

Company no 4271537
Charity no 1144010

Rift Valley Research Limited
Report and Financial Statements
31 December 2011



sayer vincent

auditors and advisors

Rift Valley Research Limited

Reference and administrative details

For the year ended 31 December 2011

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	<p>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</p> <p>John Ryle Ann Grant (appointed 9 September 2011) Justin Willis Lindsey Hilsum Mohamed Osman</p>
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 2011

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 2011

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 (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 with the registration number 4271537. The company was registered as a charity on 27 September 2011 (charity number 1144010).

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Any expenses reclaimed by trustees from the charity are set out in note 5 to the accounts.

Governance

The RVI is governed by a Board of Trustees which meets twice annually. Day-to-day management of the Charity is delegated to the Executive Director, who seeks guidance from trustees when issues of strategic and governance policy arise. A body of Fellows of the Rift Valley Institute acts in an advisory capacity.

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 procedure for inducting and training a new trustee entails a visit to the RVI UK office in order to familiarise the new trustee with the workings of the Charity – with its aims, standard procedures and policies – and for the trustee to meet management staff. On appointment, trustees receive a document package 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.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

Related Parties

RVI has a sister organisation, Rift Valley Institute Inc, in the United States. Rift Valley Institute Inc was incorporated under Section 402 of the Not-for-Profit Corporation Law in New York State on 30 August 2006. In 2011 it submitted an application for 501(c)3 (ie non-profit) status. Rift Valley Institute Inc was created to raise and distribute funds 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. None of the Board Members are remunerated for their work for Rift Valley Institute Inc. John Ryle is also a trustee of the Rift Valley Institute (ie 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.

The Board regularly reviews and assesses the risks faced by the Charity. A detailed Register of Risks has been drafted and will be presented for approval to the Board of Trustees by the Executive. This Register of Risks, and the policies in place to manage these risks, will be 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

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 Africa", "to promote research into Eastern Africa and related subjects", "to disseminate the useful results of such research throughout the world", and "to promote human rights".

Background

The RVI was founded in 2001 as a non-profit research, education and advocacy organisation operating in Eastern Africa. The Institute works with communities, institutions and individuals to bring local knowledge to bear on political and economic development in crisis-affected countries in the region. It is currently active in Sudan, South Sudan, Somaliland, Kenya and the Democratic Republic of the Congo (DRC). It also operates in other countries in the Horn of Africa, in East Africa and in the Great Lakes region. RVI programmes are designed to inform aid interventions, support local research capacity, record indigenous culture and promote just societies.

RVI undertakes its activities in collaboration with numerous indigenous bodies and regional organisations. In South Sudan, these include the University of Juba, Rumbek Senior Secondary School, Marol Academy and the Gurtong Trust; in Sudan, the University of Khartoum and Partners in Development Services; in Kenya, the Kwani Trust, the Lamu Museum and the British Institute in Eastern Africa; and in Somaliland, the Academy for Peace and Development and Abaarso Technical School.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

Strategic objectives and activities in 2011

The Institute's programme-related activities in 2011 were in three areas of enterprise: research and publication, education and training, and archives and libraries. These three areas are chosen as means to implement the Institute's aim of bringing local realities to bear on development. The institutional development of the Institute is designed to support these activities.

A key objective in 2011 in the area of institutional development was a new London office to accommodate an expansion in the London-based staff of the Institute. A second management objective was to establish full-time staffing of the RVI's Nairobi office, part of a planned long-term shift of some management functions from London to Nairobi. The administrative shift to Eastern Africa follows the logic of the Institute's aim of staying close to local realities and institutions in the region. It is also intended as a more efficient way to manage existing projects, particularly field courses, and to develop a more responsive research programme.

The expansion of the Nairobi office was intended, among other things, to provide a support base for a planned extension of the RVI's research and publishing programme into the Democratic Republic of Congo (DRC) and for the proposed establishment of an RVI office in Juba, in South Sudan. It was also intended to extend and deepen relations with indigenous educational and research institutions in these countries and in Kenya – and other countries in the region where the Charity operates.

The Institute aims to develop its activities in a transparent manner, whereby Institute staff and staff of any collaborating organisations have access to appropriate information regarding the management and financial administration of projects.

In the area of fund-raising the primary aim of the Charity in 2011 was to raise core-funding for a multi-year period in order to enable the institutional development described above, and to raise project funding to continue to expand the RVI's research and publication programme.

Achievements and performance

In the area of fund-raising, in 2011, the Charity raised two two-year grants for institutional development, both commencing in 2012. These grants have enabled the subsequent establishment of a new office in London and support for two staff in Nairobi. Funding was also secured for a fifteen-month research project in DRC, to begin in 2012.

The RVI's annual field courses continued in 2011: the Great Lakes course graduated from a grant-funded event in 2010 to an autonomous fee-funded course in 2011 following the pattern of the Sudan Course (established in 2004) and the Horn of Africa Course (established in 2008). For the second year running, the Institute also organised a series of public lectures in Juba in collaboration with Juba University.

In the area of research and publication the Institute copublished *The Sudan Handbook*, fruit of the RVI Sudan Field Course. In 2012 the Handbook was due to become available in a freely downloadable digital version, in accordance with the Institute's commitment to open access publishing. Details of this and other publications can be found below. No funding has yet been raised, however, for the expansion of the Sudan Open Archive (established in 2004), though this is one of the RVI's most enduring contributions to access to knowledge in the region, nor for a long-planned project combining training in oral history for Southern Sudanese graduate students and a linked oral history research programme in South Sudan.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

Research and publications

Disputed Votes, Deficient Observation

A critical examination of the role of election observers in the disputed 2011 elections preceding the current conflict in South Kordofan, Sudan

Securing the Peace in Somaliland

A study comprising multiple fieldwork-based case-studies, by Somali and international researchers, that examines the impact of the 2010 Presidential election on stability and development in Somaliland – a positive message from the Horn of Africa

The Sudan Handbook

A set of essays offering an authoritative introduction to Sudan and South Sudan, rooted in a historical account of the development of the state, written by leading Sudanese, South Sudanese and international specialists, with purpose-drawn maps, a glossary, capsule biographies, a chronology and a bibliography. The was co-published in print form by RVI and James Currey / Boydell & Brewer) and in digital form by RVI. Initial reviews of the book have been very favourable

When Boundaries Become Borders

The publication of an Arabic translation of the report, published in English in 2010, that examines the potential impact of the new border on the peoples of South Sudan and the north-south borderlands, an area that is the site of multiple potential conflicts threatening the peace between the two new countries

The Kafia Kingi Enclave

Arabic translation of an earlier RVI study, originally published in 2010, of the area between Western Bahr al-Ghazal and South Darfur, where Darfur meets Sudan's north-south borderlands, which forms the largest of the disputed areas between north and south Sudan

Training and education

RVI field courses

In 2011, Rift Valley Institute held its eighth annual Sudan Course, its fourth Horn of Africa Course and its second Great Lakes Course. RVI field courses have become an established feature of the advanced professional training of aid workers, UN officials, diplomats and others working in the countries of Eastern Africa, a gold standard for high-level courses in this challenging operational environment. The three RVI field courses – covering Sudan (now the Sudans), the Horn of Africa and the Great Lakes – are one-week annual courses held in South Sudan, Kenya and Burundi. The courses are attended by a wide range of participants of different national origin, and varying levels of professional seniority, from within the region and beyond. Participants in the courses qualify for three graduate credits in the US educational system, the equivalent of a full-semester graduate-level class.

Juba Lecture Series

On 2 and 3 June 2011, in the run-up to the independence celebrations in South Sudan, RVI organised a two-day public lecture series in Juba with presentations by a number of prominent South Sudanese researchers and activists. The theme of the lectures – the second in an annual series – was culture and nationhood. The event was organised in collaboration with the Centre for Peace and Development Studies at the University of Juba. Speakers included South Sudanese academics and activists, and international specialists.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

Archives and Digitisation

The National Archive of South Sudan

The success of the RVI's digital library, the Sudan Open Archive (www.sudanarchive.net) has resulted in demand for RVI assistance in the development of other archives in the region, notably a request from the government of South Sudan for support in rehabilitating and digitising their national archive, currently housed in Juba. This pilot project involved the creation of a pilot digital archive which was delivered to the Minister of Culture and Heritage in 2011.

Sudan Open Archive

A new version of the Institute's Sudan Open Archive is now available on an external hard drive. SOA 3.0 offers free digital access to over three thousand books and documents and articles about all regions of Sudan. In 2011 two new special collections were incorporated into the Archive: the first thirty-two volumes of Sudan Notes and Records, Sudan's flagship scholarly journal, and the papers of the late Sudan scholar, Richard Gray.

Office and staff

The Institute appointed a Project Manager and a Project Officer in the Eastern Africa office in Nairobi and a new Project Officer in London. New office premises in London were located and a lease agreed.

Future plans

The aims and objectives the Charity has set for 2012 include consolidating the RVI presence in the Democratic Republic of Congo, the establishment of an office in South Sudan and the further expansion of the Eastern Africa regional office in Nairobi. A range of activities in the sphere of research and publication are planned under the auspices of the Nairobi Forum for Research, Policy and Local Knowledge. The planned appointment of a Regional Director for Eastern Africa, based in Nairobi, and a Sudan Director, will shift the Institute's centre of gravity further towards the global south. 2012 may also see a rationalisation and reorganisation and possible relocation of the Institute's field courses.

New activities planned for 2012

The Nairobi Forum

The Nairobi Forum for Research, Policy and Local Knowledge (FRP or Nairobi Forum) will combine workshops, lectures and seminars with policy-oriented research to create a new programme space in Nairobi for critical discussion of innovative approaches to political, economic and social issues in Eastern and Central Africa. The themes will address the current interaction of social, political, economic and environmental issues in the crisis zones of Eastern and Central Africa. Events at the Forum will be the occasion for debate between different constituencies, with insights from social research and local knowledge applied to existing policy and practice. The events will bring together researchers, practitioners, officials and activists – from the region and beyond – establishing a space for dispassionate examination of contested social and political terrain.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

The Baggara Belt

This is a one-year programme combining field and archival research that will survey and analyse communities in the Baggara belt, the realm of Arab cattle pastoralists that stretches across the southern border of the Republic of Sudan, from South Darfur to Southern Blue Nile. The Baggara groups – including the Rizeigat of South Darfur, the Misseria and Hawazma of South Kordofan, the Kenana of White Nile and the Rufaa al-Hoi of Blue Nile – play an important and unpredictable role in Sudanese politics, particularly in the conflicts that beset the North-South border zone and western Sudan. The RVI will work in collaboration with researchers from Khartoum-based research institutes to document and summarise the current state of knowledge.

Usalama Project: Understanding Congolese Armed Groups

The Usalama Project (Swahili for peace and security) will provide Congolese and others with a deeper understanding of the dynamics of violence in the eastern Congo through a series of detailed reports on armed groups, including the Congolese army. It will also seek to promote – with donors and the Congolese government – a practical programme for effective reform of the Congolese security sector. The project will identify obstacles to the demobilization of armed groups and/or their integration into the Congolese Armed Forces with a view to reform of the army and reinvigoration of the programme of demobilization of armed groups.

Financial Review

In 2011 net income from fees charged on the three RVI field training courses increased by 8 per cent on the previous year, while income from grants decreased by 43 per cent. The Institute's total income in 2011 was 23 per cent less than its total income in 2010. However income in 2011 was almost 50% higher than it had been in 2009.

There are a number of reasons for the 2010-2011 fluctuation. First, income in 2010 showed a substantial increase on the previous year due to a large one-off grant awarded for the establishment of a Great Lakes training course. (In 2011 the Great Lakes course became self-funding through course fees, requiring no further grant-funding.) Secondly, following successful fund-raising in 2010, 2011 was a period of consolidation for RVI, with staff focusing on developing new research programmes, expanding the Institute's office in Eastern Africa, strengthening the Institute's long-term administrative and fund-raising capacity, and obtaining charitable status in England and Wales and non-profit status in the United States of America. The final reason for the lower total income in the 2011 financial year relative to 2010 was the timing of grants raised in 2011, the start date of one of which was delayed to early 2012 (see "Achievements and Performance" above).

In 2012, barring unpredictable events, it is anticipated that Institute's total income will be higher than either in 2010 or in 2011.

Reserves Policy

Rift Valley Research Limited's main source of income is project funding, supplemented by 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).

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

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. In addition the Trustees are of the view that the company should retain 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. These provisions cover minimum legal requirements and protect the Charity against temporary shortfalls. The Board of Trustees will review this reserves policy annually.

The estimate for six months staff and support costs in 2012 is £173,750 (compared to £77,477 in 2011). The estimate for 10% of total project expenditure in 2012 is £78,099 (compared to £43,825 in 2011). The desired reserve for 2012 is £251,849. At 31 December 2011 unrestricted funds stood at £174,776, of which £2,711 is held as fixed assets, leaving £172,065 as free reserves.

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.

Rift Valley Research Limited

Report of the trustees

For the year ended 31 December 2011

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 2011 was 5 (2010 - 4). 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 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 5 April 2012 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Justin Willis', is written over a horizontal line.

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 2011 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 2011 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 2012

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 2011

	Note	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	1,875	16,448	18,323	12,000
Investment income		-	29	29	25
		<u>1,875</u>	<u>16,477</u>	<u>18,352</u>	<u>12,025</u>
<i>Incoming resources from charitable activities</i>					
Training and education	3	-	331,661	331,661	470,860
Field research and publication		176,881	95,611	272,492	297,187
Digital archives		-	1,546	1,546	32,892
		<u>176,881</u>	<u>428,818</u>	<u>605,699</u>	<u>800,939</u>
Total incoming resources		<u>178,756</u>	<u>445,295</u>	<u>624,051</u>	<u>812,964</u>
Resources expended					
<i>Charitable activities</i>					
Training and education	4	-	302,361	302,361	348,225
Field research and publication		156,545	92,857	249,402	312,964
Digital archives		-	25,438	25,438	32,746
<i>Governance costs</i>		-	23,612	23,612	5,278
Total resources expended		<u>156,545</u>	<u>444,268</u>	<u>600,813</u>	<u>699,213</u>
Net incoming resources before transfers	5	22,211	1,027	23,238	113,751
Gross transfers between funds		121	(121)	-	-
Net incoming resources and movement in funds		<u>22,332</u>	<u>906</u>	<u>23,238</u>	<u>113,751</u>
Reconciliation of funds					
Total funds brought forward		<u>(20,357)</u>	<u>173,870</u>	<u>153,513</u>	<u>39,762</u>
Total funds carried forward		<u><u>1,975</u></u>	<u><u>174,776</u></u>	<u><u>176,751</u></u>	<u><u>153,513</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

Company no. 4271537

Balance sheet**31 December 2011**

	Note	£	2011 £	2010 £
Fixed assets				
Tangible fixed assets	9		<u>2,711</u>	<u>-</u>
			2,711	-
Current assets				
Debtors	10	34,126		36,638
Cash at bank and in hand		<u>298,252</u>		<u>229,198</u>
		332,378		265,836
Liabilities				
Creditors amounts due within one year	11	<u>158,338</u>		<u>112,323</u>
Net current assets			<u>174,040</u>	<u>153,513</u>
Net assets	12		<u><u>176,751</u></u>	<u><u>153,513</u></u>
The funds of the charity	13			
Restricted funds				
In surplus			1,975	-
In deficit			-	(20,357)
Unrestricted funds				
General funds			<u>174,776</u>	<u>173,870</u>
Total charity funds			<u><u>176,751</u></u>	<u><u>153,513</u></u>

Approved by the trustees on 5 April 2012 and signed on their behalf by



Justin Willis - Trustee

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2011

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).

Financial statements prepared for those years prior to Rift Valley Research Limited becoming a registered charity in 2011 did not follow the recommendations in the SORP 2005. However, comparative figures for the financial year ending 31 December 2010 have been provided, using estimates where appropriate, in a manner consistent with SORP 2005.

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Incoming resources from charitable activities 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 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 & training	31%
Research & publication	40%
Archive	5%
Governance	9%
Support costs	15%

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.

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2011

1. Accounting policies (continued)

Education & training	37%
Research & publication	47%
Archive	6%
Governance	10%

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

- 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	3 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 £	2011 Total £	2010 Total £
Donations in cash	-	4,448	4,448	-
Donations of Services	1,875	12,000	13,875	12,000
Total	1,875	16,448	18,323	12,000

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Course fees	-	318,246	318,246	294,746
Revenue grants	176,881	110,371	287,252	504,855
Other income	-	201	201	1,338
Total	176,881	428,818	605,699	800,939

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2011

4. Total resources expended

	Training and education	Field research and publications	Digital archives	Governance Costs	Support Costs	2011 Total	2010 Total
	£	£	£	£	£	£	£
Staff costs (Note 6)	21,187	30,391	3,417	6,151	10,252	71,398	62,441
Fees for researchers and regional specialists	69,368	133,391	2,823	-	1,732	207,314	259,081
Event accommodation and venue hire	101,927	862	-	-	1,469	104,258	102,626
Travel and field expenses	65,475	30,025	1,904	-	12,430	109,834	176,665
IT and publication	8,443	7,721	11,464	-	13,982	41,610	63,492
Office costs and insurance	9,972	12,868	1,608	2,896	4,825	32,169	23,381
Audit and accounting fees	-	-	-	6,600	9,250	15,850	13,000
Bank costs and exchange differences	267	667	51	-	15,396	16,381	(1,689)
Miscellaneous expenses	-	803	-	1,013	183	1,999	216
	276,639	216,728	21,267	16,660	69,519	600,813	699,213
Support Costs	25,722	32,674	4,171	6,952	(69,519)	-	-
Total resources expended	302,361	249,402	25,438	23,612	-	600,813	699,213

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Notes to the financial statements

For the year ended 31 December 2011

5. Net incoming resources for the year

This is stated after charging

	2011 £	2010 £
Depreciation	1,355	5,804
Auditors' remuneration, including VAT		
▪ audit (2011 was the first year of audit)	6,600	-
▪ other services	-	-
Trustees' remuneration	21,654	18,750
Trustees' reimbursed expenses	<u>12,063</u>	<u>10,010</u>

Trustees' remuneration comprises a salary paid to John Ryle (£18,600 in 2011, £18,750 in 2010) and fees paid to Justin Willis (£3,054 in 2011, nil in 2010)

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 one trustees' meeting.

6. Staff costs and numbers

Staff costs were as follows

	2011 £	2010 £
Salaries	65,694	57,593
Social security costs	4,336	3,818
Pension contributions	-	-
Other costs	<u>1,368</u>	<u>1,030</u>
	<u>71,398</u>	<u>62,441</u>
Total emoluments paid to staff were	<u>65,694</u>	<u>57,593</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

	2011 No.	2010 No.
Support staff and Trustees	<u>4.2</u>	<u>3.7</u>

7 Taxation

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

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Notes to the financial statements

For the year ended 31 December 2011

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 2010 the amount advanced was £4,101. During 2011 John Ryle accounted for expenses against this advance, received further advances, and advanced money to the charity. At 31 December 2011 an amount of £3,791 was due to John Ryle by the charity and is included under creditors.

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 (2010 - £12,000) has been included as both an incoming resource (donation of services) and as expenditure (within office costs).

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	41,325	41,325
Additions in year	4,066	4,066
Disposals in year	(30,415)	(30,415)
	<u>14,976</u>	<u>14,976</u>
At the end of the year		
Depreciation		
At the start of the year	41,325	41,325
Charge for the year	1,355	1,355
Disposals in year	(30,415)	(30,415)
	<u>12,265</u>	<u>12,265</u>
At the end of the year		
Net book value		
At the end of the year	<u>2,711</u>	<u>2,711</u>
At the start of the year	<u>-</u>	<u>-</u>

10 Debtors

	2011 £	2010 £
Trustee advances (note 8)	-	4,101
Other debtors	32,866	14,369
Prepayments	1,260	-
Accrued income	-	18,168
	<u>34,126</u>	<u>36,638</u>

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Notes to the financial statements

For the year ended 31 December 2011

11. Creditors: amounts due within one year

	2011 £	2010 £
Taxation and social security	-	4,421
Amount due to Trustee (note 8)	3,791	-
Other creditors	12,558	3,997
Accruals	6,600	37,964
Deferred incoming resources	135,389	65,941
	158,338	112,323

12 Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	2,711	2,711
Net current assets	1,975	172,065	174,040
Net assets at the end of the year	1,975	174,776	176,751

13 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds.					
DFID Somaliland Election Support Evaluation of Somaliland democratisation	-	44,628	(44,628)	-	-
Kenya-Somalia cross-border livestock trade	-	5,750	(5,650)	-	100
The Sudan Handbook	(20,357)	16,532	3,825	-	-
Scholarship Fund	-	1,875	-	-	1,875
Total restricted funds	(20,357)	178,756	(156,545)	121	1,975
Unrestricted funds:					
General funds	173,870	445,295	(444,268)	(121)	174,776
Total unrestricted funds	173,870	445,295	(444,268)	(121)	174,776
Total funds	153,513	624,051	(600,813)	-	176,751

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Notes to the financial statements

For the year ended 31 December 2011

13. Movements in funds (continued)

Purposes of restricted funds

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

DFID Somaliland Election Support a study to support DFID in the development of its election support programme for Somaliland

Evaluation of Somaliland democratisation an evaluation of the impact and effectiveness of donor assistance to Somaliland's Democratisation process between 2008 and mid-2010 An overspend of £121 on this project was funded by transfer from unrestricted funds

Kenya-Somalia cross-border livestock trade a report examining the nature and extent of the informal trade in livestock across the Kenya-Somalia border

The Sudan Handbook production and publication of a book on the history, culture, economics and politics of Sudan and South Sudan

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

Outgoing resources relating to The Sudan Handbook include reversal of an over-provision for 2010 expenditure which result in a net reduction of resources expended of £3,825 for 2011

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 £nil (2010 £20,357) 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