to a larger audience, in the region and beyond. To this end, the Institute secured larger office premises for the London headquarters so that new staff could be recruited.

Overview of achievements and performance in 2012

In terms of realizing the objectives outlined above, the Institute secured multi-year grants to begin three new research and educational programmes in the region. One of these grants has enabled RVI to begin its first action-oriented research project in the Great Lakes – see report on the Usalama Project below. RVI also obtained a grant to continue its support to the Government of South Sudan for the preservation and digitization of its national archive. The three established RVI field courses attracted a record number of participants; and the Institute was approached by two organisations to create bespoke training courses for staff new to the region. Two two-year institutional support grants also enabled the Institute to expand its London office, to recruit permanent staff for its Eastern Africa office in Nairobi, and establish a new office in South Sudan. The Charity also made staff appointments for four new positions: a Regional Director of for the Horn of Africa in the RVI East Africa Office in Nairobi; a Publications and Public Relations Manager, a Great Lakes Project Officer, and a Finance Officer in the UK office in London; and in South Sudan, in Juba, a part-time RVI Country Coordinator.

These institutional developments have enabled RVI to manage its existing projects more efficiently and to develop more responsive research and public information programmes. More detailed information about new projects in 2012 can be found below.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

Achievements and performance in the sphere of research and publication

Usalama Project: Understanding Congolese Armed Groups

In April 2012, RVI began the Usalama Project (Swahili for peace and security), an eighteen-month research project documenting armed groups in eastern Congo. The aim of this project is to provide Congolese and others with a deeper understanding of the dynamics of violence in the eastern Congo and to promote – with donors and the Congolese government – a practical programme for effective reform of the Congolese security sector. The project is funded by Humanity United (www.humanityunited.org) and Open Square (www.tides.org) and is implemented by RVI in collaboration with the Catholic University of Bukavu.

The project's outputs include research reports, briefing papers, training courses, public events and advocacy meetings. In July 2012, RVI and the Catholic University of Bukavu organised a two-day colloquium on the root causes of violence in the Kivus, designed to promote research into the problem. The event attracted participants from Congolese NGOs, civil society groups, provincial assembly deputies and academics.

In late 2012 RVI published the first Usalama reports – two out of a total of twelve planned studies. The first, entitled 'From CNDP to M23: The evolution of an armed movement in Eastern Congo' examined the development of two mainly Tutsi-led armed groups in North Kivu. The second report, 'North Kivu: The background to conflict', gave a detailed historical account of the roots of violence in the Congo's eastern province. The reports were launched at a public event in New York in November 2012 co-organised by RVI and the Social Science Research Council (SSRC). In December 2012, in cooperation with the Observatoire de l'Afrique, RVI organised a second launch event in Brussels. The reports were launched at Chatham House in London in December. Three further reports have been published; the project continues to mid-2013.

The Nairobi Forum for Research, Policy and Local Knowledge

The Institute's flagship project in Eastern and Central Africa - the Nairobi Forum for Research, Policy and Local Knowledge - was launched in October 2012 with a panel event under the title 'A Somali Spring? Prospects for post-transition Somalia'. The event was attended by over two hundred people, including numerous journalists from the local and international press.

The Forum is a three-year programme of research and public information designed to bring together three constituencies: policy-makers in government and international organizations, intellectuals and civil society activists from the countries of Eastern and Central Africa, and researchers with a long-term commitment to the region. The Forum programme covers the Horn of Africa, East and Central Africa and the Sudans, with an initial focus on Somalia and adjacent countries, which was requested by the principal funder. The Forum organizes short-term research projects, public meetings, seminars, workshops and publications, with a view to promoting informed modifications to development policy and practice in the region.

Two other events were held under the auspices of the Nairobi Forum in October 2012. A closed meeting was organized with members of the Ogaden diaspora in Kenya to discuss the peace talks between the government of Ethiopia and the Ogaden National Liberation Organisation in advance of a scheduled second round of talks. A second meeting, organized at the request of the Nairobi-based Somalia NGO Consortium, was a discussion with Ken Menkhaus, author of the newly-published UN Conflict Analysis on Somalia.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

In November 2012, the Forum organised a workshop for FAO Somalia on the concept of resilience designed to inform an on-going evaluation of the 2013-2015 FAO Somalia programme. A public forum for international election observers to present their findings on the Somaliland municipal elections was also held. The meeting was organised in collaboration with Progressio, the organization responsible for managing the election observation team.

In December 2012, the Forum held a policy seminar in December 2012 based on a recently published book by Marleen Renders, *Consider Somaliland: State Building with Traditional Leaders and Institutions*. The seminar examined both the process by which statehood is negotiated, and the realities and challenges of working with forms of hybrid political orders. The final Forum event of 2012 was a public panel discussion on Arts and Social Reconstruction. Organised as part of a literature festival held by the Kenya-based Kwani Trust, the Forum brought together Somali, Ethiopian and Sudanese writers to discuss the role that arts can play in the social recovery of a population after war.

Forthcoming research papers commissioned by the Forum will be published on the Rift Valley Institute website. Audio recordings and/or meeting reports from public events are also available to download from the site. In 2012 Forum events took place in Nairobi (Kenya), but from 2013 events will be held elsewhere in the region, including Hargeisa (Somaliland), Addis Ababa (Ethiopia), Juba (South Sudan) and Kampala (Uganda).

Security and Justice Research Programme

In 2012, the Institute began a multi-year research programme on security and justice in Somalia, Puntland, and Somaliland. This 30-month research and policy-development project, funded by the UK Department of International Development, has two principal aims: to deepen understanding of how security and justice systems in the Somali region function in practice and to examine how governments in the region and donors can improve the provision of justice and security for Somalis.

Achievements and performance in the sphere of training and education

RVI field courses

RVI held its three flagship annual field courses, on the Sudans, the Horn of Africa and the Great Lakes, in May, June and July of 2012. The 2012 Horn of Africa course took place under the direction of Mark Bradbury and Ken Menkhaus, Course Director and Director of Studies since it began in 2009. This year the course was held in Kilifi, on the Kenya coast, at Pwani College, where the Deputy Course Director, Hussein Mahmoud, is a lecturer. At the Great Lakes Course in Bujumbura, Jason Stearns was Director of Studies, as he has been since the first Great Lakes course in 2010. Emily Paddon was Deputy Director of Studies and RVI Senior Associate Aly Verjee was Course Director. Justin Willis was Director of Studies of the Sudans course, which was held this year in Lukenya, near Nairobi; Jok Madut Jok was Course Director; Dan Large was Deputy Director of Studies.

The three courses were attended by over 130 participants from NGOs, donor organisations, regional bodies, embassies, media organisations, universities and the private sector. A scholarship programme funded by RVI (and the Danish Institute of International Studies) enabled three young researchers from the Sudans to attend the Sudan course. Scholarships were also given to promising young professionals and civil society activists from Burundi, Rwanda and DRC to attend the Great Lakes course.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

Tailored RVI short-courses

In 2012, as part of an expansion of the RVI education and training programme, the Institute organized two bespoke training courses. One was a two-day seminar, held in Nairobi, on Somalia for staff of the UK Department for International Development and the Foreign and Commonwealth Office. The seminar focused on the historical, political and cultural context to the current crisis in Somalia. The second bespoke course was held in the RVI London office for incoming staff to UNICEF's office in Khartoum. The course offered an intensive introduction to Sudanese history, economics and society.

Achievements and performance in preservation and maintenance of archives

South Sudan National Archives Emergency Conservation Project

In October 2012 - in partnership with the Ministry of Culture, Youth and Sports of the Government of South Sudan - the Rift Valley Institute began a third phase of its programme of conservation and digitisation of the national archives of South Sudan. The archive contains documents, numbering many thousands, which date from the early colonial era up to the 1980s destined to form the basis of a permanent South Sudan National Archive. The documents were collected in Juba and catalogued in the 1970s and 1980s following the first civil war in the south; they were scattered, damaged and disordered during the second civil war. RVI began emergency work on the restoration of the Archive began in 2008. The programme currently underway has two key components. First, the provision by RVI of technical training and on-site support for ministry staff in the cleaning, ordering, storing and cataloguing of archival documents. Second, training and supervision for staff digitising the archives. Training was conducted by the RVI South Sudan Coordinator and Douglas Johnson, the leading historian of South Sudan. Training topics have included: the basics of archive work, archival research methods; writing and using basic handlists; the history, including administrative history, of South Sudan; document cleaning; sorting and cataloguing procedures; and digitisation and meta-tagging. The digitisation training is held at the RVI Digitisation Training Centre, located in the RVI Juba office.

FUTURE PLANS

In 2013 the charity has four key aims:

- Diversification of the RVI's range of activities: extending research programmes to new countries in the region, broadening the range of research and educational work, and developing competence in the areas of economics, culture and environmental studies.
- Deepening ties with local partner organisations through partnership agreements and collaborative projects, with a view to strengthening local research capacity and developing the RVI's work in countries where it does not yet maintain offices.
- Development of cross-cutting regional programmes that build on RVI's experience working across Eastern and Central Africa. RVI's regional focus gives the Institute a unique vantage point for designing and implementing cross-regional research and education programmes and events.
- Development of a long-term strategy for the institutional development of the Institute through consultation with staff, trustees, Fellows, funders and local partners

FINANCIAL REVIEW

General

The Charity's total income in 2012 was 74 per cent higher than its total income in 2011. Net income from fees charged on the three RVI field training courses increased by 14 per cent on the previous year, while income from grants increased by 147 per cent.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

Income in 2012 showed a substantial increase on the previous year due to the award of five multi-year grants in the course of the year. Two of these grants were for institutional development (one for supporting the expansion of the RVI UK office in London and the second for expanding the RVI Eastern Africa office in Nairobi and establishing a new office in South Sudan). The third grant was for the Usalama project, an 18-month research programme documenting armed groups in Eastern DRC. The fourth grant was three-year, part-funding for the establishment of the Nairobi Forum for Research, Policy and Local Knowledge. The fifth grant was for the Security and Justice Research Programme, a thirty-month research project that forms a sub-component of the Nairobi Forum.

In 2013 it is anticipated that Charity's total income will be similar to that of 2012.

Staff costs rose to £193,961 in 2012, a 172 per cent increase from 2011, principally as a result of the recruitment of four new staff members – see sub-heading 'Overview of achievements and performance in 2012' above for further details. Primarily as a result of expanding RVI's in-house specialist and technical capacity, expenditure on fees for researchers and regional specialists in 2012 was 33 per cent lower than in 2011. As a result of securing new office premises in the UK and South Sudan expenditure on office costs rose by 69 per cent in 2012. Overall support costs – which include the general operating costs of the charity i.e. those costs that do not relate directly to a specific activity – in 2012 increased by 2.8 per cent from 2011.

Reserves Policy

Rift Valley Research Limited's main source of income is project funding, supplemented by fees charged for RVI field courses and core funding for institutional development. This funding is for both short and long-term projects, with the latter requiring significant ongoing financial commitment and investment. The Trustees have examined the need for free reserves (i.e. those unrestricted funds not invested in tangible fixed assets, or designated for specific purposes, or otherwise committed).

The Trustees judge it prudent to keep the equivalent of six months of estimated staff and support costs (principally employee salaries and office expenses) in reserves. Previously the Trustees were of the view that the company should also retain, in addition to six months staff and support costs, unrestricted funds equal to 10% of total annual project expenditure - in order to respond to any potential shortfall in cash flow that may be caused by delays in receipt of secured funds, or other unforeseen emergencies. The trustees reviewed this policy in early 2013 and were of the view that holding 10% of annual project expenditure in reserves is no longer necessary as the Institute's cash flow is dependable.

The keeping of six months of estimated staff and support costs in reserves covers minimum legal requirements and protects the Charity against funding shortfalls. The Board of Trustees will review this reserves policy annually.

The estimate for six months staff and support costs in 2013 is £225,000 (compared to £124,192 in 2012). The desired reserve for 2013 is therefore £225,000. At 31 December 2012 unrestricted funds stood at £317,027.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2012

Statement of responsibilities of the trustees

The Trustees (who are also directors of Rift Valley Research Limited for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income or expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2012 was 5 (2011 - 5). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 28 March 2013 and signed on their behalf by



Justin Willis - Trustee

Independent auditors' report

To the members of

Rift Valley Research Limited

We have audited the financial statements of Rift Valley Research Limited for the year ended 31 December 2012 which comprise the statement of financial activities, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the statement of responsibilities of the trustees set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

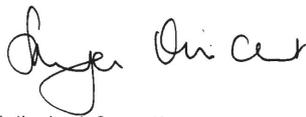
To the members of

Rift Valley Research Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report [only applicable if small]



Catherine L Sayer (Senior statutory auditor)

28 May 2013

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

Rift Valley Research Limited

Statement of Financial Activities (incorporating an Income and Expenditure Account)

For the year ended 31 December 2012

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	119,063	179,077	298,140	18,323
Investment income		-	50	50	29
		<u>119,063</u>	<u>179,127</u>	<u>298,190</u>	<u>18,352</u>
<i>Incoming resources from charitable activities</i>					
Education and training	3	-	363,957	363,957	331,661
Field research and publication		383,337	10,258	393,595	272,492
Archives		29,732	-	29,732	1,546
		<u>413,069</u>	<u>374,215</u>	<u>787,284</u>	<u>605,699</u>
Total incoming resources		<u>532,132</u>	<u>553,342</u>	<u>1,085,474</u>	<u>624,051</u>
Resources expended					
<i>Charitable activities</i>					
Education and training	4	-	361,167	361,167	302,361
Field research and publication		257,935	4,407	262,342	249,402
Archives		4,760	13,196	17,956	25,438
<i>Governance costs</i>		-	32,321	32,321	23,612
Total resources expended		<u>262,695</u>	<u>411,091</u>	<u>673,786</u>	<u>600,813</u>
Net incoming resources before transfers	5	269,437	142,251	411,688	23,238
Gross transfers between funds		-	-	-	-
Net incoming resources and movement in funds		<u>269,437</u>	<u>142,251</u>	<u>411,688</u>	<u>23,238</u>
Reconciliation of funds					
Total funds brought forward		<u>1,975</u>	<u>174,776</u>	<u>176,751</u>	<u>153,513</u>
Total funds carried forward		<u><u>271,412</u></u>	<u><u>317,027</u></u>	<u><u>588,439</u></u>	<u><u>176,751</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

Rift Valley Research Limited**Balance sheet**

Company no: 4271537

31 December 2012

	Note	£	2012 £	2011 £
Fixed assets				
Tangible fixed assets	9		<u>9,034</u>	<u>2,711</u>
			9,034	2,711
Current assets				
Debtors	10	237,644		34,126
Cash at bank and in hand		<u>381,909</u>		<u>298,252</u>
		619,553		332,378
Liabilities				
Creditors: amounts due within one year	11	<u>40,148</u>		<u>158,338</u>
Net current assets				
			<u>579,405</u>	<u>174,040</u>
Net assets				
	12		<u>588,439</u>	<u>176,751</u>
The funds of the charity				
Restricted funds	13			
In surplus			280,515	1,975
In deficit			(9,103)	-
Unrestricted funds				
General funds			<u>317,027</u>	<u>174,776</u>
Total charity funds				
			<u>588,439</u>	<u>176,751</u>

Approved by the trustees on 28 March 2013 and signed on their behalf by



Justin Willis - Trustee

Notes to the financial statements

For the year ended 31 December 2012

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).
- b) Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Incoming resources include revenue grants credited to the SOFA when received or receivable whichever is earlier. However grants received in an accounting period in respect of future accounting periods are deferred until those periods.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient certainty that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Course fees and other income is recognised when receivable.

- d) Restricted funds are to be used for specific purposes as stipulated by the donor. Expenditure which meets these criteria is charged to the relevant fund.
- e) Unrestricted funds are grants, donations and other incoming resources received or generated for the charitable purposes.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of the overall direction and administration of each activity, comprising staff salaries and office costs, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Education and training	40%
Field research and publication	36%
Archives	4%
Governance	5%
Support costs	15%

Charitable activity costs are costs incurred on activities aimed at meeting the charity's objectives.

Governance costs are costs associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support costs, which include the general operating costs of the charity i.e. those costs that do not relate directly to a specific activity, are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Education and training	47%
Field research and publication	42%
Archives	5%
Governance	6%

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2012

1. Accounting policies (continued)

i) Unrestricted reserves are transferred to restricted funds in projects where restricted funds are insufficient to cover committed activity costs.

j) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office equipment 2, 3 or 4 years
Prior to 2011 equipment was written off in the year of acquisition

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Foreign currency assets and liabilities are translated into sterling at the rate ruling at the balance sheet date. Income and expenditure incurred in foreign currencies is translated at the average exchange rate of the year. Any gain or loss on currency translation is dealt with in the SOFA as part of Resources Expended.

l) Donated services and facilities are included as incoming resources (with an equivalent amount in resources expended) only where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility provided.

2. Voluntary income

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
<i>Revenue grants (see also note 13)</i>				-
Open Society Institute	119,063	-	119,063	-
Anonymous support grant	-	177,977	177,977	-
	<u>119,063</u>	<u>177,977</u>	297,040	-
Donations in cash	-	1,100	1,100	4,448
Donations of Services	-	-	-	<u>13,875</u>
Total	<u>119,063</u>	<u>179,077</u>	298,140	<u>18,323</u>

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
<i>Revenue grants (see also note 13)</i>				287,252
UNESCO	29,732	-	29,732	-
Humanity United & Open Square	286,966	-	286,966	-
UK Government - Africa Conflict Prevention Pool	96,371	-	96,371	-
	<u>413,069</u>	-	413,069	287,252
Course fees	-	363,673	363,673	318,246
Other income	-	10,542	10,542	<u>201</u>
Total	<u>413,069</u>	<u>374,215</u>	787,284	<u>605,699</u>

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2012

4. Total resources expended

	Education and training	Field research and publications	Archives	Governance Costs	Support Costs	2012 Total	2011 Total
	£	£	£	£	£	£	£
Staff costs (Note 6)	81,148	67,688	7,521	9,401	28,203	193,961	71,398
Fees for researchers and regional specialists	58,165	76,872	2,921	-	1,307	139,265	207,314
Events and meetings	100,366	4,901	-	208	583	106,058	104,258
Travel, accomodation and field expenses	55,601	39,390	360	324	13,130	108,805	106,565
Communication and publication	6,785	15,921	1,224	-	413	24,343	36,626
IT and equipment costs	4,098	2,550	112	-	4,286	11,046	8,253
Office costs	21,370	20,221	2,243	2,647	7,942	54,423	32,169
Audit and accounting fees	-	-	-	14,774	4,746	19,520	15,850
Bank costs and exchange differences	29	15	-	-	10,837	10,881	16,381
Miscellaneous expenses	-	4,754	-	677	53	5,484	1,999
	<u>327,562</u>	<u>232,312</u>	<u>14,381</u>	<u>28,031</u>	<u>71,500</u>	<u>673,786</u>	<u>600,813</u>
Support Costs	33,605	30,030	3,575	4,290	(71,500)	-	-
Total resources expended	<u><u>361,167</u></u>	<u><u>262,342</u></u>	<u><u>17,956</u></u>	<u><u>32,321</u></u>	<u><u>-</u></u>	<u><u>673,786</u></u>	<u><u>600,813</u></u>

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Notes to the financial statements

For the year ended 31 December 2012

5. Net incoming resources for the year

This is stated after charging:

	2012 £	2011 £
Depreciation	5,678	1,355
Auditors' remuneration, including VAT:		
▪ audit	8,020	6,600
▪ other services	-	-
Trustees' remuneration	29,939	21,654
Trustees' reimbursed expenses	<u>6,690</u>	<u>12,063</u>

Trustees' remuneration comprises a salary paid to John Ryle (£24,000 in 2012, £18,600 in 2011) and fees paid to Justin Willis (£5,939 in 2012, £3,054 in 2011).

Trustees' reimbursed expenses comprise the cost of travel, accommodation, subsistence and telephone expenses incurred by John Ryle and Justin Willis. No other Trustee claimed reimbursement of expenses.

John Ryle was remunerated and reimbursed expenses for the provision of strategic, fundraising and management services provided in his capacity as Executive Director of the charity. Justin Willis is a regional specialist and was remunerated and reimbursed expenses for the provision of training and education services on behalf of the charity, as well as being reimbursed travel expenses for attending trustees' meetings.

6. Staff costs and numbers

Staff costs were as follows:

	2012 £	2011 £
Salaries and fees	176,831	65,694
Social security costs	14,477	4,336
Pension contributions	-	-
Other costs	<u>2,653</u>	<u>1,368</u>
	<u>193,961</u>	<u>71,398</u>
Total emoluments paid to staff were:	<u>176,831</u>	<u>65,694</u>

No employee earned more than £60,000 during the year.

The average monthly number of employees (full-time equivalent and including those Trustees who received remuneration - as specified in note 5 above) during the year was as follows:

	2012 No.	2011 No.
Support staff and Trustees	<u>7.5</u>	<u>4.2</u>

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2012

8. Related party transactions

John Ryle, a Trustee, has received advances from the charity to meet out of pocket expenses incurred by him on behalf of the charity. At 31 December 2012 the amount advanced was nil: at 31 December 2011 an amount of £3,791 was due to John Ryle by the charity and was included under creditors at that date.

In 2011 John Ryle provided office facilities for the charity free of rent and without charge for utilities. The value of this contribution has been estimated at £1,000 per month and the amount of £12,000 was been included as both an incoming resource (donation of services) and as expenditure (within office costs). This arrangement ceased in early 2012 and the amount of any services provided in that year is believed to be negligible.

As explained in note 5 two trustees were remunerated for services provided to the charity.

9. Tangible fixed assets

	Office equipment £	Total £
Cost		
At the start of the year	14,976	14,976
Additions in year	12,001	12,001
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	26,977	26,977
Depreciation		
At the start of the year	12,265	12,265
Charge for the year	5,678	5,678
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	17,943	17,943
Net book value		
At the end of the year	9,034	9,034
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	2,711	2,711
	<hr/> <hr/>	<hr/> <hr/>

10. Debtors

	2012 £	2011 £
Grant income	207,709	22,565
Other debtors	22,692	10,301
Prepayments	7,243	1,260
	<hr/>	<hr/>
	237,644	34,126
	<hr/> <hr/>	<hr/> <hr/>

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2012

11. Creditors: amounts due within one year

	2012 £	2011 £
Amount due to Trustee (note 8)	-	3,791
Other creditors	9,861	12,558
Accruals	25,181	6,600
Deferred incoming resources	5,106	135,389
	<u>40,148</u>	<u>158,338</u>

12. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	9,034	9,034
Net current assets	280,515	298,890	579,405
Net assets at the end of the year	<u>280,515</u>	<u>307,924</u>	<u>588,439</u>

13. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Kenya-Somalia cross-border livestock trade	100	-	(9,203)	-	(9,103)
Scholarship Fund	1,875	-	-	-	1,875
Urgent Safeguarding of the South Sudan National Archive	-	29,732	(4,760)	-	24,972
Usalama Project	-	286,966	(131,336)	-	155,630
The Nairobi Forum for Research, Policy and Local Knowledge	-	96,371	(87,094)	-	9,277
South Sudan and East Africa Institutional Development Grant	-	119,063	(30,302)	-	88,761
Total restricted funds	<u>1,975</u>	<u>532,132</u>	<u>(262,695)</u>	<u>-</u>	<u>271,412</u>
Unrestricted funds:					
General funds	174,776	553,342	(411,091)	-	317,027
Total unrestricted funds	<u>174,776</u>	<u>553,342</u>	<u>(411,091)</u>	<u>-</u>	<u>317,027</u>
Total funds	<u>176,751</u>	<u>1,085,474</u>	<u>(673,786)</u>	<u>-</u>	<u>588,439</u>

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2012

13. Movements in funds (continued)

Purposes of restricted funds

Restricted funds comprise grants and donations received for specific purposes as follows:

Kenya-Somalia cross-border livestock trade: This research project, funded by the Food and Agriculture Organization (FAO) of the United Nations, examines the cross-border livestock trade between Kenya and Somalia.

Scholarship fund: voluntary donation fund to enable young professionals and graduate students from the Rift Valley region to attend courses provided by the charity.

Urgent Safeguarding of the South Sudan National Archive: This project, funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO), aims to support the emergency preservation, ordering, cataloguing and digitisation of the National Archives of South Sudan.

Usalama Project: This aim of this research project, co-funded by Humanity United and Open Square, is to document armed groups in the Democratic Republic of Congo (DRC) with a view to deepen understanding of violence in eastern DRC and promote a practical programme for demobilization and security sector reform.

The Nairobi Forum for Research, Policy and Local Knowledge: The Nairobi Forum, funded by the UK Government's Africa Conflict Prevention Pool, is a continuing programme of research, seminars and public lectures designed to bring together researchers, policy-makers, government officials, and activists concerned with current issues in Eastern and Central Africa. An additional component of the Nairobi Forum is a Security and Justice Research programme which aims to improve understanding of security and justice systems in the Somali region (south central Somalia, Puntland and Somaliland).

South Sudan and East Africa Institutional Development Grant: A grant from the Open Society Institute to support the development of Rift Valley Institute offices in East Africa (Nairobi) and South Sudan (Juba).

Restricted fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial period, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some project funds. The total deficit fund balances amounted to £9,103 (2011: nil). The Trustees consider that the likelihood of reimbursement is of sufficient level to justify the carrying of any deficit funds forward at the end of the year.