

NAIVASHA SHELTER CHILDREN'S HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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ORGANISATION'S INFORMATION

TRUSTEES

- : Mr. Igal Elfezouaty - Chair person
- : Ms. Melissa Keng - Secretary
- : Mr. Jayesh Sanghrajka
- : Ms. Kristen Lowry
- : Ms. Eunice Ng'anga
- : Mr. Stephen Thompson
- :

**PRINCIPAL PLACE OF BUSINESS
AND REGISTERED OFFICE**

- : L.R 5212, Moi South House
- : Lake house,
- : P.O. Box 884- 20117
- : NAIVASHA

- : Telephone Number - +254 723 741704
- : Email - NCShelter@gmail.com

INDEPENDENT AUDITOR

- : PKF Kenya LLP
- : Certified Public Accountants
- : P.O. Box 14077, 00800
- : NAIROBI

PRINCIPAL BANKER

- : Stanbic Bank Kenya Limited
- : NAIVASHA

REPORT OF THE TRUSTEES

The trustees submit their report and the audited financial statements for the year ended 31 December 2019, which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITY

Naivasha Shelter Children's Home believes in the worth of every child, and every child's right to have a safe environment to learn, grow and play. We believe the very best place for a child is in a family. That is why we work on the streets to rescue boys, restore their lives, and reunite them with their families.

PROJECT BACKGROUND

A 2012 Unicef report estimated that there were 250,000 to 300,000 children living on the streets in Kenya.

Children can leave home and end up on the streets for many reasons, but the most common are:

Poverty. Many boys end up on the streets because their family doesn't have enough money for school fees and/or food. Often times, this is the situation with single mothers. It's usually a gradual transition to the streets-boys will hang out on the streets during the day and sleep at home until they decide to leave completely due to peer pressure or addiction.

Abuse. Many times this is the case when a parent remarries and the step-parent doesn't want the children from the first marriage. He or she will abuse them or treat them as second-class children until they run away to the streets. This can also occur when a relative or neighbor is beating or sexually abusing the child.

Death of a parent. Some children end up on the streets because one or both of their parents have died and no other relative will take them.

Misunderstanding at home. Sometimes children run away when they have a conflict at home or a misunderstanding with their parents. In this case, it is usually easy to reunite the child with his family.

When children are living in the streets, they organize themselves into "bases." A base is a group of approximately 3-40 children living together for the purpose of mutual help and safety. While the base helps provide protection against older gangs, it can also function as a sort of gang itself. There are sometimes hazing rituals, and younger boys are often forced to beg for boys who have become too old to beg. While some boys will beg, most boys will collect plastics and metals to sell to a dealer to make money. A full day's work will usually earn a boy less than two dollars.

While living on the streets, many boys will turn to drugs such as marijuana, glue, jet fuel and alcohol to numb feelings of hunger, cold or pain they feel.

Boys living on the street will often face harassment by the general public, as well as government officials. Being homeless is a crime in Kenya, so the boys live in fear of being arrested at any time. The boys also face sexual exploitation by older boys and men living on the street, which puts them at risk of contracting STDs and HIV/AIDS. Boys also face physical and emotional abuse, hunger, exposure to the elements and poor sanitation conditions, which can often lead to sickness.

While many orphanages exist within Kenya, very few are willing to accept boys who have been on the streets. We believe, and research confirms, that long-term, orphanages are not the best place for a child. The healthiest place for a child is in a family. That's where Naivasha Shelter Children's Home comes in.

REPORT OF THE TRUSTEES (CONTINUED)

PROJECT BACKGROUND (CONTINUED)

Naivasha Shelter Children's Home rescues and rehabilitates street boys each year and works to reunite them with their families, or provide them with career training and placement if they are too old to return to school. We aim to be a national and regional leader in the rescue, rehabilitation, and reintegration of street children. We want to set industry standards and best practices that can be replicated across Kenya and the East African region.

PROJECT HIGHLIGHTS FOR THE YEAR

In 2019, Naivasha Shelter Children's Home rescued 41 boys from the streets and reunited 38 boys with their families. Thirteen young men who were unwilling to return to school were also trained in carpentry and welding and placed in jobs.

In addition, approximately 200 families were visited in the process of reintegration follow ups, initial home assessment/tracing and family empowerments. The shelter also sponsored 56 **schoolgoing** children during the year.

Shelter added one social worker to ensure proper follow up for the reunited families to ensure the **children** are integrated well in the community.

In 2019 Shelter staff also **introduced** the boys scout programs. The boys scout would assist maintaining the environment, attending camps and learning **formalized** scouting skills.

The shelter engaged in flooring of the dining hall and replacing of wooden cabinets with metallic ones to **improve the comfort of the children at the shelter**.

In the year, there was also **restructuring** of rehabilitation program from group rehabilitation to individual rescue plan.

RESULTS FOR THE YEAR

The results for the year are set out in the **statement** of income and expenditure and accumulated fund on page 8.

TRUSTEES

The trustees who served during the year and to the date of this report are shown on page 1.

FUNDING


The **organisation** derives **substantially** all its income from donations. As a result, the continued existence of the organisation is **dependent** on **financial** support from the donors.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Kenya, a partnership, was on 10 March 2020 converted to PKF Kenya LLP, a Limited Liability Partnership under the Limited Liability Partnership Act, 2011. PKF Kenya LLP has indicated willingness to continue in office. The trustees monitor the **effectiveness**, objectivity and independence of the auditor. The trustees also approve the annual audit engagement contract which sets out the terms of the auditor's **appointment** and the related **fees**.

BY ORDER OF THE BOARD

CHAIRMAN


_____ 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the results for that year. The trustees are also required to ensure that the organisation maintains proper accounting records which disclose, with **reasonable** accuracy the financial position of the organisation and that enables them to prepare **financial** statements of the organisation that comply with the International Financial Reporting Standard for Small and Medium Sized Entities. The trustee's are also responsible for safeguarding the assets of the organisation.

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 **circumstances**.

The **trustees** are of the opinion that the financial statements give a true and fair view of the financial **position** of the **organisation** as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial **Reporting Standard** for Small and **Medium-sized Entities**.

In preparing these **financial** statements the trustees have assessed the **organisation's** ability to continue as a going **concern**. Nothing has come to the attention of the trustees to indicate that the **organisation** will not **remain a going concern** for at least the next twelve months from the date of this **statement**

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

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

Approved by the board of trustees on 31 AUGUST 2020 and signed on its behalf
by:



TRUSTEE



TRUSTEE

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NAIVASHA SHELTER CHILDREN'S HOME

Opinion

We have audited the financial statements of Naivasha Shelter Children's Home set out on pages 8 to 16 which comprise the statement of financial position as at 31 December 2019, statement of income and expenditure and accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Naivasha Shelter Children's Home as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

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 report of the trustees and schedule of expenditure 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.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF NAIVASHA SHELTER CHILDREN'S HOME (CONTINUED)**

Trustees' responsibilities for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as trustees determine 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 trustees either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

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 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 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 trustee'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 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.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF NAIVASHA SHELTER CHILDREN'S HOME (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

Report on other matters.

In our opinion the information given in the report of the trustees on pages 2 and 3 is consistent with the financial statements.

PKF Kenya LLP

**Certified Public Accountants
Nairobi**

1 September 2020

**CPA Charles Waigiri Mukunu, Practising certificate No. 2386
Signing partner responsible for the independent audit**

1126/20

*Naivasha Shelter Children's Home
Annual report and financial statements
For the year ended 31 December 2019*

STATEMENT OF INCOME AND EXPENDITURE AND ACCUMULATED FUND

	Notes	2019 Shs	2018 Shs
Donations	4	16,423,489	15,056,987
Other operating income	5	1,011,405	1,143,951
Direct expenses		(10,262,164)	(9,307,628)
Administrative expenses		(189,821)	(289,553)
Other operating expenses		<u>(1,778,386)</u>	<u>(1,272,855)</u>
Operating surplus		5,204,523	5,330,902
Finance costs	8	<u>(396,842)</u>	<u>(170,652)</u>
Surplus before tax		4,807,681	5,160,250
Tax	9	<u>-</u>	<u>(343,185)</u>
Surplus for the year		4,807,681	4,817,065
Accumulated fund at start of year		<u>30,898,907</u>	<u>26,081,842</u>
Accumulated fund at end of year		<u><u>35,706,588</u></u>	<u><u>30,898,907</u></u>

The notes set out on pages 11 to 16 form an integral part of these financial statements.


Report of the independent auditor - pages 5 to 7.


Naivasha Shelter Children's Home
 Annual report and financial statements
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STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2019 Shs	2018 Shs
FUND BALANCES			
Accumulated fund		<u>35,706,588</u>	<u>30,898,907</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	10	7,992,726	8,491,823
Biological assets	11	<u>190,000</u>	<u>190,000</u>
		<u>8,182,726</u>	<u>8,681,823</u>
Current assets			
Other receivables	12	294,725	83,825
Cash and cash equivalents	13	<u>28,403,710</u>	<u>23,134,830</u>
		<u>28,698,435</u>	<u>23,218,655</u>
Current liabilities			
Trade and other payables	14	1,058,560	885,558
Current tax		<u>116,013</u>	<u>116,013</u>
Net current assets		<u>1,174,573</u>	<u>1,001,571</u>
Net current assets		<u>27,523,862</u>	<u>22,217,084</u>
		<u>35,706,588</u>	<u>30,898,907</u>

The financial statements on pages 8 to 16 were approved and authorised for issue by the trustees on 31/08/2020 and were signed on its behalf by


 _____ CHAIRMAN


 _____ TRUSTEE

The notes set out on pages 11 to 16 form an integral part of these financial statements

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

	Notes	2019 Shs	2018 Shs
Operating activities			
Surplus for the year		4,807,681	5,160,250
Adjustments for:			
Depreciation on property and equipment	10	499,097	605,962
Interest income	5	(921,616)	(1,143,951)
Changes in working capital:			
- trade and other payables		173,003	331,236
- other receivables		(210,900)	92,934
Cash from operations		4,347,265	5,046,431
Tax paid		-	(329,605)
Net cash from operating activities		4,347,265	4,716,826
Investing activities			
Purchase of property and equipment	10	-	(327,585)
Interest received		921,616	1,143,951
Net cash from investing activities		921,616	816,366
Increase in cash and cash equivalents		5,268,881	5,533,192
Movement in cash and cash equivalents			
At start of year		23,134,830	17,601,637
Increase		5,268,881	5,533,192
At end of year	13	28,403,710	23,134,830

The notes set out on pages 11 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. General information

The Naivasha Shelter Children's Home, is registered in Kenya under the Children Act No.8 of 2001 and is domiciled in Kenya. The address of its registered office and principal place of business is set out on page 1.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board. They have been prepared under the historical cost convention and are presented in Kenya Shillings.

The preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the shelter's accounting policies. Areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3(a).

Going concern

The financial performance of the organisation is set out in the report of the trustees and in the statement of income and expenditure and accumulated fund. The financial position of the organisation is set out in the statement of financial position. Disclosure in respect to principal risks and uncertainties are included within the report of trustees.

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

3. Summary of 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) Key sources of estimation uncertainty

In the application of the accounting policies, the trustees are required to make the judgments, 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 have 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** - Management reviews the useful lives 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.

NOTES (CONTINUED)

3. Significant accounting policies (continued)

b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from donors.

- i) All donations are accounted for on a cash receipt basis unless there are committed funds or pledged funds that are receivable.
- ii) Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable.

c) Recognition of expenses

Expenditure is recognised in the period to which it relates and is accounted on accruals basis.

d) Property and equipment

All property and equipment is initially recorded at cost and there after stated at historical cost less accumulated depreciation. Historical cost comprise expenditure initially incurred to bring the asset to its location.

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 organisation.

Depreciation is calculated on 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:

	<u>Rate %</u>
Motor vehicles	25
Furniture and fittings	12.5
Office equipment	12.5
Computer and accessories	30

Buildings are depreciated at the annual rate of 2% on straight line basis.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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.

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

e) Biological assets - fair value

Biological assets relate to livestock and are measured at their fair value less estimated point-of-sale costs. The fair value is determined based on the present value of expected net cash flows discounted at the current market determined pre-tax rate.

Any changes to that fair value are recognised in the statement of income and expenditure in the year in which they arise. All costs of upkeep and maintenance are recognised in the statement of income and expenditure in the year in which they are incurred.

NOTES (CONTINUED)

3. Summary of significant accounting policies (continued)

f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

g) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into functional currency at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into functional currency at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the statement of income and expenditure in the year in which they arise.

h) Receivables

Grant receivable is the excess expenditure over income as at year end is only recognised where there is commitment of additional funds from grant providers.

Receivables are recognised initially at fair value and subsequently measured at amortized cost using

At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of income and expenditure.

i) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

j) Taxation

No taxation has been provided in these financial statements as discussed further in Note 15 to the financial statements.

k) Retirement benefit obligations

The organisation 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 the statement of income and expenditure in the year to which they relate. The organisation has no further payment obligation once the contributions have been paid.

i) Accounting for 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.

m) Comparatives

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

NOTES (CONTINUED)

	2019	2018
	Shs	Shs
4. Revenue		
Donations	<u>16,423,489</u>	<u>15,056,987</u>
5. Other operating income		
Miscellaneous income	89,789	-
Interest income	<u>921,616</u>	<u>1,143,951</u>
Total other operating income	<u>1,011,405</u>	<u>1,143,951</u>
6. Surplus for the year		
The surplus for the year is arrived at after charging:		
Depreciation on property and equipment (Note 10)	499,097	605,962
Auditors' remuneration		
- current year	100,000	100,000
Repairs and maintenance	742,207	401,323
Staff costs (Note 7)	<u>3,922,040</u>	<u>2,838,076</u>
7. Staff costs		
Salaries and wages	3,440,882	2,615,226
Other staff costs	<u>481,158</u>	<u>222,850</u>
	<u>3,922,040</u>	<u>2,838,076</u>
8. Finance costs		
Net foreign exchange loss	<u>396,842</u>	<u>170,652</u>
9. Tax		
Current tax	<u>-</u>	<u>343,185</u>
The tax on the organisation's surplus before tax differs from the theoretical amount that would arise using the basic rate as follows:		
Surplus before tax	<u>4,807,681</u>	<u>5,160,250</u>
Tax calculated at a tax rate of 30% (2018: 30%)	1,442,304	1,548,075
Tax effect of:		
- expenses not allowed for tax purposes	3,788,164	3,312,206
- income not deductible for tax purposes	<u>(5,230,468)</u>	<u>(4,517,096)</u>
Tax charge	<u>-</u>	<u>343,185</u>

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NOTES (CONTINUED)

10. Property and equipment	Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Office equipment Shs	Computer and accessories Shs	Total Shs
Cost						
At start and at end of year	9,980,526	2,548,000	1,041,098	1,762,317	177,680	15,509,621
Depreciation						
At start of year	3,332,807	1,475,868	635,205	1,405,459	168,459	7,017,798
Charge for the year	132,954	268,033	50,737	44,607	2,766	499,097
At end of year	3,465,761	1,743,901	685,942	1,450,066	171,225	7,516,895
Net book value 2019	6,514,765	804,099	355,156	312,251	6,455	7,992,726
Net book value 2018	6,647,719	1,072,132	405,893	356,858	9,221	8,491,823
11. Biological assets						
Livestock						
Reconciliation of carrying amount:						
At start and at end of year					190,000	190,000
12. Other receivables						
Deposits and prepayments					126,000	10,000
Other receivables					168,725	73,825
					294,725	83,825
					2019 Shs	2018 Shs
					190,000	190,000

NOTES (CONTINUED)

	2019	2018
	Shs	Shs
13. Cash and cash equivalents		
Cash at bank and in hand	<u>28,403,710</u>	<u>23,134,830</u>
For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.		
14. Payables		
Trade payables	647,315	484,116
Accruals	400,000	300,000
Other payables	<u>11,245</u>	<u>101,442</u>
	<u>1,058,560</u>	<u>885,558</u>

15. Taxation

No provision for taxation has been recognised in these financial statements as the organisation is considered to be exempt from tax on its income. While the organisation does not have a current tax exemption certificate issued by the Kenya Revenue Authority, the management is of the view that such an exemption would be forthcoming based on the not-for profit nature of operations of the entity.

16. Registration

Naivasha Shelter Children's Home is registered in Kenya under the childrens Act No.8 of 2001.

17. Presentation currency

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

SCHEDULE OF EXPENDITURE

	2019	2018
	Shs	Shs
1. DIRECT COSTS		
Animal expenses	73,250	198,026
Beads purchases	51,644	84,930
Educations fees	716,236	1,115,273
Garden expenses	371,850	214,031
Food and kitchen expenses	1,316,289	1,439,310
Workshop expenses	668,580	766,046
Vehicle running	241,301	544,855
Electricity and water	426,185	280,683
Cleaning and laundry expenses	234,952	122,748
Children medical expenses	105,725	63,761
Printing and stationery	93,577	21,720
Security expenses	459,912	468,056
Travelling and accommodation	189,680	226,160
Postages and telephones	57,750	23,810
Social work expenses	833,539	461,243
Consultancy fees	-	438,900
Salaries and wages	3,440,882	2,615,226
Other staff costs	481,158	222,850
Child care expenses	270,000	-
Seminars and meetings	229,654	-
	<u>10,262,164</u>	<u>9,307,628</u>
2. ADMINISTRATIVE EXPENSES		
Audit fees		
- current year	100,000	100,000
Bank charges	26,790	44,442
Computer and accessories	-	5,500
Entertainment	10,450	53,122
Gifts and donations	-	10,000
Bad debts written off	42,561	52,989
Fines and penalties	10,020	23,500
	<u>189,821</u>	<u>289,553</u>
3. OTHER OPERATING EXPENSES		
Establishment:		
Insurance	166,882	69,370
Rent and rates	370,200	196,200
Repairs and maintenance	742,207	401,323
Depreciation on property and equipment	499,097	605,962
	<u>1,778,386</u>	<u>1,272,855</u>