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NAIVASHA CHILDREN'S SHELTER
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

The following statements form an integral part of these financial statements:

Statement of Financial Position 10

*Naivasha Children's Shelter
Annual report and financial statements
For the year ended 31 December 2018*

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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 - NCSshelter@gmail.com

INDEPENDENT AUDITOR

- : PKF Kenya
- : 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 2018, which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITY

Naivasha Children's Shelter 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 250-300,000 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.

REPORT OF THE TRUSTEES (CONTINUED)

PROJECT BACKGROUND (CONTINUED)

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 Children's Shelter comes in.

Naivasha Children's Shelter 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 2018, Naivasha Children's Shelter rescued 23 boys from the streets and reunited 16 boys with their families. Nine young men who were unwilling to return to school were also trained in carpentry and placed in jobs.

In addition, approximately 55 families visited in the process of reintegration follow ups, initial home assessment/tracing and family empowerments. Shelter staff also started a mentorship program where reintegrated boys could come at the center during school breaks for counseling and encouragement. At least 15 boys would attend at any given school holiday.

Shelter added one social worker to ensure proper follow up for the reunited families to ensure the children are integrated well in the community. Shelter staff members attended trauma healing workshops to equip them with the skill to cater for the community in need.

Shelter social workers also introduced rescue camps. Twenty boys attended for a camp after rescue. This was a way of orientation to the Shelter programs, building connection and initial counseling.

In 2018 Shelter staff also introduced of the boys scout programs. The boys scout would assist maintaining the environment, attending camps and learning formalized scouting skills.

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.

INDEPENDENT AUDITOR

The organisations auditor, PKF Kenya has indicated willingness to continue in office.

BY ORDER OF THE BOARD



CHAIRMAN

25TH JANUARY 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 2018 and of it's 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.

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

Approved by the board of trustees on 25th January 2020 and signed on its behalf
by:

Kristen W. Long
[Signature]

TRUSTEE

EUNICE NGIANGA
[Signature]

TRUSTEE

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF NAIVASHA CHILDRENS' SHELTER**

Opinion

We have audited the financial statements of Naivasha Children's Shelter set out on pages 7 to 16 which comprise the statement of financial position as at 31 December 2018, 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 Children's Shelter as at 31 December 2018 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 that comprise the annual report 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 CHILDRENS' SHELTER (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 has 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:

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- iv. 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 CHILDRENS' SHELTER (CONTINUED)**

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

- v. 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

Certified Public Accountants
Nairobi

25th February, 2020

CPA Jalpesh Shah, Practising certificate No. 1219 Signing partner
responsible for the independent audit

025/20

Naivasha Children's Shelter
Annual report and financial statements
For the year ended 31 December 2018

STATEMENT OF INCOME AND EXPENDITURE AND ACCUMULATED FUND

	Notes	2018 Shs	2017 Shs
Donations	3	15,056,987	12,725,462
Other operating income	4	1,143,951	1,210,380
Direct expenses		(6,469,552)	(4,049,961)
Administrative expenses		(3,127,631)	(2,707,009)
Other operating expenses		<u>(1,272,855)</u>	<u>(903,057)</u>
Operating surplus		5,330,901	6,275,815
Finance cost	7	<u>(170,652)</u>	<u>159,672</u>
Surplus before tax		5,160,249	6,435,487
Tax	8	<u>(343,185)</u>	<u>(349,209)</u>
Surplus for the year		<u><u>4,817,064</u></u>	<u><u>6,086,278</u></u>
Movement in accumulated fund			
At start of year		26,081,842	19,995,564
Surplus for the year		<u>4,817,064</u>	<u>6,086,278</u>
At end of year		<u><u>30,898,906</u></u>	<u><u>26,081,842</u></u>

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

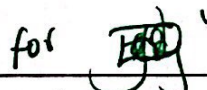
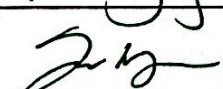
Report of the independent auditor - pages 5 to 7.

Naivasha Children's Shelter
 Annual report and financial statements
 For the year ended 31 December 2018

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2018 Shs	2017 Shs
FUND BALANCES			
Accumulated fund		<u>30,898,906</u>	<u>26,081,842</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	9	8,491,823	8,770,200
Biological assets	10	<u>190,000</u>	<u>190,000</u>
		<u>8,681,823</u>	<u>8,960,200</u>
Current assets			
Other receivables	11	83,825	176,759
Cash and cash equivalents	12	<u>23,134,830</u>	<u>17,601,637</u>
		<u>23,218,655</u>	<u>17,778,396</u>
Current liabilities			
Trade and other payables	13	885,559	554,321
Current tax		<u>116,013</u>	<u>102,433</u>
Net current assets		<u>1,001,572</u>	<u>656,754</u>
Net current assets		<u>22,217,083</u>	<u>17,121,642</u>
		<u>30,898,906</u>	<u>26,081,842</u>

The financial statements on pages 8 to 16 were approved and authorised for issue by the board of trustees on 25th JAN 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

	Note	2018 Shs	2017 Shs
Operating activities			
Surplus for the year		5,160,249	6,435,487
Adjustments for:			
Depreciation on property and equipment	9	605,962	679,653
Interest income	4	(1,143,951)	(1,164,030)
Changes in working capital:			
- Trade and other payables		331,238	(41,640)
- Other receivables		92,934	(113,769)
Cash from operations		5,046,432	5,795,701
Tax paid		(329,605)	(168,991)
Net cash from operating activities		<u>4,716,827</u>	<u>5,626,710</u>
Investing activities			
Purchase of property and equipment	8	(327,585)	(1,936,980)
Interest received		1,143,951	1,164,030
Net cash from/(used in) investing activities		<u>816,366</u>	<u>(772,950)</u>
Increase in cash and cash equivalents		<u>5,533,193</u>	<u>4,853,760</u>
Movement in cash and cash equivalents			
At start of year		17,601,637	12,747,877
Increase		<u>5,533,193</u>	<u>4,853,760</u>
At end of year	12	<u>23,134,830</u>	<u>17,601,637</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.

NOTES

1. General information

The Naivasha Children's shelter, 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.

The main funding for the organisation is from Friends of Naivasha Children's Shelter which is based in Memphis, Tennessee, USA. Friends of Naivasha Children's Shelter was established in 2015 to give supporters in the United States of America an easy, transparent way to support Naivasha Children's Shelter.

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

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 2(b).

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.

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.

b) 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)

2. Significant accounting policies (continued)

c) 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 under the effective interest method.
- iii) Sale of beads and carpentry is recognised upon delivery of products and customer acceptance.

d) Recognition of expenses

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

e) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to its location and condition for its intended use.

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 and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of income and expenditure during the period in which they are incurred.

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 statement of financial position 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.

f) Impairment of non-financial assets

At the end of each reporting period, the organisation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES (CONTINUED)

2. Significant accounting policies (continued)

g) 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.

h) 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.

i) 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 statement of financial position 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.

j) Receivables

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

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.

k) Payables

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

l) 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.

m) Comparatives

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

Naivasha Children's Shelter
Annual report and financial statements
For the year ended 31 December 2018

NOTES (CONTINUED)

	2018 Shs	2017 Shs
3. Revenue		
Donations	<u>15,056,987</u>	<u>12,725,462</u>
4. Other operating income		
Beads sales	-	46,350
Interest income	<u>1,143,951</u>	<u>1,164,030</u>
Total other operating income	<u>1,143,951</u>	<u>1,210,380</u>
5. Surplus for the year		
The surplus for the year is arrived at after charging:		
Depreciation on property and equipment (Note 9)	605,962	679,653
Auditors' remuneration		
- current year	100,000	100,000
Repairs and maintenance	401,323	154,394
Staff costs (Note 6)	<u>3,060,926</u>	<u>2,604,140</u>
6. Staff costs		
Salaries and wages	2,615,226	2,529,740
Other staff costs	<u>445,700</u>	<u>74,400</u>
	<u>3,060,926</u>	<u>2,604,140</u>
7. Finance costs		
Net foreign exchange loss/(gain)	<u>170,652</u>	<u>(159,672)</u>
8. Tax		
Current tax	<u>343,185</u>	<u>349,209</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>5,160,249</u>	<u>6,435,487</u>
Tax calculated at a tax rate of 30%	1,548,075	1,930,646
Tax effect of:		
- expenses not allowed for tax purposes	3,312,207	2,250,106
- (income not subject to tax)	<u>(4,517,096)</u>	<u>(3,831,544)</u>
Tax charge	<u>343,185</u>	<u>349,209</u>

Naivasha Children's Shelter
 Annual report and financial statements
 For the year ended 31 December 2018
NOTES (CONTINUED)

9. Property and equipment

Year ended 31 December 2018

Cost	Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Office equipment Shs	Computer and accessories Shs	Total Shs
At start year	9,980,526	2,450,000	811,513	1,762,317	177,680	15,182,036
Additions	-	98,000	229,585	-	-	327,585
At end of year	<u>9,980,526</u>	<u>2,548,000</u>	<u>1,041,098</u>	<u>1,762,317</u>	<u>177,680</u>	<u>15,509,621</u>
Depreciation						
At start of year	3,197,139	1,118,491	577,220	1,354,479	164,507	6,411,836
Charge for the year	135,668	357,377	57,985	50,980	3,952	605,962
At end of year	<u>3,332,807</u>	<u>1,475,868</u>	<u>635,205</u>	<u>1,405,459</u>	<u>168,459</u>	<u>7,017,798</u>
Net book value 2018	<u>6,647,719</u>	<u>1,072,132</u>	<u>405,893</u>	<u>356,858</u>	<u>9,221</u>	<u>8,491,823</u>
Net book value 2017	<u>6,783,387</u>	<u>1,331,509</u>	<u>463,878</u>	<u>407,838</u>	<u>13,173</u>	<u>8,770,200</u>

In the opinion of the trustees, there is no impairment in the value of property and equipment.

NOTES (CONTINUED)

	2018 Shs	2017 Shs
10. Biological assets		
Livestock	<u>190,000</u>	<u>190,000</u>
Reconciliation of carrying amount:		
At start and end of year	<u>190,000</u>	<u>190,000</u>
11. Other receivables		
Deposits and prepayments	10,000	79,370
Other receivables	<u>73,825</u>	<u>97,389</u>
	<u>83,825</u>	<u>176,759</u>
12. Cash and cash equivalents		
Cash at bank and in hand	<u>23,134,830</u>	<u>17,601,637</u>
For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.		
13. Payables		
Trade payables	484,116	88,098
Accruals	300,000	200,000
Other payables	<u>101,442</u>	<u>266,223</u>
	<u>885,559</u>	<u>554,321</u>

14. Taxation

The organisation is registered under the childrens Act No.8 of 2001 and is deemed to be exempt from tax on income. However the organisation has not obtained a tax exemption certificate from the Government of Kenya.

15. Registration

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

16. Presentation currency

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

Naivasha Children's Shelter
Annual report and financial statements
For the year ended 31 December 2018

SCHEDULE OF EXPENDITURE

	2018 Shs	2017 Shs
1. DIRECT COSTS		
Animal expense	198,026	278,072
Beads purchases	84,930	83,710
Educations fees	1,115,273	740,048
Garden expenses	214,031	33,657
Food and kitchen expenses	1,439,310	1,110,922
Workshop expenses	766,046	455,175
Vehicle running	544,855	259,715
Electricity and water	280,683	245,158
Cleaning and laundry expenses	122,748	59,923
Children medical expenses	63,761	42,709
Printing and stationery	21,720	28,690
Security expense	468,056	371,280
Travelling and accommodation	226,160	52,908
Postages and telephones	23,810	14,090
Social work expenses	461,243	273,904
Consultancy fees	438,900	-
	<u>6,469,552</u>	<u>4,049,961</u>
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	2,615,226	2,529,740
Other staff costs	222,850	37,200
	<u>2,838,076</u>	<u>2,566,940</u>
Total employment costs		
Other administrative expenses:		
Audit fees		
- current year	100,000	100,000
Bank charges	44,444	31,169
Computer and accessories	5,500	7,000
Entertainment	53,122	1,900
Gifts and Donations	10,000	-
Bad debts written off	52,989	-
Fines and penalties	23,500	-
	<u>289,555</u>	<u>140,069</u>
Total other administrative expenses		
Total administrative expenses	<u>3,127,631</u>	<u>2,707,009</u>
3. OTHER OPERATING EXPENSES		
Establishment:		
Insurance	69,370	69,010
Rent and rates	196,200	-
Repairs and maintenance	401,323	154,394
Depreciation on property and equipment	605,962	679,653
	<u>1,272,855</u>	<u>903,057</u>
Total other operating expenses		
4. FINANCE COSTS		
Net foreign exchange loss/gain	170,652	(159,672)