

HATUA LIKONI ORGANIZATION

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**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH. SEPTEMBER 2011**

.....

AUDITORS:

**LEONARD J. MSALAME & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O.BOX 88490- CODE 80100
MOMBASA**

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HATUA LIKONI ORGANISATION

Annual Report and Financial Statements For
The year ended 30th September, 2011

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HATUA LIKONI ORGANIZATION

Officers and Professional Advisors For the year ended 30Th September, 2011

Board of Trustees

: Mr. Mwakio Ndau

: Mrs. Anne Njenga

: Mr. Barua Mshenga

Registered Office : Youth Empowerment Centre & Library – Likoni, Mombasa

Postal Address : P.O. Box 96690-80110, Likoni, Mombasa

Bankers : Cooperative Bank
Likoni Branch

Auditors : Leonard J. Msalame & Associates
Certified Public Accountants
Auditors and Tax Consultants
P.O. Box 88490, Mombasa

Report of Board of Trustees

The Board of Trustees has the pleasure of presenting their report, together with the audited financial statements of the Organization for the year ended 30th September 2011.

Principal Activities

Hatua Likoni is a community based NGO providing secondary and university scholarships to Likoni's top students to ensure they gain the skills and credentials needed to contribute to and benefit from Kenya's growing economy. The Organization's mentoring program, focused on career guidance and civic education, encourages youth to see themselves as agents for economic development, good governance and educational advancement in Likoni. Hatua Likoni's Community Library serves as a well-resourced study environment for Likoni youth and a forum for community trainings. The Organization's supports for the Likoni Community Football League helps the League to organize weekly football matches for 1,000 Likoni youth.

Results and Dividends

The Organization being an NGO does not declare dividends in any form.

Auditors

The Organization's Auditor, M/s Leonard J. Msalame & Associates - Certified Public Accountants have expressed their willingness to continue in office in accordance with laws of Kenya.

By the order of the Board of Trustee

Secretary _____

Date: _____

HATUA LIKONI ORGANIZATION

Statement of the Board of Trustees Responsibilities:

The constitution of the Organization requires the Board of Trustees to prepare financial statements for the year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of its profit and loss for that year. It also requires the director to ensure that the organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Organization. They are also responsible for safeguarding the assets of the Organization.

The Board of Trustees accept responsibility for annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Reporting Standards and the requirements of the Accounting Standards. The Board of Trustees is of the opinion that this financial statement gives a true and fair view of the state of the financial affairs of the Organization and of its results. The Board of Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Board of Trustees to indicate that the Organization will not continue operating for at least the next twelve months from the date of this statement.

Board of Trustees (1) Mr. Mwakio Ndau

(2) Mrs. Anne Njenga

(3) Mr. Barua Mshenga

Report of the Independent Auditors

We have audited the financial statements of the Organization as set out on page 6 to 9 for the year ended 30th September 2010 and have obtained all the information and explanations, which to the best of knowledge and belief, were necessary for the purposes of our audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of Owner and Auditors

As described on page 4 the Board of Trustees are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the organization and of its operating results. Our responsibilities are to express an independent opinion on the financial statements based on our Audit.

Basis of Opinion

We conducted our audit in accordance with International Standards of Auditing. Those standards required that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in financial statements. It also includes assessment of accounting policies used and significant estimates made by the Trustees, as well as evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of affairs of Hatua Likoni Organization at 30th September 2011 and of the results of its operations and cash flows for the year then ended, and comply with International Financial Reporting Standards in agreement with Accounting Standards.

HATUA LIKONI ORGANISATION
 ACCOUNTS FOR THE YEAR 2011
 PERIOD ENDING 30TH. SEPTEMBER 2011
 INCOME AND EXPENDITURE ACCOUNT

leornardmsalame@hotmail.com

	FY 2011	FY 2010
INCOME	KSHS	KSHS
Balance B/fwd	425,711.28	124,014.00
Donours Funds Received	6,110,322.00	5,439,286.00
Volunteer House	102,300.00	185,050.00
Merchandise Sales	16,500.00	46,600.00
Holiday Tutition Income	-	2,000.00
Madaraka Income	2,550.00	148,600.00
Poultry Income	77,000.00	26,380.00
Library Harambee Collection	170,364.00	-
TOTAL	6,904,747.28	5,971,930.00
EXPENCES		
ADMINISTRATION		
Accountants Fee/Audits	20,000.00	22,000.00
Airtime and Transportation	142,166.00	187,800.00
Annual General Meeting	32,878.00	-
Bank Charges	11,401.00	12,900.00
Computer Maintenance	10,000.00	11,000.00
Government Registration	16,740.00	3,300.00
Office Maintenance	4,300.00	-
Meeting Expences	3,360.00	7,141.00
Motorbike Fuel & Maintainance	-	22,540.00
Office Electricity & Water	7,100.00	4,675.00
Office Furniture & Equipment	60,502.00	14,484.00
Postages & Internet	70,985.00	67,062.00
Printing & Stationary	59,166.28	31,413.72
Technology	53,642.00	44,419.00
Subtotal	492,240.28	428,734.72
PROGRAM COSTS		
Baseline Survey	8,300.00	169,812.00
Community Events	56,668.00	58,564.00
Contributions to Needy Causes	37,090.00	3,150.00
Library Books Cataloging Stationary	4,511.00	-
Library Books Transport	12,300.00	4,600.00
Library Lighting & Fans	25,750.00	-

Library Shelves, Tables & Desks	282,332.00	-
Likoni Community Football League	296,081.00	-
LSF Annual Trip	46,080.00	8,500.00
LSF Boarding Student Shopping	32,002.00	13,693.00
LSF Mentoring	124,557.00	40,239.00
LSF School Books & Supplies	174,546.00	89,581.00
LSF School Fees	1,577,405.00	843,774.00
LSF School Uniforms, Shoes & Bags	271,476.00	142,258.00
LSF Student Hostle	98,100.00	50,510.00
LSF Student Medical	5,150.00	800.00
LSF Student Transport	37,965.00	39,490.00
LSF Tuition	9,470.00	13,800.00
Madaraka Community Nursery School	414,575.00	753,845.00
Staff Wages	576,700.00	1,090,400.00
Twaayf Children's Development Center	371,849.00	843,580.00
Subtotal	4,462,907.00	4,166,596.00

INCOME GENERATING ACTIVITES

Poultry Rearing	-	230,250.00
Land Research and Purchase	224,575.00	428,750.00
Library Harambee	11,872.00	-
Merchandise	-	46,720.00
Mombasa Fundraiser	-	6,189.00
Volunteer House Expences	178,850.00	216,729.00
Subtotal	415,297.00	928,638.00
Staff loans	40,800.00	22,250.00
Depreciation for the year	144,863.25	69,379.00
Totals:	5,556,107.53	5,615,597.72

SURPLUS/DEFICIT:

	<u>1,348,639.75</u>	<u>356,332.28</u>
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SURPLUS AND DEFICIT ACCOUNT

INCOME SUMMARY

	NOTE	2011	2010
		KSHS	SHS
Income	1	<u>6,904,747.28</u>	<u>5,971,930.00</u>
Administrative Expenses	2	(480,839.28)	(415,834.72)
Staff Loan	3	(40,800.00)	(22,250.00)
Programme Costs	4	(4,462,907.00)	(4,166,596.00)
Depreciation for the year	5	(144,863.25)	(69,379.00)
Financial Expenses(Bank Charges)	6	(11,401.00)	(12,900.00)
Income Generating Activities	7	(415,297.00)	(928,638.00)

	<u>(5,556,107.53)</u>	<u>(5,615,597.72)</u>
Net Surplus for the year	<u>1,348,639.75</u>	<u>356,332.28</u>

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	<u>2011</u>	<u>2010</u>
	<u>KSHS</u>	<u>KSHS</u>
<u>FUNDS EMPLOYED</u>		
Balance of Surplus B/fwd	1,536,815.00	1,099,122.00
	-	-
Surplus for Current year	1,360,794.00	437,693.00
	-	-
	<u>2,897,609.00</u>	<u>1,536,815.00</u>
TOTAL FUNDS EMPLOYED	<u>2,897,609.00</u>	<u>1,536,815.00</u>
<u>REPRESENTED BY:</u>		
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	1,403,351.75	<u>905,582.00</u>
<u>CURRENT ASSETS</u>		
Stock	-	279,540.00
Cash in Hand and Library Bank Bal.	132,709.00	-
Staff Loans	26,350.25	22,762.00
Bank Balances	1,360,794.00	425,711.00
	<u>1,519,853.25</u>	<u>705,251.00</u>
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	25,596.00	-
Land balance	-	64,000.00
Audit fee	-	22,000.00
	<u>25,596.00</u>	<u>86,000.00</u>
NET CURRENT ASSETS	1,494,257.25	619,251.00
TOTAL NET ASSETS	<u>2,897,609.00</u>	<u>1,524,833.00</u>

The financial statements on pages 4 to 7 were approved for issue by the board

of Trustee on _____ 2012 and signed on its behalf by:

Chairman of Board Trustee.....

HATUA LIKONI ORGANIZATION

FIXED ASSETS SCHEDULE AS AT 30TH SEPTEMBER 2011

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Property, Plant and Equipments

	Land & Building	Furniture & Fittings	Kitchen Equipment	Library Dev.	Office tools & Equipment	Electronic Equipments	Computers	Machinery	Bicycles	Totals
	KShs	KShs	KShs	Kshs	KShs	KShs	KShs	KShs	KShs	KShs
At 1st October, 2010	573,212.00	155,529.00	50,233.00	-	34,688.00	63,969.00	204,310.00	3,500.00	14,000.00	1,099,441.00
Addition	224,575.00	27,750.00	-	318,893.00	-	-	-	-	0	571,218.00
	797,787.00	183,279.00	50,233.00	318,893.00	34,688.00	63,969.00	204,310.00	3,500.00	14,000.00	1,670,659.00
DEPRECIATION										
At 1st October, 2010	-	32,164.00	8,591.00	-	6,335.00	14,993.00	54,728.00	821.00	4,812.00	122,444.00
Charge for the Current year	-	22,909.88	6,279.13	39,861.63	4,336.00	7,996.13	61,293.00	437.50	1,750.00	144,863.25
	-	55,073.88	14,870.13	279,031.38	10,671.00	22,989.13	116,021.00	1,258.50	6,562.00	267,307.25
NET BOOK VALUE										
At 30th. September, 2011	797,787.00	128,205.13	35,362.88	279,031.38	24,017.00	40,979.88	88,289.00	2,241.50	7,438.00	1,403,351.75
At 30th. September, 2010	573,212.00	123,365.00	41,642.00	-	28,353.00	48,976.00	76,636.00	2,679.00	10,719.00	905,582.00