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FINANCIAL REPORT

C F F A

January – December 2019

Delvaux Associés, Réviseurs d'Entreprises scrl

Société civile à forme de société coopérative à responsabilité limitée

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1 Description of the organisation

CFFA is an NPA (non-profit association) or in French an *asbl* (association sans but lucratif) registered in accordance with the Belgian Law.

CFFA was established in Brussels in 1992, after ‘*The Battle for Fish*’ Conference, and has had a permanent secretariat there since 1994. One meeting of the CFFA Steering Committee is organised per year, as well as ad hoc meetings with CFFA partners. These meeting decide on CFFA activities and strategies. An Administration Council, composed of Belgian residents, administers the *asbl*.

CFFA main objectives are:

- (1) to inform ACP and EU civil society about issues arising from ACP-EU fisheries relations;
- (2) to support ACP fishing communities participation in ACP-EU decision making processes;
- (3) to monitor and influence ACP-EU fisheries relations to promote ACP small scale fishing communities views.

For the period 2017-2020, CFFA *work priorities* are:

- (1) Broadening the scope of CFFA Advocacy at the EU level
- (2) Expanding and formalizing CFFA relations with partners in Africa
- (3) Emphasizing political rights in fisheries reform – Transparency and access to information
- (4) Informing on emerging policy issues and agendas
- (5) Enhancing coverage of African fisheries by European journalists.

CFFA *main activity* is to provide information on ACP-EU fisheries relations to ACP artisanal fishing sector organisations, ACP and EU NGOs, and to help them participate and influence the decision making processes governing ACP-EU fisheries relations (fisheries (partnership) agreements, EU-ACP fish trade relations and EU development programmes).

More information on CFFA activities can be found on <https://www.cffacape.org/>

Since 2007, CFFA participates to the EU Regional Advisory Committee on Long Distance Fisheries and Vice chair of its Executive Committee. Since 2017, CFFA participates and is member of the Executive Committee of the EU Markets Advisory Council.

2 Audit

Audit objectives

The period under audit is from 1st January 2019 until 31 December 2019.

The audit was carried out with a view:

- To express an opinion on whether CFFA Statement of Income and Expenditure presents fairly monies received and costs incurred for the period under audit in accordance with the terms of the funding agreement and generally accepted accounting principles.
- To obtain a sufficient understanding of CFFA internal control structure, evaluate the control environment and the adequacy of the accounting system;
- To determine whether CFFA complied with the terms of the grant agreement and applicable laws and regulations.
- To verify that proper books of accounts exist, are reliable, comply with the financing agreement and have been properly organized and maintained throughout the period under audit.
- To verify that expenditure was in accordance with the agreed budget items and amounts.
- To verify that the received amounts in the report are presented in EURO.
- To verify that the grant received from SSNC, 119.702,33 euros, is specified in the organisational audit report
- To verify that the grant of 45.000 EURO from Brot für die Welt was well spent in 2019.
- To present a management letter

Procedures performed

The following audit procedures were performed during the course of the audit:

- Obtaining an understanding of CFFA establishment, functions, activities and financial reporting system;
- Obtaining an understanding of CFFA internal control structure and tested the controls in terms of their adequacy and actual operation;
- Reviewing CFFA books to determine whether expenditures incurred were properly recorded and incurred in accordance with the funding agreement with Swedish Society for Nature Conservation and Pain pour le Monde/ Brot für die welt;
- Reviewing the procedures used to control the funds and the bank account;
- Reviewing procurement procedures to determine whether reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received;
- Preparation of a draft report discussed with CFFA Coordinator.

100 % of the expenditures were examined.

3 Report of auditors

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF CFFA NPA FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the legal and statutory requirements, we report to you on the performance of the mandate of statutory auditor which has been entrusted to us.

This audit was performed in accordance with international standards (ISA 800/805).

We have audited the financial statements as of and for the year ended 31 December 2019, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of € 51.278,91 and a positive result for the year of € 19.496,04.

Unmodified audit opinion on the financial statements

Management is responsible for the preparation and the fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Reviseurs d'Entreprises*). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement, as to whether due to fraud or error.

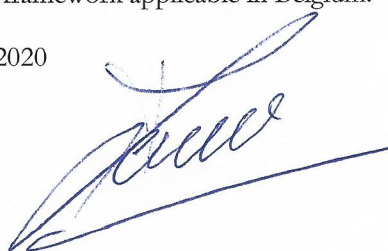
In accordance with the above-mentioned auditing standards, we considered the company's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the appropriateness of accounting policies and the reasonableness of the significant accounting estimates made by the company as well as the overall financial statement presentation. We believe that these procedures provide a reasonable basis for our opinion.

The € 45,000 subsidy received on 24 April 2019 by CAPE-CFFA from Bread for the World made it possible to pay the wages of the association for 2019 (the wages amounted 44.857,92 € in 2019), the balance being covered by the subsidy of SSNC.

In our opinion, the financial statements for the year ended 31 December 2019 give a true and fair view of the company's assets and liabilities, its financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

Brussels, 6 march 2020

Pierre LERUSSE,
Registered auditor



4 Additional

The accounting follows cash basis principle except for:

- the expenses of December paid in January 2020
- the holiday pay payable in June 2020 but already in the accounts at the end of December 2019 as the Belgian law has it foreseen.

The starting balance was 21.054,75 € and the outgoing balance was 50.056,67€.

The grant is well kept in a bank account and continuously reconciled during the agreement period.

The financial report includes a comparison between the actual costs and the budgeted costs in the co-operation agreement (see after)

The financial report contains explanations for any deviations of budget line headings.

The outgoing balance for previous period is the same as incoming balance for the current period.

The organisation has adhered to its internal regulations for procurements

Interests and exchange rate gains from the projects funds are accounted for the supported project.

Staff time charged to the project has been recorded the duration of the year in a systemized way and the salary costs can be verified by sufficient supporting documentation. Only staff costs belonging to activities funded under the supporting project are accounted for and are not cross-funded.

There is no relationship between employees of the organization and its board of directors.

The organisation "C.F.F.A." has followed national laws regarding taxes, social security payment and labour laws.

There is no sub-granting funds to third parties.

Brussels, the 6 march of 2020



Pierre LERUSSE
Registered Auditor

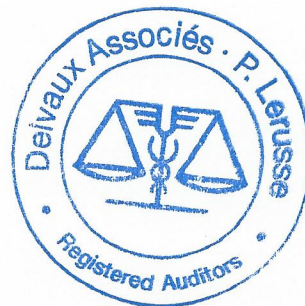


Table - Statement of Income and Expenditure (in euros)

Amount of funding received from SSNC in euros	119.702,33
<i>Amount of funding received from SSNC in SEK</i>	<i>1.275.000</i>
Amount received from Bread for the World in euros	45.000,00
Bank interests	0,01
Income from LDAC ¹	787,52
Total Income	164.702,33
Total Expenditures	145.993,82
RESULT 2019 (Positive)	19.496,04

¹ LDAC reimburses travel costs for attending its meetings + a daily per diem to cover hotel and other expenses. The amount of the daily per diem is fixed annually by the European Commission

STATEMENT OF EXPENDITURES (details)	Costs (in euros)	Reviewed Budget (in euros)
1. Salaries/fees		
Remunerations One part-time coordinator/part time communication officer	33.739,41	34.200
Social security and social security management costs	10.671,87	0
Fees Researchers	22.728,00	22.800
2. Translation	3.689,00	3.000
3. CFFA Annual Steering Committee	15.158,39	15.000
4. Interactions EU Institutions	24.448,00	27.400
5. Support participation partners to international initiatives	7.569,40	10.000
6. Training REJOPRAO	18.434,06	20.000
7. Support to REPROJAO	600,00	3.000
8. Insurances	446,64	500
9. Communication, office (including rent), bank costs	6.981,75	12.000
10 Accounting and Auditing	1.527,30	2.500
TOTAL	145.993,82	150.400

Comments on the deviations observed in the expenses for the various activities, compared to the budget

1. Salaries

CFFA employs a part-time coordinator/spokesperson Béatrice Gorez. Since July, CFFA also employs a half time communication officer, Joelle Philippe. CFFA pays social security and social security management costs as per Belgian law requirements for these two employees. CFFA also employs, as part time associate researcher, André Standing. As he is based in Kenya, his contract is a long-term consultancy (as paying social security for him under the Belgian law makes no sense, in as much as he would not benefit from social security services). His fee (1800 euros/month) therefore includes all payments due to him.

In 2019, CFFA also signed a short term consultancy contract with Anaid Panossian, a lawyer specialised in fisheries, to work on future issues of fishing agreements, and with Cécile Fattebert, a sociologist working in Madagascar, to document the current situation of Malagasy small scale fisheries

A mistake was initially made in the budget, which didn't include the social security costs. However, as expenses are monitored on a regular basis by the treasurer and the coordinator, these costs were

covered with unspent amounts for other activities. For 2020, the budget has been rectified accordingly to include social security costs.

2. Translation

For the first part of the year, CFFA has been using the services of Mrs Hindetou Namoano, from Burkina Faso, who is a professional translator FR/ENG. Her invoices are paid according to the number of words translated (0.1 euros per word). For the second half of the year, as Ms Namoano has been recruited by the UN, CFFA has been using the services of another translator in Benin, using the same rate. However, we now increasingly often use online translations services for a draft translation of our papers.

3. Organising CFFA annual programming meeting in M'bour

The meeting was organised in M'Bour, just after the World Fisheries Day, and CFFA paid for a delegation from CAOPA and REJOPRA and CFFA coordinator and communication officer to attend. Other partners that take part in CFFA activities (like BFW, ICSF, PRCM) were also invited, but CFFA didn't cover their costs. CFFA has its own interpretation material, so we have no costs for that, we only pay the costs of the professional interpreter. A decision that was taken at our steering committee meeting, to look at the situation of women fish processors in Guinea Conakry was also covered.

4. Interactions EU Institutions

This included payment for the fees to participate to EU advisory Councils and associated preparatory meetings (meeting with NGOs, sector) in Spain, Poland, Italy, as well as participating to specific meetings in Portugal and Rome. A one week advocacy training for 6 representatives of CAOPA on fishing agreements was organised in November in Brussels.

7. Support participation partners to international initiatives

Several events were organised under this activity, including:

- The participation of CAOPA and CFFA to various consultations organized by FAO, in Rome and in Ghana.

- Meetings in West Africa (The Gambia, Senegal) on the issue of fishmeal production and food security.
- A meeting in Senegal on women in fisheries working conditions, which fed into the FAO consultation on social sustainability in the fisheries value chains
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9. Support to REJOPRA / training of journalists

Unfortunately, REJOPRA has still no proper formal legal registration, so the only source of funding for its activities is still CFFA.

For lack of capacity, the REJOPRA was not able to deliver much of the articles/videos initially planned (NB: this issue was discussed with them end of 2019, with a plan to address these shortcomings. CFFA communication officer, Joelle Philippe, will liaise with REJOPRA in 2020 regarding the delivery of material (articles/videos) supported by CFFA).

A training was organised in Senegal for 13 African journalists early January 2020.