Financial Audit Report

Audit

Concern Universal Mozambique
For the year ended 31 March 2017
# Contents

1  Introduction  
1.1  The project  
1.2  Funding  

2  Independent auditor’s report  
2.1  Introduction  
2.2  Our engagement  
2.3  Reporting  
2.4  Summary of results  
2.5  Restriction on use and limitation of liability  

3  Management’s responsibility statement  

4  Report on statement of receipts and payments  

5  Financial statements  
5.1  Statement of financial position  
5.2  Consolidated statement of receipts and payments  
5.3  Statement of receipts and payments by fund  
5.4  Basis of accounting  
5.5  Cash on hand  
5.6  Cash at bank  
5.7  Advance to partners  
5.8  Opening balance  
5.9  Donations  
5.10  Other receipts  

6  Report on evaluation of project internal controls  

7  Report on evaluation of whether the financial statements payments are in compliance with the relevant project agreement terms and local laws and regulations  

© 2017 KPMG International.  
All rights reserved.
1 Introduction

1.1 The project

Concern Universal is an international non-profit and non-governmental organisation registered as a charity with number 272465 in 1976 in the United Kingdom. It operates in ten countries in Africa, South America and Asia. Concern Universal has over 19 years of experience in implementing development and relief projects in Mozambique.

Concern Universal’s approach in Mozambique is to be involved in partnerships and capacity building with local organizations (including civil society organizations, private sector and public sector). Concern Universal Program in Mozambique has thematic focus on Social Accountability and Good Governance along with integrated local development aspects with emphasis on: (i) Food Security and Nutrition; (ii) Water, Sanitation and Hygiene; (iii) Community Health; (iv) Capacity Building, Education and Advocacy; and (v) Social Protection. Program focuses cross-cutting themes of Gender, HIV, Climate Changes and Disability. Through partnerships with local Civil Society Organisations (CSOs), local communities, Local Government and the private sector, Concern Universal Mozambique works to:

(i) assist citizens and CSOs to monitor and demand transparency and accountability from the Government regarding provision of services and public resources allocation;
(ii) improve incomes, health and well-being indicators of vulnerable communities; and
(iii) improve the effectiveness and efficiency of local CSOs by ensuring that they have skills, confidence and apply necessary approaches to achieve their objectives.

Geographically, activities of Concern Universal in Mozambique, in partnership with national organizations, are carried out in 7 provinces namely, Niassa, Maputo, Manica, Sofala, Zambézia, Nampula and Cabo Delgado with 3 local offices’, head office in Lichinga and support offices in Maputo and Chimoio.

1.2 Funding

Funds are transferred by the donors to the organisation’s bank accounts and implementation of the projects are in accordance with the specific funding agreements signed between Concern Universal and the donors. During the year under review, Concern Universal Mozambique received funds from the following donors:

- Concern Universal UK;
- World Bank;
- AGRA - Alliance for a Green Revolution in Africa;
- SDC - Swiss Agency for Development and Cooperation;
- PRODEM - Programa de Desenvolvimento Municipal; and
- AFAP - Action on Poverty.
2 Independent auditor’s report

2.1 Introduction

KPMG Mozambique was contracted by Concern Universal Mozambique to conduct a financial audit for the year ended 31 March 2017.

2.2 Our engagement

The scope of the financial audit is:

- To perform an audit in accordance with the International Standards on Auditing in order to express an opinion on whether the financial statements for the year ended 31 March 2017 have been prepared, in all material respects, in accordance with the basis of accounting adopted by Concern Universal.

- To evaluate the design of the internal controls over the key transaction streams and assess whether the controls have been operating effectively during the year.

- To evaluate whether the financial statements are in compliance with the relevant agreement terms, and local laws and regulations.

2.3 Reporting

We have presented our report as follows;

- Audit of the financial statements (See section 4);
- Evaluation of the internal controls (See section 6);
- Evaluation of whether the financial statements are in compliance with the relevant agreement terms, and local laws and regulations (See section 7).
2.4 Summary of results

- **Audit of the financial statements** – Our report for the year ended 31 March 2017 contains an unqualified opinion.

- **Evaluation of the internal controls** – Our report indicates that there are deficiencies in the design and operation of controls which have come to our attention and these are dealt with in a separate letter.

- **Compliance with agreement terms, laws and regulations** - Our report indicates that there are no instances of non-compliance which have come to our attention.

2.5 Restriction on use and limitation of liability

The financial statements are prepared in accordance with the basis of accounting described in note 5.4 to provide information to the donors in accordance with the funding agreements signed between the donors and Concern Universal Mozambique, as referred in Section 1. As a result, the financial statements and our reports in Sections 4, 6 and 7 may not be suitable for another purpose. Our report is intended solely for Concern Universal and donors and should not be distributed to or used by parties other than those specified above. To the fullest extent permitted by law our liability is restricted to those who engaged us.
3 Management’s responsibility statement

The Management of Concern Universal Mozambique is responsible for the preparation and presentation of the financial statements for the year ended 31 March 2017 and the accompanying notes, in accordance with the basis of accounting, as described in note 5.4.

Management is also responsible for determining that the basis of accounting is an acceptable basis for preparing and presenting the financial statements in the circumstances; for such internal control as the Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and for maintaining adequate accounting records and an effective system of risk management.

Management is also responsible for the other internal controls and for compliance with the relevant agreement terms and local laws and regulations applicable to Concern Universal Mozambique. The responsibility for the prevention and detection of non-compliance rests with management.

Approval of the financial statements

The financial statements for the year ended 31 March 2017 and the accompanying notes, were approved by management on 22 September 2017 and are signed on their behalf by:

Helena Skember
Country Director
4 Report on statement of receipts and payments

Independent auditors report

To the Management of Concern Universal Mozambique

Opinion

We have audited the financial statements of Concern Universal Mozambique, set out on pages 7 to 14, which comprise the statements of financial position as at 31 March 2017 and the statements of receipts and payments for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of Concern Universal Mozambique for the year ended 31 March 2017 have been prepared, in all material respects, in accordance with the cash receipts and disbursement basis of accounting described in Note 5.4.

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 Company in accordance the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements relevant to our audit of the financial statements in Mozambique, and we have fulfilled our 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 5.4 to the financial statements, which describes the basis of accounting. The financial statement is prepared to provide information to the management of Concern universal Mozambique and donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for management and the donor and should not be distributed to parties other than management or the donors. Our opinion is not modified in respect of this matter.

Other Information

The management is responsible for the other information. The other information comprises the Managements’ Report and the Managements’ Responsibility Statement. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with the cash receipts and disbursement basis of accounting described in Note 5.4, for determining the acceptability of the basis of accounting, and for such internal control as management determines is necessary to enable the preparation of the financial statements 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’ Responsibilities for the Audit of the Financial Statements

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 auditors’ 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 this 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 statement, 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 auditors’ report to the related disclosures in the financial statement 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 auditors’ report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
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.

KPMG, Registered Audit Firm

Represented by:

[Signature]

Abel Jone Guaiagunia, OCAM n° 04/CA/OCM/2012

22 September 2017
5 Financial statements

5.1 Statement of financial position
as at 31 March 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>31 March 2017 MT</th>
<th>31 March 2016 MT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>5.5</td>
<td>41 599</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>5.6</td>
<td>12 428 918</td>
</tr>
<tr>
<td>Advances to partners</td>
<td>5.7</td>
<td>13 263 660</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24 939 789</td>
<td>25 734 177</td>
</tr>
<tr>
<td><strong>Accumulated fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>5.8</td>
<td>27 938 597</td>
</tr>
<tr>
<td>Excess of payments over receipts</td>
<td></td>
<td>(2 204 420)</td>
</tr>
<tr>
<td><strong>Total accumulated fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24 939 789</td>
<td>25 734 177</td>
</tr>
</tbody>
</table>
5.2 Consolidated statement of receipts and payments
for the year ended 31 March 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>Receipts</th>
<th>April 2017 - March 2016</th>
<th>April 2016 - March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Donations</td>
<td>5.9</td>
<td>102 236 323</td>
</tr>
<tr>
<td></td>
<td>Other receipts</td>
<td>5.10</td>
<td>6 847 261</td>
</tr>
<tr>
<td></td>
<td>Exchange gains</td>
<td></td>
<td>1 126 000</td>
</tr>
<tr>
<td></td>
<td>Total receipts</td>
<td></td>
<td>110 209 584</td>
</tr>
</tbody>
</table>

| Payments                                                                 |
|--------------------------------------------------------------------------|-------------------|-----------------------|
| Staff cost                                                               | 37 261 120        | 28 566 460            |
| Project activities                                                       | 62 582 829        | 56 675 567            |
| Equipment                                                                | 6 126 346         | 2 079 060             |
| Monitoring and evaluation                                               | 815 630           | 1 899 893             |
| Other cost                                                               | 4 218 047         | 1 208 897             |
| Total payments                                                           | 111 003 972       | 90 429 877            |
| Excess of payments over receipts                                        | (794 388)         | (2 204 420)           |
### 5.3 Statement of receipts and payments by fund

*for the year ended 31 March 2017*

<table>
<thead>
<tr>
<th></th>
<th>AFAP MT</th>
<th>AGRA MT</th>
<th>World Bank MT</th>
<th>SDC MT</th>
<th>P19 MT</th>
<th>Concern Universal Mozambique MT</th>
<th>PRODEM MT</th>
<th>Total MT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>9 412 521</td>
<td>-</td>
<td>4 225 653</td>
<td>4 528 987</td>
<td>1 093 214</td>
<td>-</td>
<td>82 975 948</td>
<td>102 236 323</td>
</tr>
<tr>
<td>Funds channelled to core account</td>
<td>-</td>
<td>-</td>
<td>(1 784 704)</td>
<td>-</td>
<td>-</td>
<td>11 514 059</td>
<td>(9 729 355)</td>
<td>-</td>
</tr>
<tr>
<td>Other receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6 847 261</td>
<td>-</td>
<td>6 847 261</td>
</tr>
<tr>
<td>Exchange gains</td>
<td>206 687</td>
<td>59</td>
<td>156 335</td>
<td>600 762</td>
<td>92 736</td>
<td>69 420</td>
<td>-</td>
<td>1 126 000</td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td>9 619 208</td>
<td>59</td>
<td>2 597 284</td>
<td>5 129 749</td>
<td>1 185 950</td>
<td>18 430 741</td>
<td>73 246 593</td>
<td>110 209 584</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff cost</td>
<td>2 634 596</td>
<td>799 795</td>
<td>3 636 083</td>
<td>-</td>
<td>9 057 443</td>
<td>21 133 202</td>
<td>37 261 120</td>
<td></td>
</tr>
<tr>
<td>Project activities</td>
<td>4 496 683</td>
<td>108 749</td>
<td>6 502 365</td>
<td>744 933</td>
<td>9 137 079</td>
<td>41 593 021</td>
<td>62 582 829</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>-</td>
<td>-</td>
<td>1 624 000</td>
<td>-</td>
<td>-</td>
<td>4 502 346</td>
<td>6 126 346</td>
<td></td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>815 630</td>
<td>815 630</td>
<td></td>
</tr>
<tr>
<td>Other cost</td>
<td>1 243 016</td>
<td>-</td>
<td>154 343</td>
<td>-</td>
<td>-</td>
<td>2 820 689</td>
<td>4 218 047</td>
<td></td>
</tr>
<tr>
<td><strong>Total payments</strong></td>
<td>8 374 294</td>
<td>908 545</td>
<td>11 916 790</td>
<td>-</td>
<td>744 933</td>
<td>18 194 522</td>
<td>70 864 889</td>
<td>111 003 972</td>
</tr>
<tr>
<td>Excess of receipts/(payments) over payments (receipts)</td>
<td>1 244 914</td>
<td>(908 486)</td>
<td>(9 319 506)</td>
<td>5 129 749</td>
<td>441 018</td>
<td>236 219</td>
<td>2 381 704</td>
<td>(794 388)</td>
</tr>
<tr>
<td>Opening balance</td>
<td>482 322</td>
<td>13 408 385</td>
<td>3 617 645</td>
<td>(2 550 981)</td>
<td>290 783</td>
<td>11 634 600</td>
<td>(1 148 577)</td>
<td>25 734 177</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1 727 236</td>
<td>12 499 899</td>
<td>(5 701 861)</td>
<td>2 578 768</td>
<td>731 801</td>
<td>11 870 819</td>
<td>1 233 127</td>
<td>24 939 789</td>
</tr>
</tbody>
</table>

---

*Concern Universal Mozambique*

*Financial Audit Report*

*for the year ended 31 March 2017*
Notes to the financial statements  
for the year ended 31 March 2017

5.4 Basis of accounting

The financial statements have been prepared in accordance with the following basis of accounting, applied consistently with that of the previous year.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Cash basis

The financial statements have been drawn up on the cash basis from the information reflected in the financial reports and accounting records of the project.

c) Currencies

The functional currency of the project is MT. Transactions in other currencies are translated into Metical at weighted average exchange rate. Monetary assets and liabilities denominated in currencies other than MT are translated to MT at the year end exchange rate.

d) Fixed assets

Fixed assets are expensed in the year of purchase.

e) Funds received

Funds received comprise donations received from donors and are recorded on receipt of the funds into the bank account.

f) Payments

Payments are recorded in the books on disbursement of the funds from the bank account.

g) Advances

Advances represent payments which have been made but which are yet to be reimbursed or justified with supporting documents.
Notes to the financial statements  
for the year ended 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017</th>
<th>31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MT</td>
<td>MT</td>
</tr>
</tbody>
</table>

5.5 Cash on hand

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017</th>
<th>31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in MZN</td>
<td>-</td>
<td>30 000</td>
</tr>
<tr>
<td>Cash in USD</td>
<td>-</td>
<td>11 599</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>41 599</td>
</tr>
</tbody>
</table>

5.6 Cash at bank

<table>
<thead>
<tr>
<th>Bank</th>
<th>Currency</th>
<th>Account</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>21143091</td>
<td>1 264 406</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>10905032</td>
<td>118 687</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>79743507</td>
<td>5 350</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>262450088</td>
<td>10 544 806</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>107005454</td>
<td>1 154 547</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>MZN</td>
<td>131685843</td>
<td>2 709 948</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>USD</td>
<td>21143188</td>
<td>6 141 920</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>USD</td>
<td>75235723</td>
<td>7 613</td>
</tr>
<tr>
<td>Millennium bim</td>
<td>USD</td>
<td>91619023</td>
<td>1 385 512</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23 332 789</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12 428 918</td>
</tr>
</tbody>
</table>
Notes to the financial statements
for the year ended 31 March 2017

5.7 Advance to partners

<table>
<thead>
<tr>
<th>Partner</th>
<th>31 March 2017</th>
<th>31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACAMO</td>
<td>-</td>
<td>311 184</td>
</tr>
<tr>
<td>KULIMA</td>
<td>-</td>
<td>3 231 802</td>
</tr>
<tr>
<td>KIXIQUILA</td>
<td>-</td>
<td>2 168 915</td>
</tr>
<tr>
<td>OCODEMA</td>
<td>-</td>
<td>940 784</td>
</tr>
<tr>
<td>NZARA</td>
<td>-</td>
<td>2 590 478</td>
</tr>
<tr>
<td>AGRIMERC</td>
<td>-</td>
<td>454 954</td>
</tr>
<tr>
<td>IDEAA</td>
<td>-</td>
<td>3 550 081</td>
</tr>
<tr>
<td>FONAGINA</td>
<td>995 000</td>
<td>15 462</td>
</tr>
<tr>
<td>NAFEZA</td>
<td>520 000</td>
<td>-</td>
</tr>
<tr>
<td>KUTSEMBIA</td>
<td>92 000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 607 000</strong></td>
<td><strong>13 263 660</strong></td>
</tr>
</tbody>
</table>

5.8 Opening balance

<table>
<thead>
<tr>
<th>Description</th>
<th>25 734 177</th>
<th>26 374 802</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior period accumulated fund</td>
<td>25 734 177</td>
<td>26 374 802</td>
</tr>
<tr>
<td>Deposit not previously recognized</td>
<td>1 563 795</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25 734 177</strong></td>
<td><strong>27 938 597</strong></td>
</tr>
</tbody>
</table>
# Notes to the financial statements

*for the year ended 31 March 2017*

## 5.9 Donations

The donations received during the year are as follows:

<table>
<thead>
<tr>
<th>Donor</th>
<th>Date</th>
<th>Original currency</th>
<th>Equivalent in MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFAP</td>
<td>19.08.2016</td>
<td>Aus$ 12 314</td>
<td>622 607</td>
</tr>
<tr>
<td>AFAP</td>
<td>26.08.2016</td>
<td>Aus$ 5 623</td>
<td>284 502</td>
</tr>
<tr>
<td>AFAP</td>
<td>29.09.2016</td>
<td>Aus$ 3 701</td>
<td>186 105</td>
</tr>
<tr>
<td>AFAP</td>
<td>15.11.2016</td>
<td>Aus$ 75 000</td>
<td>4 109 948</td>
</tr>
<tr>
<td>AFAP</td>
<td>15.11.2016</td>
<td>Aus$ 85 000</td>
<td>5 302 573</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>10 505 735</strong></td>
</tr>
<tr>
<td>World Bank</td>
<td>31.08.2016</td>
<td>USD 60 635</td>
<td>4 225 653</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>4 225 653</strong></td>
</tr>
<tr>
<td>SDC</td>
<td>15.11.2016</td>
<td>USD 67 245</td>
<td>4 528 987</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>4 528 987</strong></td>
</tr>
<tr>
<td>PRODEM</td>
<td>27.04.2016</td>
<td>MZN 18 631 948</td>
<td>18 631 948</td>
</tr>
<tr>
<td>PRODEM</td>
<td>28.06.2016</td>
<td>MZN 18 336 000</td>
<td>18 336 000</td>
</tr>
<tr>
<td>PRODEM</td>
<td>11.10.2016</td>
<td>MZN 23 868 000</td>
<td>23 868 000</td>
</tr>
<tr>
<td>PRODEM</td>
<td>15.12.2016</td>
<td>MZN 22 140 000</td>
<td>22 140 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>82 975 948</strong></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td><strong>102 236 323</strong></td>
</tr>
</tbody>
</table>
Notes to the financial statements
for the year ended 31 March 2017

5.10 Other receipts

<table>
<thead>
<tr>
<th></th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNV – Projecto gotas</td>
<td>6 847 261</td>
<td>2 487 728</td>
</tr>
<tr>
<td></td>
<td><strong>6 847 261</strong></td>
<td><strong>2 487 728</strong></td>
</tr>
</tbody>
</table>
6 Report on evaluation of project internal controls

Independent auditors report

To the management of Concern Universal Mozambique

As an extension of our audit of the financial statements of Concern Universal Mozambique for the year ended 31 March 2017, reported in Section 4, we are required to assess that “there are adequate internal controls over the key transaction streams which have been operating effectively during the year” and report on deficiencies in the design or operation of internal controls that have come to our attention during our financial audit.

Management’s responsibility for the internal controls

Management is responsible for determining the project’s control objectives and for the design and implementation of internal controls, including key controls, to achieve those control objectives and for ensuring that such controls operate effectively.

Auditors’ responsibility

There are no established frameworks for evaluating the effectiveness of internal controls applicable to an entity of this nature. Accordingly, we applied our professional judgment in determining the procedures selected and the extent of our procedures, as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and performing such tests of detail as we considered necessary for the purpose of our audit of the financial statements; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the entity.

However, our objective was not to provide an opinion on project internal controls. Accordingly, we do not express such an opinion.

Matters coming to our attention

These are dealt with in a separate management letter.

KPMG, Registered Audit Firm

Represented by:

Abel Jose Guinangwa, OCAM nº 04/CA/OCM/2012
22 September 2017
Report on evaluation of whether the financial statements payments are in compliance with the relevant project agreement terms and local laws and regulations

Independent auditors report

To the management of Concern Universal Mozambique

As an extension of our audit of the financial statements of Concern Universal Mozambique for the year ended 31 March 2017, reported in Section 4, we are required to report on whether the financial statements are in compliance with the relevant project agreement terms and local laws and regulations.

Management responsibility

Management is responsible for compliance with the relevant project agreement terms and local laws and regulations applicable to the Concern Universal Mozambique. The responsibility for the prevention and detection of non-compliance rests with management.

Auditors’ responsibility

There are no established frameworks for evaluating the effectiveness of compliance with the relevant project agreement terms and local laws and regulations applicable to an entity of this nature. Accordingly, we applied our professional judgment in determining the procedures selected and the extent of our procedures, as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and inspecting correspondence with the relevant licensing or regulatory authorities as we considered necessary for the purpose of our audit on the financial statements; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the entity/project.

However, our objective was not to provide an opinion on overall compliance with project agreement terms and local laws and regulations. Accordingly, we do not express such an opinion.

Matters coming to our attention

Matters of non-compliance are dealt with in a separate letter.

KPMG, Registered Audit Firm

Represented by:

Abel João Guaiaguania, OCAM nº 04/CA/OCM/2012
22 September 2017