

TUMAINI MINISTRIES CENTER

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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TUMAINI MINISTRIES CENTER

GROUP INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

Executive Board Members

Fredrick Owuor Ogutu
James Mwangi Mburu
Jameson Wabwile Wanyama
Margaret Wanjiku Kinuthia
Kelvin Oduor Owuor
Eunice Anyango Malingu

Principal Place of Business

Off Baba Dogo Road
P.O. Box 57577 00200,
Nairobi

Independent Auditor

Kigundu Mwangi & Associates
Certified Public Accountants of Kenya
P.O. Box 7279 00300,
Nairobi

Bankers

Stanbic Bank Kenya Ltd
Kenyatta Avenue Branch
Nairobi

NCBA Bank Ltd
City Centre Branch
Nairobi

Cooperative Bank Kenya Ltd
Money Gram Centre Branch
Nairobi

TUMAINI MINISTRIES CENTER

EXECUTIVE BOARDS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Executive Board submits its report and the audited financial statements for the year ended 31 March 2023, which discloses the state of affairs of the entity.

PRINCIPAL ACTIVITY

The Tumaini Ministries is a Christian organization which aims at creating a holistic society by instilling Christian values to its members through evangelism and protecting the most vulnerable in the society through social work. It is governed by the related rules and regulations as set out from time to time. It was registered in Kenya under the Societies Act, on 23 December 2009.

It is managed and run by officers from Tumaini Ministries Center. The groups operations and activities are run and funded by contributions from Local and International donors, and other income generating projects which include Rentals.

RESULTS

The results for the year are set out on page 6 of these financial statements.

FINANCIAL STATEMENTS

At the date of this report, the Executive Board was not aware of any circumstances which would have rendered the values attributed to the assets in the financial statements misleading.

EXECUTIVE BOARD BENEFITS

No board member has received or become entitled to receive any benefit.

TERMS OF APPOINTMENT OF THE AUDITOR

Kigundu Mwangi & Associates continues in office in accordance with the organization's constitution. The Executive Board monitors the effectiveness, objectivity and independence of the auditor. The Executive Board also approves the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration has been charged to income or expenditure in the year.

By Order of the Executive Board

.....
Secretary

Date.....2023

TUMAINI MINISTRIES CENTER
STATEMENT OF EXECUTIVE BOARDS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Kenyan Trustees Succession Act requires the Executive Board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the organization as at the end of the financial year. It also requires the Executive Board to ensure that the organization maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organization. The Executive Boards' are also responsible for safeguarding the assets of the organization.

The Executive Board accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. It also accepts responsibility for:

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

The Executive Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as at 31 March 2023 and of its financial performance and cash flows for the year then ended.

Nothing has come to the attention of the Executive Board to indicate that the organization will not remain a going concern for at least twelve months from the date of this statement. The Executive Board acknowledges that the independent auditor of the financial statements does not relieve them their responsibilities.

Approved by the Executive Board on2023 and signed on their behalf by:

.....
Fredrick Owour Ogutu
Chairman

.....
Kelvin Oduor Owuor
Treasurer

.....
Jameson Wabwile Wanyama
Secretary

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TUMAINI MINISTRIES CENTER

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tumaini Ministries Center set out on pages 7 to 13, which comprise of the statement of financial position as at 31 March 2023, the statement of income and expenditure, statements of changes in equity and statement of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the entity as at 31 March 2023 and of its financial performance and cash flows for the year then ended in accordance with the Trustees Succession Act and the Kenyan Societies Act.

Basis for Opinion

We conducted our audit in accordance with the Trustees Succession Act. Our responsibilities under that Act are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to communicate in this report.

Other Information

The Executive Board is responsible for the other information. Other information comprises the information included in 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.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TUMAINI MINISTRIES CENTER

Executive Boards' Responsibility for the Financial Statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the Trustees Succession Act and for such internal control as the Executive Board 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 Executive Board is responsible for assessing the entity'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 Executive Board either intend to liquidate the Organization 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 ISAs 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 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 entity'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 entity'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 the auditor's report. However, future events or conditions may cause the entity 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.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TUMAINI MINISTRIES CENTER

Report on Other Matters Prescribed by the Trustees Succession Act

In our opinion the information given in the report of the Executive Board on page 2 is consistent with the financial statements.

Trustees Succession Act requires that in carrying out our audit we consider and report to you on the following matters.

We confirm 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 organization so far as appears from our examination of those books; and,
- iii) The company's Statement of Financial Position and Statement of Income & Expenditure are in agreement with the books of accounts.

The Signing Partner responsible for the Independent Audit was CPA Danson Mwangi Kigundu, Practicing Certificate Number 1440.

For and on behalf of Kigundu Mwangi & Associates
Certified Public Accountants
Nairobi

Date 2023

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Kshs	2022 Kshs
<u>Receipts</u>			
Grants released to Receipts & Payments	2	7,128,842	6,714,378
Other Receipts	3	<u>1,947,567</u>	<u>2,476,523</u>
		<u>9,076,409</u>	<u>9,190,901</u>
<u>Payments</u>			
Salaries & Wages	4	969,681	763,406
Office Administration Expenses		39,047	79,761
Transport & Traveling		155,540	57,700
Evangelism, Special Events & Outreaches		573,359	430,970
Telephone, Internet & Postage		47,300	23,899
Stationery & Printing		12,652	11,005
Sponsorship Programs		995,250	696,015
Tumaini Schools & Churches		535,000	801,584
Rental Houses Repairs & Maintenance		192,530	614,750
Bad Debts		-	8,000
Electricity & Water		235,958	220,483
Directors Emoluments	5	963,000	941,634
Welfare & Charitable Donations		776,905	580,900
Mabadiliko Wadada Program		330,000	360,000
Depreciation		1,227,721	1,057,473
Bank Charges		32,899	26,798
Audit Fee		<u>42,000</u>	<u>40,000</u>
Total payments		<u>7,128,842</u>	<u>6,714,378</u>
Fund Balance		<u>1,947,567</u>	<u>2,476,523</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 Kshs	2022 Kshs
<u>ASSETS</u>			
Plant, Property & Equipment	6	<u>51,632,275</u>	<u>46,785,118</u>
<u>CURRENT ASSETS</u>			
Cash & Cash Equivalents	7	2,936,011	1,917,330
Receivables & Prepayments	8	187,338	228,927
Tax Credit	9(a)	<u>38,107</u>	<u>38,107</u>
		<u>3,123,349</u>	<u>2,184,364</u>
TOTAL ASSETS		<u>54,755,624</u>	<u>48,969,482</u>
<u>CURRENT LIABILITIES</u>			
Taxation	9(b)	7,443	3,986
Unexpended Grants	10	54,428,268	48,644,226
Payables	11	<u>319,913</u>	<u>321,270</u>
		<u>54,755,624</u>	<u>48,969,482</u>
TOTAL CURRENT LIABILITIES		<u>54,755,624</u>	<u>48,969,482</u>

The financial statements were approved by the Executive Board on 2023
and were signed on its behalf by:

.....
Fredrick Owuor Ogutu
Chairman

.....
Kelvin Oduor Owuor
Treasurer

.....
Jameson Wabwile Wanyama
Secretary

The notes on pages 10 to 13 form an integral part of these financial statements.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Kshs	2022 Kshs
Cash Flow from Operating Activities			
Tax Paid		<u>(202,146)</u>	<u>(588,340)</u>
Adjustments for:			
Depreciation		<u>1,227,721</u>	<u>1,057,473</u>
Operating surplus before working capital changes		1,025,575	469,133
Taxation		202,836	252,967
Receivables & prepayments		41,589	27,323
Increase in Unexpended Grants		5,824,916	9,029,635
Payables		<u>(1,357)</u>	<u>45,340</u>
Net cash flows from operating activities		<u>7,093,559</u>	<u>9,824,398</u>
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		<u>(6,074,878)</u>	<u>(10,548,100)</u>
Net cash flows from investing activities		<u>(6,074,878)</u>	<u>(10,548,100)</u>
Net Movement in Cash and Cash Equivalents		1,018,681	(723,702)
Cash & Cash Equivalents at the beginning of the year		<u>1,917,330</u>	<u>2,641,032</u>
Cash & Cash Equivalents at the end of the year	7	<u>2,936,011</u>	<u>1,917,330</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 have been prepared on a going concern basis and in compliance with the requirement of Trustees Succession Act. The financial statements are prepared under the historical cost convention.

(b) **Revenue Recognition**

Anticipated receipts are recognized on accrual basis.

(c) **Plant, Property & Equipment**

Depreciation is calculated on a reducing balance method so as to write off the cost or management valuation of the assets over their expected useful lives at the following rates:

Computers	30% p.a
Buildings	2.5% p.a
Equipment	12.5% p.a
Furniture & Fittings	12.5% p.a

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

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognized in profit and loss.

(d) **Receivables & Prepayments**

Receivables and prepayments are initially recognized at the transaction price, and they do not bear interest. At the end of each reporting period, the carrying amounts of receivables and prepayments are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so an impairment loss is recognized immediately.

(e) **Income Tax-Corporation Tax**

No provision was made for taxation since the organisation is exempted from Corporation tax.

(g) **Financial Liabilities**

Payables are obligations on the basis of normal credit terms and do not bear interest.

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTES (continued)

2. GRANT INCOME

	2023 Kshs	2022 Kshs
Grants Received	<u>7,128,842</u>	<u>6,714,378</u>

3. OTHER RECEIPTS

Rental Receipts	1,907,170	2,449,950
Interest Income	<u>40,397</u>	<u>26,573</u>
	<u>1,947,567</u>	<u>2,476,523</u>

4. SALARIES & WAGES

Office Administration Staff	<u>969,681</u>	<u>763,406</u>
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5. DIRECTORS EMOLUMENTS

These include the basic salary and all other amounts received as gifts for upkeep from donors and friends during the year.

6. PLANT, PROPERTY & EQUIPMENT

2023

	Buildings Kshs	Land Kshs	Furniture & Equipment Kshs	Computers & Electronics Kshs	Total Kshs
<u>COST</u>					
At 01.04.2022	47,268,829	6,486,000	492,126	285,075	54,558,030
Additions	<u>5,052,878</u>	<u>422,000</u>	<u>600,000</u>	=	<u>6,074,878</u>
At 31.03.2023	<u>52,347,707</u>	<u>6,908,000</u>	<u>1,092,126</u>	<u>285,075</u>	<u>60,632,908</u>
<u>DEPRECIATION</u>					
At 01.04.2022	7,141,821	-	370,645	260,446	7,772,912
Charge for the year	<u>1,130,147</u>	=	<u>90,185</u>	<u>7,389</u>	<u>1,227,721</u>
At 31.03.2023	<u>8,271,968</u>	=	<u>460,830</u>	<u>267,835</u>	<u>9,000,633</u>
<u>NET BOOK VALUE</u>					
At 31.03.2023	<u>44,075,739</u>	<u>6,908,000</u>	<u>631,296</u>	<u>17,240</u>	<u>51,632,275</u>
At 31.03.2022	<u>40,153,008</u>	<u>6,486,000</u>	<u>121,481</u>	<u>24,629</u>	<u>46,785,118</u>

TUMAINI MINISTRIES CENTER**FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023****NOTES (continued)****2022**

	Buildings	Land	Furniture & Equipment	Computers & Electronics	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<u>COST</u>					
At 01.04.2021	37,026,729	6,206,000	492,126	285,075	44,009,930
Additions	<u>10,268,100</u>	<u>280,000</u>	<u>-</u>	<u>-</u>	<u>10,548,100</u>
At 31.03.2022	<u>47,294,829</u>	<u>6,486,000</u>	<u>492,126</u>	<u>285,075</u>	<u>54,558,030</u>
<u>DEPRECIATION</u>					
At 01.04.2021	6,112,257	-	353,291	249,891	6,715,439
Charge for the year	<u>1,029,564</u>	<u>-</u>	<u>17,354</u>	<u>10,555</u>	<u>1,057,473</u>
At 31.03.2022	<u>7,141,821</u>	<u>-</u>	<u>370,645</u>	<u>260,446</u>	<u>7,772,912</u>
<u>NET BOOK VALUE</u>					
At 31.03.2022	<u>40,153,008</u>	<u>6,486,000</u>	<u>121,481</u>	<u>24,629</u>	<u>46,785,118</u>
At 31.03.2021	<u>30,914,472</u>	<u>6,206,000</u>	<u>138,835</u>	<u>35,184</u>	<u>37,294,491</u>

7. CASH & CASH EQUIVALENTS

Cash and Cash Equivalents included in the Statement of Cash Flows comprises of the following Statement of Financial Position amounts;

	2023	2022
	Kshs	Kshs
Cash in Hand	184,882	385,370
Bank Balance	<u>2,751,129</u>	<u>1,531,960</u>
	<u>2,936,011</u>	<u>1,917,330</u>

8. RECEIVABLES & PREPAYMENTS

Rent Receivables	<u>187,338</u>	<u>228,927</u>
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9. TAX CREDIT

a) The Tax Credit in the Statement of Financial Position is withholding tax deducted brought forward from previous years.

b) Taxation on interest income is charged at 30% and 10% on gross rental income.

Tax Balance B/F	3,986	339,359
Tax for the Year	202,836	252,967
Tax Paid	(194,703)	(584,354)
Withholding Tax Deducted	<u>(4,676)</u>	<u>(3,986)</u>
Tax payable	<u>7,443</u>	<u>3,986</u>

TUMAINI MINISTRIES CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTES (continued)

10. UNEXPENDED GRANTS

	2023	2022
	Kshs	Kshs
Balance B/F	48,644,226	39,614,591
Grants Received	13,115,720	15,996,980
Tax charge on Interest & Rent Income	(202,836)	(252,967)
Grant Income Released to Income & Expenditure Account- Note 2	<u>(7,128,842)</u>	<u>(6,714,378)</u>
	<u>54,428,268</u>	<u>48,644,226</u>

11. PAYABLES

Accruals	21,823	18,490
House Deposits	241,000	241,000
Audit Fee	42,000	40,000
Rental Income Tax	<u>15,090</u>	<u>21,780</u>
	<u>319,913</u>	<u>321,270</u>

12. EMPLOYEES

The average number of employees in the organization during the year was 4 (2022-4). All the others receiving wages are casual workers.

13. CURRENCY RISK

The organization operates wholly within Kenya and its assets and liabilities are reported in the local currency.

14. COMPARATIVES

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year.

15. REGISTRATION

It is registered in Kenya under the Societies Act, on 23 December 2009.

16. CURRENCY

These Financial Statements are presented in Kenya Shillings.

TU MAINI MINISTRIES CENTRE

TAX COMPUTATION

PIN: P0513261970

YEAR 2023

	Total Kshs	Rent Income Kshs	Interest Income Kshs
Income as per Accounts	1,947,567	1,907,170	40,397
<u>Tax Summary</u>			
Tax @ 30% of interest income	12,119	-	12,119
Rental tax @ 10% of gross rental income	<u>190,717</u>	<u>190,717</u>	<u>=</u>
	202,836	190,717	12,119
Tax Paid	(190,717)	(190,717)	-
Withholding Tax Deducted	<u>(4,676)</u>	<u>=</u>	<u>(4,676)</u>
Tax Payable	<u>7,443</u>	<u>=</u>	<u>7,443</u>