

**WOMENS' INSTITUTE FOR SECONDARY EDUCATION
AND RESEARCH
(WISER)**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
2019**

Contents	Page
Corporate Information	2
Directors' report	3-4
Statement of Directors' responsibility	5
Report of the independent auditors	6-7
Financial Statements:	
Fund accountability statement	8
Statement of financial position	9
Cash Flow Statement	10
Notes	11-16

Corporate Information

Board	Sherryl Ann Broverman	- Chairperson
	Richard Okinyi Were	- Treasurer
	Carolyn Rose Weil Arndt	- Secretary
	Neema Kanyua	- Member
	John Muthee	- Member
	Linda Kamau	- Member
	Linah Kowiti Ooro	- Member

School Principal Dorcas.A. Oyugi

Registered Office Womens' Institute for Secondary Education and Research -WISER
P.o Box 28-40409,
Muhuru Bay
Kenya

Auditors **Aggrey and Company**
Certified Public Accountants (K)
P.O. Box 62494-00200
Nairobi, Kenya.

Bankers Equity Bank
Migori Branch

Directors Report

Mission

WISER is a community development organization focused on the social empowerment of under privileged girls through education and Health.

Its activities include: creating a replicable model for generating parity in education, health and community leadership; conduct health research: improve the academic performance of primary or secondary school students; increase entrepreneurship and business opportunities of community partners such as youth or women's groups, and provide an educational recreational activities for girls to enhance teamwork, leadership and an understanding of gender and adolescent health issues.

The organization was founded in 2007 and began operations in 2009.

Activities

During the year under review, the organization attained population growth in its establishment.

The organization also carried numerous networking activities with likeminded local and international organizations.

The overriding objective of these activities was to increase public awareness of the need to close the gap in parity to the girl child's education and also to provide awareness on HIV/AIDS. The organization continues to implement these project activities.

Funds

The income of the organization was delivered primarily on grants from WISER International.

Scope of Audit

The objective of the audit is to evaluate the financial aspect of WISER - Kenya and assess whether the organization has managed resources provided in accordance with provision of various regulations, agreements and procedures.

More specifically, the audit involved;

- a) Review and assessment of the financial management systems of the organization.
- b) Ascertainment of the compliance with the organization's financial practices, procedures and conditions of grants/ fund agreements.
- c) Assessment of the extent of achievements of values for money in procurement and program activities.

Operating results

The results of fund accountability for the period under review and to date of this report are set out on page 8.


Directors

The Board who served during this period are set out on page 2.

Auditors

The Auditors, Aggrey & Company, Certified Public Accountants of Kenya held office during the period under review and have indicated their willingness to continue with the office and therefore offer themselves for reappointment under the governing of the Non-Governmental Organization Act.

On behalf of the WISER NGO Board: -

SIGN 
Dorcas.A. Oyugi, HSC

School Principal

DATE 28/03/2020



Statement of Directors' responsibility

The Act requires the Directors to prepare financial statements for the period that gives a true and fair state of the affairs of the organization as at the project period.

It also requires the Directors to ensure that the organization keeps proper accounting that discloses, with reasonable accuracy, the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The Directors accept responsibility for fund accountability statement that has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Statement of Recommended Accounting and Auditing Practices (SORAAPs) and the requirement of NGO's Act

The Directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the organization and Fund account. The Directors further accept the responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems and internal financial control.

Nothing has come to the attention of the Directors to indicate that the organization will not remain a going concern for at least 12 months from the date of this statement.



..... School Principal

Dorcas .A. Oyugi, HSC



Report of the Independent Auditors to the Directors of WISER

Opinion

In our opinion, the financial statements of WISER give a true and fair view of the financial position of the Organization as at 31st December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the NGO Act.

What we audited

The financial statements of WISER are set out on pages 8 to 27 and comprise:

- The statement of financial position at 31st December 2019
- The Fund Accountability statement, and the statement of cash flows for the year then ended:
- Notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

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 Auditors responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for professional Accountants' (IESBA code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Going Concern

While it is not the auditor's responsibility to determine whether, or not the Organization can prepare its financial statements under the going concern presumption; this is the responsibility of the Board of Directors. Our responsibility under ISA 570 is to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation of the financial statements, and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern.

We are also required to report to you if we have anything material to add or to draw attention to in relation to the Board's statement about whether they considered it appropriate to adopt the going concern basis in preparing the accounts.

We have nothing material to add or draw attention to.

Report of the Independent Auditors to the Directors of WISER

As noted in the Board's statement, the Board has concluded that it is appropriate to adopt the going concern basis in preparing the accounts. The going concern basis presumes that the Organization has adequate resources to remain in operation, and that the Organization intends to do so, for at least one year from the date the accounts were signed. As part of our audit we have concluded that the Organization use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Organization's ability to continue as a going concern.

Our audit approach

The scope of our audit was tailored to ensure we performed sufficient work to be able to give an opinion on the accounts, taking into account the operational structure of the Organization, the accounting systems, processes and controls.

Key Audit Matters

Key audit matters are those matters that in professional judgement, were of most significance in our audit of the financial statements of the current year. Those 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.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan NGO Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Board of Directors is responsible for assessing the Organization's ability to continue as a going concern basis of accounting unless they either intend to liquidate the Organization or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements 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 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 our audit in accordance with ISAs we exercise 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 to 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 the 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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.

Report on Other Legal Requirements

As required by the NGO Act we report to you that:

- a) We have obtained the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit:
- b) In our opinion, proper books of account have been kept by the Organization, so far as appears from our examination of those books and:
- c) The Organization's statements of financial position and of comprehensive income are in agreement with the summaries of financial transactions for the year as summarized.

The engagement Partner responsible for this audit emanating in this independent audit report is CPA Barack Aggrey Ochieng Obungu, who is a member of the Institute of Certified Public Accountants of Kenya, Member Registration number 1327 with a practicing License Number 699.

CPA Barack Aggrey Ochieng Obungu
MNO 1327 LNO 699
0713 983994 / 0703 133551
0733 894301 / 0731 567442


Certified Public Accountants of Kenya
Nairobi, Kenya

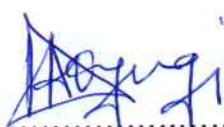
29/03 2020

Fund Accountability Statement		2019	2018
	NOTE	Kes	Kes
Receipts			
Grants and Scholarships	2 (a)	60,399,850	50,367,030
Other Income	2 (b)	2,805,515	1,714,662
Total Receipts		63,205,365	52,081,692
Less: Expenses			
NGO expenses	3	(800,536)	(1,358,417)
OUTREACH expenses	4	(795,002)	(1,188,005)
School Expenses	5	(49,488,445)	(43,009,096)
Other Projects	6	(6,794,664)	(4,576,011)
Construction Expenses	7	-	-
Non-Cash costs	8 & 10	(1,603,974)	(1,317,939)
		3,722,744	632,224

STATEMENT OF FINANCIAL POSITION

	NOTE	2019 Kes	2018 Kes
Non current Assets			
Property, Plant and Equipment	9	99,035,373	97,187,953
Current Assets			
Cash and Bank Balances	10	5,656,992	1,052,971
Account Receivable	11	-	85,010
		<u>5,656,992</u>	<u>1,137,981</u>
Current Liabilities			
Accounts Payables	12	785,022	139,470
		<u>785,022</u>	<u>139,470</u>
NET ASSETS		<u>103,907,342</u>	<u>98,186,463</u>
Financed by:			
Income	2	63,205,365	52,081,692
Funds Reserve	13	40,701,978	46,104,772
		<u>103,907,342</u>	<u>98,186,463</u>

The financial statements set on pages 8 to 15 were approved by the Board on 28/03 /2020 and were signed on its behalf by:



School Principal

Dorcas.A. Oyugi, HSC



CASH FLOW STATEMENT	2019	2018
	Kes	Kes
Cash flow from working capital changes		
Increase/ (decrease) in trade payables	645,552	59,470
Increase/ (decrease) in trade receivables	85,010	(14,000)
	<u>730,562</u>	<u>45,470</u>
Cash flow generated from investing and Financing decisions		
Purchase of fixed Assets	(2,133,455)	(1,369,382)
Receipts for the period	63,205,365	52,081,692
Net cash expensed during the year	(57,198,452)	(53,935,528)
	<u>3,873,458</u>	<u>(3,223,218)</u>
Net cash in (out) flow for the year	<u>4,604,020</u>	<u>(3,177,748)</u>
 Cash and cash equivalents at the start of the year	 1,052,971	 4,230,718
 Cash and cash equivalents at end of the year	 <u>5,656,992</u>	 <u>1,052,971</u>

NOTES TO THE FINANCIAL STATEMENTS

1) Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation of financial statements

The financial statements are prepared under historical cost conversion and are in accordance and compliance with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya Shillings (Kes)

The presentation of the financial statements is in conformity with the generally accepted accounting principles that require use of estimates and assumptions that affect the reporting amounts on assets and liabilities and disclose of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period.

(b) Revenue recognition

Funding is recognized on a receipt basis.

(c) Fixed Assets and depreciation

Assets are recognized at costs less depreciation. Depreciation is calculated on reducing balance and is estimated to write off the assets over the expected useful life as follows

Land & Buildings	-	Nil
Motor vehicle	-	25%
Computers	-	30%
Furniture & fitting	-	12.5%
Water Filter	-	12.5%
Generator	-	12.5%
Electricity Installation	-	12.5%

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

	2019	2018
	Kes	Kes
2 (a) Grants and Scholarships		
Wiser International	41,264,099	33,204,775
Duke Engage	1,743,700	1,564,498
JHS Scholarship	-	2,308,437
ELMA Foundation	3,504,996	-
Social Initiative	13,073,040	13,199,320
Donations	814,015	90,000
	<u>60,399,850</u>	<u>50,367,030</u>
2 (b) Other income		
Accommodation fees	10,000	-
Farm proceeds	33,250	47,350
School fees	2,762,265	1,667,312
	<u>2,805,515</u>	<u>1,714,662</u>
3 NGO expenses		
Bank Charges	7,865	8,610
NGO board expenses	188,248	36,545
Public awareness	-	239,550
Telephone, postage and Internet	-	102,750
Travelling expenses	-	58,253
Audit fees	80,000	80,000
Insurance	512,209	786,709
Consulting fees	12,214	46,000
	<u>800,536</u>	<u>1,358,417</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	2019	2018
	Kes	Kes
4 OUTREACH Expenses		
Scholarships and student supplies	167,370	170,684
Programme office expenses	45,200	125,807
Other expenses	167,530	633,506
Alumni day expenses	414,902	258,008
	<u>795,002</u>	<u>1,188,005</u>
5 WISER school expenses		
School Running expenses	15,998,836	11,423,079
School furniture	240,416	131,619
Salaries and Wages	27,526,773	25,994,777
Motor vehicle expenses	816,785	728,357
Printing and stationery	231,704	257,112
Repairs and maintenance	574,513	657,539
Travelling and Subsistence	588,914	558,709
Telephone, postage and internet	383,000	384,260
Electricity	408,741	508,035
Generator expenses	538,033	404,336
Support Staff accessories	139,499	115,263
Medical expenses	339,920	270,106
Newspapers and periodicals	34,560	31,200
Office running expenses	663,333	592,461
Awards	446,460	397,356
Bank Charges	40,825	42,001
Water	516,133	512,886
	<u>49,488,445</u>	<u>43,009,096</u>
6 Other projects		
Duke Engage Expenses	1,068,375	1,145,558
Tasis expenses	220,703	268,124
Graduation expenses	880,584	62,202
Dwight expenses	160,287	-
Generator Purchase Expenses	1,430,848	-
We share solar costs	71,397	-
Exams	150,000	
Traveling costs	102,515	
Administrative	620,448	
KESSHA costs	215,000	-
Alumni expenses	1,874,507	2,782,003
Durham expenses	-	318,124
	<u>6,794,664</u>	<u>4,576,011</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	2019	2018
	Kes	Kes
7 Construction expenses		
-School	-	-
	-	-
8 Non-Cash allocations		
Depreciation	1,603,974	1,317,939
	1,603,974	1,317,939

	Property, plant and equipment							
	Land	Electricity		Water		Motor	Equipment	
Cost/ Valuation	& Buildings	Installation	Generator	Filter	Computers	Vehicle	Furniture	TOTALS
	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes
At 1st January 2019	89,953,011	1,904,376	695,874	135,000	3,494,505	1,270,000	6,827,868	104,280,634
Additions/ (Disposal)	-	-	-	-	110,590	-	2,022,865	2,133,455
At 31st December 2019	89,953,011	1,904,376	695,874	135,000	3,605,095	1,270,000	8,850,733	106,414,089
Depreciation								
At 1st January 2019	-	670,340	243,247	94,411	2,137,746	1,178,835	1,450,163	5,774,742
Charge for the year	-	154,255	56,578	5,074	440,205	22,791	925,071	1,603,974
At 31st December 2019	-	824,595	299,825	99,485	2,577,951	1,201,626	2,375,234	7,378,716
Cost/ Valuation								
At 1st January 2018	89,953,011	1,904,376	695,874	135,000	3,280,595	1,270,000	5,672,396	102,911,252
Additions/ (Disposal)	-	-	-	-	213,910	-	1,155,472	1,369,382
At 31st December 2018	89,953,011	1,904,376	695,874	135,000	3,494,505	1,270,000	6,827,868	104,280,634
Depreciation								
At 1st January 2018	-	670,340	243,247	94,411	2,137,746	1,178,835	1,450,163	5,774,742
Charge for the year	-	154,255	56,578	5,074	407,028	22,791	672,213	1,317,939
At 31st December 2018	-	824,595	299,825	99,485	2,544,774	1,201,626	2,122,376	7,092,681
Net Book Value								
At 31st December 2019	89,953,011	1,079,782	396,049	35,515	1,027,144	68,374	6,475,499	99,035,373
At 31st December 2018	89,953,011	1,079,782	396,049	35,515	949,731	68,374	4,705,492	97,187,953

WOMENS' INSTITUTE FOR SECONDARY EDUCATION AND RESEARCH-WISER

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	2019 Kes	2018 Kes
7 Construction expenses		
-School	-	-
	-	-
8 Non-Cash allocations		
Depreciation	1,603,974	1,317,939
	1,603,974	1,317,939

Property, plant and equipment

	Land & Buildings Kes	Electricity Installation Kes	Generator Kes	Water Filter Kes	Computers Kes	Motor Vehicle Kes	Equipment Furniture & Fittings Kes	TOTALS Kes
As at 1st January 2019	89,953,011	1,904,376	695,874	135,000	3,494,505	1,270,000	6,827,868	104,280,634
Additions/ (Disposal)	-	-	-	-	110,590	-	2,022,865	2,133,455
As at 31st December 2019	89,953,011	1,904,376	695,874	135,000	3,605,095	1,270,000	8,850,733	106,414,089
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Cost/ Valuation								
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Additions/ (Disposal)	-	-	-	-	213,910	-	1,155,472	1,369,382
As at 31st December 2018	89,953,011	1,904,376	695,874	135,000	3,494,505	1,270,000	6,827,868	104,280,634
Depreciation								
As at 1st January 2018	-	670,340	243,247	94,411	2,137,746	1,178,835	1,450,163	5,774,742
Charge for the year	-	154,255	56,578	5,074	407,028	22,791	672,213	1,317,939
As at 31st December 2018	-	824,595	299,825	99,485	2,544,774	1,201,626	2,122,376	7,092,681
Net Book Value								
As at 31st December 2019	89,953,011	1,079,782	396,049	35,515	1,027,144	68,374	6,475,499	99,035,373
As at 31st December 2018	89,953,011	1,079,782	396,049	35,515	949,731	68,374	4,705,492	97,187,953

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	2019	2018
	Kes	Kes
10 Bank and Cash Balances		
Petty Cash	114,335	140,207
Equity Bank-Wiser School Account	1,625,943	792,266
Equity Bank-CD Account	3,909,291	113,075
Equity Bank-Project	7,423	7,423
	<u>5,656,992</u>	<u>1,052,971</u>
11 Accounts Receivable		
Muhuru Water Community	-	85,010
	<u>-</u>	<u>85,010</u>
12 Accounts Payables		
Audit Fees	80,000	80,000
Kenya Power & Lightening Company	30,000	-
Pension	331,480	-
Pay As You Earn (PAYE)	343,542	-
Suppliers	-	59,470
	<u>785,022</u>	<u>139,470</u>
13 Funds Reserve		
Development Funds to date	39,649,007	41,874,054
Cash and bank balances at start of the year	1,052,971	4,230,718
	<u>40,701,978</u>	<u>46,104,772</u>