

FINANCIAL STATEMENTS

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

ADDRESS: MATEUS SANSÃO MUTHEMBA, Nº315

MAPUTO CITY, MOZAMBIQUE



DIREITOS Project "Promotion Democracy and Human Right"

Period comprised between 1 August 2023 and 31 January 2025

NCA
Sociedade de Auditores e Contabilistas Certificados, Lda

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

FINANCIAL STATEMENTS - FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 TO 31 JANUARY 2025

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MANAGEMENTS' RESPONSIBILITY STATEMENT

Management is responsible for the preparation, integrity and fair presentation of the financial statements of **JOINT - LIGA DE ONG'S EM MOÇAMBIQUE - DIREITOS** Project "Promotion Democracy and Human Right", for the period comprised between 1 August 2023 to 31 January 2025.

The financial statements have been audited by the independent accounting firm, **NCA – Sociedade de Auditores e Contabilistas Certificados Lda**, which were given unrestricted access to all financial records and related data, including minutes of meetings of management. Management believes that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on pages 2 to 4.

The financial statements for the period comprised between 1 August 2023 to 31 January 2025 presented on pages 5 to 11 have been prepared in accordance with the basis of accounting disclosed on Note 2 and the donor's requirements. They are based on appropriate accounting policies which have been consistently applied, and which are supported by reasonable and prudent judgements and estimates.

Management is also responsible for the system of internal controls, including the proper monitoring of the Project. These are designated to provide reasonable but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets. These controls are monitored throughout the JOINT by management and employees with the necessary segregation of authority of duties. Processes are in place to monitor internal controls, to identify material weakness and implement timely correctives actions.

The financial statements of **JOINT - LIGA DE ONG'S EM MOÇAMBIQUE - DIREITOS** Project "Promotion Democracy and Human Right" were approved by the management on 23 May 2025 and are signed on its behalf:



INDEPENDENT AUDITOR'S REPORT

To the management of

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

Address: Mateus Sansão Muthemba, Nº 315, Maputo City, Mozambique

DIREITOS Project "Promotion Democracy and Human Right"

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JOINT - LIGA DE ONG'S EM MOÇAMBIQUE - DIREITOS Project "Promotion Democracy and Human Right"**, which comprise the statement of Receipts and payments, Statement of Budget Execution for the period comprised between 1 August 2023 to 31 January 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements of **JOINT - LIGA DE ONG'S EM MOÇAMBIQUE - DIREITOS Project "Promotion Democracy and Human Right"** are prepared, in all material respects, in accordance with the basis of accounting disclosed on Note 2 of the Financial Statements and Donor requirements.

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 Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mozambique, 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 opinion.

Other Matter

Following to the United States of American Executive Order, the "*Direitos Project - Promotion Democracy and Human Right*" funded by USAID and implemented by JOINT through KULIMA closed the activities at 31 January 2025. The remaining resources at 31 January 2025 was utilized to cover the phase-out administrative expenses. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with basis of accounting disclosed in Note 2 of the Financial Statements and Donor requirements, and for such internal control as Management determines 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, management is responsible for assessing Project 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 Project or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 judgment and maintain professional skepticism 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.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project 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 Project'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 Project 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 also provided Management 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.

The engagement partner on the audit resulting in this independent auditor's report is Hélder Neto.

NCA - Sociedade de Auditores e Contabilistas Certificados, Lda.

(Sociedade Registrada nº 29/SAC/OCAM/2022)

Represented by



Hélder Neto (Certified Auditor nº 24/CA/OCAM/2012)

Maputo, 26 May 2025

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticalis)

Notes	1 August 2023 to 31 January 2025		Changes	
	Budget of the period	Realized 1 August 2023 to 31 January 2025	Value	%
Opening balance as of 1 August 2023				
Receipts of the period				
Funds received - Projects	3	145.475.949	39.220.595	106.255.354
		145.475.949	39.220.595	106.255.354
Expenditures_Joint_Liga de ONG's em Moçambique				
Salaries and Allowances		(46.882.608)	(20.467.873)	(26.414.735)
Fringe benefits		(5.625.898)	(1.891.120)	(3.734.778)
Travel and Transportation		(27.222.104)	(2.792.741)	(24.429.363)
Project Equipment/Hardware/IT		(7.465.398)	(1.305.357)	(6.160.041)
Suppliers, Property & Services		(11.664.249)	(4.418.843)	(7.245.405)
Contractual services		(11.849.888)	(2.567.146)	(9.282.742)
Direct costs		(26.931.471)	(4.796.013)	(22.135.458)
Indirect costs		(7.834.335)	(445.168)	(7.389.167)
	4	(145.475.949)	(38.684.261)	(106.791.688)
Excess of receipts over expenditures				
Closing balance as of 31 January 2025				
Represented by:				
Bank balances	5		536.334	(536.334)
			536.334	(536.334)


The Management



JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

STATEMENT OF BUDGET EXECUTION FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticais)

	Notes	Budget of the period	Realized 1 August 2023 to 31 January 2025	Changes	%
Salaries and Allowances	4.1	46.882.608	20.467.873	26.414.735	44%
Fringe benefits	4.2	5.625.898	1.891.120	3.734.778	34%
Travel and Transportation	4.3	27.222.104	2.792.741	24.429.363	10%
Project Equipment/Hardware/IT	4.4	7.465.398	1.305.357	6.160.041	17%
Suppliers, Property & Services	4.5	11.664.249	4.418.843	7.245.405	38%
Contractual services	4.6	11.849.888	2.567.146	9.282.742	22%
Direct costs	4.7	26.931.471	4.796.013	22.135.458	18%
Indirect costs		7.834.335	445.168	7.389.167	6%
		145.475.949	38.684.261	106.791.688	27%



JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticais)

1. Introduction

JOINT – LIGA de ONGs in MOZAMBIQUE is a non-profit organization, endowed with legal personality, financial and patrimonial autonomy, created in 2007 and made official in 2008, with the aim of strengthening the role of Mozambican civil society and its participation in the processes and socio-economic development of the country. The full address of JOINT is Mateus Sansão Muthemba, Nº 315, Maputo City, Mozambique.

Vision: To connect and strengthen civil society institutions with a view to improving collective action for the common good and dialogue with Government and the Public Sector.

In the context of strengthening the intervention capacity of Civil Society Organizations in Mozambique, JOINT acts based on the following specific objectives:

- Promotion and connection of SC actors engaged in the defense of citizenship rights and freedoms;
- Sharing and disseminating information about the dynamics and manifestations of SC among members and other development actors;
- Promotion and strengthening of the capacities of its members with a view to their long-term sustainability;
- Promotion of the culture of open dialogue, cooperation and coordination between its members and the Government; as well as donors and other institutions involved in the country's development programs;
- Representation and defense of members' points of view before institutions and decision-making bodies;
- Development of regional and international cooperation with similar organizations, within the framework of the solidarity of the peoples of the world region; and
- Contribution to the consolidation of peace and socio-economic development of Mozambique.

JOINT implements the DIREITOS Project "Promotion Democracy and Human Right" funded by USAID through KULIMA. In this context, JOINT has contractually committed to implement the DIREITOS Project with the aim of expanding opportunities to access Democracy, Human Rights and Governance, spaces for People with Disabilities, aiming balanced and sustainable socioeconomic development of a fairer, more inclusive and tolerant society in the northern region of the country (Cabo Delgado, Zambézia and Nampula Provinces). The total grants allocated by USAID in the period between 1 August 2023 to 31 January 2025 amounts to USD 2.300.000, which USD 620.088 financed to JOINT.

Under the Grant Number: 72065623RFA00001 entitled Promoting Democracy and Human Rights (DIREITOS) activity, KULIMA and JOINT organizations agree to enter into an Operational Agreements in the spirit of collaboration, commitment and respect for the condition under which the respective organizations are working, with the common interest and objective of promote the Expansion of opportunities to Democracy, Human Rights and Governance, spaces for People with Disabilities, aiming balanced and sustainable socioeconomic development of a fairer, more inclusive and tolerant society in the northern region of the country (Cabo Delgado, Zambézia and Nampula Provinces).

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticais)

2. Significant accounting policies

The Statement of Receipts and Payments was prepared and presented in accordance with the requirements of Project and donor's requirements on the following basis:

a) *Basis of preparation*

The Project Financial Statements have been prepared on a cash basis. On this basis, income is recognised on receipt, regardless of the date on which the gains occurred, and expenditure is recorded on payment, regardless of the date on which the obligations occurred. However, some additional costs are accepted due to their specific nature.

b) *Equipment and supplies*

The acquisitions of equipment and supplies are recognized as current expenditures of the project at the date of payment. However, the project's management maintains a detailed inventory of all equipment not consumable.

c) *Currency reporting*

The financial statements are prepared in Meticais, which is the presentation currency used for the Project. The transactions in other currencies are converted into Meticais according with the prevailing exchange rate at the reception of the donor's funds.

d) *Transactions in foreign currency*

Operations in currencies other than Meticais are converted at the exchange rate in force on the date of the operation. Monetary assets and liabilities at the balance sheet date are converted at the rate in force for the period from 1 August 2023 to 31 January 2025.

e) *Receipts*

The receipts which comprise the grants contributions from "KULIMA". (Note 3)

f) *Expenditures*

The payments comprise the realization of the project activities and recorded when the disbursement is made.

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticais)

3. Receipts

The funds received are within the framework of the Donation Agreement initialled with KULIMA, and are detailed as follows:

Transfers	Date of receipts	1 August 2023 to 31 January 2025
1st instalment (USD 40.000)	1 August 2023	2.530.000
2nd instalment (USD 40.000)	31 August 2023	2.530.000
3rd instalment (USD 46.258,61)	21 September 2023	2.925.857
4th instalment (USD 24.316,03)	5 November 2023	1.537.989
5th instalment (USD 16.244,59)	5 December 2023	1.027.470
6th instalment (USD 48.632)	14 January 2024	3.075.978
7th instalment (USD 57.820,57)	May 2024	3.657.151
8th instalment (USD 67.236,40)	14 May 2024	4.252.702
9th instalment (USD 60.000)	14 June 2024	3.795.000
10th instalment (USD 88.811,48)	5 September 2024	5.617.326
11th instalment (USD 45.254,10)	October 2024	2.862.322
12th instalment (USD 23.595,04)	November 2024	1.492.386
13th instalment (USD 61.919,58)	December 2024	3.916.414
		39.220.595

4. Expenditures incurred under the Joint-Liga de ONGs in Mozambique in the DIREITOS project

4.1 Salary and allowances expenses comprise the following payments:

	1 August 2023 to 31 January 2025
Salaries	14.593.741
INSS	1.024.173
Other personnel costs	4.849.959
	20.467.873

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

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(Amounts expressed in Meticals)

4.2 Fringe benefits relate to health insurance expenses with the Britam Insurance Company.

4.3 The expenses with Travel and transportation comprise the following payments:

	1 August 2023 to 31 January 2025
Perdiem and accommodation	2.229.682
Air tickets	363.059
Training	200.000
	<u>2.792.741</u>

4.4 The expenses with the Project Equipment comprise the following payments:

	1 August 2023 to 31 January 2025
Apple phone 14 Pro Max	484.416
Macbook Pro Retina	354.960
IMac Retina	104.400
Video Conference System	144.420
Digital Camera	104.400
Projector Acer X	54.900
Printer HP Laserjet	57.861
	<u>1.305.357</u>

4.5 The expenses with Suppliers, property and services comprise the following payments:

	1 August 2023 to 31 January 2025
Office rent	2.876.040
Office material	275.336
Office repair and maintenance	223.660
Internet	105.000
Fuel and transportation	126.630
Bank charges	66.813
Other administrative costs	745.364
	<u>4.418.843</u>

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticais)

4.6 The expenses of Contractual services include the following payments:

	<u>1 August 2023 to 31 January 2025</u>
Consulting services	1.689.734
FAMOD	315.000
Production of action videos and podcasts	311.000
Website	251.412
	<u>2.567.146</u>

4.7 Direct costs are presented as follows:

	<u>1 August 2023 to 31 January 2025</u>
Activists' and supervisors' fees	3.638.200
Publication and advertisements	905.813
IPA.J	252.000
	<u>4.796.013</u>

5. Closing balance

The closing balance comprise the remaining cash resources set out below:

	<u>31 January 2025</u>
Moza banco - 3478323510001	536.334
	<u>536.334</u>

6. Contingencies and responsibilities

None.

JOINT - LIGA DE ONG'S EM MOÇAMBIQUE

DIREITOS PROJECT - "PROMOTION DEMOCRACY AND HUMAN RIGHT"

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD COMPRISED BETWEEN 1 AUGUST 2023 AND 31 JANUARY 2025

(Amounts expressed in Meticals)

7. Taxes

The tax authorities have the right to review the tax situation of the organization for a period of up to 5 years. This may result in adjustments due to a different interpretation and/or non-compliance with the legislation related to value added tax, personal income tax (IRPS) and Withholding taxes. It is not possible to determine the extent of the adjustments, if any that will result.

However, the Organization expects to have adequately fulfilled its fiscal obligations, in which possible corrections to taxable income declared, resulting from those revision, will not have a significant impact on the project financial statements.

8. Subsequent events

After the reporting period until the date on which the financial statements were authorized for issuance, there have been no favorable or unfavorable events for **JOINT - LIGA DE ONG'S EM MOÇAMBIQUE - DIREITOS Project "Promotion Democracy and Human Right"** that affect these financial statements or require disclosure therein.



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