

DANDORA DUMPSITE REHABILITATION GROUP(DADREG)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

Dandora Dumpsite Rehabilitation Group
Annual report and financial statements
For the period ended 31st March, 2016

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The following does not form an integral part of these financial statements:	
Tax Computation	Apendix i

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BOARD OF DIRECTORS

Agnes Marete	Chairperson
George onyango	Secretary
Horace Nundu	Treasurer
Tom Onyango	
Alice Gekonde	
Harold Omondi	
James Otieno	

REGISTERED OFFICE

Dandora Phase V
P.O Box 14909 -00100
Nairobi,Kenya

BANKERS

Family Bank Limited

AUDITORS

Wamutu & Associates
Certified Public Accountants (K)
Embassy House,Harambee Avenue

Report of the Management Committee

The Management Committee submits its report and financial statements for the year ended 31st March 2016 which show the state of the project's financial affairs.

Principal Activity

Rehabilitation and integration of street children through skills development, sports and culture, education support and economic empowerment.

Activities

The planned activities as per the budget proposals are achieved. There were no major cost overruns or shortfalls. However it is important to note that other programme activities are ongoing.

Results

The results for the year are as shown on page 4 of this report.

Registered Office

The project registered and domiciled in Kenya. The offices of the project are situated at:-

.....
P.O Box
Nairobi, Kenya

Management Committee

The Management Committee members who served during the year are as shown on page 1 of this report.

Principal Bankers

The principal bankers of the project are shown in page 1 of this report

Auditors

Wamutu & Associates are auditor appointed for this period. An appointed Auditor should be a Certified Public Accountants of Kenya, who can be re-appointed during the year if they express their willingness to continue in office in accordance with the Co-operative Societies Act 2004.

Conclusions

The accompanying financial statements are extracted from the books of accounts maintained for this project. We have certified the financial statements to be an accurate record of the financial activities of the project during the period 1st April 2015- 31st March 2016

By order of management Committee/BOD

Chairperson

Date 23/05 2016

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STATEMENT OF CHANGES IN FUND BALANCE

GENERAL PROJECT FUND		
	Note	
	2016	2015
At 1st April 2015	1,332,313.38	1,441,408
Surplus/(Deficit) for the year (Page 1)	7,896,438.34	(109,094)
At 31st March,2016	<u>9,228,751.72</u>	<u>1,332,313.38</u>

Statement of Committee Responsibilities

The Kenya Societies Act requires the management committee to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year. It also requires the management committee to ensure that the society maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the society. The management committee is also responsible for safeguarding the assets of the society.

The Management Committee accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Kenyan Societies Act.

The management committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society as at 31st March, 2016 and of its operating results for the period then ended. The management committee further accepts responsibility for the maintenance of accounting records which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the management committee on 23/05/2016 and signed on its behalf by;


.....

Chairman

Date 23/05.2016.


.....

Secretary

Date 23/05/.2016

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF DANDORA DUMPSITE REHABILITATION GROUP
Report on the Financial Statements**

We have audited the accompanying financial statements of Dandora Dumpsite Rehabilitation Group, set out on pages 5 to 12 which comprise the Statement of Financial Position as at 31st March 2016, Income Statement, and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The board of management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Societies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion of these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the activities as at 31st March 2016 and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan societies Act.


Certified Public Accountants of Kenya
Nairobi

Date.. 27.05.2016

WAMUTU AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS (K)
P O Box 30686 00100,
NAIROBI

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STATEMENT OF COMPREHENSIVE INCOME

	Note	2016 Shs	2015 Shs
INCOME			
Grants Received	6	13,845,752	3,952,334
		<u>13,845,752</u>	<u>3,952,334</u>
EXPENDITURE	7		
Program cost	(A)	4,715,072	3,347,709
Personell cost	(B)	224,390	353,863
Administrative cost	(C)	687,604	177,170
Transport & Travelling	(D)	55,620	83,223
Depreciation	2.	266,628	99,463
Total Expenditure		<u>5,949,313</u>	<u>4,061,428</u>
Surplus/(Deficit) Before Taxation		<u>7,896,438</u>	<u>(109,094)</u>
Taxation		-	-
SURPLUS/(DEFICIT) AFTER TAXATION		<u>7,896,438</u>	<u>(109,094)</u>

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2016

	Note	2016 Shs	2015 Shs
NON CURRENT ASSETS			
Property and Equipment	2	564,552	231,179
Investments(Old Mutual)		2,432,343	563,067
Investments-Family Bank		1,565,760	
Land		4,000,000	
		<u>8,562,655</u>	<u>794,246</u>
CURRENT ASSETS			
Receivables	8	-	0.00
Cash & cash equivalents	9	7,578,697	563,067
		<u>7,578,697</u>	<u>563,067</u>
Total Assets		<u>16,141,352</u>	<u>1,357,313</u>
FINANCED BY			
General Project Fund		9,228,752	1,332,313
Reserves		4,000,000	
		<u>13,228,752</u>	<u>1,332,313</u>
Current liabilities			
Trade and other payables	10	2,912,600	25,000
		<u>2,912,600</u>	<u>25,000</u>
		<u>16,141,352</u>	<u>1,357,313</u>

Chairperson  Dated at Nairobi this 23 day of May 2016

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CASH FLOW STATEMENT

	Note	2016 Shs	2015 Shs
Cash flows from operating activities			
Profit before income tax		7,971,438	(109,094)
Adjustments for:			
Depreciation on property, plant and equipment	2	191,628	99,463
Operating profit before working capital changes		8,163,066	(9,631)
Decrease / (increase) in:			
Trade and other receivables	8	-	12,000
Increase / (decrease) in:			
Trade and other payables	10	2,887,600	-
Increase / (decrease) in:			
Inventory		-	-
		<u>11,050,666</u>	<u>2,369</u>
Net cash generated from operating activities		<u>11,050,666</u>	<u>2,369</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(600,000)	(124,580)
Investments in Old Mutual	11	(1,869,276)	(51,067)
Investments-Family Bank	11	(1,565,760)	88,000
Net cash (used in) investing activities		<u>(4,035,036)</u>	<u>(87,647)</u>
Cash flows from financing activities			
Shares issued		-	-
Loan received		-	-
Loan repaid		-	-
Net cash generated from financing activities		<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents		7,015,630	(85,278)
Cash and cash equivalents at 1st January,		<u>563,067</u>	<u>648,345</u>
Cash and cash equivalents at 31st December,		<u><u>7,578,697</u></u>	<u><u>563,067</u></u>

NOTES

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards under the historical cost convention, and are presented in the functional currency, Kenya Shillings (Shs).

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the business. Although such estimates and assumptions are based on the proprietors' best knowledge of the information available, actual results may differ from those estimates.

b) Revenue recognition

Turnover represent the fair value of consideration received or receivable for the provision of services.

Sale of services are recognised in the period in which the proprietor offers the service to the customer, the customer has accepted the service and the collectibility of the related receivables are reasonable assured.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recognised at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the business and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates.

Depreciation is provided at rates culculated to write off the costs of the fixed assets, less their estimated residue value, over their expected useful life on the following bases:

	<u>Rate - %</u>
Computers	30%
Fixtures & Fittings	12.5%

d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, term and call deposits with banking institutions and other short-term highly liquid investments in money market instruments with maturities of three months or less from the date of acquisition.

2. Property, Plant & equipments

	Computers	Furniture & Equipments	Mortovehicles	Totals
	Kshs.	Kshs.		Kshs.
COST				
01.04.2015	59,500	171,679	-	231,179
Acquisitions	-	-	600,000	600,000
31.03.2016	59,500	171,679	600,000	831,179
DEPRECIATION				
01.04.2015	55,500	43,963	-	99,463
Charge for the Year	1,200	15,965	150,000	167,165
31.03.2016	56,700	59,928	150,000	266,628
NET BOOK VALUE				
31.03.2016	2,800	111,752	450,000	564,552
31.03.2015	59,500	171,679	-	231,179

3 Financial risk management objectives and policies

The proprietors activities expose her to a variety of financial risks including credit, liquidity and changes in market prices of the business's services. The proprietor's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The proprietor does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

4 Critical accounting estimates and judgements

The proprietor makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

i) Property, plant and equipment

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The management determines these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.

ii) Provision for liabilities and charges

Provisions are recognised when the proprietor has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

NOTES

5 INCOME EXPENDITURE ANALYSIS

	The German Embassy	BILD hlfr e.v	Giesecke & Devrient	Lara Foundation	Ford Foundation	Individual Donors	Comic Relief	Total
6 INCOMES								
Grants	1,565,760.00	7,299,076.00	548,100.00	2,818,842.00	612,660.00	696,723.50	304,590.00	13,845,751.50
	<u>1,565,760.00</u>	<u>7,299,076.00</u>	<u>548,100.00</u>	<u>2,818,842.00</u>	<u>612,660.00</u>	<u>696,723.50</u>	<u>304,590.00</u>	<u>13,845,751.50</u>
7 EXPENDITURE								
(A) Program cost								
Construction of ECD Center	-	-	-	-	-	-	-	-
Purchase of Equipments-ECD Center	-	2,667,770	-	852,842	-	-	-	-
Training in Vocational Skills	-	-	-	-	446,760	-	-	-
Sponsorship of Students fees	-	-	442,000	-	-	100,000	-	-
Research	-	-	-	-	-	-	205,700	-
	<u>0.00</u>	<u>2,667,770.00</u>	<u>442,000</u>	<u>852,842</u>	<u>446,760</u>	<u>100,000</u>	<u>205,700</u>	<u>4,715,072.00</u>
(B) Personell cost	-	0.00	-	-	125,500	-	98,890	-
	<u>-</u>	<u>0.00</u>	<u>-</u>	<u>-</u>	<u>125,500</u>	<u>-</u>	<u>98,890</u>	<u>224,390.00</u>
(C) Administrative cost								
Rent	-	-	25,510	-	-	154,990	-	-
Printing & stationery	-	-	14,530	-	-	18,300	-	-
Postage & Delivery	-	-	5,450	-	-	3,540	-	-
Telephone & Internet	-	-	12,535	-	6,900	36,000	-	-
Electricity	-	-	12,580	-	-	7,958	38,900	-
Allowances	-	-	35,495	-	25,452	289,374	-	-
Transport	-	-	-	-	-	-	-	-
	<u>0.00</u>	<u>0.00</u>	<u>106,100</u>	<u>-</u>	<u>40,400</u>	<u>541,104</u>	<u>-</u>	<u>687,603.50</u>
(D) Travelling & Accomodation	0.00	-	-	-	-	55,620	-	-
	<u>0.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,620</u>	<u>-</u>	<u>55,620.00</u>
TOTAL EXPENDITURE	<u>-</u>	<u>2,667,770</u>	<u>548,100</u>	<u>852,842</u>	<u>612,660</u>	<u>696,724</u>	<u>304,590</u>	<u>5,682,686</u>
PROJECTS SURPLUS/(DEFICIT)	<u>1,565,760.00</u>	<u>4,631,306</u>	<u>-</u>	<u>1,966,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,163,066.00</u>

Shs

8 Individual Donors(Others)

Anton Kerr	73,335.00
Christopher Gauger	39,088.00
Carl Weiss	89,197.50
Ray Lehr	143,164.00
Willi Lemke	265,018.00
Elaine Uung	86,921.00
	<u>696,724</u>

9 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

Cash and current account balances 7,578,696.91

10 Trade and other payables

Audit & accountancy	50,000.00
UP Micro loans	<u>2,862,600.00</u>
	<u>2,912,600.00</u>

11 Other Cash Investments

Investments in Old Mutual	2,432,343.33
Fixed Deposit-Family Bank	1,565,760.00