PHYSICIANS ACROSS CONTINENTS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

ORGANIZATION INFORMATION

BOARD OF DIRECTORS

:	Dr Matin Khalid Mahmuad-	Chairperson
:	Mr Abdulkarim Saad S Asiri -	Members
:	Dr Jama Mohammad Jawdat -	Members

REGISTERED OFFICE

: Physicians across Continents
: Mogadishu
: Somalia
: Near Imam Shafi School

NGO REGISTRATION NUMBER

: 0285/023

INDEPENDENT AUDITOR

: Lenards and Associates
: Certified Public Accountants
: PO Box 10253- 00100
: Nairobi

PRINCIPAL BANKER

: Dahabshil Bank
: Premier Bank
: Saalam Bank

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the organization.

PRINCIPAL ACTIVITIES

The organization's principle activities is to facilitate and provide basic human needs to the vulnerable and marginalized groups affected by poverty in Somalia.

INDEPENDENT AUDITOR

The organization's auditors, Lenards And Associates have expressed their willingness to audit the office.

By order of the board

__________________________ Country Director

30th May
__________________________ 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the organization as at the end of the financial year and of the results for that year. They are also required to ensure that the organization maintains proper accounting records which disclose with reasonable accuracy the financial position of the organization. The directors are also responsible for safeguarding the assets of the organization.

The directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Financial Reporting Standards. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as at 31 December 2023 and of its operating results for the year ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the organization which has been relied upon in the preparation of the financial Statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the board of directors on **30th May 2024** and signed on its behalf by:

Finance Manager

Country Director

LENARDS
Strategies • Solutions • Results
Accountants and advisers

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Certified Public Accountants
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REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF PHYSICIANS ACROSS CONTINENTS

Report on the financial statements

We have audited the accompanying financial statements of Physicians Across Continents (PAC) set out on pages 6 to 12 which comprise the statement of financial position as at 31 December 2023, the statement of income and expenditure and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a *basis for our audit opinion.*

CPA Lenard Mwendwa, Partner

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Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Physicians across Continents as at 31 December 2023 and of its Income and Expenditure and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Lenards & Associates

Lenards and Associates
Certified Public Accountants

LENARDS & ASSOCIATES
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30 MAY 2024
CERTIFIED PUBLIC ACCOUNTANTS
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NAIROBI

30th May, **2024**

Partner Reg No: P/2280

CPA Lenard Mwendwa, Partner

STATEMENT OF INCOME AND EXPENDITURE

	Note	USD 2023	USD 2022
Grant income	1	**3,247,688**	**3,139,128**
Expenditure			
Expenditure	2	3,258,259	3,201,224
Total expenditure		**3,258,259**	**3,201,224**
		(10,571)	(62,096)
Less Depreciation	6	(9,540)	(16,051)
Surplus/ Deficit for the year		(20,111)	(78,147)

The accounting policies on pages 10 and notes on pages 11 to 12 form an integral part of these financial statements.

Independent auditor Report - pages 4 and 5.

STATEMENT OF FINANCIAL POSITION

	Note	2023 USD	2022 USD
Non current assets			
Fixed assets	6	16,305	25,845
Current assets			
Cash and bank balances	3	110,595	138,749
Receivable from Donors	4	43,037	29,704
Total current assets		153,632	168,453
Total Asset		**169,937**	**194,298**
Reserves			
Reserve (Fund balance and capital reserve)		168,937	189,048
Liabilities	5	1,000	5,250
Total reseve and Liabilities		**169,937**	**194,298**

The financial statements on pages 6 to 9 were authorized for issue by the Board of Directors on **30th May 2024** and were signed on its behalf by:

____________________Finance Manager

____________________Country Director

The accounting policies on pages 10 and notes on pages 11 to 12 form an integral part of these financial statements.

Independent auditor report - pages 4 and 5.

STATEMENT OF CASH FLOWS

	Note	2023 USD	2022 USD
Operating activities			
Grants Income for the year	1	3,247,688	3,139,128
Expenditure	2	(3,258,259)	(3,201,224)
		(10,571)	**(62,096)**
Changes in working capital			
Increase/ Decrease in Payable		(4,250)	1,050
Increase/ Decrease in receivable		(13,333)	(9,889)
Net cash (used in)/ generated from operation		**(28,154)**	**(70,935)**
Cash and cash equivalent at the beginning of the year		138,749	209,684
End cash and cash equivalent		**110,595**	**138,749**

The accounting policies on pages 10 and notes on pages 11 to 12 form an integral part of these financial statements.

Independent auditor report - pages 4 and 5.

STATEMENT OF CHANGES IN RESERVES

STATEMENT OF RESERVES

	Fund Balance	Capital Reserve	Total Reserves
As at 1 January 2022	**225,299**	**29,896**	**255,195**
Grant for capital cost	-	12,000	12,000
Fund balance	(78,147)	-	(78,147)
Transfer of depreciation to capital reserve	16,051	(16,051)	-
As at 1 January 2023	**163,203**	**25,845**	**189,048**
Grant for capital cost	-	-	-
Fund balance	(20,111)	-	(20,111)
Transfer of depreciation to capital reserve	9,540	(9,540)	
As at 31 December 2023	**152,632**	**16,305**	**168,937**

The accounting policies on pages 10 and notes on pages 11 to 12 form an integral part of these financial statements.

Independent auditor report - pages 4 and 5.

SIGNIFICANT ACCOUNTING POLICIES

a) General information

Physicians across Continents (PAC) has been operating in Somalia since 2011, providing primary and secondary health care services in the biggest mother and child hospital in Somalia, in partnership with Ministry of Health and donor agencies. The overall objective was to improve health and nutrition status, contributing to reduce maternal and mortality rate within the community.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium- Sized Entities (IFRS for SMEs) issued by the International Accounting Board. They are presented in US Dollar (USD).

c) Expenditure

Expenditures are recognized and recorded on an accruals basis.

d) Property and equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight line basis to write down the cost of each asset to its residue value over its estimated useful life using an annual rate of between 20% to 25 % depending on the nature of the asset as determined by the management. Full year depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal.

e) Capital reserves

This comprises of funds received from donors to purchased property and equipment above USD 250. The reserve is reduced annually by the depreciation amount.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and funds held in the banks.

1. Grant Income

	2023 USD	2022 USD
UNFPA	1,159,251	1,498,954
HIV Global funds	41,346	41,346
UNICEF Primary Health Care Service	1,452,104	731,040
SHF	-	284,132
Head office premier bank	366,725	393,396
Head office Salaam	228,262	190,260
	3,247,688	**3,139,128**

2. Expenditure

	2023 USD	2022 USD
UNFPA Program	1,159,251	1,498,864
UNICEF HIV Program	41,346	41,347
UNICEF Primary Health Care Service	1,452,104	754,435
HQ Expenses	580,970	647,035
SHF Program	24,588	259,543
	3,258,259	**3,201,224**

3. Cash and bank balances

	2023 USD	2022 USD
Dahabshil	87,965	105,548
Premier Bank HQ	11,526	4,179
Premier Bank SHF	-	24,588
Saalam Bank	11,104	4,434
	110,595	**138,749**

4. Receivable from Donors

	2023 USD	2022 USD
Receivable from UNFPA	13,775	23,342
UNICEF	29,262	6,362
	43,037	**29,704**

5. Accrual and Payable

	2023 USD	2022 USD
Consultancy fees	1,000	5,250
	1,000	**5,250**

6. Property and equipment

Year ended 31 December 2022

Cost	Building USD	Motor vehicle USD	Computer USD	Equipment USD	Furniture USD	Total USD
At start of year	2,641	45,613	3,384	3,450	7,610	62,698
Additions	-	12,000	-	-	-	12,000
At end of year	**2,641**	**57,613**	**3,384**	**3,450**	**7,610**	**74,698**
Depreciation						
At start of year 2022	(1,056)	(27,491)	(1,272)	(940)	(2,043)	(32,802)
Charge for the year	(528)	(12,123)	(634)	(863)	(1,903)	(16,051)
At end of year	**(1,584)**	**(39,614)**	**(1,906)**	**(1,803)**	**(3,946)**	**(48,853)**
Net book value	**1,057**	**17,999**	**1,478**	**1,647**	**3,664**	**25,845**

Year ended 31 December 2023

Cost	Building USD	Motor vehicle USD	Computer USD	Equipment USD	Furniture USD	Total USD
At start of year	2,641	27,000	3,384	3,450	7,610	44,085
Additions	-	-	-	-	-	-
At end of year	**2,641**	**27,000**	**3,384**	**3,450**	**7,610**	**44,085**
Depreciation						
At start of year 2023	(1,584)	(9,001)	(1,906)	(1,803)	(3,946)	(18,240)
Charge for the year	(528)	(5,400)	(846)	(863)	(1,903)	(9,540)
At end of year	**(2,112)**	**(14,401)**	**(2,752)**	**(2,666)**	**(5,849)**	**(27,780)**
Net book value	**529**	**12,599**	**632**	**784**	**1,761**	**16,305**