

**TANA RIVER LIFE FOUNDATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

NON-PROFIT ORGANIZATION  
FINANCIAL STATEMENTS BOARD  
**18 SEP 2023**  
TANA RIVER LIFE FOUNDATION  
P.O. BOX 45077 00100, NAIROBI

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## REPORT OF THE TRUSTEES

The trustees submit their report and the audited financial statements for the year ended 31 December 2022, 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.
- 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 and Study Allowances - Improving Access and Affordability.
  - : b) Education Aids and Infrastructure - Improving Quality of rural Education by enhancing both the learning and teaching environments.
  - : c) Youth Formation and Human Development - nurturing responsible community leaders of integrity and dignity, with good judgement and conscience.
  - : d) Entrepreneurship and 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 and orphans. 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 and 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 social 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 2022 include:

- 1 CHARIS Singapore Pte Ltd
- 2 Double Honour Foundation
- 3 Global Giving Foundation Inc.
- 4 Hollywell Foundation
- 5 Jonaron Foundation
- 6 Peniel TD Pte Limited
- 7 Poly Electronic Service Com. Pte Ltd
- 8 Shepherd's Cove
- 9 Soyee Singapore Limited
- 10 TCP Endowment Fund
- 11 The Pavillion Foundation
- 12 Wesley Methodist Church Johor Bahru
- 13 Wesley Methodist Church Melaka

**RESULTS FOR THE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>Shs</b>	<b>Shs</b>
Deficit for the year	<u>(1,764,567)</u>	<u>(2,119,122)</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

18 - September 2023



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**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 2022 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 foundation'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.

So far as each trustees are aware, there is no relevant audit information which the auditor is unaware of, and each one of them has taken all the steps that ought to have been taken as a board member in order to become aware of any relevant audit information and to establish that the auditor is aware of the information.

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

Approved by the trustees on 17th September 2023 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 2022, 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 2022, 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

15-9- 2023

0245/2023



**STATEMENT OF INCOME AND EXPENDITURE**

	<b>Notes</b>	<b>2022 Shs</b>	<b>2021 Shs</b>
<b>Income</b>			
Donations received	2 (a)	64,795,773	46,669,840
Other operating income	3	<u>6,238,692</u>	<u>5,718,281</u>
<b>Total income</b>		<u>71,034,465</u>	<u>52,388,121</u>
<b>Expenditure</b>			
Expenses as per trust objectives	4	(57,520,589)	(38,103,628)
Indirect expenses	5	(9,988,531)	(10,312,997)
Depreciation of property of equipment		<u>(5,289,912)</u>	<u>(6,090,618)</u>
<b>Total expenditure</b>		<u>(72,799,032)</u>	<u>(54,507,243)</u>
<b>Deficit for the year</b>		<u>(1,764,567)</u>	<u>(2,119,122)</u>

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

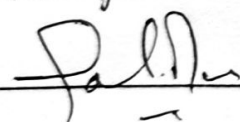
Report of the independent auditor - pages 5 and 6.

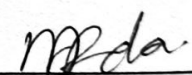


**STATEMENT OF FINANCIAL POSITION**

	Notes	As at 31 December	
		2022 Shs	2021 Shs
<b>FUND BALANCES</b>			
Accumulated fund		<u>154,766,205</u>	<u>156,530,772</u>
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Property and equipment	7	<u>138,805,463</u>	<u>131,187,341</u>
<b>Current assets</b>			
Receivables	8	4,000,000	4,000,000
Cash and cash equivalents	9	16,492,826	21,902,595
Tax recoverable		<u>37,317</u>	<u>-</u>
		<u>20,530,142</u>	<u>25,902,595</u>
<b>Current liabilities</b>			
Payables	10	<u>4,569,400</u>	<u>559,164</u>
		<u>4,569,400</u>	<u>559,164</u>
<b>Net current assets</b>		<u>15,960,742</u>	<u>25,343,431</u>
		<u>154,766,205</u>	<u>156,530,772</u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the Board of Trustees on 9th-September 2023 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**

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	<b>Accumulated funds Shs</b>
<b>Year ended 31 December 2022</b>	
At start of year	156,530,772
Deficit for the year	<u>(1,764,567)</u>
At end of year	<u><u>154,766,205</u></u>
<b>Year ended 31 December 2021</b>	
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>

Report of the independent auditor - pages 5 - 6.

**STATEMENT OF CASH FLOWS**

	Notes	2022 Shs	2021 Shs
<b>Cash flows from operating activities</b>			
Deficit for the year		(1,764,567)	(2,119,122)
<b>Adjustments for:</b>			
Depreciation on property and equipment	7	5,289,912	6,090,618
Changes in working capital:			
- payables		<u>4,010,236</u>	<u>11,199</u>
Cash generated from operations		7,535,581	3,982,695
Taxes paid		<u>(37,317)</u>	<u>-</u>
Net cash from operating activities		<u>7,498,265</u>	<u>3,982,695</u>
<b>Cash flows from investing activities</b>			
Cash paid for purchase of property and equipment	7	<u>(12,908,034)</u>	<u>(623,251)</u>
Net cash used in investing activities		<u>(12,908,034)</u>	<u>(623,251)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u><u>(5,409,769)</u></u>	<u><u>3,359,444</u></u>
<b>Movement in cash and cash equivalents</b>			
At start of year		21,902,595	18,543,151
(Decrease)/increase		<u>(5,409,769)</u>	<u>3,359,444</u>
At end of year	9	<u><u>16,492,826</u></u>	<u><u>21,902,595</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 Organisation incorporated in Kenya by the NGO Coordination Board and governed by the NGO Coordination Act of 1990 (Act No. 19, Laws of Kenya) and its Regulations of 1992. 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 have been prepared under the historical cost convention except as indicated otherwise below and are in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

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**

In the application of the accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The trustees has made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**- Useful lives of property and equipment**

Trustees review the useful lives, depreciation methods and residual values of the items of property and equipment on a regular basis. During the financial year, the trustees determined no significant changes in the useful lives and residual values. The carrying amounts of property and equipment are disclosed in note 7 respectively.

**NOTES (CONTINUED)**

**2. Significant accounting policies (continued)**

**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.

**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:

	<b>Rate %</b>
Buildings	2.5
Motor vehicles	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.

**NOTES (CONTINUED)**

**2. Significant accounting policies (continued)**

**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.

**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.

**NOTES (CONTINUED)**

2. Donations received	2022 Shs	2021 Shs
a) Cash donation		
Private individual donors	41,505,489	29,330,981
Wesley Methodist Johor Bahru	134,103	131,252
Wesley Methodist Melaka	295,027	262,518
Global Giving Foundation Inc	275,369	403,450
Holywell Foundation Limited	2,021,612	2,023,780
Pavilion Foundation	2,471,879	1,084,280
Jonaron Foundation	7,694,703	7,046,084
UTAR	-	104,970
Soyee Singapore Pte Ltd	851,205	-
Yinspiration Yin Yoga	-	3,858,340
TCP Endowment Fund	1,391,547	2,424,185
Peniel TD Pte Limited	1,702,410	-
Poly Electronic Service Com. Pte Ltd	255,362	-
Shepherd's Cove	340,482	-
CHARIS Singapore Pte Ltd	2,289,250	-
Double Honour Foundation	3,507,901	-
TRLF Youth	59,435	-
	<u>64,795,773</u>	<u>46,669,840</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 2022, UTAR granted one undergraduate scholarship.

3. Other operating income	2022 Shs	2021 Shs
Interest income	248,775	667,896
Projects local contributions	827,550	756,375
DEMSA fee collections	5,162,367	4,294,010
	<u>6,238,692</u>	<u>5,718,281</u>

NOTES (CONTINUED)

4. Expenses as per foundation's objectives	2022 Shs	2021 Shs
Agriculture project	707,342	112,989
Mvoni Youth House - Mombasa	1,135,658	824,790
Mvoni Youth House - Nairobi	474,134	-
Mvoni Youth House - Idsowe	1,910,700	1,000,627
Secondary school programme	18,824,343	11,785,408
Delta Education Enhancement	12,046,144	5,547,021
Medical and Emergencies fund	1,025,524	384,806
Youth formation programme	1,469,023	1,521,351
Tertiary and Vocational education programme	4,885,580	4,600,259
Delta Mustard seed Academy	11,833,348	10,762,726
Community assistance	1,441,700	473,108
Internship Programme	1,440,543	1,013,135
TRLF Workshop for school furniture and fittings	326,550	77,408
	<u>57,520,589</u>	<u>38,103,628</u>
<b>5. Indirect expenses</b>		
Audit fees	394,400	350,000
Bank charges	262,882	166,975
Electricity, water and generator expenses	116,281	81,865
Vehicle running expenses	3,817,591	5,106,601
Local and foreign travelling expenses	673,834	656,183
Office expenses	349,247	397,504
Professional fees	41,600	120,444
Telephone & internet	563,481	398,090
Repairs and maintenance	251,658	181,396
Immigration expenses	-	2,050
Salaries and wages	2,408,400	2,192,479
Staff and volunteer training	165,131	245,460
Volunteers lunch programme	305,326	232,534
Security	334,827	126,265
Fines and penalties	-	20,350
Fundraising expenses (TRLF Pte Limited)	234,513	161,905
Foreign exchange loss/(gain)	69,360	(127,104)
	<u>9,988,531</u>	<u>10,312,997</u>
<b>6. Tax</b>		

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. 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 2022

	Capital Work in Progress Shs	Freehold Land and Buildings Shs	Motor vehicles Shs	Computer equipment Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
<b>Cost</b>							
At start of year	5,015,167	126,775,457	23,744,845	1,785,063	2,470,965	6,647,187	166,438,684
Additions	12,908,034	-	-	-	-	-	12,908,034
At end of year	17,923,201	126,775,457	23,744,845	1,785,063	2,470,965	6,647,187	179,346,718
<b>Accumulated depreciation</b>							
At start of year	-	12,210,011	16,630,712	1,295,530	1,694,508	3,420,582	35,251,343
Charge for the year	-	2,864,136	1,778,533	146,860	97,057	403,326	5,289,912
At end of year	-	15,074,147	18,409,245	1,442,390	1,791,565	3,823,908	40,541,255
<b>Net carrying amount</b>	17,923,201	111,701,310	5,335,600	342,673	679,400	2,823,279	138,805,463

Year ended 31 December 2021

	Capital Work in Progress Shs	Freehold land and Buildings Shs	Motor vehicles Shs	Computer equipment Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
<b>Cost</b>							
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	5,015,167	126,775,457	23,744,845	1,785,063	2,470,965	6,647,187	166,438,684
<b>Accumulated depreciation</b>							
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	-	12,210,011	16,630,712	1,295,530	1,694,508	3,420,582	35,251,343
<b>Net carrying amount</b>	5,015,167	114,565,446	7,114,133	489,533	776,457	3,226,605	131,187,341

Capital work in progress relates to construction of Phase 3 of the Emmaus Centre Project (ECP), which is the hostel component. This is expected to be completed by February 2024.

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)**

8. Receivables	2022 Shs	2021 Shs
Deposits	<u>4,000,000</u>	<u>4,000,000</u>

The deposit relates to funds held on a joint account between the foundation's lawyers's and plaintiff's lawyer's. Subsequently as at 6 July 2023 the funds were liquidated and transferred to the plaintiff's lawyer as a result of an out of court settlement.

9. Cash and cash equivalents	2022 Shs	2021 Shs
Cash at bank and in hand	8,492,826	4,902,595
Short term deposits	<u>8,000,000</u>	<u>17,000,000</u>
	<u>16,492,826</u>	<u>21,902,595</u>

The carrying amounts of the foundation's cash and cash equivalents are denominated in the following currencies:

Kenya Shilling	14,800,240	21,798,080
US Dollar	<u>1,692,586</u>	<u>104,515</u>
	<u>16,492,826</u>	<u>21,902,595</u>

10. Payables		
Accruals	569,400	559,164
Legal case accrual	<u>4,000,000</u>	<u>-</u>
	<u>4,569,400</u>	<u>559,164</u>

**11. Presentation currency**

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

18 SEP 2023