

**TANA RIVER LIFE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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TRUST INFORMATION

- 1. TRUSTEES** : Gabriel Teo Kian Chong (Malaysian)
: Benedict Kazungu Kambi (Kenyan)
: Bendecto Manase Gwiyo (Kenyan)
: Tracy Haigwo Jilo (Kenyan)
- 2. REGISTERED OFFICE** : Tana River Life Foundation
: P.O. Box 41730 - 80100
: Mombasa - Kenya
- 3. PRINCIPAL PLACE OF BUSINESS** : TRLF Emmaus Community Centre
: Idsowe Village
: Garsen-Lamu Road
: Tana Delta Sub-County
- 4. WEBSITE** : www.tanariverlifefoundation.org &
www.tanariverlife.wordpress.com
- 5. INDEPENDENT AUDITOR** : PKF Kenya
: Certified Public Accountants
: P. O. Box 90553 - 80100
: Mombasa
- 6. PRINCIPAL BANKERS** : Stanbic Bank Limited
: Mombasa

: KCB Bank Kenya Limited
: Garsen

REPORT OF THE TRUSTEES

The trustees submit their report and the audited financial statements for the year ended 31 December 2017, which disclose the state of the organisation's affairs.

Gabriel Teo Kian Chong, a Malaysian who has been living in Kenya since 1995, first set up Tana River Life Foundation (TRLF) as a private Charitable Trust on 13 December 2005. He later registered TRLF as a Kenyan Non-Governmental Organization (NGO) (Reg. No. OP.218/051/2007/0440/4836) on 6 December 2007 to continue and expand the work in a more organized and comprehensive way.

- MISSION** : Its mission is the integral development of individuals so as to build sustainable communities. This is done by assisting the marginalised attain self reliance with dignity and integrity so that they have the freedom and ability to make meaningful choices in their lives that benefit their communities.
- COVERAGE** : TRLF operates from Idsowe of Garsen Division in Tana River County. Its area of assistance is largely confined to the Tana Delta sub-county
- NATURE OF ACTIVITIES** : Activities are directed towards building a more just and honest society leading to a more complete humanity.
- Key areas are:
- : a) Education - Improving Access, Affordability and Quality;
 - : b) Promote sustainable agriculture to improve nutrition and generate income;
 - : c) Entrepreneurship - Community-based schemes geared towards self-reliance;
 - : d) Formation of youth - nurturing responsible community leaders of integrity and dignity, with good judgement and conscience.
- BENEFICIARIES** : The main beneficiaries of TRLF programmes are members of the marginalised communities in Tana River, Malindi and Lamu Counties of Kenya. These include AIDS orphans, children of subsistence farmers, nomadic pastoralists, fishermen and forest dwellers, as well as of single parent families without any regular source of income.
- PROGRAMMES** : Tana River Life Foundation (TRLF) currently runs/supports the following programmes:
- : a) Education Support Scheme at Pre-Primary, Primary, Secondary, Vocational and Tertiary levels.
 - : b) Delta Education Enhancement (DEE) to improve the educational infrastructure and learning environment in Public Primary and Secondary Schools in Tana Delta Sub-county.
 - : c) Mitumba Project for needy mothers with children in school (MTB).
 - : d) Youth Formation Programme (YFP).
 - : e) Medical & Emergencies Fund (MEF).
 - : f) Sustainable Agriculture Programme for Youth (SHB).
 - : g) Community Living in TRLF Homes in Nairobi, Mombasa, Idsowe and Kilifi (MVH).
 - : h) Emmaus Community Centre - an integrated human resource development centre to promote learning and sustainable community development.
 - : i) Delta Mustard Seed Academy (DEMSA) (Reg. No. PE/11272/14) providing pre-primary and primary education.

REPORT OF THE TRUSTEES (CONTINUED)

SUPPORT

Tana River Life Foundation activities are funded by donations in cash and kind from private individuals, educational and religious institutions, charitable organizations and private and public corporations, mainly from Malaysia and Singapore.

Institutions that supported Tana River Life Foundation (TRLF) Programmes in 2017 include:

- 1 Wesley Methodist Melaka - Malaysia
- 2 The Silent Foundation - Singapore
- 3 TRLF Pte Ltd - Singapore
- 4 Shepherd's Cove, Singapore
- 5 Wesley Methodist Johor Bahru - Malaysia
- 6 Jonaron Foundation - Malaysia
- 7 Madrinha Trust - UK
- 8 Global Giving - UK
- 9 Global Giving Foundation Inc. - USA
- 10 Holywell Foundation Ltd - Singapore
- 11 Good Shepherd Convent Kindergarten - Singapore
- 12 The Double Honor Foundation - Singapore
- 13 Binjai Tree Foundation - Singapore
- 14 Aegis Building & Engineering Pte Ltd - Singapore
- 15 Wilson Associates Pte Ltd - Singapore
- 16 LogwinAir + Ocean Singapore
- 17 PIL Singapore Pte Ltd
- 18 CHIJ St. Theresa's Convent - Singapore
- 19 Universiti Tunku Abdul Rahman (UTAR) - Malaysia
- 20 Marymount Kindergarten - Singapore
- 21 The Catholic Parish of the Nativity of the Blessed Virgin Mary - Singapore

RESULTS FOR THE YEAR

	2017	2016
	Shs	Shs
Surplus for the year	<u>6,689,187</u>	<u>31,053,229</u>

INDEPENDENT AUDITOR

The organisation's auditor, PKF Kenya, has indicated willingness to continue in office.

BY ORDER OF THE TRUSTEES



TRUSTEE
TANA RIVER LIFE FOUNDATION

29th June 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the surplus for that year. The management is also required to ensure that the organisation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organisation. The management is also responsible for safeguarding the assets of the organisation.

The management accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. The management also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstance.

The management is of the opinion that the financial statements give a true and fair view of the financial position of the organisation as at 31 December 2017 and of the organisation's financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the NGO Co-ordination Act.

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

Approved by the trustees on 29th June 2018 signed on its behalf by:



TRUSTEE



TRUSTEE

**REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF TANA RIVER LIFE FOUNDATION**

Opinion

We have audited the organisation financial statements of Tana River Life Foundation out on pages 7 to 16, which comprise the statement of financial position as at 31 December 2017, statement of income and expenditure, statement of changes in fund balances and statement of cashflows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organisation as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the NGO Co-ordination Act.

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 organisation 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 Kenya, 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.

Other information

The trustees are responsible for the other information. The other information comprises the report of the trustees, but 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 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 Trustees for the Financial Statements

The trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) organisation's accounting policies set out on pages 10 to 12 and the requirements of the NGO Co-ordination Act and for such internal control as the 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, the trustees are responsible for assessing the organisation'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 the management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

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

.....continued on page 5

**REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF TANA RIVER LIFE FOUNDATION****Auditor's 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 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. 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 organisation's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- iv. Conclude on the appropriateness of trustees' use of the going concern basis of accounting and based on the the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the organisation'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 organisation to cease to continue as a going concern.
- v. 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 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.

Erick Muthia

**Certified Public Accountants
Mombasa**

29 June 2018

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Erick Muthia Njuguna P/No. 2061

288/2018

Tana River Life Foundation
Annual report and financial statements
For the year ended 31 December 2017

STATEMENT OF INCOME AND EXPENDITURE

	Notes	2017 Shs	2016 Shs
Income			
Donations received	2 (a)	44,602,538	63,149,950
Other operating income	3	<u>2,088,534</u>	<u>361,474</u>
Total income		<u>46,691,072</u>	<u>63,511,424</u>
Expenditure			
Expenses as per trust objectives	4	(30,082,997)	(24,861,998)
Indirect expenses	5	(7,625,215)	(4,966,053)
Depreciation on property and equipment		<u>(2,293,673)</u>	<u>(2,630,144)</u>
Total expenditure		<u>(40,001,885)</u>	<u>(32,458,195)</u>
Net surplus for the year		<u>6,689,187</u>	<u>31,053,229</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2017 Shs	2016 Shs
FUND BALANCES			
Accumulated fund	7	<u>137,480,375</u>	<u>130,791,188</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	8	<u>129,925,108</u>	<u>119,783,124</u>
Current assets			
Receivables	9	-	2,139,546
Cash and cash equivalents	10	<u>8,469,997</u>	<u>9,323,518</u>
		<u>8,469,997</u>	<u>11,463,064</u>
Current liabilities			
Payables	11	<u>914,730</u>	<u>455,000</u>
Net current assets		<u>7,555,267</u>	<u>11,008,064</u>
		<u>137,480,375</u>	<u>130,791,188</u>

The financial statements on pages 7 to 16 were approved and authorised for issue by the Board of Trustees on 29th June 2018 and were signed on its behalf by:


 TRUSTEE


 TRUSTEE

The notes on pages 10 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

STATEMENT OF CASH FLOWS

	Notes	2017 Shs	2016 Shs
Cash flows from operating activities			
Surplus for the year		6,689,187	31,053,229
Adjustments for:			
Depreciation on property and equipment	8	2,293,673	2,630,144
Changes in working capital:			
- receivables		2,139,546	3,087,241
- payables		459,730	196,552
Net cash from operating activities		<u>11,582,136</u>	<u>36,967,166</u>
Cash flows from investing activities			
Cash paid for purchase of property and equipment	8	<u>(12,435,657)</u>	<u>(37,666,590)</u>
Net cash used in investing activities		<u>(12,435,657)</u>	<u>(37,666,590)</u>
Decrease in cash and cash equivalents		<u>(853,521)</u>	<u>(699,424)</u>
Movement in cash and cash equivalents			
At start of year		9,323,518	10,022,942
Decrease		<u>(853,521)</u>	<u>(699,424)</u>
At end of year	10	<u>8,469,997</u>	<u>9,323,518</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

NOTES: SIGNIFICANT ACCOUNTING POLICIES

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.

1. General Information

The Tana River Life Foundation (the organisation) is a Non Governmental Organization registered and domiciled in Kenya. The address of its registered office and principal place of business is in Mombasa Kenya. Their principal activities are mainly directed towards building a more just and honest society leading to a more complete humanity.

a) Basis of preparation

The financial statements of Tana River Life Foundation have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the NGO Co-ordination Act. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organisation's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2 (b).

Going concern

The financial performance of the organisation is set out in the trustees report and in the statement of profit or loss and other comprehensive income. The financial position of the organisation is set out in the statement of financial position.

Based on the financial performance and the position of the organisation and its risk management policies, the trustees are of the opinion that the organisation is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) Key sources of estimation uncertainty

The organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

c) Useful lives of property and equipment

Trustees reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

d) Revenue recognition

Donations received are accounted for on a cash receipt basis.

Interest income is accrued by reference to time under the effective interest method..

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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. Property and equipment received by way of gifts or donations are capitalised at a reasonable estimate of their value to the foundation.

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

Depreciation is calculated on the reducing balance basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Buses	12.5
Mini vans	25
Office equipment	12.5
Computer equipment	30

The asset's carrying amounts are written down immediately to their recoverable amount if the carrying amount is greater than their estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining surplus/deficit for the year.

Capital expenditure projects undertaken during the course of the year and not completed as at the reporting date are classified as work in progress. The total amounts is transferred to and amalgamated with the appropriate asset category in the year of completion. Capital work in progress is not depreciated while classified as such.

f) Receivables

Receivables denominated in foreign currency are translated into the functional currency using the exchange rate at the reporting date. The resulting difference from conversion and translation are dealt with in profit or loss in the year in which they arise.

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, and at bank.

h) Payables

Accruals are obligation on the basis of normal credit terms and do not bear interest.

i) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at average annual rate of conversion from US\$ to Ksh at the Stanbic bank accounts. Assets and liabilities at the date of this report which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income and expenditure account in the period in which they arise.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

k) Current tax

No taxation has been provided in these accounts, as the organisation is exempt from tax on its income as discussed in note 6.

l) Employee benefit obligation

Pension obligation

The foundation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The centre's contributions to the defined contribution scheme are charged to income and expenditure account in the year to which they relate.

m) Impairment of assets.

At each reporting date, property and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in statement of income and expenditure.

n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES (CONTINUED)

2. Donations received	2017 Shs	2016 Shs
a) Cash donation		
Private individual donors	18,533,014	26,292,311
Wesley Methodist Melaka	119,760	121,821
Wesley Methodist Singapore	-	219,216
Friends from St. Teresa's Convent	201,364	339,624
Shepherd's Cove, Singapore	186,448	292,289
Local contribution	529,780	-
Wesley Methodist Johor Bahru	119,760	-
Jonaron Foundation - Malaysia	14,993,568	28,779,128
Madrinha Trust	3,071,243	-
Mari's Stella High School Librarians	-	248,385
Global Giving - USA	442,546	449,636
Holywell Foundation Limited	932,239	1,461,342
The Silent Foundation	1,178,351	1,095,981
The Double Honor Foundation	829,693	968,711
Rotary Club of Queenstown	-	36,536
Tana River Life Foundation PL	1,651,555	-
Jabez Capital Singapore	-	73,072
Good Shepherd Kindergarten, Singapore	52,205	199,031
Treyoga Sdn Bhd	-	267,864
General Conference WSCS	-	219,216
Aegis Building & Engineering Pte Ltd	462,465	616,975
Church of the Nativity	-	457,408
Global Giving UK	75,076	127,271
Polytechnic Services Co.	-	365,361
Binjai Tree Foundation	1,223,471	518,772
	<u>44,602,538</u>	<u>63,149,950</u>

b) Donation in kind

Universiti Tunku Abdul Rahman (UTAR) in Malaysia has granted ten (10) undergraduate scholarships in the form of financial aid for full-tuition fees to students from Tana Delta nominated by TRLF. Each scholarship is valued at approximately KES 2.3 million (US\$ 23,000). Since 2015, ten of these scholarships have been awarded to deserving students from Tana Delta. In October 2017, UTAR granted another eight (8) undergraduate and two (2) post graduate scholarships to students from Tana Delta nominated by TRLF

The Catholic Parish of the Nativity of the Blessed Virgin Mary in Hougang Singapore hosted for the eighth year the team from TRLF who were in Singapore over a three month period to collect items for both the Mitumba and the Delta Education Enhancement Projects. Logistical support was provided by the staff from both Nativity church as well as the Nativity church Kindergarten.

In 2017, for the third year running, PIL Singapore Pte Ltd and LogwinAir + Ocean Singapore, provided pro bono support services and underwrote in full shipment costs for two 40 footer containers to ship donated items for the Mitumba Project, as well as study material, and furniture for both the Emmaus Centres as well as public schools in Tana Delta.

3. Other operating income	2017 Shs	2016 Shs
Interest income	177,819	361,474
DEMSA fee collections	1,910,715	-
	<u>2,088,534</u>	<u>361,474</u>
4. Expenses as per trust objectives		
Agriculture project	610,483	738,223
Mitumba project	37,088	380,431
Mvoni Youth House - Mombasa	827,178	741,901
Mvoni Youth House - Nairobi	731,025	447,417
Mvoni Youth House - Idsowe	1,479,874	702,189
Secondary school programme	11,092,855	7,932,018
Delta Education Enhancement	1,202,040	2,632,154
Medical and Emergencies fund	548,794	518,707
Youth formation programme	2,025,415	1,809,711
Tertiary and Vocational education programme	5,607,454	4,986,537
Study aid Scheme	1,073,164	672,483
Delta Mustard Seed Academy	4,847,627	3,300,227
	<u>30,082,997</u>	<u>24,861,998</u>
5. Indirect expenses		
Air fare	99,986	120,881
Audit fees	275,000	275,000
Overprovision in prior year	-	2,552
Bank charges	199,179	196,020
Electricity and generator expenses	121,072	68,810
Vehicle running expenses	3,710,523	3,001,791
Local travelling expenses	694,136	677,084
Office expenses	214,751	211,049
Professional fees	73,870	32,500
Staff salaries	1,494,331	1,139,675
Intern Allowances	240,900	201,200
Telephone	137,623	161,208
Repairs and maintenance	75,705	85,830
Office rent	-	180,000
Staff & volunteer training	40,500	-
Volunteers lunch programme	141,901	-
Foreign exchange gain	(81,809)	(1,728,934)
Fund raising expenses	150,257	159,902
Fund TRLF Pte Limited	37,290	144,950
Service charge	-	36,535
	<u>7,625,215</u>	<u>4,966,053</u>

NOTES (CONTINUED)

6. Tax

The Foundation was granted Income Tax Exempt status by the Kenya Revenue Authority (KRA) for a period of 5 years with effect from 24 April 2013. It was duly issued with Tax Exemption Certificate No: 20130424/1776.

7. Accumulated fund

	2017 Shs	2016 Shs
At start of year	130,791,188	99,737,959
Surplus for the year	<u>6,689,187</u>	<u>31,053,229</u>
At end of year	<u><u>137,480,375</u></u>	<u><u>130,791,188</u></u>

8. Property and equipment

Year ended 31 December 2017

	Capital work in progress Shs	Motor vehicles Shs	Computer equipment Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
Cost						
At start of year	109,217,096	13,578,995	171,392	2,269,541	4,148,504	129,385,528
Additions	<u>11,153,658</u>	<u>-</u>	<u>441,221</u>	<u>14,775</u>	<u>826,003</u>	<u>12,435,657</u>
At end of year	<u>120,370,754</u>	<u>13,578,995</u>	<u>612,613</u>	<u>2,284,316</u>	<u>4,974,507</u>	<u>141,821,185</u>
Depreciation						
At start of year	-	7,696,932	170,262	1,068,831	666,379	9,602,404
Charge for the year	<u>-</u>	<u>1,470,516</u>	<u>132,705</u>	<u>151,936</u>	<u>538,516</u>	<u>2,293,673</u>
At end of year	<u>-</u>	<u>9,167,448</u>	<u>302,967</u>	<u>1,220,767</u>	<u>1,204,895</u>	<u>11,896,077</u>
Net book value						
As at 31 December 2017	<u>120,370,754</u>	<u>4,411,547</u>	<u>309,646</u>	<u>1,063,549</u>	<u>3,769,612</u>	<u>129,925,108</u>
As at 31 December 2016	<u>109,217,096</u>	<u>5,882,063</u>	<u>1,130</u>	<u>1,200,710</u>	<u>3,482,125</u>	<u>119,783,124</u>

Capital work in progress relates to construction of an education and community development centre (Emmaus Centre Project or ECP). The ECP has not yet been completed by the date of this report.

9. Receivables

	2017 Shs	2016 Shs
Funds from Malaysia	-	1,473,353
Funds from Singapore	-	509,991
Cash in hand held by trustee	<u>-</u>	<u>156,202</u>
	<u>-</u>	<u>2,139,546</u>

NOTES (CONTINUED)

10. Cash and cash equivalents	2017 Shs	2016 Shs
Cash at bank and in hand	<u>8,469,997</u>	<u>9,323,518</u>
The carrying amounts of the foundation's cash and cash equivalents are denominated in the following currencies:		
Kenya Shilling	7,703,861	9,209,309
US Dollar	<u>766,136</u>	<u>114,209</u>
	<u>8,469,997</u>	<u>9,323,518</u>

11. Payables		
Accruals	<u>914,730</u>	<u>455,000</u>

12. Commitments

Contractual commitments for the acquisition of property

Capital expenditure contracted for at the end of reporting period but not recognised in the financial statements is as follows:

Emmaus Centre Project (ECP):		
Phase 1	9,462,657	10,000,000
Phase 2	<u>-</u>	<u>2,000,000</u>
	<u>9,462,657</u>	<u>12,000,000</u>

Operating lease commitments - as a lessee

The future minimum lease payments payable under non-cancellable operating leases are as follows:

Not later than 1 year	-	711,000
Later than 1 year and not later than 5 years	<u>-</u>	<u>180,000</u>
	<u>-</u>	<u>891,000</u>

The lease terms are between 1 to 5 years and these are generally renewable at the end of the tenure of the lease.

The organisation also leases one property under cancellable operating lease.

To terminate this lease the organisation must give a notice of 1 month. The expenditure to lease this property, amounted to shs nil (2016 shs 180,000) and is included under establishment expenses.

13. Presentation currency

These financial statements are presented in Kenya Shillings (Shs).