

Company number: 4271537  
Charity number: 1144010

# Rift Valley Research Limited

Report and Financial Statements

31 December 2016

## Rift Valley Research Limited

### Reference and administrative details

For the year ended 31 December 2016

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**Company number** 4271537

**Charity number** 1144010

**Operating as** Rift Valley Institute

**Registered office and operational address** Unit 107, Belgravia Workshops  
159/163 Marlborough Road  
LONDON, N19 4NF

**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:

Comfort Ero (from 15 January 2016)

Ann Grant

Lindsey Hilsum

Christopher Maynard (from 14 February 2017)

Mohamed Osman

John Ryle (until 31 December 2016)

Justin Willis (until 8 August 2016)

**Principal staff** Philip Winter Acting Executive Director (until 30 June 2016)  
John Ryle Executive Director (from 1 July)

**Bankers** HSBC (UK)  
I&M Bank (Kenya)

**Auditor** Sayer Vincent LLP  
Chartered accountants and registered auditors  
Invicta House, 108-114 Golden Lane  
LONDON, EC1Y 0TL

## Summary

The Rift Valley Institute (RVI) is an independent, non-profit organisation working in Eastern and Central Africa. The aims of the Institute are to advance understanding of the region and its diverse communities, to connect local knowledge to social and political action, to defend freedom of information and to promote social justice. RVI programmes include action-oriented research, field-based training, digital archives, distance learning and open-access publishing. In 2016, RVI worked in Somalia, Somaliland, South Sudan, Kenya, Tanzania, Uganda, Ethiopia and the Democratic Republic of the Congo. Despite a large turnover of staff in 2016, staffing levels at the end of 2016 were 15, similar to 2015. RVI maintained offices in the UK (London), Kenya (Nairobi), Somaliland (Hargeysa) and South Sudan (Juba).

RVI continues to run flagship annual training courses for the Horn of Africa, the Sudans and the Great Lakes. In 2016, fifty-one lectures, panel discussions, workshops and public meetings were organised under the aegis of the Rift Valley Forum attracting over 2,500 participants. As well as in Nairobi, forums were held in Hargeysa (Somaliland), Garowe (Puntland), Juba (South Sudan), London and in the DRC.

Other notable projects included the following: the third year of the Hargeysa Cultural Center in Somaliland, an EU-funded joint project with Red Sea Cultural Foundation; ongoing conservation and digitization of the National Archive of South Sudan, funded by UNESCO and the USAID VISTAS programme; documentation and promotion of the role of customary authorities in the political transition in South Sudan, supported by the Swiss Government; research on strengthening the role of women in politics in Kenya, supported by the East Africa Research Fund (EARF); supporting the delivery of high-quality research in the Somali Regions supported by the Somalia Stability Fund (SSF); technical support to the development of a national land policy in Somaliland, funded by the Somaliland Development Fund (SDF); and the continuation of a joint DFID-funded research project on political settlements, implemented with the University of Edinburgh and other partners.

In 2016, the Institute continued the strategic planning process started in 2015, which included a reassessment of our commitment to its core mission in relation to the changing funding environment. A draft strategic plan was endorsed by the Board of Trustees in August 2016.

RVI was financed, as in previous years, by a combination of bilateral and multi-lateral donor funding, fees earned from courses, and payments for consultancies and project management. These allowed us to extend our work in the linked fields of research, information and learning. The year was the most productive in terms of publications, and the global dissemination of RVI research on armed groups, land and migration, amongst other topics.

The RVI's balance of funding sources is changing, reflecting the expansion of the organisations work in different regions, changes in the donor funding environment towards consortium grants,

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and a reduction in unrestricted foundational funding. The decrease in reserves reflects a decrease in unrestricted core funding.

The overall income of the Institute declined in 2016 by 21 per cent compared to 2015, to \$2,081,171. The Institute's unrestricted reserves reduced by 48%, due to a reduction in unrestricted funding and a combination of delayed grants and unsuccessful funding proposals.

By mid-2016 it became clear that the financial performance of the Institute was not in line with the annual plan. Measures were immediately taken to adjust the cost base of the Institute to match a reduction in forecast income over the remainder of 2016, and to establish a sound basis for subsequent years. The Trustees' attention was deliberately focused on the financial performance of the Institute for the remainder of the year, and in securing a robust budget for the next. That process was successful in stabilising the institute with a robust budget for 2017.

Towards the end of 2016, RVI prepared for its first transition of Executive Directorship. John Ryle, founder of the Institute, stepped down from the role on 31 December 2016. He continues to be affiliated to the Institute as a Fellow and as a lead researcher on one of its projects.

The operational context in the regions where the Institute works has become increasingly challenging. In 2016, physical security, freedom of information and public space diminished in all countries where we have projects. Despite these and other constraints the Institute's work continued.

## Objectives and activities

### Background

The Rift Valley Institute was founded in 2001 as a non-profit organisation operating in Eastern and Central Africa. It works with communities, institutions and individuals to bring local knowledge to bear on political, economic and social development in the countries in the region: Sudan, South Sudan, the Somali regions (including Somaliland and Puntland), Ethiopia, Djibouti, Kenya, Uganda, Tanzania, the Democratic Republic of the Congo, Rwanda and Burundi.

The Institute develops and implements programmes that combine action-oriented research with education and public information. RVI programmes are designed for long-term impact. They aim to shape aid interventions, expand space for public participation in policy, support local research capacity, preserve communal histories, and promote social justice.

The first RVI project was a field investigation of war-related abduction and enslavement in Sudan during the 1983–2005 civil war. In subsequent years, the RVI, working in collaboration with international and local partner organisations, has undertaken research on a range of social, political, economic, governance and cultural themes in Sudan and South Sudan, the Democratic Republic of Congo, the Somali regions in the Horn of Africa and Kenya. These include peace

processes, judicial systems, electoral processes, contested borders, land, migration, and gender. The Institute has developed annual training courses for professionals working in three sub-regions (the Horn, Great Lakes, and Sudans), runs customised training for regionally-based organisations, and trains local researchers in research methodologies. Other recent and current programmes include the documentation of conflict in the DRC, with a specific focus on armed groups, and the Rift Valley Forum, which provides a platform for a continuing series of seminars and public meetings to exchange knowledge between policy-makers, researchers, activists and community leaders in the wider region. The Institute has also pioneered field-based digitisation and preservation of endangered archives, as well as the creation of open-access digital libraries, and is currently manages a long-term project to conserve and digitise the National Archive of South Sudan.

#### **Charitable objectives**

The Charity was established, in the words of the Articles of Association, in order, among other things, 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'; and to 'disseminate the useful results of such research throughout the world'.

These objectives are for the public benefit, as set out in the Charities Act of 2006. In furtherance of these objectives, the Charity undertakes four core activities: research and publication; education and training; forums for public discussion; and conservation and digitization of archives. These areas are the most effective means available currently to implement the Institute's broad aim of bringing local knowledge to bear on social, economic and political development in Eastern and Central Africa.

The RVI is a signatory of the Budapest Open Access Initiative of 2002 and seeks to promote free public access to useful knowledge. RVI books, reports, maps, newsletters and the contents of its websites are published and disseminated, wherever possible, under a Creative Commons open-access license. Digital versions of RVI publications are available for download free of charge from the Institute website. Digital archives created and run by the RVI use UNESCO-endorsed open-source software.

#### **Partners**

In fulfilment of its aims of supporting and disseminating research, and bringing local knowledge to bear on development in Eastern and Central Africa, the RVI undertakes its activities in partnership with national and regional organisations. Collaboration takes the form of joint projects, the exchange of skills and knowledge, technical training, material support, resource sharing, research assistance, co-hosting of events, and co-publishing.

RVI's local partners in Eastern and Central Africa in 2016 include the following: in South Sudan, the Catholic University of South Sudan; in Uganda, Makerere University; in Tanzania, REPOA; in Kenya,

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the Kwani Trust and the National Museums of Kenya; in Somalia, the Heritage Institute for Policy Studies and Puntland State University; and in Somaliland, Redsea Online Cultural Foundation, the University of Hargeysa and the Academy for Peace and Development.

#### Objectives and activities in 2016

In 2012, the charity identified four key aims:

***Aim 1: Diversification of the RVI's range of activities by extension of research programmes to new countries in the region, broadening the range of research and educational work, and developing competence in new areas, including economics, culture and the environment.***

***Progress in 2016:*** RVI successfully expanded the number of projects undertaken, particularly in the workstream of learning by increasing its range of training courses. Additionally, RVI was successful in securing new research projects on women in politics in Kenya, on the protests in Ethiopia, a new phase of the South Sudan customary authorities, and research on vulnerability in Somalia amongst others. RVI's work also included continued research and technical support to the Government of Somaliland for the development of land policy, continued research on armed groups in eastern Congo, and supporting the training of Somali researchers.

***Aim 2: Development of cross-cutting regional programmes that build on RVI's experience working in the countries of eastern and central Africa.***

***Progress in 2016:*** RVI's flagship regional programme, the Rift Valley Forum, had its most active year to date, holding fifty-one Lectures, panel discussions and public meetings attracting over 2,500 participants. As well as in Nairobi, forums were held in Hargeysa (Somaliland), Garowe (Puntland), Juba (South Sudan), London and in the DRC.

RVI continued being an active partner in the DFID-funded *Political Settlements Research Programme* (PSRP), a complex four-year contract awarded to a consortium led by the University of Edinburgh. This has provided RVI an opportunity to expand its regional work.

***Aim 3: Deepening ties with local partner organisations with a view to strengthening local research capacity and developing RVI's work in countries where it does not yet maintain offices.***

***Progress in 2016:*** RVI continues to maintain relationships with local institutions in Kenya, Somaliland and South Sudan. New partnerships in 2016 were formed in Uganda, Tanzania, and multiple new partners in Kenya through the Rift Valley Forum.

***Aim 4: Development of a long-term strategy for the development of the Institute***

***Progress in 2016:*** An extensive strategic planning process was undertaken during the first quarter of 2016. This involved staff from RVI's four offices, Fellows, associates and collaborating

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institutions in the region, culminating in a Strategic Planning Meeting held over three days in Ethiopia in March 2016. A drafting group prepared a draft strategic plan, which was submitted to the Board of Trustees in July 2016. The strategic plan reaffirms the guiding principles of the Institute, while setting out a vision for the expansion of the Institute in the region, including moving the centre of gravity of the organisation to East Africa. The Trustees endorsed the draft in August, noting the intention was to complete the process with a detailed plan to operationalise the strategy in 2017.

### Overview of achievements and performance in 2016

In 2016, in pursuit of the objectives above the Institute embarked on a number of new projects and appointed three new staff members.

***Diversification.*** The Institute's first major research project in Kenya examined the barriers and enablers to women in politics in Kenya. In Somalia RVI supported the University of Hargeysa's Institute for Peace and Conflict Studies (IPCS) and in Puntland Puntland State University's Centre for Postgraduate Studies, Research and Capacity Development (CPSRCD), to support the delivery of high-quality research in the Somali regions that will generate useful knowledge of the Somali regions and its communities and that will inform Somali and international development policy.

***Cross-cutting programmes.*** Phase Two of the South Sudan Customary Authorities project began in January 2016. The project combines research and the facilitation of structured conversations between chiefs from a select number of locations on their role in South Sudan and their potential contribution to the building of peace. In 2016 the conversation was expanded to include other groups such as the churches and civil society in 2016. As part of these conversations, public screenings of the RVI-produced film *The Chiefs Speak* were held and some thirty chiefs from the three states attended a meeting at Kuron Peace Village in Eastern Equatoria in May 2016.

***Local partners.*** RVI continued to work on collaborative research projects. These projects include a substantial training component, which is designed to enhance the research and dissemination capacity of local research organisations and institutions of higher education. Many of the meetings of the Rift Valley Forum also involve collaboration with organisations from the region, as well as regionally-based organisations, such as the British Institute in Eastern Africa.

***Social Research and Public Information.*** In 2016, several research projects were undertaken in eastern and central Africa. These tackled the following themes: political processes in the region, emerging economies, democratisation, the social impact of war, and resource-based conflict. As a result, RVI had its most productive year for publications, most of which are products of RVI research projects. A list of 2016 publications follows below.

- *The Ebb and Flow of Stabilisation in the Congo (De Vries, 2016); also in French*

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- *The impact of war on Somali men and its effects on the family, women and children (El-Bushra & Gardner, 2016)*
- *A Microcosm of Militarisation: Conflict, governance and armed mobilisation in Uvira, South Kivu (Verweijen, 2016); also in French*
- *Recycling Rebels? Demobilisation in the Congo (Anon., 2016); also in French*
- *Dhaqaalaha ku baxa Doorashooyinka Soomaaliland: Maal-galinta axsaabta siyaasadda iyo musharixiinta (Somali translation of The Economic of Elections in Somaliland, Verjee et al. 2016)*
- *Stabilisation, Extraversion and Political Settlements in Somalia (Hagmann, 2016)*
- *Dividing Communities in South Sudan and Northern Uganda: Boundary disputes and land governance (Leonardi & Santschi, 2016)*
- *Women, Conflict and Public Authority in the Congo (Cuvelier & Bashwira, 2016); also in French*
- *Contesting Authority: Armed rebellion and military fragmentation in Walikale and Kalehe, North and South Kivu (Vlassenroot, Mudinga & Hoffmann, 2016); also in French*
- *Stabilisation in Eastern and Central Africa: Insights from Somalia, South Sudan and the DRC (Multiple authors, 2016)*
- *Violent Extremism and Community Resilience (Mahiri, 2016)*
- *Stable Instability: Political Settlements and Armed Groups in the Congo (Verweijen, 2016); also in French*
- *'It's not all about the land': Land disputes and conflict in the eastern Congo (Mathys & Vlassenroot, 2016); also in French*
- *We Kissed the Ground: A migrant's journey from Somaliland to the Mediterranean (Geeldoon, 2016); bilingual publication in Somali: Carrada Ayaan Dhunkannay: Waa socdaalkii tahriibka ee Somaliland ilaa badda Medhitereenyanka*
- *Going on Tahriib: The causes and consequences of Somali youth migration to Europe (Ali, 2016)*
- *A Year of Protests in Ethiopia (Anon., 2016)*
- *Instruments in Both Peace and War: South Sudanese discuss civil society actors and their role (Multiple authors, 2016)*

The Institute now has over a hundred publications in circulation. All publications remain available for download from the RVI website at no cost or can be purchased from Amazon. RVI dedicates all income generated from sale of publications to the RVI Shading Tree Scholarship Fund, which provides grants to young citizens of East and Central African countries to attend RVI Field Courses—six in 2016—or to participate in other related academic work. Statistics for sales and downloads of publications, from when the recording of this information began until the last board meeting in November 2016, are shown below.

The first graph shows downloads from the website, as well as the number of publications in circulation from October 2014. The second graph shows publication sales as well as the number of publications in circulation from December 2012. The graphs only show publications that are

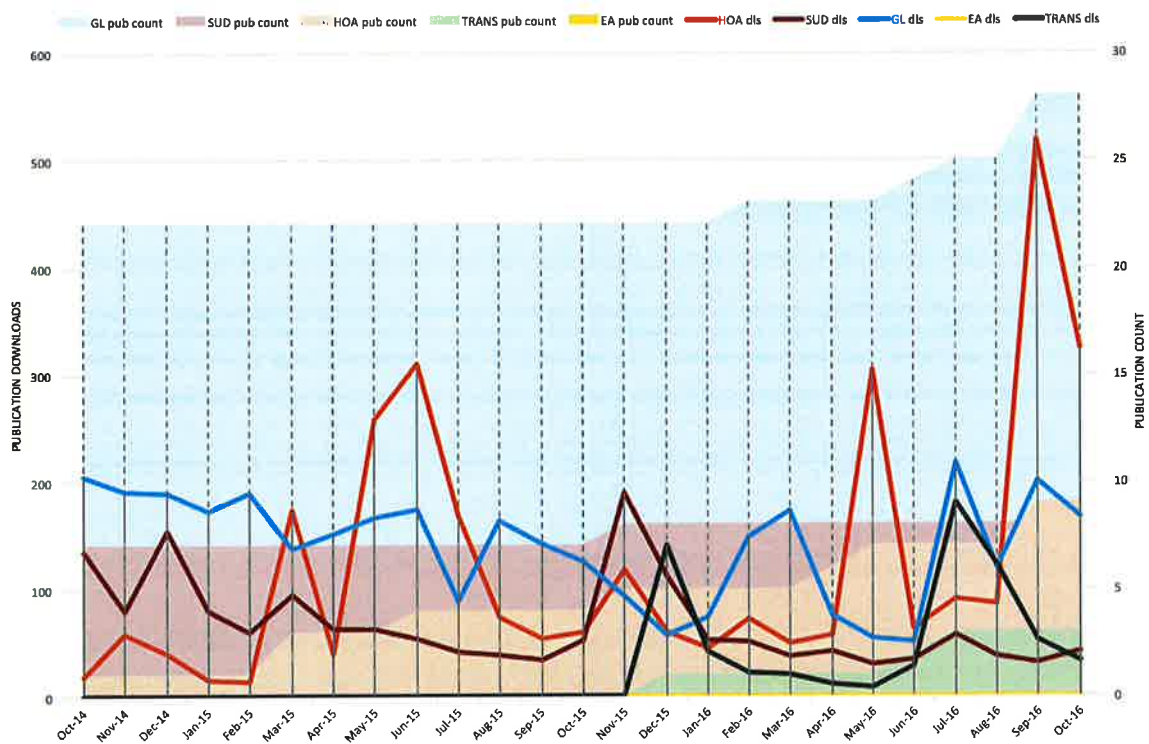


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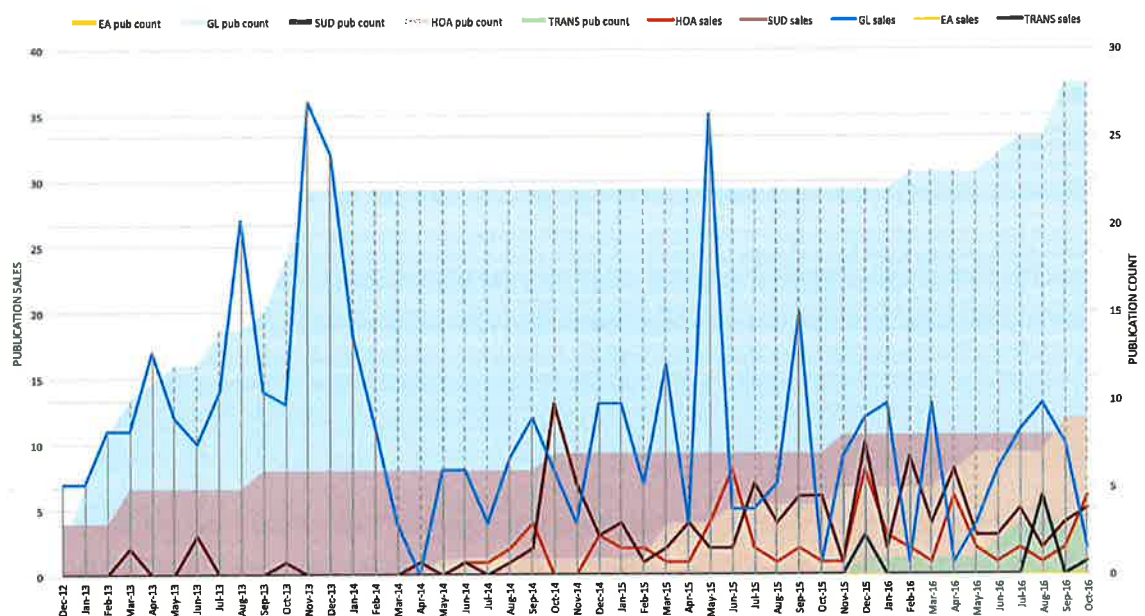
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available in print; they do not include meeting reports, briefings, and publications published by partners. They are divided by region.

Publication downloads and count by region



Publication sales and count by region



## Training and education

### RVI Courses

RVI held all three annual field courses in June and July 2016 in Entebbe, Uganda. Taught by teams of leading regional and international specialists, the courses provide the basis for an understanding of current political and developmental challenges in the three sub-regions. In 2016, over 90 participants attended the courses from NGOs, donor organisations, regional bodies, embassies, media organisations, civil society organisations, universities and the private sector. The RVI scholarship programme, funded by RVI from donor funds, internal resources and proceeds of book sales, enabled six young researchers and civil society activists from the region to attend the courses.

In 2016, the Institute saw a considerable growth in demand for customised training courses for regionally-based organisations. The provision of short, customised courses grew substantially during 2016 with the delivery of five induction courses for UNICEF representatives; two courses for UNICEF country offices in Ethiopia and Burundi; and a course on the Horn of Africa for the UK Foreign and Commonwealth office.

### Great Lakes region

During 2016, RVI continued to be an active partner in the DfID-funded *Political Settlements Research Programme* (PSRP), through which the Usalama Project continued a second phase of research on armed groups and local governance in the eastern DRC. During 2016, the project produced ten publications (see Publications above).

### Horn of Africa region

RVI has been working in Somalia and Somaliland since 2010. It opened an office in 2015 and has developed partnerships with a number of local organisations. In 2016, the Institute was active in a number of areas. It is the main partner to the Hargeysa Cultural Centre. It concluded a major study on land in Somaliland to inform a land policy development process. In 2016, RVI also began a two-year project to support the development of local research capacity through the University of Hargeysa in Somaliland and Puntland State University in Puntland. The project supports the institutional development of two research centres and the training of teachers in social science research methods. In September 2016, 38 teachers were trained to teach undergraduate and postgraduate students in research methodologies.

In March 2016, as part of this project, the Rift Valley Forum hosted a number of Somali research institutions to discuss Research and Knowledge Systems in the Somali Regions. This two-day forum brought together Somali research institutions from all parts of Somalia and from Kenya and provided the participants with the opportunity to share their experience, whilst developing contacts that would facilitate dialogue and collaboration within the sector. The forum enabled RVI and co-host INASP (a UK based non-profit organisation) to form a partnership with Somali

institutions including City University, Mogadishu; the Observatory for Conflict and Violence Prevention, Hargeisa; and Somali Institute for Development and Research Analysis, Garowe.

### **Sudan and South Sudan**

The Institute continued its pioneering initiative with the National Archives of South Sudan to safeguard and organise South Sudan's historical records, spanning nearly one hundred years. Over 96,500 individual pages have been catalogued and digitally preserved since the project started. From its inception, it has been a collaborative project with staff seconded from the Ministry of Culture, Youth and Sports. A further component is our partnership with the Catholic University of South Sudan, with whom RVI has developed a six-month work placement scheme for the training of 10 student volunteers in archiving. Recognising the importance of transferring the skills and know-how to those who will be responsible for the archives in the long-term, RVI developed and delivered a digitisation training course.

Phase Two of the South Sudan Customary Authorities project began in January 2016. The project combines research and the facilitation of a structured conversations between chiefs from a select number of locations on their role in South Sudan and their potential contribution to the building of peace. In 2016 the conversation was expanded to include other groups such as the churches and civil society in 2016. As part of these conversations, public screenings of the RVI-produced film *The Chiefs Speak* were held and some thirty chiefs from the three states attended a meeting at the Kuron Peace Village in Eastern Equatoria in May 2016.

The fifth Rift Valley Institute Juba Lecture Series was held in June 2016 at the Catholic University of South Sudan. This year the lectures addressed questions concerning the role of civil society, including: What does the experience of working towards the peace agreement of August 2015, and the subsequent efforts to form the Transitional Government of National Unity, tell us about civil society in South Sudan? What can we learn from the historic engagement of civil society in peace building? How can the different civil society elements, NGOs, traditional authority leaders, and churches, work together? Over three evenings a panel of Sudanese and non-Sudanese academics, activists, the church, chiefs and press discussed the nature of civil society in South Sudan and its past and future place in the public sphere. With an audience of students, and members of the public and government, they considered institutions, such as NGOs, churches and customary authorities, and relations between them. The proceedings were published by RVI in late 2016. The lectures had been postponed from 2015 due to the political climate in the country. The fact that such a public event and discussions was held at all was an accomplishment in itself.

### **East Africa region**

In 2016, RVI expanded its activities in East Africa through new courses and research projects. As part of an on-going series for UNICEF ESARO, RVI organised three-day induction courses for country heads to Tanzania and Kenya. The Tanzania course took place in Dar es-Salaam and provided an opportunity for RVI to develop a partnership with a local research institute, REPOA.

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In August 2016, RVI was awarded a contract to conduct a study on 'Strengthening the Leadership and Influence of Women in Politics in Kenya'. The project is funded by the East Africa Research Fund (EARF), which was set up by the UK's Department for International Development in 2015. The project began in September 2016 and will run for eleven months. The team is composed of seven researchers, the majority of whom are Kenyan graduate students. Field research commenced in October with research teams deployed around Kenya to conduct interviews and focus groups discussions with women and men elected and appointed to public office. This initial period of fieldwork was followed by an ambitious survey, which sampled women across Kenya's 47 county governments and national government.

In 2016 RVI received a small grant to support the development of the Mipakani project ([www.mipakani.net](http://www.mipakani.net)), a public website for tracking developments in northern Kenya, particularly revolving round the major LAPSET infrastructure project. In this phase time was spent engaging communities affected by LAPSET in the use of the website.

### Rift Valley Forum

The Rift Valley Forum for Research, Policy and Local Knowledge, established in 2012, is a neutral space for the critical exploration of political, economic and social issues in Eastern and Central Africa. In 2016, in keeping with the Forum's aim of bringing local knowledge to bear and sharing information, the geographical coverage of the forum was extended. In 2016, fifty-one forums were organised attracting over 2,500 participants. Forums were held on Kenya, South Sudan, Somalia, Burundi and the Democratic Republic of Congo (DRC). The majority of these forums were public, with a fifth by invitation only. As well as in Nairobi, forums were held in Hargeysa (Somaliland), Garowe (Puntland), South Sudan (the Juba Lecture Series—see above), the DRC and in London. The Institute also held its first forum series, bringing together different partners and stakeholders in Mombasa and Lamu to discuss political, social and economic issues affecting the coastal region of Kenya. The Forum also convened a monthly roundtable for researchers in the field of countering violent extremism in Kenya and the region at large. In 2016 RVI held its first two forum events in London.

### Future plans

Despite the notable successes and significant progress made, 2016 has been one of the most challenging years in the Institute's history, the effects of which have slowed the Institute's planned strategic development.

The intention during 2016 was both to expand programme activities in the regions where the Institute operates and to utilise certain of our reserves in order to fund that expansion. An extensive strategic planning process was undertaken during 2016, which involved staff, Fellows, associates and collaborating institutions in the region.

**Trustees' Report**

**For the year ended 31 December 2016**

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During this process, however, it became clear that the financial performance of the Institute was not in line with the budgeted plan, and measures were taken to revise the cost base to match the reforecast income for the remainder of 2016, and to prepare a sound basis for growth in subsequent years. The measures taken stabilised the Institute's finances and enabled it to produce a robust budget for 2017. The budget was approved by the Board in November 2016, along with a series of measures and policies to increase capacities to manage and monitor the Institute's finances, including more regular meetings of the trustees.

The adjustment in staffing levels in 2016, achieved largely by not replacing departing staff, will be sufficient to carry the Institute through the programme of projects and courses budgeted for 2017. Recruitment in 2017 will therefore be limited to the appointment of a new Finance Director. It is intended that this post will be located in Nairobi so as to provide close support to the newly appointed Executive Director, and to the rest of the team based in East Africa.

RVI will continue to diversify and seek a range of funding sources from established and new private and public donors, as well as further developing our education and training work to make an even greater contribution to the Institute's running costs. We aim to build on our 2016 successes in winning research-based contracts.

**Social Research and Public Information**

Over the past decade the Rift Valley Institute has established a reputation in the Rift Valley region for field-based research and public information programmes. The Institute has also led the way in local dissemination and discussion of its research, in returning knowledge to the host communities where it is generated. These programmes have frequently been conducted in difficult circumstances. The Institute's first project, a field investigation of war-related abduction and enslavement during the 1983–2005 north–south civil war in Sudan, undertaken while the war was at its height, involved the training of forty-five locally-recruited Sudanese researchers. Since then the Institute has conducted further front-line research in South Sudan and in other conflict-affected areas, including Somalia and the eastern DRC. Today the security situation in many parts of Eastern and Central Africa is deteriorating and in a number of countries the curtailment of political freedom and space for public discussion adds a new challenge for field-based researchers. As space for public discussion shrinks and civil society is put on the defensive, programmes that support freedom of information are more necessary than ever.

**Publications**

Publications planned for 2017 include reports on land and governance in Mogadishu and a report on women in politics in Kenya. RVI anticipates a growth in publishing briefing papers.

***Research Capacity Building Project***

In 2015, RVI, in partnership with Puntland State University and the University of Hargeysa, secured a grant from the Somalia Stability Fund to develop the capacity of Somali research institutions to undertake their own research on political, economic and social development in Somalia and Somaliland. This two-year project is due to conclude in 2017 and will include training courses for teaching staff in social research methodologies, and the delivery of short courses for non-university students

***Political Settlements Research***

RVI has completed most of its obligations as a member of the Political Settlements Research Consortium during 2016. In 2017 it will host a conference on political settlements research, building on lessons learnt by RVI and other consortium partners.

***Rift Valley Forum for Research, Policy and Local Knowledge***

The Rift Valley Forum was established in September 2012 for public discussion of political, economic and social issues affecting Eastern and Central Africa. The core activities of the Forum were research, discussion of local forms of understanding, and their application to policy and practice. The Forum will continue to cover issues and events in Eastern Africa, the Great Lakes and the Sudans through public forums in Nairobi and other locations in the region.

***Hargeysa Cultural Center***

Following the last year of the 3-year grant, the Institute will submit a new bid in 2017 to continue support to the development of the Hargeysa Cultural Center.

***Mipakani Project***

Following Phase 2 of the Mipakani Project, RVI aims to hand over the project to a local partner during 2017.

***South Sudan Customary Authorities Project***

Phase three of this project began in December 2016 and will run throughout 2017. In this phase RVI aims to maintain and diversify its previous engagement with traditional leaders. This will include expanding research in other regions of South Sudan and engaging other sections of society, including youth and civil society organisations, in the dialogue with chiefs.

***Juba Lecture Series***

RVI intends to hold the sixth annual Juba lecture series in South Sudan in 2017. Due to the success of the partnership with the Catholic University of South Sudan and the RVI office's intended move to their compound, RVI will partner with them again.

### *National Archive of South Sudan*

Despite the continued insecurity, uncertainty and donor reticence created by renewed violence in South Sudan in July 2016, the Institute has maintained an uninterrupted working relationship with the Ministry of Culture, Youth and Sports of the Government of South Sudan. Due to the renewed violence, the work–placement scheme that had proved so successful had to be suspended for the security of the participants. However, RVI is pursuing funding from UNESCO and other donors to continue its work on the archives.

## Training and Education

In 2017, the Institute will run the three established annual field courses on Sudan and South Sudan, the Horn of Africa, and the Great Lakes. The Institute will also pioneer a thematic fee–based course on the Kenyan elections. RVI has already secured contracts for a number of bespoke courses for institutional clients.

## General

The trustees of Rift Valley Research Limited, 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 2016. The financial statements comply with current statutory requirements, with the Articles of Association and with the 'Statement of Recommended Practice – Accounting and Reporting by Charities' in the Statement of Recommended Practice (SORP) of 2005.

## Governance

Rift Valley Research Limited (hereafter 'the Rift Valley Institute', 'the RVI' or '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.

The objects, powers and governance structure of the charitable company are set out in its Articles of Association (last updated 30 August 2011). The RVI is governed by a Board of Trustees which meets four times 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 or 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. Trustees are generally drawn from the body of Fellows of the Institute, which is composed of regional specialists and others. (Fellows of the

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Institute are elected by existing Fellows.) The appointment of trustees is by recommendation from Fellows, and a wider network of associates who share 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.

New trustees inducted through a visit to the RVI UK office and a meeting with management staff to familiarise themselves with the Charity's aims, procedures and policies. On appointment, trustees receive the Articles of Association and minutes, documents and board books from previous trustee meetings, with 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 UK; a regional office in Nairobi, Kenya; an office in Juba, South Sudan; and an office in Hargeysa, Somaliland. The Charity is registered as a company in Kenya and as an NGO in South Sudan and Somaliland.

## 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 resulting 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. In 2016 the risk register was reviewed at both trustee meetings and with Africa-based staff in October 2015. RVI continuously reviews procedures and protocols for managing staff security. At the end of December 2013 a managerial staff member in Nairobi with special responsibility for managing security was appointed.

The Board is satisfied that systems or procedures have been established to manage the risks we currently face, including key risks in the following areas:



## Trustees' Report

For the year ended 31 December 2016

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### 1. Failure to deliver the 2017 budget

Failure to introduce economies and any subsequent overspend on the cost base will jeopardise the financial health of the Institute. Similarly, a failure to meet income projections for 2017 will jeopardise the financial health of the Institute. To respond to this risk, the cost base and income projections have been set and agreed following a rigorous, 'bottom-up', budget process in October 2016. Improved management capacities will ensure greater financial control of the cost base. Stricter project management practices, holding directors and managers to account for delivering on time and on budget, will work towards improved income and cost recovery. Finally, a greater focus on fundraising will increase the likelihood of achieving income projections in the year ahead. The situation is being closely monitored by trustees.

### 2. Cost recovery projections not achieved

Not achieving the cost recovery projections would see a decline in organisational reserves with consequential impact on financial health of the Institute. To manage this risk, new systems of tracking and oversight of project delivery by project Directors, Managers and the financial team have been set up.

### 3. Introduction of restrictions on NGOs operating in the countries of the region

The introduction of prohibitive administrative and financial burdens on NGOs (e.g. work permits in Kenya, NGO Act in South Sudan) could have significant operational and financial implications (e.g. payments of taxes, costs of lawyers, restrictions on programme work). To manage this risk, RVI ensures full compliance with Government regulations ahead of time; constant monitoring of the political dynamics, and continuous communications with other organisations working in the region. More specifically, RVI continually gathers information from other organisations in Kenya on bureaucratic restrictions and solutions for securing working permits, and closely monitoring the enforcement of the NGO Act in South Sudan. Finally, RVI aims to invest in the recruitment of local staff and their training, avoiding the need for work permits (e.g. recruiting a Kenyan Finance Director in 2017).

## Remuneration

The salaries of Rift Valley Institute staff are periodically benchmarked against those of comparable organisations, including other charities, through commercially available Birches surveys. RVI sets salaries equivalent to the median for such organisations where this is feasible, and aims to develop consistent practices for staff in all locations while adhering to local legislation.

The Institute has implemented an annual salary increase policy based on the local country Consumer Price Index plus 1%, although this increase did not occur at the end of 2016 due to financial considerations. This is detailed in the RVI Staff Handbook. Increases are implemented on 1 January of each year, subject to the approval of the budget by the Board.

## 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 above demonstrates the public benefit arising from the work of the Charity.

## Financial review

### General

At \$2,081,171 the Charity's total income in 2016 was 21 per cent lower than its total income in 2015. Net income from fees charged on the three RVI Training Courses was higher than the previous year and additional income was generated by a number of bespoke training courses. A general institutional support grant provided substantial unrestricted core funds for the charity. \$301,992 in unrestricted income generated through contract work (in 2015 this was largely Somaliland Development Fund).

In 2017 it is anticipated that Charity's total income will increase steadily.

In 2016 the Institute's overall expenditure rose by 3 per cent, from \$2,467,089 in 2015 to \$2,546,007 in 2016 and reflected general growth of the Institute.

At the end of 2016 the Charities overall reserves on hand were lower, at \$429,873 compared with \$938,052 in 2015. The total component of unrestricted reserves decreased by 34 per cent from \$639,494 in 2015 to \$329,873 in 2016.

## Reserves Policy

Rift Valley Research Limited's main source of income is project funding. This is supplemented by fees charged for RVI Field Courses and other training courses, and by donor funding for institutional development. The project funding is for both short and long-term projects, with the latter requiring significant on-going 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—and judge it prudent to keep the equivalent of six months of estimated staff and support costs in reserves. (These costs principally comprise employee salaries and office expenses.) This policy has been in place since 2012.

Keeping six months of estimated staff and support costs in reserves protects the Charity against temporary shortfalls. The Board of Trustees reviews the reserves policy annually.

The estimate for staff and support costs in 2017 is \$761,267 compared with \$1,019,136 in 2016. The desired reserve as at 31 December 2016 is therefore \$380,634. The unrestricted reserves on

## Trustees' Report

For the year ended 31 December 2016

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hand at \$329,873 is below the desired level. Plans are in place in 2017 to increase unrestricted reserves to meet the policy.

### 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 2016 was 5 (2015 – 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.

Rift Valley Research Limited

Trustees' Report

For the year ended 31 December 2016

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**Auditor**

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

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 5 June 2017 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Ann Grant', with a stylized flourish at the end.

Ann Grant  
Trustee

## Independent auditor's report

To the members of

Rift Valley Research Limited

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### Opinion

We have audited the financial statements of Rift Valley Research Limited (the 'charitable company') for the year ended 31 December 2016 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2016 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Independent auditor's report

To the members of

Rift Valley Research Limited

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### Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

Rift Valley Research Limited

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent auditor's report

To the members of

Rift Valley Research Limited

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jonathan Orchard (Senior statutory auditor)

9 June 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



**Rift Valley Research Limited**

**Statement of financial activities (incorporating an income and expenditure account)**

**For the year ended 31 December 2016**

	Note	Unrestricted US\$	Restricted US\$	2016 Total US\$	2015 Total US\$
<b>Income from:</b>					
Donations and legacies		165,650	–	165,650	220,367
Charitable activities					
Education and training	3	671,620	–	671,620	449,097
Research, programmes and publications	3	301,992	896,125	1,198,117	1,943,968
Scholarship fund	3	–	35,576	35,576	2,761
Investments	4	10,207	–	10,207	5,868
<b>Total income</b>		<b>1,149,469</b>	<b>931,701</b>	<b>2,081,170</b>	<b>2,622,062</b>
<b>Expenditure on:</b>					
Raising funds	5	288,968	–	288,968	170,936
Charitable activities					
Education and training	5	480,389	–	480,389	454,821
Research, programmes and publications	5	601,430	1,160,219	1,761,649	1,838,274
Scholarship fund	5	–	15,000	15,000	3,058
<b>Total expenditure</b>		<b>1,370,787</b>	<b>1,175,219</b>	<b>2,546,006</b>	<b>2,467,089</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(221,318)</b>	<b>(243,518)</b>	<b>(464,836)</b>	<b>154,973</b>
Foreign exchange gain (losses)		(88,302)	–	(88,302)	(46,472)
Transfers between funds				–	–
<b>Net movement in funds</b>		<b>(309,620)</b>	<b>(243,518)</b>	<b>(553,138)</b>	<b>108,501</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		639,494	298,559	938,053	829,551
<b>Total funds carried forward</b>		<b>329,874</b>	<b>55,041</b>	<b>384,915</b>	<b>938,052</b>

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 19 to the financial statements.

Rift Valley Research Limited

Balance sheet

Company no. 04271537

As at 31 December 2016

	Note	US\$	2016 US\$	US\$	2015 US\$
<b>Fixed assets:</b>					
Tangible assets	12		8,759		9,734
			<u>8,759</u>		<u>9,734</u>
<b>Current assets:</b>					
Debtors	13	174,493		446,806	
Cash at bank and in hand		506,170		603,915	
		<u>680,663</u>		<u>1,050,721</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	304,507		122,402	
		<u>304,507</u>		<u>122,402</u>	
<b>Net current assets / (liabilities)</b>			<u>376,156</u>		<u>928,319</u>
<b>Total assets less current liabilities</b>			<u>384,915</u>		<u>938,053</u>
<b>Total net assets / (liabilities)</b>			<u><u>384,915</u></u>		<u><u>938,053</u></u>
<b>The funds of the charity:</b>	18				
Restricted income funds			55,041		298,559
Unrestricted income funds:					
General funds		329,874		639,494	
		<u>329,874</u>		<u>639,494</u>	
<b>Total unrestricted funds</b>			<u>329,874</u>		<u>639,494</u>
<b>Total charity funds</b>			<u><u>384,915</u></u>		<u><u>938,053</u></u>

Approved by the trustees on 5 June 2017 and signed on their behalf by



Ann Grant  
Trustee

Rift Valley Research Limited

Statement of cash flows

For the year ended 31 December 2016

	Note	2016 US\$	US\$	2015 US\$	US\$
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities			(90,298)		(227,764)
Cash flows from investing activities:					
Purchase of fixed assets		(7,447)		(8,858)	
Net cash provided by / (used in) investing activities			(7,447)		(8,858)
Change in cash and cash equivalents in the year			(97,745)		(236,622)
Cash and cash equivalents at the beginning of the year			603,915		840,537
Cash and cash equivalents at the end of the year	20		506,170		603,915

**1 Accounting policies**

**a) Statutory information**

Rift Valley Research Limited is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is Unit 107, Belgravia Workshops, 159/163 Malborough Road, London N19 4NF.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising 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
- Expenditure on charitable activities includes the costs of carrying out research, carrying out educational activities including running courses and producing publications undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

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

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Education and training	17%
● Research, programmes and publications	54%
● Fundraising	5%
● Support costs	18%
● Governance costs	6%

Support and governance costs 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	10%
● Research, programmes and publications	65%
● Fundraising	25%

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

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds \$600.00. 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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

● Non-IT equipment	4 years
● Computers and other IT equipment	2 years

**1 Accounting policies (continued)**

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**o) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**p) Pensions**

The charity offers a pension scheme requiring a 3% contribution from staff which is then matched with a 6% company contribution. There are different schemes in different countries of operation and staff are able to opt out if they choose to. For staff based in countries where there is no company providing pensions (currently South Sudan and Somaliland) these funds are held by the charity and will be dispersed to the employee when they leave the charity's employment.

**q) Foreign exchange**

Monetary assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

**r) Overseas operations**

The SORP 2015 stipulates that where overseas offices are legally registered in their country of operations, this is an indication that they should be treated as subsidiaries for accounting purposes. However, having reviewed the governance and management procedures in place, oversight from the UK office is such that overseas offices are in substance branches.

## 2 Detailed comparatives for the statement of financial activities

	Unrestricted US\$	Restricted US\$	2015 Total US\$
<b>Income from:</b>			
Donations and legacies	220,367	–	220,367
Charitable activities			
Education and training	449,098	–	449,098
Research, programmes and publications	567,930	1,376,038	1,943,968
Scholarship fund	–	2,761	2,761
Investments	5,865	3	5,868
<b>Total income</b>	<b>1,243,260</b>	<b>1,378,802</b>	<b>2,622,062</b>
<b>Expenditure on:</b>			
Raising funds	142,049	28,887	170,936
Charitable activities			
Education and training	440,346	14,475	454,821
Research, programmes and publications	736,397	1,101,877	1,838,274
Scholarship fund	–	3,058	3,058
<b>Total expenditure</b>	<b>1,318,792</b>	<b>1,148,297</b>	<b>2,467,089</b>
<b>Net income / expenditure before gains / (losses) on investments</b>	<b>(75,532)</b>	<b>230,505</b>	<b>154,973</b>
Net gains / (losses) on investments	–	–	–
<b>Net income / expenditure</b>	<b>(75,532)</b>	<b>230,505</b>	<b>154,973</b>
Transfers between funds	(667)	667	–
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>(76,198)</b>	<b>231,171</b>	<b>154,973</b>
Foreign exchange gains/ (losses)	(34,179)	(12,293)	(46,472)
<b>Net movement in funds</b>	<b>(110,377)</b>	<b>218,878</b>	<b>108,501</b>
<b>Total funds brought forward</b>	<b>749,870</b>	<b>79,681</b>	<b>829,551</b>
<b>Total funds carried forward</b>	<b>639,493</b>	<b>298,559</b>	<b>938,052</b>



**3 Income from charitable activities**

	Unrestricted \$	Restricted \$	2016 Total \$	2015 Total \$
Annual Field Courses	456,598	-	456,598	352,525
Other Training Course	215,022	-	215,022	96,572
Sub-total for Education and Training	671,620	-	671,620	449,097
European Union	-	7,850	7,850	350,609
Somaliland Development Fund	301,992	10,384	312,376	464,735
Somaliland Stability Fund	-	302,249	302,249	70,187
Australian Embassy in Addis Ababa	-	(10,989)	(10,989)	43,197
Clingendale Institute	-	23,164	23,164	-
Swiss Development Corporation – Juba	-	74,109	74,109	323,761
Swiss Development Corporation – Nairobi	-	86,450	86,450	229,326
University of Edinburgh	-	174,094	174,094	185,281
UK DfID	-	42,420	42,420	-
UK Foreign & Commonwealth Office	-	33,530	33,530	-
Heinrich Boll Foundation	-	14,351	14,351	-
World Bank	-	56,029	56,029	-
UNICEF	-	-	-	40,737
AECOM	-	-	-	165,557
OSIEA	-	-	-	44,416
Other Small Funders	-	82,484	82,484	26,161
Sub-total for Research, programmes and publications	301,992	896,125	1,198,117	1,943,968
Book sales	-	926	926	749
Other contributions to the scholarship fund	-	34,650	34,650	2,012
Sub-total for Scholarship Fund	-	35,576	35,576	2,761
Total income from charitable activities	973,612	931,701	1,905,313	2,395,826

**4 Income from investments**

	Unrestricted \$	Restricted \$	2016 Total \$	2015 Total \$
Bank Interest	10,207	-	10,207	5,868
	10,207	-	10,207	5,868

## 5 Analysis of expenditure

	Charitable activities							2015 Total US\$	2015 Total £
	Cost of raising funds US\$	Education US\$	Research, programmes and publications US\$	Scholarship Fund US\$	Governance costs US\$	Support costs US\$	2016 Total US\$		
Direct Staff Costs	137,117	49,352	255,031	-	126,519	233,902	801,921	570,134	372,880
Grants made	-	-	253,024	-	-	-	253,024	397,135	259,735
Travel, subsistence and associated costs	-	84,408	269,067	-	-	-	353,475	332,408	217,402
Consultants Fees	-	118,934	397,702	-	-	-	516,636	756,037	494,465
Events	-	146,862	92,706	15,000	-	-	254,568	209,204	136,824
Direct publication costs	-	10,801	90,573	-	-	-	101,374	54,276	35,498
Other Direct Costs	-	11,020	10,844	-	25,929	-	47,793	38,710	25,317
Office & Other Staff Costs	-	-	-	-	-	217,215	217,215	109,186	71,410
	137,117	421,377	1,368,947	15,000	152,448	451,117	2,546,006	2,467,089	1,613,531
Support costs									
Staff Costs	84,391	30,526	245,503	-	(126,519)	(233,902)	-	-	-
Office & Other Staff Costs	67,460	24,282	125,473	-	-	(217,215)	-	-	-
Governance Costs	-	4,204	21,725	-	(25,929)	-	-	-	-
<b>Total expenditure 2016</b>	<b>288,969</b>	<b>480,389</b>	<b>1,761,648</b>	<b>15,000</b>			<b>2,546,006</b>	<b>2,467,089</b>	<b>1,613,531</b>
<b>Total expenditure 2015</b>	<b>170,936</b>	<b>454,821</b>	<b>1,838,274</b>	<b>3,058</b>	<b>-</b>	<b>-</b>	<b>2,467,089</b>		

## Notes to the financial statements

For the year ended 31 December 2016

**6 Grant making**

Grants were made in accordance with funder agreements. Larger grants through the EU Funded Hargeysa Cultural Center to the RedSea Online Cultural Foundation (\$65,000; 2015 £172,233), University of Hargeysa – IPCS (\$77,878; 2015 Nil) and Puntland State University (\$86,240; 2015 Nil).

**7 Net incoming resources for the year**

This is stated after charging / crediting:

	2016 US\$	2015 US\$
Depreciation	8,422	11,792
Operating lease rentals:		
Property	81,243	65,614
Auditors' remuneration (excluding VAT):		
Audit – UK	11,002	9,174
Audit – Kenya	955	1,287
Other services	–	–
Foreign exchange gains or losses	88,302	14,191

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2016 US\$	2015 US\$
Salaries and wages	703,368	483,800
Redundancy and termination costs	–	–
Social security costs	31,809	32,164
Employer's contribution to defined contribution pension schemes	31,961	18,113
Other forms of employee benefits	34,783	36,057
	801,921	570,134

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 US\$	2015 US\$
\$61,000–\$73,999	1	–
\$74,000–\$85,999	–	–
\$86,000–\$99,000	–	1

The total employee benefits (including employer's pension contributions and national insurance contributions) of the key management personnel were \$100,212 (2015: \$89,963).

Trustees' remuneration comprises a salary, pension contribution and associated costs paid to John Ryle (\$52,913 in 2016; \$62,441 in 2015).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling \$354 incurred by Justin Willis. No other trustees claimed expenses relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Raising funds	2.2	2.1
Education and training	1.0	0.6
Research, programmes and publications	4.3	3.8
Support	5.8	2.8
Governance	2.0	1.2
	<u>15.3</u>	<u>10.5</u>

**10 Related party transactions**

There are no related party transactions to disclose for 2016 (2015: none) apart from those to trustees described above.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**11 Taxation**

The company is exempt from UK corporation tax as all its income is charitable and is applied for charitable purposes. RVI is registered as a company in Kenya and therefore is subject to Kenyan corporate tax on the deemed surplus arising on activities in that country. In these financial statements 2016 resources expended include \$5,125 paid to Kenyan Revenue Authority as Company Tax (2015: \$6,890 in respect of Kenyan tax).

**12 Tangible fixed assets**

	Office equipment US\$	Total US\$
<b>Cost or valuation</b>		
At the start of the year	72,162	72,162
Additions in year	7,447	7,447
At the end of the year	<u>79,609</u>	<u>79,609</u>
<b>Depreciation</b>		
At the start of the year	62,428	62,428
Charge for the year	8,422	8,422
At the end of the year	<u>70,850</u>	<u>70,850</u>
<b>Net book value</b>		
At the end of the year	<u>8,759</u>	<u>8,759</u>
At the start of the year	<u>9,734</u>	<u>9,734</u>

All of the above assets are used for charitable purposes.

**13 Debtors**

	2016 US\$	2015 US\$
Grant Income	131,845	414,860
Other debtors	15,356	23,412
Prepayments	27,292	8,534
	<u>174,493</u>	<u>446,806</u>

**14 Creditors: amounts falling due within one year**

	2016 US\$	2015 US\$
Other creditors	28,022	5,429
Accruals	111,453	7,596
Deferred income	165,032	109,377
	<u>304,507</u>	<u>122,402</u>

**15 Deferred income**

Deferred income comprises of five grants received in 2016, but for projects only due to commence in 2017 as well as deferred course fees.

	2016 US\$	2015 US\$
Balance at the beginning of the year	109,377	118,349
Amount released to income in the year	(109,377)	(118,349)
Amount deferred in the year	165,032	109,377
	<u>165,032</u>	<u>109,377</u>
Balance at the end of the year	<u>165,032</u>	<u>109,377</u>

**16 Pension scheme**

RVI does not have a company pension scheme. Staff are automatically enrolled in a private pension plan. They may request their own or alternate pension scheme, or opt out of the pension provision altogether. However, for staff based in countries where there is no company providing pensions (currently South Sudan and Somaliland) these funds are held by the charity and will be dispersed to the employee when they leave the charity's employment.

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2016

17a Current year analysis of net assets between funds

	General unrestricted \$	Restricted \$	Total funds \$
Tangible fixed assets	8,759	–	8,759
Net current assets	321,114	55,042	376,156
Net assets at the end of the year	<u>329,873</u>	<u>55,042</u>	<u>384,914</u>

17b Prior year analysis of net assets between funds

	General unrestricted \$	Restricted \$	Total funds \$
Tangible fixed assets	9,734	–	9,734
Net current assets	629,760	298,559	928,319
Net assets at the end of the year	<u>639,494</u>	<u>298,559</u>	<u>938,053</u>

Rift Valley Research Limited

Notes to the financial statements

For the year ended 31 December 2016

18a Current year movements in funds

	At the start of the year \$	Income & gains \$	Expenditure & losses \$	Transfers and gains/(losses) \$	At the end of the year \$
<b>Restricted funds:</b>					
Hargeysa Cultural Center	90,543	7,850	(101,726)	-	(3,333)
Somalia Research Capacity Building	-	302,249	(297,776)	-	4,473
Juba Lectures	40,387	(10,989)	(31,170)	-	(1,772)
National Archives of South Sudan	-	-	-	-	-
South Sudan Customary Authorities	97,394	74,109	(176,660)	-	(5,157)
Women in Politics	-	42,420	(42,420)	-	-
Rift Valley Forum	85,920	165,619	(214,789)	-	36,750
Political Settlements Research Programme	(18,541)	177,410	(163,828)	-	(4,959)
Scholarship fund	2,856	35,576	(15,000)	-	23,432
Remittances and Vulnerability in Somalia	-	56,029	(56,029)	-	-
Other restricted funds	-	81,428	(75,820)	-	5,608
<b>Total restricted funds</b>	<b>298,559</b>	<b>931,701</b>	<b>(1,175,218)</b>	<b>-</b>	<b>55,042</b>
<b>General funds</b>	<b>639,494</b>	<b>1,149,470</b>	<b>(1,370,787)</b>	<b>(88,302)</b>	<b>329,875</b>
<b>Total unrestricted funds</b>	<b>639,494</b>	<b>1,149,470</b>	<b>(1,370,787)</b>	<b>(88,302)</b>	<b>329,875</b>
<b>Total funds</b>	<b>938,053</b>	<b>2,081,171</b>	<b>(2,546,005)</b>	<b>(88,302)</b>	<b>384,916</b>

18b Prior year movements in funds

	At the start of the year \$	Income & gains \$	Expenditure & losses \$	Transfers and gains/(losses) \$	At the end of the year \$
<b>Restricted funds:</b>					
Hargeysa Cultural Center	70,395	350,609	(326,107)	(4,354)	90,543
Addressing land disputes in Mogadishu, Somalia	6,657	-	(6,567)	(90)	-
Somaliland Land Study	(676)	-	-	676	-
Somalia Research Capacity Building	-	70,187	(70,187)	-	-
Juba Lectures	-	43,197	(1,294)	(1,517)	40,387
National Archives of South Sudan	-	165,557	(165,557)	-	-
South Sudan Customary Authorities	-	323,761	(222,708)	(3,659)	97,394
Rift Valley Forum	-	237,448	(148,301)	(3,227)	85,920
Political Settlements Research Programme	-	185,281	(204,519)	697	(18,541)
Scholarship fund	3,305	2,761	(3,058)	(152)	2,856
<b>Total restricted funds</b>	<b>79,681</b>	<b>1,378,802</b>	<b>(1,148,297)</b>	<b>(11,626)</b>	<b>298,559</b>
<b>General funds</b>	<b>749,870</b>	<b>1,243,260</b>	<b>(1,318,792)</b>	<b>(34,845)</b>	<b>639,494</b>
<b>Total unrestricted funds</b>	<b>749,870</b>	<b>1,243,260</b>	<b>(1,318,792)</b>	<b>(34,845)</b>	<b>639,494</b>
<b>Total funds</b>	<b>829,551</b>	<b>2,622,062</b>	<b>(2,467,089)</b>	<b>(46,471)</b>	<b>938,053</b>

**Purposes of restricted funds**

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

Hargeysa Cultural Centre – This is a three-year project in partnership Red Sea Online Cultural Foundation, funded by the European Union, and involving the creation and development of a cultural centre in Hargeysa.

Somalia Research Capacity Building – Funded by the Somali Development fund, this project works to build research capacity with two local partners, University of Hargeysa and Puntland State University

Political Settlements Research Programme – In 2015 the RVI embarked on a four-year DFID-funded research project on Political Settlements as part of a consortium led by the University of Edinburgh, which aims to examine how different types of political settlements emerge, how they can be improved through internal initiatives and how external actors may change them. This is funded by UK DfID.

National Archive of South Sudan – This project is dedicated to the conservation and digitisation of the National Archive of South Sudan. The digitisation component was funded by AECOM – VISTAS with support from the Catholic University of South Sudan.

Juba Lecture Series – This was the fifth year of the annual Juba lecture series, funded by the Australian Embassy in Addis Abbaba

South Sudan Customary Authorities – Supported by the Swiss Development Corporation in Juba, this project aims to ingrate Customary Authorities into the peace building Processes in South Sudan.

Women in Politics – This is a year long research project, funded by the East Africa Research Fund (EARF), that aims to: map the level of women's representation in decision-making roles in the Government of Kenya (GoK); identify the factors that impact the level of women's representation in decision making roles; and evaluate the impact of the two-thirds gender rule and women's representation in politics on human and economic development outcomes.

Remittances and Vulnerability in Somalia – This World Bank commissioned study aims to investigate the role that remittances play as a safety-net at a household level in different regions of Somalia, in order to inform the design of social safety-net programmes in Somalia.

**Purposes of restricted funds (continued)**

Rift Valley Forum – Rebranded from the Nairobi Forum, the Rift Valley Forum is a public space for engagement, exploring topics under 7 themes affecting the region. Events are held in Nairobi and other cities in East and Central Africa.

The RVI Scholarship Fund – The Scholarship Fund is a voluntary donation fund which has the aim of promoting individual educational development of young researchers and activists from countries in Eastern and Central Africa. This may include funding their attendance on courses provided by the Charity. Income from the sale of RVI publications is also allocated to this fund.



## 19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2016 US\$	2015 US\$
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(553,138)	108,501
Depreciation charges	8,422	11,365
(Increase)/decrease in debtors	272,313	(312,514)
Increase/(decrease) in creditors	182,105	(35,116)
Net cash provided by / (used in) operating activities	<u>(90,298)</u>	<u>(227,764)</u>

## 20 Analysis of cash and cash equivalents

	At 1 January 2016 \$	Cash flows \$	Other changes \$	At 31 December 2016 \$
Cash at bank and in hand	603,915	(97,745)	-	506,170
Total cash and cash equivalents	<u>603,915</u>	<u>(97,745)</u>	<u>-</u>	<u>506,170</u>

## 21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2016 US\$	2015 US\$
Less than one year	21,695	21,315
Over five years	-	-
	<u>21,695</u>	<u>21,315</u>

## 22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10 (GBP).