

AUDITED FINANCIAL STATEMENTS OF
AWAKE YOUTH INITIATIVE AS AT 31 DECEMBER 2019

**MURIITHI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
KENYA**

AWAKE YOUTH INITIATIVE

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS	PAGE
Board members and officials	1
Statement of Board members' responsibilities	2
Report of the auditors	3-4
Statement of comprehensive income and retained earnings	5
Statement of financial position	6
Statement of cash flows	7
Notes to the accounts	8-10
Detailed income and expenditure account	Appendix I

AWAKE YOUTH INITIATIVE

BOARD MEMBERS AND OFFICIALS

BOARD MEMBERS

Ms. Pauline Ogumbo
Mr. Meshack Otieno
Mr. Nick Nimrod
Ms. Christine Gatwiri
Mr. Brian Chesoli

REGISTERED OFFICE

Lumiac G3 Plaza
P.O. Box 65619-00200,
Nairobi.

AUDITORS

Muriithi & Associates
Certified Public Accountants
P.O. Box 13062-00200,
Nairobi

BANKERS

KCB Bank
Kencom Branch
Nairobi

AWAKE YOUTH INITIATIVE**MEMBERS REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Introduction:

The Community Based Organization (CBO) is held for public charitable purposes associated with promoting Leadership skills among the youth through training and improving the livelihood of the communities within Nairobi County.

2. Management of Scheme:

The board members of the scheme in office throughout the year up to and including the date of this report are shown on page 1.

3. Scheme of advisors

Bank: Kenya Commercial Bank
Kencom Branch
Nairobi

Auditors: Muriithi & Associates
Certified Public Accountants
P.O. Box 13062-00200
Nairobi, Kenya

4. Results

The results for the year are set out on the statement of comprehensive income and retained earnings account on page 6 of the financial statements.

Chairman



Treasurer

Date

20/01/2020

AWAKE YOUTH INITIATIVE**STATEMENT OF CBO RESPONSIBILITIES**

The Kenyan CBO Law No. 18/2013 requires the CBO to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CBO as at the end of the financial year and of the operating results of the CBO for that year. It also requires the board members to ensure the CBO keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the CBO. The board members are also responsible for safeguarding the assets of the CBO.

The board members 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 board members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the CBO as at 31 December 2019 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 and the requirements of the Kenyan CBO Law No. 18/2013

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

The financial statements were approved by the board members on **20/01/2020** and signed by:

Chairman 

Treasurer 

**REPORT OF THE INDEPENDENT AUDITORS TO THE
BOARD MEMBERS OF AWAKE YOUTH INITIATIVE**

Our opinion

We have audited the accompanying financial statements set out on page 6 to 10 of Awake Youth Initiative which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income and retained earnings, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Awake Youth Initiative at 31 December 2019, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the Kenyan CBO Law No. 18/2013.

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 organization 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.

Other information

The board members are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report.

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 identified above 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 on the other information, 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.

Responsibilities of the board members for the financial statements

The board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting standards and the requirements of Kenyan CBO Law No. 18/2013 , and for such internal control as the board members 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 board members are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the board members either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so. The board members are responsible for overseeing the Organization's financial reporting process.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE
BOARD MEMBERS OF AWAKE YOUTH INITIATIVE (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 responsible 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ii) Obtain an understanding of internal controls 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 internal controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- iv) Conclude on the appropriateness of the board members' 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 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 organization to cease to continue as a going concern.
- 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.
- vi) We communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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 company, so far as appears from our examination of those books; and
- iii) the company's statement of financial position and Income and Expenditure account are in agreement with the books of account.

Certified Public Accountants
Nairobi, Kenya

Muriithi & Associates

20/01/2020

Date: 2020

AWAKE YOUTH INITIATIVESTATEMENT OF COMPREHENSIVE INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

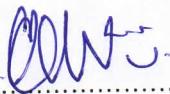
	<u>Notes</u>	<u>2019</u> <u>KShs</u>
GRANTS		1.900.000
Depreciation		(24.059)
Bank charges		(13.468)
Other expenses		(1.762.650)
<hr/>		
Surplus before taxation	3	99.823
Surplus and total comprehensive income at the start of the year		-
<hr/>		
Surplus and total comprehensive income at the end of the year		99.823
<hr/>		

AWAKE YOUTH INITIATIVE**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	<u>Notes</u>	<u>2019</u> <u>Kshs</u>
CAPITAL EMPLOYED		
Retained surplus		99.823
NON-CURRENT LIABILITIES		
Member contributions	6	72.411
		<u>172.235</u>
REPRESENTED BY		
Property, plant and equipment	4	77.411
CURRENT ASSETS		
Bank and cash		99.823
		<u>99.823</u>
CURRENT LIABILITIES		
Trade & other payables	5	5.000
NET CURRENT ASSETS		94.823
NET ASSETS		<u>172.235</u>

The financial statements on pages 6 to 10 were approved for issue by the board members on
 2020 and were signed on their behalf by:

CHAIRMAN



TREASURER

20/01/

AWAKE YOUTH INITIATIVE**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 Kshs
Cash flow from operating activities	
Surplus before taxation	99.823
Add back: depreciation	24.059
Changes in operating assets and liabilities	
Increase in payables	5.000
Net cash generated by operations	128.882
Investing activities	
Purchases of fixed assets	(101.470)
Financing activities	
Members contributions	72.411
Net (decrease)/increase in cash and cash equivalents for the year	99.823
Cash and cash equivalents at end of year	99.823

AWAKE YOUTH INITIATIVE**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019****1. GENERAL INFORMATION**

The Awake Youth Initiative is incorporated in Kenya under the Kenyan CBO Law No. 18/2013, and is domiciled in Kenya. The CBO is held for public charitable purposes associated with promoting Leadership skills among the youth through training and improving the livelihood of the communities within Nairobi County.

2. BASIS OF PREPARATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of preparation**

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 (KES), rounded to the nearest shilling. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

b. Revenue recognition

Revenue comprises the amount of donations received.

c. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

d. Translation of foreign currencies:

Transactions during the year are converted into Kenya shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

e. Property, plant and equipment

Property, plant & equipment are stated at cost, less depreciation.

Property, plant & equipment acquired under hire purchase agreements and finance lease hire arrangements are capitalised at the date of the agreement. The interest element of each instalment is charged against profit at the time each instalment falls.

Depreciation is calculated on a straight line basis, at annual rates estimated to write off the assets over their expected useful lives.

The annual rates used are:

Furniture, fittings and equipment	12.5%
Computers	30.0%

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.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

AWAKE YOUTH INITIATIVE**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019****f. Trade and other receivables**

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest.

g. Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

3. SURPLUS BEFORE TAX

	2019
	Kshs
Surplus before tax is stated after charging:	
Auditors remuneration	5.000
	=====

4. PROPERTY, PLANT AND EQUIPMENT

	Furniture	& fittings	Computers	Total
	Shs	Shs	Shs	Shs
Cost:				
As at 1.1.2019	-	-	-	-
Additions	36.470	65.000	101.470	101.470
	=====	=====	=====	=====
As at 31.12.2019	36.470	65.000	101.470	101.470
Depreciation				
As at 1.1.2019	-	-	-	-
Charge for the year	4.559	19.500	24.059	24.059
	=====	=====	=====	=====
As at 31.12.2019	4.559	19.500	24.059	24.059
Net Book Value				
At 31.12.2019	<u>31.911</u>	<u>45.500</u>	<u>77.411</u>	<u>77.411</u>

5. TRADE & OTHER PAYABLES

	2019
	Kshs
Payables	-
Accruals	5.000
	=====
	5.000
	=====

6. MEMBERS CONTRIBUTIONS

These are non-interest bearing and have no fixed repayment terms.

7. CAPITAL COMMITMENTS

AWAKE YOUTH INITIATIVE**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019
	Kshs
INCOME	
Grants received	1.900.000
	—————
	1.900.000
	—————
EXPENDITURE	
Audit fee	5.000
Bank chargers	13.468
Depreciation	24.059
Office expenses	38.000
Program facilitations	459.630
Rent and rates	240.000
Telephone	36.000
Young mothers Training	984.020
	—————
TOTAL EXPENDITURE	1.800.177
	—————
SURPLUS FOR THE YEAR	99.823
	—————