Tumaini Trust

Annual Report & Audited Financial Statements

For the Year Ended 31st December 2022

AUDITORS

Ernest & Martin Associates

Certified Public Accountants (K)
Haven Court Block B5, Floor No. 2
Slip Road off-Waiyaki Way, Westlands Nairobi
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TRUST INFORMATION

FOUNDER
Clio Paola Goldsmith
Talitha Allegra Margherita Puri Negri

TRUSTEES.

Talitha Allegra Margherita Puri Negri	: Chairperson
Edgar Abwire Pamba	: Vice-Chairperson

BOARD OF ADVISERS.

Edmond Pamba	: Member
Janny Marangu	: Member
Dickenson Otieno	: Member
Ken Wachira	: Member
Padre Maurizio Bignaghi	: Member
Olivia Omondi	: Member

REGISTERED OFFICE.
Baba Dogo
P.O Box 499-00505,
Nairobi Kenya.

BANKER.
ABSA Bank Kenya,
Market Branch CBD,
P.O Box 30018-00100,
Nairobi, Kenya.

INDEPENDENT AUDITOR.
Ernest & Martin Associates
Certified Public Accountants (Kenya)
P.O Box 21180-00505,
Nairobi, Kenya.

REPORT OF THE TRUSTEES

The trustees submit their report together with the audited financial statements for the year ended 31st December 2022, which disclose the state of affairs of the Trust.

Principal Activities.

The principal activities of the Trust are to facilitate the establishment and maintenance of scholarships program to needy and eligible students and support the local community through sports and cultural activities.

Trustees.

The trustees who held office during the year and to the `date of this report are set out on page 2.

Independent Auditor.

The Trust 's auditor, Ernest & Martin associates, has expressed its willingness to continue in office.

By order of the Board of Trustees

....

Chairperson **Vice-Chairperson**

11/10/........2023. 17/10/........2023.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Prudent business and financial practices require the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Trust as at the end of the financial year and of its surplus or deficit for that year. It also requires the trustees to ensure that the Trust maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Trust . The trustees are also responsible for safeguarding the assets of the Trust.

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. They also accept responsibility for:

i. Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Trust as at 31st 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.

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

Approved by the board of trustees on ......11/10/..................... 2023 and signed on its behalf by:

....	....
Chairperson	**Vice-Chairperson**

Independent Auditor's Report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Trust 's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust '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 Trust 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Continued)

Report on other legal requirements

As required by the Kenyan Companies Act, we report to you, based on our audit, that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
ii. in our opinion proper books of account have been kept by the Trust, so far as appears from our examination of those books; and
iii. the Trust 's balance sheet and profit and loss account are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report was

CPA Ernest Muguku Muriu Practicing Certificate No. 1584

ERNEST & MARTIN ASSOCIATES
P. O. Box 21180 00505
NAIROBI
Cell: 0720 369054
0724 824435
CERTIFIED PUBLIC ACCOUNTANTS

Ernest & Martin Associates

Certified Public Accountants

Nairobi

12 Oct .... **2023.**

INCOME STATEMENT

	Notes	2022 Kshs	2021 Kshs
Grant & donations	4	12,259,469	12,087,867
Total income		**12,259,469**	**12,087,867**
Expenses			
Administrative expenses	5	1,348,164	1,188,952
Professional fees	6	649,000	788,915
Project expenses	7	7,444,479	7,296,988
Staff costs	8	2,448,117	2,171,225
Finance costs	9	32,375	35,640
Total expenses		**11,922,135**	**11,481,720**
Surplus for the year		**337,334**	**606,146**

STATEMENT OF FINANCIAL POSITION

	Notes	2022 Kshs	2021 Kshs
Assets			
Non-Current Assets			
Property & Equipment	10	865,395	736,235
		865,395	**736,235**
Current Assets			
Receivables	11	185,050	210,000
Cash & cash equivalents	12	262,846	484,469
		447,896	**694,469**
Total Assets		**1,313,291**	**1,430,704**
Equity & Liabilities			
Financed by: Reserves			
Accumulated funds		1,235,389	1,360,704
		1,235,389	**1,360,704**
Current Liabilities			
Accounts payable	13	77,902	70,000
		77,902	**70,000**
Total Equity & Liabilities		**1,313,291**	**1,430,704**

The financial statements on pages 8 to 15 were approved for issue by the Board of Trustees on ...11/10/..........2023 and were signed on its behalf by:

....

Chairperson

....

Vice-Chairperson

STATEMENT OF ACCUMULATED FUNDS

	Accumulated Funds	Total
2022	**Kshs**	**Kshs**
As at 01.01.2022	1,360,704	1,360,704
Surplus/(Deficit) for the year	337,334	337,334
Deferred Income	(462,649)	(462,649)
As at 31.12.2022	**1,235,389**	**1,235,389**

2021		
As at 01.01.2021	9,665,334	9,665,334
Deficit for the year	606,146	606,146
Deferred Income	(8,910,777)	(8,910,777)
As at 31.12.2021	**1,360,704**	**1,360,704**

STATEMENT OF CASH FLOWS

	2022	2021
Cashflow from operating activities	**Kshs**	**Kshs**
Surplus during the year	337,334	606,146
Adjustments:		
Previous year deferred income	(462,649)	(8,910,777)
Depreciation during the year	311,640	247,822
Changes in working capital		
Increase in receivables	24,950	(210,000)
Increase in payables	7,902	70,000
Net changes in working capital	**32,852**	**(140,000)**
Net cashflow used in operating activities	**219,177**	**(8,196,808)**
Cashflow from investing activities		
Purchase of equipment	(440,800)	(229,500)
Net cashflow from investing activities	**(440,800)**	**(229,500)**
Cash & cash equivalents during the year	**(221,623)**	**(8,426,308)**
Cash & cash equivalents at beginning of the year	484,469	8,910,777
Cash & cash equivalents during the year	(221,623)	(8,426,308)
Cash & cash equivalents at end of the year	**262,846**	**484,469**

ACCOUNTING POLICIES

1. General Information

Tumaini Trust is domiciled in Kenya. The address of its registered office and principal place of business is set out on page 2.

2. Significant Accounting Policies.

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Kenya Shillings (Kshs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

(a) Revenue recognition

Revenue represents the fair value of consideration received from grants and donations.

(b) Functional currency and translation of foreign currencies

Transactions are recorded on initial recognition in Kenya shillings, being the currency of the primary economic environment in which the Trust operates (the functional currency) at the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognized in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(d) Property and Equipment including depreciation

Items of property and equipment, including investment property, are measured at cost less accumulated depreciation.

For all other assets, depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using reduced balance basis. The following annual rates are used for the depreciation of property and equipment:

iPhone & Computers	30%
Fixtures and equipment	12.5%
Office Equipment	12.5%

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(e) Comparatives.

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

3. Judgement and Key Sources of Estimation Uncertainty.

No significant judgements have had to be made by the trustees in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
4	**Grants & donations**	**Kshs**	**Kshs**
	B/f Balance	484,469	8,910,777
	Foreign donations	11,775,000	3,177,090
		12,259,469	**12,087,867**
5	**Administrative expenses**		
	Office expenses	632,149	536,880
	Rent expense	210,000	210,000
	Set-up costs	169,600	89,250
	Transport Expense	24,775	105,000
	Depreciation expense	311,640	247,822
		1,348,164	**1,188,952**
6	**Professional fees**		
	Accounting fees	195,000	157,125
	Audit fees	70,000	332,670
	Legal fees	40,000	9,120
	Social Work services	344,000	290,000
		649,000	**788,915**
7	**Project expenses**		
	Donations	1,065,436	537,506
	Community projects	-	54,720
	Other Project	229,550	77,391
	Students upkeep costs	1,088,188	888,720
	Tuition fees	4,812,014	5,738,651
	Volunteer allowance	249,291	-
		7,444,479	**7,296,988**
8	**Staff costs**		
	Salaries & wages	2,428,240	2,151,309
	Staff WIBA	19,877	19,916
		2,448,117	**2,171,225**
9	**Finance costs**		
	Bank charges	32,375	35,640
		32,375	**35,640**

Notes to the Financial Statements (Continued)

10 Property & Equipment

2022	**iPhone & Computers Kshs**	**Furniture & Fittings Kshs**	**Total Kshs**
Depreciation rates	30%	12.5%	
COST			
As at 01.01.2022	1,533,045	399,680	1,932,725
Additions	440,800	-	440,800
As at 31.12.2022	**1,973,845**	**399,680**	**2,373,525**
DEPRECIATION			
As at 01.01.2022	1,033,785	162,706	1,196,490
Charge for the year	282,018	29,622	311,640
As at 31.12.2022	**1,315,803**	**192,327**	**1,508,130**
NBV as at 31.12.2022	**658,042**	**207,353**	**865,395**
2021			
COST			
As at 01.01.2021	1,387,545	315,680	1,703,225
Additions	145,500	84000	229,500
As at 31.12.2021	**1,533,045**	**399,680**	**1,932,725**
DEPRECIATION			
As at 01.01.2021	819,816	128,852	948,668
Charge for the year	213,969	33,854	247,822
As at 31.12.2021	**1,033,785**	**162,706**	**1,196,490**
NBV as at 31.12.2021	**499,260**	**236,975**	**736,235**

Notes to the Financial Statements (Continued)

		2022	2021
		Kshs	**Kshs**
11	**Salary Advances**	185,050	210,000
		185,050	**210,000**
12	**Cash & cash equivalents**		
	Tumaini trust(Ksh)	252,044	484,469
	Petty Cash	10,802	-
		262,846	**484,469**
13	**Accounts payable**		
	Accruals	77,902	70,000
		77,902	**70,000**