

**YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)**  
**HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE**  
**PROJECT**  
**PROJECT NO: 143-001-1074 ZG**  
**FINANCIAL REPORT**  
**FOR THE 6 MONTHS PERIOD**  
**ENDED 30 JUNE 2021**

**YOUTH ACTIVISTS INITIATIVE ORGANIZATION (YAIO)  
HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE PROJECT  
PROJECT NO: 143-001-1074 ZG**

**FINANCIAL REPORT  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

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## **YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)**

### **HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE PROJECT**

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#### **EXECUTIVE SUMMARY**

##### **Introduction**

The accompanying reports are given in connection with Youth Activists Initiative Organasation (YAIO). YAIO was incorporated under the Trustees Incorporation Act on 02 August 2013.

##### **General Information**

Youth Activists Initiative Organization (YAIO) is an organization whose aim is to empower young People with knowledge and information on HIV/AIDS and Sexual Reproductive Health Rights (SRHR) and services; To promote equitable access to quality education services for young people; To raise awareness on the effects of climate change; and also to advocate for the rights and welfare of the young people.

##### **Board of Trustees**

The following are the trustees who served during the tenure ended 30 June 2021

Mr Kondwani Spada - Board Chairperson  
Mr George Chirwa - Board Member  
Mr Emmanuel Mwale -Board Member  
Mr Daud Ngwala - Board Member  
Miss Ruth Maluwa - Board Member  
Mr Tony Khanyepa - Board Secretary/Executive Director

##### **Financial Performance**

The results of the state of the affair of the organization are set out in the accompanying statements of income and expenditure and other explanatory notes to the financial statements.

##### **Project Implementation Report**

In the period under audit, Youth Activists Initiative Organization (YAIO), a Blantyre based youth organization with funding from Katholische Zentralstelle für Entwicklungshilfe eV. (KZE) is implementing a 3 (three) year project called "HIV/AIDS and Sexual Reproductive Health in Blantyre Project".

##### **1. HIV/AIDS and Sexual Reproductive Health in Blantyre Project**

The overall Goal of this project is the knowledge and participation of young people and adults on sexual and reproductive health including HIV has increased in Blantyre City.

##### **Objectives of the project**

1. The targeted young people (10 to 25 years) have increased comprehensive knowledge about sexual and reproductive health including HIV and are able to make informed decisions.
2. Communication and dialogue between young people and adults (parents, guardians, caregivers, community leaders) has improved

##### **Indicators for:**

##### **Objective 1:**

- 1.1 By June 2021, 60 young people have been trained as peer educators and they pass on correct information
- 1.2 Results of written surveys conducted randomly among students before and after trainings show an increase in knowledge level on sexual and reproductive health.
- 1.3 Within the project period, YAIO develops a database to document the number of school drop-outs and
- 1.4 By the end of 2020, the trained peer educators have determined the number of young people they want to reach, advise and educate each month. Every six months YAIO documents the number of peer-to-peer



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**Indicators for:**

**Objective 2:**

2.1 In each annual report, at least ten cases are reported by young people and parents with regard to unprotected sex and early marriages (based on the method of Most Significant Change Stories) which demonstrate that dialogue between young people and adults has improved.

2.2 In each annual report, at least ten cases are reported which demonstrate that the behaviour of adults (parents, guardians, duty bearers, health workers) with regard to the needs of young people has improved.

**Project Activities /Measures**

**Objective 1:**

**1. The targeted young people (10 to 25 years) have increased comprehensive knowledge about sexual and reproductive health including HIV and are able to make informed decisions.**

1. Group sessions

**Objective 2:**

**2. Communication and dialogue between young people and adults (parents, guardians, caregivers, community leaders) has improved.**

1. Media programs

2. Capacity Building Training of Community Structures (Mother Groups, Youth Groups, Parents Teachers Association and City Development Committees) to effectively discharge their roles and responsibilities

3. Refresher training of young people and service providers on Youth Friendly Health Services (YFHS) package

4. Community Youth Networking meeting

5. Interface meeting on the importance of Youth Friendly Health Services (YFHS)

**Cross-cutting Measures**

1. Monthly Field Visits (Reporting)

2. Annual Review Meeting

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**Statement of Executive Committee's responsibilities**

The Non government Organisation Act 3 of 2001 requires the Director to ensure that for each accounting period accounts are prepared which shows a true and fair view of the state of the organisation and of the results for that period, and which are properly prepared in accordance with the relevant provisions of the sections 4 and section 20 of the Non Government Organisation Act No.3 of 2001.

In preparing the financial statements, the Executive Committee of Youth Activists Initiative Organisation accepts responsibility for the following:

- maintenance of proper accounting records;
- selection of suitable accounting policies and applying them consistently;
- making judgements that are reasonable and prudent; and
- compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements.
- prepared the accounts on a going concern basis having determined that the organisation has adequate resources to continue in operational existence for the foreseeable future.

Youth Activists Initiative Organisation also accepts responsibility for taking such steps as are reasonably open to them to safeguard the assets of the programme and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

Nothing has come to the attention of the management to indicate that Youth Activists Initiative Organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Youth Activists Initiative Organisation is of the opinion that the financial report give a true and fair view of the state of the financial affairs of the project. The financial report was approved by the Executive Committee and signed on its behalf by:

.....  
**Board Chairperson**

.....  
**Date**

.....  
**Executive director**

.....  
**Date**



**INDEPENDENT AUDITORS REPORT TO THE BOARD OF TRUSTEES OF YOUTH ACTIVISTS  
INITIATIVE ORGANIZATION'S MISEREOR SUPPORTED "HIV/AIDS AND SEXUAL REPRODUCTIVE  
HEALTH IN BLANTYRE PROJECT"**

**PROJECT NO: 143-001-1074 ZG**

**OPINION**

We have audited the financial report of Youth Activists Initiative Organization, HIV/AIDS and Sexual Reproductive Health in Blantyre Project, which comprise the statement of receipts and payment, notes to the accounts and summary of significant accounting policies.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of Youth Activists Initiative Organisation as at 30 June 2021 and its financial performance for the period then ended in accordance with Grant Agreement and the General Accepted Accounting Policies.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Youth Activists Initiative Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Malawi, and we have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE  
FINANCIAL STATEMENTS**

Directors are responsible for the preparation and fair presentation of the financial report in accordance with Grant Agreement and for such internal control as Directors determines necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

**AUDITORS RESPONSIBILITY FOR THE AUDIT OF FINANCIAL REPORT**

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

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




## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF *Continued*

- 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.
- 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 report 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 report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the project's or business activities to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the project's audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

 **Crowe**  
Chartered Accountants,  
Shadric Namalomba  
Partner  
Date.....20/08/2021



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**STATEMENT OF RECEIPTS AND PAYMENTS  
FINANCIAL REPORT FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

	JULY-DEC 20'		JAN - JUN 21'		JULY 20-JUNE 21	
	ACTUAL MWK		ACTUAL MWK		ACTUAL MWK	
<b>Receipts</b>						
Opening balance	-		7,041,975		-	
KZE Disbursement(s)	24,571,902		6,159,119		30,731,021	
Interest received	10,272		13,997		24,269	
<b>Total receipts</b>	<b>24,582,175</b>		<b>13,215,090</b>		<b>30,755,290</b>	
<b>Payments</b>						
<b>Staff cost</b>						
Project team leader	1,830,000		1,830,000		3,660,000	
Project Officer	1,530,000		1,530,000		3,060,000	
Project assistant	1,350,000		1,350,000		2,700,000	
Finance officer	900,000		900,000		1,800,000	
<b>Subtotal Staff Costs</b>	<b>5,610,000</b>		<b>5,610,000</b>		<b>11,220,000</b>	
<b>Project Activities</b>						
Inception meeting	688,000		-		688,000	
Group sessions for HIV/AIDS Sensitization			225,000		225,000	
Three day Peer Education Trainings using Moyo Wanga - Kuyambira Pano handbook	2,051,090		-		2,051,090	
Establishment and strengthening of Tikambirane Clubs in schools	2,062,000		-		2,062,000	
Media programs	381,955		363,955		745,910	
Interface meeting on the importance of Youth Friendly Health Service	267,945				267,945	
Refresher training of young people and service providers on YFHS	-		325,000		325,000	
Community Youth Networking meetings	-		230,300		230,300	
Production of Information materials	3,710,500		-		3,710,500	
Capacity Building Training of Community Structures to effectively discharge their roles and responsibilities	-		796,580		796,580	
Monthly field visits (Reporting)	-		688,000		688,000	
Annual Review Meetings	-		463,500		463,500	
<b>Subtotal Project Activities</b>	<b>9,161,490</b>		<b>3,092,335</b>		<b>12,253,825</b>	

*The financial report is to be read in conjunction with the notes to the financial report on page 8*

*The Auditors' Report is on page 4-5*



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*(In Malawi Kwacha)*

	JULY-DEC 20'		JAN - JUN 21'		JULY 20-JUNE 21	
	ACTUAL	MWK	ACTUAL	MWK	ACTUAL	MWK
<b>Project Administration</b>						
Communication (Internet, phone)	342,000		342,000		684,000	
Stationery Supplies (Sets of Toner, etc.)	140,000		190,495		330,495	
Vehicle maintenance	950,950		318,000		1,268,950	
Fuel	660,000		690,000		1,350,000	
Bank charges	125,760		209,164		334,924	
Audit fees	550,000		550,000		1,100,000	
<b>Subtotal for project administration</b>	<b>2,768,710</b>		<b>2,299,659</b>		<b>5,068,369</b>	
<b>Total payments</b>	<b>17,540,200</b>		<b>11,001,994</b>		<b>28,542,194</b>	
<b>Balance brought forward (Bank balance)</b>	<b>7,041,975</b>		<b>2,213,096</b>		<b>2,213,096</b>	
<b>Reconciliation Balances</b>						
Bank	7,041,975		2,213,096		2,213,096	
Cash	7,041,975		2,178,096		2,178,096	
Sundries	-		35,000		35,000	

The Financial report was approved by the Executive Committee on..... 2021 and were signed on its behalf by:

.....  
**Board Chairperson**

.....  
**Executive director**

.....  
**Date**

.....  
**Date**

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The Auditors' Report is on page 4-5*



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**SIGNIFICANT ACCOUNTING POLICIES**

**1 Basis of preparation**

**(a) Statement of compliance**

The financial reports are prepared on the historical cost basis. The financial report incorporate the following accounting policies:

**(b) Functional and presentation currency**

Financial transactions during the period were translated at the prevailing rates of exchange on the date of each transaction and recorded in the books in terms of Malawi Kwacha being the functional currency.

**(c) Use of estimates and judgements**

There are no significant assumptions made concerning the future or other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

**2 Significant accounting policies**

The following accounting policies have been consistently applied in all material respects by the Project in accordance to the Grant Agreement and the accounting policy by Katholische Zentralstelle für Entwicklungshilfe eV..

**(a) Revenue**

**Grant income**

Revenue grants are recognized in the statement of receipts and payments when received and banked.

**(b) Expenditure**

Expenditure is recorded when all the necessary conditions for the grants with regard to expenditure are met or when there is reasonable assurance that the project will comply with the conditions attaching to the grant with the expenditure.

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

**(d) Taxation**

Youth Activists Initiative Organisation is registered as non-profit organisation making organisation therefore it is exempted from corporation tax. No provision for taxation is required as the Company is exempted from taxation in terms of second schedule of the Income Tax Act (Chapter 41:01)

**(e) Going concern**

The financial statements have been prepared on the basis of accounting practices applicable to going concern. The basis is based on the current running project that is expected to run more than twelve months, the funds inflow will be available to finance future operations realization of assets and settlement of liabilities, contingent liabilities, contingent obligation and commitments incurred in the ordinary course of business. The ability of the organisation to continue as a going concern is dependent on continued support from its Donors.