

**TANA RIVER LIFE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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FOUNDATION INFORMATION

1. **TRUSTEES**
 - : Gabriel Teo Kian Chong (Malaysian)
 - : Komora Yezekiel Benedicto (Kenyan)
 - : Bendecto Manase Gwiyo (Kenyan)
 - : Rita Naemi Sibbo (Kenyan)
 - : Oscar Raha Mbaru (Kenyan)
 - : Mohammed Hamara Awadh (Kenyan)

2. **REGISTERED OFFICE**
 - : Tana River Life Foundation
 - : P.O. Box 41730 - 80100
 - : Mombasa, Kenya

3. **PRINCIPAL PLACE OF BUSINESS**
 - : Tana River Life Foundation 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 LLP
 - : Certified Public Accountants
 - : P. O. Box 90553 - 80100
 - : Mombasa

6. **PRINCIPAL BANKERS**
 - : Stanbic Bank Kenya Limited
 - : Mombasa

 - : KCB Bank Kenya Limited
 - : Garsen

7. **LAWYERS**
 - : CMS Daly Inamdar Advocates
 - : ABC Tower, ABC Place
 - : P.O. Box 40034 - 00100
 - : Nairobi

REPORT OF THE TRUSTEES

The trustees submit their report and the audited financial statements for the year ended 31 December 2021, 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 Organisation 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 and beyond.
- COVERAGE** : TRLF operates from Idsowe of Shirikisho Location of Tana Delta Sub-County in Tana River County. Its area of assistance is largely confined to the Tana Delta sub-county 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 - Bursaries & Study Allowances - Improving Access & Affordability
 - : b) Educational Aids & Infrastructure - Improving Quality of Rural Education
 - : c) Youth Formation & Human Development - nurturing responsible community leaders of integrity and dignity, with good judgement and conscience.
 - : d) Entrepreneurship & Self Help - Community based initiatives geared towards self-reliance
- BENEFICIARIES** : The main beneficiaries of TRLF programmes are members of the marginalised communities in Tana Delta Sub County of Kenya. These include AIDS orphans, children of subsistence farmers, nomadic pastoralists, fishermen and forest dwellers as well as children from single parent families without any regular source of income. TRLF assists peoples of all ethnicities and religious backgrounds.
- 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 the teaching and learning environments in Public Primary and Secondary Schools in Tana Delta Sub-county.
 - : c) Youth Formation & Internship Programmes (YFP/INT).
 - : d) Medical and Emergencies Fund (MEF).
 - : e) Sustainable Agriculture Programme for Youth (SHB).
 - : f) Community Living in TRLF Homes in Mombasa and Idsowe (MVH).
 - : g) Emmaus Community Centre - an integrated human resource development centre to promote learning and sustainable community development.
 - : h) Delta Mustard Seed Academy (DEMSA) (Reg. No. PE/11272/14) providing pre-primary and primary education for children from all tribes, faiths and backgrounds.

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, trusts and private and public corporations, mainly from Malaysia and Singapore.

Institutions that supported Tana River Life Foundation (TRLF) Programmes in 2021 include:

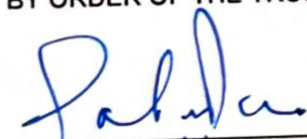
- 1 Gereja Methodist Wesley Melaka
- 2 Gereja Methodist Wesley Johor Bahru
- 3 Jonaron Foundation
- 4 Global Giving Foundation
- 5 Holywell Foundation Limited
- 6 The Double Honor Foundation
- 7 Universiti Tunku Abdul Rahman (UTAR)
- 8 Pavilion Foundation Limited
- 9 Soyee Singapore Pte Ltd
- 10 Yinspiration Yin Yoga
- 11 TCP Endowment Fund

RESULTS FOR THE YEAR	2021 Shs	2020 Shs
(Deficit)/surplus for the year	<u>(2,119,122)</u>	<u>14,486,681</u>

INDEPENDENT AUDITORS

PKF Kenya LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fee.

BY ORDER OF THE TRUSTEES



TRUSTEE
TANA RIVER LIFE FOUNDATION

30th June 2022

STATEMENT OF TRUSTEES'S RESPONSIBILITIES

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

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

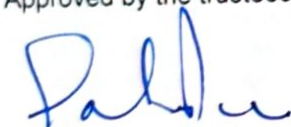
- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making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

The trustees are of the opinion that the financial statements give a true and fair view of the financial position of the foundation as at 31 December 2021 and of the foundation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the NGO Co-ordination Act.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the trustees on 30th June 2022 and 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 17, which comprise the statement of financial position as at 31 December 2021, statement of income and expenditure, statement of changes in funds 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 2021, 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 (IFRS for SME) 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 IFRS for SMEs and the requirements of the NGO Co-ordination Act and for such internal control as the trustees 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 have no realistic alternative but to do so.

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

.....continued on page 6

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF TANA RIVER LIFE FOUNDATION (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

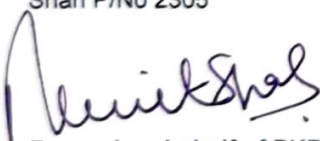
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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.
- 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Parit Azadkumar Shah P/No 2305



For and on behalf of PKF Kenya LLP
Certified Public Accountants
Mombasa

30-6- 2022

0239/2022

STATEMENT OF INCOME AND EXPENDITURE

	Notes	2021 Shs	2020 Shs
Income			
Donations received	2 (a)	46,669,840	57,374,527
Other operating income	3	<u>5,718,281</u>	<u>2,701,728</u>
Total income		<u>52,388,121</u>	<u>60,076,255</u>
Expenditure			
Expenses as per trust objectives	4	(38,103,628)	(30,478,649)
Indirect expenses	5	(10,312,997)	(8,064,697)
Depreciation of property of equipment		<u>(6,090,618)</u>	<u>(7,046,228)</u>
Total expenditure		<u>(54,507,243)</u>	<u>(45,589,574)</u>
(Deficit)/surplus for the year		<u>(2,119,122)</u>	<u>14,486,681</u>


The notes on pages 10 to 17 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	
		2021 Shs	2020 Shs
FUND BALANCES			
Accumulated fund		<u>156,530,772</u>	<u>158,649,894</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	7	<u>131,187,341</u>	<u>136,654,708</u>
Current assets			
Receivables	8	<u>4,000,000</u>	<u>4,000,000</u>
Cash and cash equivalents	9	<u>21,902,595</u>	<u>18,543,151</u>
		<u>25,902,595</u>	<u>22,543,151</u>
Current liabilities			
Payables	10	<u>559,164</u>	<u>547,965</u>
Net current assets		<u>25,343,431</u>	<u>21,995,186</u>
		<u>156,530,772</u>	<u>158,649,894</u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the Board of Trustees on 30th June 2022 and were signed on its behalf by:

 TRUSTEE

 TRUSTEE

The notes on pages 10 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

STATEMENT OF ACCUMULATED FUNDS

	Accumulated funds Shs
Year ended 31 December 2021	
At start of year	158,649,894
Deficit for the year	<u>(2,119,122)</u>
At end of year	<u><u>156,530,772</u></u>
Year ended 31 December 2020	
At start of year	144,163,213
Surplus for the year	<u>14,486,681</u>
At end of the year	<u><u>158,649,894</u></u>

Report of the independent auditor - pages 5 - 6.

STATEMENT OF CASH FLOWS

	Notes	2021 Shs	2020 Shs
Cash flows from operating activities			
(Deficit)/surplus for the year		(2,119,122)	14,486,681
Adjustments for:			
Depreciation on property and equipment	7	6,090,618	7,046,228
Changes in working capital:			
- receivables		-	(3,500,000)
- payables		11,199	(926,086)
Net cash from operating activities		<u>3,982,695</u>	<u>17,106,823</u>
Cash flows from investing activities			
Cash paid for purchase of property and equipment	7	<u>(623,251)</u>	<u>(11,543,670)</u>
Net cash used in investing activities		<u>(623,251)</u>	<u>(11,543,670)</u>
Increase in cash and cash equivalents		<u><u>3,359,444</u></u>	<u><u>5,563,153</u></u>
Movement in cash and cash equivalents			
At start of year		18,543,151	12,979,998
Increase		<u>3,359,444</u>	<u>5,563,153</u>
At end of year	9	<u><u>21,902,595</u></u>	<u><u>18,543,151</u></u>

The notes on pages 10 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

NOTES

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 Tanariver Kenya. Their principal activities are mainly directed towards building a more just and honest society leading to a more complete humanity.

2. 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.

a) Basis of preparation

The financial statements of Tana River Life Foundation have been prepared in accordance with the IFRS for SMEs and the requirements 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 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.

The assumptions and judgements set-out below do not consider the full potential impact of the recent coronavirus outbreak as it is too early at this stage to predict the full potential impact of this on the financial statements of the organisation.

- 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 trustees determined no significant changes in the useful lives and residual values.

c) Revenue recognition

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and when the specific criteria have been met for each of the trust's activities as described below.

- i) Donations received are accounted for on a cash receipt basis.
- ii) Interest income is recognised on a receipt basis.

NOTES (CONTINUED)

2. Significant accounting policies (continued)

d) 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.

Freehold land and work in progress are not depreciated.

Depreciation on all other assets 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 %
Buildings	2.5
Motorvehicles	25
Office equipment	12.5
Computer equipment	30
Furniture and fittings	12.5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating that asset are transferred to retained earnings in the statement of changes in equity.

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.

e) Financial assets

Receivables are initially recognised at the transaction price (less transaction costs). Most sales are made on the basis of normal credit terms, and the receivables do not bear interest.

f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts.

NOTES (CONTINUED)

2. Significant accounting policies (continued)

g) Payables

Accruals and other payables are obligations on the basis of normal credit terms and do not bear interest.

h) 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.

i) 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.

j) 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.

Tax exemption renewal application was made on 11 July 2018, and the trustees are following up on the renewal.

k) Employee benefit 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 organisation's contributions to the defined contribution scheme are charged to income and expenditure account in the year to which they relate.

l) Comparatives

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

NOTES (CONTINUED)

2. Donations received	2021 Shs	2020 Shs
a) Cash donation		
Private individual donors	29,330,981	34,383,023
Wesley Methodist Johor Bahru	131,252	126,103
Madrinha Trust	-	295,619
Wesley Methodist Melaka	262,518	-
Global Giving Foundation Inc	403,450	72,643
Holywell Foundation Limited	2,023,780	768,244
The Silent Foundation	-	921,893
Pavilion Foundation	1,084,280	1,056,554
Gray Construction Group P/L	-	-
Jonaron Foundation	7,046,084	7,382,095
UTAR	104,970	-
Soyee Singapore Pte Ltd	-	768,244
Yinspiration Yin Yoga	3,858,340	1,287,160
TCP Endowment Fund	2,424,185	9,621,530
Juliana Lim (Holy Cross MTB team)	-	691,419
	<u>46,669,840</u>	<u>57,374,527</u>

b) Donation in kind

University 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 Ksh 2,300,000 (US\$ 23,000). Since 2015, ten of these scholarships have been awarded to deserving students from Tana Delta. In 2021, UTAR granted one undergraduate scholarship.

NOTES (CONTINUED)

3. Other operating income	2021	2020
	Shs	Shs
Interest income	667,896	224,658
Projects local contributions	756,375	918,170
DEMSA fee collections	4,294,010	1,461,650
Miscellaneous income	-	97,250
	<u>5,718,281</u>	<u>2,701,728</u>
4. Expenses as per foundation's objectives		
Agriculture project	112,989	285,559
Mitumba project	-	4,200
Mvoni Youth House - Mombasa	824,790	607,057
Mvoni Youth House - Nairobi	-	366,100
Mvoni Youth House - Idsowe	1,000,627	1,292,549
Secondary school programme	11,785,408	3,401,081
Delta Education Enhancement	5,547,021	6,245,183
Medical and Emergencies fund	384,806	664,624
Youth formation programme	1,521,351	825,207
Tertiary and Vocational education programme	4,600,259	3,567,340
Delta Mustard seed Academy	10,762,726	5,183,287
Community assistance	473,108	2,509,132
Court & Legal Fees	-	3,912,616
Internship Programme	1,013,135	1,128,039
TRLF Workshop for school furniture & fittings	77,408	486,675
	<u>38,103,628</u>	<u>30,478,649</u>
5. Indirect expenses		
Audit fees		
- Current year	350,000	348,000
- Overprovision in prior year	-	(20,000)
Bank charges	166,975	136,653
Electricity, water and generator expenses	81,865	132,891
Vehicle running expenses	5,106,601	3,912,297
Local and foreign travelling expenses	656,183	302,850
Office expenses	397,504	285,198
Professional fees	120,444	73,480
Telephone & internet	398,090	382,407
Repairs and maintenance	181,396	166,368
Immigration expenses	2,050	16,000
Salaries and wages	2,192,479	2,136,567
Staff & volunteer training	245,460	-
Volunteers lunch programme	232,534	105,648
Security	126,265	-
Fines and penalties	20,350	-
Fund TRLF Pte Limited	161,905	153,649
Foreign exchange gain	(127,104)	(67,311)
	<u>10,312,997</u>	<u>8,064,697</u>

NOTES (CONTINUED)

6. Tax

The entity is a charitable organisation exempt from income tax under schedule 1 (paragraph 10 of the Income Tax Act. Whilst the foundation does not have a tax exemption certificate at present, the foundation deals in activities which are not for profit and therefore the management is of the view that the society would not be subject to tax. No taxation has been made in these financial statements. Tax exemption renewal application was made on 11 July 2018 and the trustees are following up on the renewal.

7. Property and equipment

Year ended 31 December 2021

	Work in Progress Shs	Freehold Land and Buildings Shs	Motor vehicles Shs	Computer equipment Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
Cost							
At start of year	4,693,367	126,775,457	23,744,845	1,649,555	2,378,422	6,573,787	165,815,433
Additions	321,800	-	-	135,508	92,543	73,400	623,251
At end of year	<u>5,015,167</u>	<u>126,775,457</u>	<u>23,744,845</u>	<u>1,785,063</u>	<u>2,470,965</u>	<u>6,647,187</u>	<u>166,438,684</u>
Accumulated depreciation							
At start of year	-	9,272,436	14,259,336	1,085,730	1,583,585	2,959,638	29,160,725
Charge for the year	-	2,937,575	2,371,376	209,800	110,923	460,944	6,090,618
At end of year	-	<u>12,210,011</u>	<u>16,630,712</u>	<u>1,295,530</u>	<u>1,694,508</u>	<u>3,420,582</u>	<u>35,251,343</u>
Net carrying amount	<u>5,015,167</u>	<u>114,565,446</u>	<u>7,114,133</u>	<u>489,533</u>	<u>776,457</u>	<u>3,226,605</u>	<u>131,187,341</u>

Year ended 31 December 2020

	Work in Progress Shs	Freehold land and Buildings Shs	Motor vehicles Shs	Computer equipment Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
Cost							
At start of year	3,630,351	126,775,457	13,578,995	1,428,857	2,284,316	6,573,787	154,271,763
Additions	1,063,016	-	10,165,850	220,698	94,106	-	11,543,670
At end of year	<u>4,693,367</u>	<u>126,775,457</u>	<u>23,744,845</u>	<u>1,649,555</u>	<u>2,378,422</u>	<u>6,573,787</u>	<u>165,815,433</u>
Accumulated depreciation							
At start of year	-	6,259,538	11,097,500	844,091	1,470,037	2,443,331	22,114,497
Charge for the year	-	3,012,898	3,161,836	241,639	113,548	516,307	7,046,228
At end of year	-	<u>9,272,436</u>	<u>14,259,336</u>	<u>1,085,730</u>	<u>1,583,585</u>	<u>2,959,638</u>	<u>29,160,725</u>
Net carrying amount	<u>4,693,367</u>	<u>117,503,021</u>	<u>9,485,509</u>	<u>563,825</u>	<u>794,837</u>	<u>3,614,149</u>	<u>136,654,708</u>

Capital work in progress relates to construction of (Phase 3 of the Emmaus Centre Project or ECP), which is the hostel component. There is no capital commitment as there is no agreement with a contractor yet but the intention is to start the construction in early 2022 and to be completed by December 2022.

The land was allotted by the Idsowe Village Committee from Community Land. Demarcations have been done, and the process of obtaining a title deed is ongoing. TRLF has at present a Letter of Allotment by the Tana River County Council.

NOTES (CONTINUED)

	2021 Shs	2020 Shs
8. Receivables		
Deposits	<u>4,000,000</u>	<u>4,000,000</u>
9. Cash and cash equivalents		
Cash at bank and in hand	4,902,595	2,043,151
Short term deposits	<u>17,000,000</u>	<u>16,500,000</u>
	<u>21,902,595</u>	<u>18,543,151</u>
<p>The carrying amounts of the foundation's cash and cash equivalents are denominated in the following currencies:</p>		
Kenya Shilling	21,798,080	18,281,836
US Dollar	<u>104,515</u>	<u>261,315</u>
	<u>21,902,595</u>	<u>18,543,151</u>
10. Payables		
Accruals	<u>559,164</u>	<u>547,965</u>

11. Contingent liabilities

The Organisation is a defendant in a legal action whereby an unfavourable ruling was made on 27 May 2020. A notice to appeal was lodged on 8 June 2020 by the trustees through the Foundation's lawyers. A stay of execution on of the judgement was obtained in favour of the organisation pending hearing and determination of the intended appeal.

Although there can be no absolute assurances, the trustees believe, based on information currently available that the ultimate resolution of this legal proceeding is not likely to have a material adverse effect on the results of its operations, financial or liquidity.

All legal and court expenses incurred so far has been fully underwritten by TCP Endowment Fund, a private trust.

13. Presentation currency

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