

MACHEO CHILDREN'S CENTRE:

P.O. BOX 3443 - 01002 MADARAKA, THIKA

FINANCIAL STATEMENTS

&

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER, 2023



Mbiyu Muhia & Associates,
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MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.

ANNUAL REPORT AND FINANCIAL STATEMENTS.

FOR THE YEAR ENDED 31 DECEMBER, 2023

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

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ORGANISATION'S INFORMATION

FOR THE YEAR ENDED 31 DECEMBER, 2023

REGISTRATION

The organisation is registered to work in Kenya under Section 10 of the Non-Governmental Organisations Co-ordination Act, Certificate No. OP. 218/051/2005/0410/3824

Board Members

Josphat Ngaira Musumba	-	Chairperson
Jennifer Wanjiru Weru	-	Secretary
Marnix Huis in't Veld	-	Member

Auditor

Mbiyu Muhia and Associates
Certified Public Accountants-CPA (K)
P.O Box 3975 - 01002
Madaraka - Thika
mbiyumuhiaassociates@yahoo.com

Registered Office

Macheo Children's Centre,
P.O Box 3443 - 01002,
Madaraka - Thika

Principal Bankers

Standard Chartered Bank of Kenya Limited,
P.O Box 30001- 00100,
Nairobi - Kenya

**REPORT OF THE BOARD MEMBERS,
FOR THE YEAR ENDED 31 DECEMBER, 2023**

The Board has the pleasure in submitting their report and the audited financial statements for the year ended 31 December, 2023 which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITIES

Macheo Children's Centre hereby referred as 'the organisation' is a registered not-for-profit organisation.

The purpose of the organization is to release restrained potential in disadvantaged children by carrying out intervention that cut across the six domains of a child's wellbeing. These are: Education and Skills, Food and Nutrition, Health, Psychosocial wellbeing, Protection, Shelter and Care. It envisions a society where children live happily in a safe, caring and stimulating environment that promotes the best of their potential.

RESULTS

Results of the year are set out from page 7.

Board Members

The Members of the Board who served during the year and the date of this report are set out on page 1.

INDEPENDENT AUDITORS

The Organisation's Auditors M/S MBIYU MUHIA & ASSOCIATES, Certified Public Accountants, CPA(K) has expressed willingness to continue in office.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 21/03/2024 2024

By order of the Board,

Secretary.

JENNIFER WANJIRU

NAME



SIGNATURE



STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER, 2023

The board is 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 organisation's operating results for that year. It also requires the board to ensure the organisation keeps proper accounting records which disclose with reasonable accuracy the financial position of the Organization. The Board is also responsible for safeguarding the assets of the Organization.

The Board accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the organisation and its operating results. The Board further accept responsibility for the maintenance of accounting records which 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 to indicate that the organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Dated..... 21/03/..... 2024 and signed on behalf of the Board

Chairperson..... JOSPHEAT N. MUSUMBA
Name

.....
Signature

Secretary..... JENNIFER WANJIRU
Name

.....
Signature

Treasurer..... JENNIFER WANJIRU
Name

.....
Signature



REPORT OF THE INDEPENDENT AUDITORS**To the members of****MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.****Opinion**

We have audited the accompanying financial statements of Macheo Children's Centre, set out on pages 7 to 17, which comprise the statement of financial position as at 31 December, 2023, the income statement, statements of changes in equity and cashflows 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 organisation as at 31 December, 2023 and of its financial performance and cashflows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Non-Governmental Organisations Co-ordination Act.

Basis of 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 (IESBACode) 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 IESBACode. 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. 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 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

Board members' responsibility for the financial statements

The board members are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards, 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 the going concern basis of accounting unless the 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

REPORT OF THE INDEPENDENT AUDITOR

To the members of

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 organization's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 organization'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 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

Scope of audit

1 The Accounting System.

Develop an understanding of the accounting system and obtain all related documentation, manuals, written policies, relevant procedures and other guidelines and ensure they have been complied with during the period under review. Assess the reasonableness of expenditures, ascertain there was no double funding and report on whether value for money has been achieved.

2 The organisation structure and the control environment.

Assess organisation structure in terms of effectiveness and efficiency of the framework of authorities, workflows, adequacy of staffing and competency of the employees especially in the finance function and appropriate segregation of duties. Evaluate the control environment.

3 Programme activities under the various donor funds.

Critically review implementation, monitoring and supervision exercised over the funded projects. Review work plans, projects reports, vis a vis the appropriated project resources and assess the general achievement of value for money; budgets and financial expenditure, beneficiary selection, operation procedures and their effects on service delivery. Ascertain the funds opening and closing balances as well as exchange gains/loss under each funding agreement.

4 Human resource function

Review the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel including performance appraisal, payroll preparation and remittance of statutory deductions and management of personnel records. Ascertain of existence and completeness of any human resource policies and or guidelines.

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.
AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 DECEMBER, 2023

Scope of audit (continued)

5 The finance function.

Review adequacy of the accounting and financial operations and reporting systems. This will include budget control, cash management, certification and approving authority, receipt of funds, disbursement of funds, proper recording of management intervention and override, records maintenance and control.

6 The procurement procedures adopted by the project.

Review the set procurement procedures and policies for competitiveness, transparency and effectiveness. Testing them for compliance and where there is departure, review documented reasons for such. Ascertain that assets (permanent and consumable) and services procured meet the requirement of funded activities.

7 The General administration of the projects.

Review the management and safeguard of the assets, travel activities, vehicles management, office communications and records maintenance as well as the control and management of consumable and permanent inventories.

8 The information systems of the project.

Review the appropriateness and adequacy of the management information systems and the security and control of equipment and data whether manual, semi or fully computerized.

9 Previous audit recommendations.

Review the status of the previous audit findings and recommendations detailing levels of implementation to date, the consistency of practice and general usefulness to the organization.

10 Funding agreements.

Assess the extent of compliance with the terms and conditions of the funding agreements over the period under review.

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 legal requirements

- (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;
- (iii) The organization's Statement of financial position and income statement are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA David Mbiyu Practising Certificate No P 1590

Mbiyu Muhia & Associates



Mbiyu Muhia & Associates
 Certified Public Accountants (CPA K)
 P. O. BOX 3975-01002, Thika.
 TEL: +254 0202602369/ +254 - 0721 - 349128
 EMAIL: mbiyumuhiaassociates@yahoo.com
 Muranga Farmers Building 2nd Floor Rm.13
 Kwameh Nkurumah Street.

Date: 21/03/2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2023

	<u>Notes</u>	<u>2023</u> <u>Kshs</u>	<u>2022</u> <u>Kshs</u>
Revenue	2	154,530,820	132,900,659
Total revenue		<u>154,530,820</u>	<u>132,900,659</u>
<u>EXPENDITURE</u>			
Program Expenses	3	153,840,361	121,026,856
Administrative Expenses	4	1,049,762	1,298,051
Supporting Expenses	5	70,248	132,778
Other operating Expenses	6	2,121,289	2,425,822
Total Expenditure		<u>157,081,661</u>	<u>124,883,507</u>
Surplus/(deficit) for the year		<u><u>(2,550,840)</u></u>	<u><u>8,017,152</u></u>


STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2023

ASSETS	Notes	2023 Kshs	2022 Kshs
Non-current assets			
Property, plant and equipment	7	33,952,801	36,074,091
		<u>33,952,801</u>	<u>36,074,091</u>
Current assets			
Inventory	8	627,278	391,896
Trade and other receivables	9	18,915,162	5,431,890
Cash and cash equivalents	10	37,251,479	22,857,520
		<u>56,793,919</u>	<u>28,681,305</u>
TOTAL ASSETS		<u><u>90,746,720</u></u>	<u><u>64,755,395</u></u>
FUNDS AND LIABILITIES			
Current liabilities			
Trade and other payables	11	1,682,921	1,963,775
		<u>1,682,921</u>	<u>1,963,775</u>
Funds:			
Property & Equipment / Capital Fund	13	33,952,801	36,074,091
Accumulated / General Fund	14	2,245,111	2,648,242
Restricted Funds	12	52,865,885	24,069,287
		<u>89,063,798</u>	<u>62,791,620</u>
TOTAL FUNDS AND LIABILITIES		<u><u>90,746,720</u></u>	<u><u>64,755,395</u></u>

The financial statements were authorised for issue by the board members on 21.03.2024 and were signed on its behalf by:

Chairperson JOSPHAT N. MUSUMBA
Name


Signature

Treasurer JENNIFER WANJIRU
Name


Signature



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2023

	Property & Equipment Fund <u>Kshs</u>	Accumulated / General Fund <u>Kshs</u>	Funds Received in Advance <u>Kshs</u>	TOTAL <u>Kshs</u>
Year ended 31 December, 2022				
As at 1 January, 2022	28,489,305	2,215,875	10,923,379	41,628,560
Prior year adjustment	-	-	-	-
Surplus/(Deficit) For the year	-	8,017,152	-	8,017,152
Transfer to Property & Equipment Fund	10,010,608	(10,010,608)	-	-
Transfer From Property & Equipment Fund	(2,425,822)	2,425,822	-	-
Net change for the Year	-	-	13,145,908	13,145,908
As at 31 December, 2022	36,074,091	2,648,242	24,069,287	62,791,620
Year ended 31 December, 2023				
As at 1 January, 2023	36,074,091	2,648,242	24,069,287	62,791,620
Prior year adjustment	-	26,420	-	-
Surplus/(Deficit) For the year	-	(2,550,840)	-	(2,550,840)
Transfer to Property & Equipment Fund	-	-	-	-
Transfer From Property & Equipment Fund	(2,121,289)	2,121,289	28,796,598	28,796,598
Net change for the Year	-	-	-	-
As at 31 December, 2023	33,952,801	2,245,111	52,865,885	89,063,798

Prior year adjustment relates to correction of a stale cheque that was issued and not presented in year 2021

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023	2022
	<u>Kshs</u>	<u>Kshs</u>
Surplus/Deficit For The Year	(2,550,840)	8,017,152
Add : Depreciation-Current year charge	2,121,289	2,425,822
Less : Gain on disposal	-	(391,049)
Adjustments	<u>26,420</u>	<u>-</u>
Operating Profit before working capital changes	(403,131)	10,051,926
Operating activities		
(Increase)/Decrease in Inventory	(235,382)	-
Increase/(Decrease) in payables	(280,854)	256,798
(Increase)/Decrease in receivables	<u>(13,483,272)</u>	<u>(4,889,163)</u>
Cash in(out)/flows from operating activities	<u>(14,402,639)</u>	<u>5,419,561</u>
Investing Activities		
Purchase of non-current assets	-	(10,066,059)
Disposal of Assets	-	446,500
Cash in(out)/flow from investing activities	<u>-</u>	<u>(9,619,559)</u>
Financing Activities		
Movement in restricted finds	<u>28,796,598</u>	<u>13,145,907</u>
Cash in(out)/flow from financing activities	<u>28,796,598</u>	<u>13,145,907</u>
Net (outflow)/inflow in cash and cash equivalents	<u>14,393,959</u>	<u>8,945,909</u>
Movement in cash and cash equivalents		
At the start of the year	22,857,520	13,911,611
Movement during the year	14,393,959	8,945,909
At the end of the year	<u><u>37,251,479</u></u>	<u><u>22,857,520</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023**

1) SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards . The Financial statements are prepared under the historical cost convention and are presented in the functional currency, Kenya Shillings (Ksh).

b) Revenue recognition

Income shall comprise funding from different donors, income from the social enterprises, grants, donations, bank interest, investment returns and proceeds from fund raising initiatives and disposal of assets and shall include all those revenues due and receivable in the accounting period. Income shall be recognized in the financial statements in the year to which their assets relate.

c) Foreign Currencies translation

Transactions, monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are converted into Kenya shillings at the prevailing rate of exchange ruling at that date. The resulting gain and/or losses from settlement of such transactions and translations are recognised on a net basis in the income account in the year in which they arise

d) Property, plant & equipment

i) Depreciation

Property, plant and equipment are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably. Repairs and maintenance is charged to the income and expenditure account in the year to which it relates

Depreciation is calculated on the rates calculated to write off the costs of the fixed assets, less their estimated residue value, over their expected useful life on the following basis

Land	Nil	
Buildings	2.5%	Straight Line
Green Houses	2.5%	Reducing balance (2020 - 50%, Straight Line)
Computers and Electronics	30.0%	Reducing balance
Motor Vehicles	25.0%	Reducing balance
Furniture, fittings & Equipment	12.5%	Reducing balance
Utensils and kitchen equipment	12.5%	Reducing balance

e) Receivables

Trade and other receivables are stated at nominal value less provision for any amount expected to be irrecoverable.

f) Payables and Accruals

Payables are stated at nominal value, less any amount not expected to be paid.

g) Cash and Cash Equivalent

For the purposes of the cashflow statement cash and cash equivalents comprise cash in hand and cash at bank.

h) Retirement Benefit Obligation

The organisation contributes to a statutory defined contribution pension scheme, the National Social Security Fund.

i) Comparatives

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

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

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	2023	2022
	<u>Kshs</u>	<u>Kshs</u>
2) REVENUE		
Child Care & Protection	40,107,005	32,451,150
Facilitate Emergency Family Support	1,431,853	2,032,027
Facilitate Direct Individuals School Support	12,753,034	9,705,995
Physical health Support	22,124,312	13,516,536
Family economic empowerment	20,816,232	13,725,008
Mental Health Support	6,592,684	5,800,859
Assist teenage mothers	5,339,195	4,104,047
Physical Living & Learning Conditions	7,257,815	3,074,849
School feeding	23,354,643	25,410,856
Life skills training	7,156,164	5,007,240
Income Generating Projects	70,248	482,145
Projects	6,477,872	15,900,849
Administration	1,049,762	1,298,050
Other Gains/(Losses)	-	391,049
	<u>154,530,820</u>	<u>132,900,659</u>
3) PROGRAM EXPENSES:		
Insurance	753,110	548,475
Clothing	216,891	288,606
Counseling	3,367,687	2,805,274
Leisure & Activities	4,102,876	2,702,062
Medical	12,288,578	8,925,324
Rent	115,000	120,000
Security	2,700	7,115
Office Supplies and printing	146,835	731,980
Education	16,823,916	12,918,667
Seminars	1,336,521	542,451
Macheo Admin Costs	6,705,032	3,261,722
School Activities	78,363	700
	<u>45,937,509</u>	<u>32,852,376</u>

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023	2022
	<u>Kshs</u>	<u>Kshs</u>
<u>PROGRAM EXPENSES CONTINUED</u>		
Economic Empowerment	10,269,785	6,380,907
Communication	1,118,466	1,342,403
Infrastructure	7,459,895	1,778,492
Child Family Support	1,178,123	1,242,167
Community work	6,551,187	12,915,368
M&E and other Subscription	-	175,711
Sanitary pads	24,200	-
Bank Charges	1,572	83,744
Emergency Support	989,263	55,075
Personnel cost	49,515,614	29,877,679
Utilities	1,002,309	1,433,152
Food	16,799,348	18,607,981
Household	2,467,711	2,568,953
Professional Fees	231,878	712,099
Repair and maintenance	1,078,097	980,604
Transportation	8,629,811	8,102,732
Cash tranfer (Corona Pandemic)	472,484	1,917,413
Stakeholders meeting	<u>113,109</u>	<u>-</u>
	<u>153,840,361</u>	<u>121,026,856</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2023

	<u>2023</u> <u>Kshs</u>	<u>2022</u> <u>Kshs</u>
4) ADMINISTRATIVE EXPENSES		
Audit & Professional fees	1,960,077	876,478
Office costs	405,491	222,174
Communication	398,943	349,357
Personnel Costs	2,224,200	1,781,201
Insurance expense	256,909	158,801
Bank & Mpesa charges	780,391	653,453
M&E and other Subscription	1,230,597	373,537
Household Utilities	40,185	-
Repair and maintenance	149,546	115,674
Transportation	608,496	191,865
Allocation to programs	<u>(7,005,073)</u>	<u>(3,424,489)</u>
	<u>1,049,762</u>	<u>1,298,051</u>
5) INCOME GENERATING PROJECTS EXPENSES		
Personnel costs	62,748	104,916
Bank & Mpesa charges	-	362
Household	-	6,500
Professional fees	7,500	-
Repair and maintenance	-	17,371
Fuel, Transport & Travel costs	-	3,629
	<u>70,248</u>	<u>132,778</u>
6) OTHER OPERATING EXPENSES		
Depreciation expense	<u>2,121,289</u>	<u>2,425,822</u>
	<u>2,121,289</u>	<u>2,425,822</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

7) PROPERTY, PLANT & EQUIPMENT

	Land Kshs 0.0%	Buildings Kshs 2.5%	Computer & Electronics Kshs 30.0%	Motor Vehicles Kshs 25.0%	Furniture, Fittings & Equipment Kshs 12.5%	Utensils & Kitchen Equipment Kshs 12.5%	Total Kshs
Year ended 31 December, 2023							
Cost							
At 1 January, 2023	7,495,000	33,443,103	2,657,831	7,006,157	4,265,194	1,421,900	56,289,185
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
At 31 December, 2023	7,495,000	33,443,103	2,657,831	7,006,157	4,265,194	1,421,900	56,289,185
Depreciation							
At 1 January, 2023	-	10,515,809	1,741,108	3,659,672	3,016,890	1,281,615	20,215,094
Charge for the year	-	836,078	275,017	836,621	156,038	17,536	2,121,289
Disposal	-	-	-	-	-	-	-
At 31 December, 2023	-	11,351,887	2,016,125	4,496,293	3,172,928	1,299,150	22,336,384
Net Book Value							
At 31 December, 2023	7,495,000	22,091,216	641,706	2,509,864	1,092,266	122,750	33,952,801
Year ended 31 December, 2022							
Cost							
At 1 January, 2022	7,495,000	28,763,054	1,618,176	4,426,157	3,910,339	1,380,400	47,593,126
Additions	-	4,680,049	1,039,655	3,950,000	354,855	41,500	10,066,059
Disposal	-	-	-	(1,370,000)	-	-	(1,370,000)
At 31 December, 2022	7,495,000	33,443,103	2,657,831	7,006,157	4,265,194	1,421,900	56,289,185
Depreciation							
At 1 January, 2022	-	9,796,733	1,348,227	3,858,726	2,838,561	1,261,574	19,103,821
Charge for the year	-	719,076	392,881	1,115,495	178,329	20,041	2,425,822
Disposal	-	-	-	(1,314,549)	-	-	(1,314,549)
At 31 December, 2022	-	10,515,809	1,741,108	3,659,672	3,016,890	1,281,615	20,215,094
Net Book Value							
At 31 December, 2022	7,495,000	22,927,294	916,723	3,346,485	1,248,304	140,285	36,074,091

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023 <u>Kshs</u>	2022 <u>Kshs</u>
8) INVENTORY		
Closing stock	627,278	391,896
	<u>627,278</u>	<u>391,896</u>
9) TRADE AND OTHER RECEIVABLES		
Debtors outside Macheo	2,101	-
Donations	18,379,542	4,973,963
Cash with employees	5,759	2,736
Prepaid expenses	87,420	200
Debtors Employees Macheo	440,339	454,991
	<u>18,915,162</u>	<u>5,431,890</u>
10) CASH AND CASH EQUIVALENTS		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Standard Chartered Bank - KES Account	36,744,589	22,652,931
Standard Chartered Bank - USD Account	-	8,144
Standard Chartered Bank - EURO Account	-	8,570
Rotary Account - KES Account	1	-
Petty Cash	6,759	14,777
Cash in M-Pesa	374,391	136,434
M-Pesa Bulk Payment	125,739	36,664
	<u>37,251,479</u>	<u>22,857,520</u>
11) TRADE AND OTHER PAYABLES		
Macheo Employees	47,360	57,303
Creditors outside Macheo	61,228	763,800
Audit Fees	127,600	127,600
Statutory Payable	1,425,625	993,944
Transfer to third parties	21,108	21,128
	<u>1,682,921</u>	<u>1,963,775</u>
12) RESTRICTED FUNDS		
Donations received in advance	52,813,849	23,970,758
Donations in progress	52,036	98,529
	<u>52,865,885</u>	<u>24,069,287</u>
13) PROPERTY AND EQUIPMENT FUND/CAPITAL FUND		
Balance brought forward	36,074,091	28,489,305
Prior year adjustment	-	-
Transfer from Accumulated fund – additions	-	10,010,608
Transfer to Accumulated fund – depreciation	(2,121,289)	(2,425,822)
	<u>33,952,801</u>	<u>36,074,091</u>
Property and equipment fund represents funds invested in the Net book value of property and equipment and capital grants which not available for other uses.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023	2022
	<u>Kshs</u>	<u>Kshs</u>
14) ACCUMULATED FUND/GENERAL FUND		
Balance brought forward	2,648,242	2,215,875
Prior year adjustment	26,420	-
Surplus/Deficit for the year	(2,550,840)	8,017,152
Transfer to property and equipment fund (Additions)	-	(10,010,608)
Transfer from property and equipment fund (Depreciation)	<u>2,121,289</u>	<u>2,425,822</u>
Balance carried forward	<u><u>2,245,111</u></u>	<u><u>2,648,242</u></u>

15) REGISTRATION

The organisation is registered in Kenya under section 10 of the Non-Governmental Organisations Co-ordination Act certificate No. OP. 218/051/2005/0410/3824.

16) TAXATION

The organisation relies on donations which are not taxable. Accordingly, no tax has been provided in these financial statements.

17) NUMBER OF EMPLOYEES

The number of employees as at 31 December, 2023 were 146 (One hundred and forty six), in comparison to 120 (One hundred and twenty) Employees as at 31 December, 2022

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.

Annex I

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023
DETAILED INCOME STATEMENT PER INTERVENTION

	Child Care & Protection	Facilitate Emergency Family Support	Facilitate Direct Individual School Support	Physical Health Support	Mental Health Support	Family Economic Empowerment	Life Skills Training	Assist Teenage Mothers	Physical Living & Learning Conditions	School Feeding	Projects	2022
Donations from NL	25,033,060	1,232,507	10,048,852	16,933,214	3,094,331	13,481,390	6,625,869	3,731,855	6,589,500	8,340,622	6,232,275	98,285,795
Non-NL Donations	13,586,113	180,930	2,349,642	4,640,561	3,337,478	7,044,512	417,750	1,392,595	270,993	12,146,693	-	25,519,718
Local donations	153,947	-	96,466	60,500	7,020	16,900	36,900	11,000	46,630	41,600	106,525	1,029,288
Parents Contribution	-	-	5,500	-	-	-	-	-	-	2,259,280	-	3,595,344
Exchange gain/(loss)	1,333,885	18,416	252,574	490,036	153,855	273,431	75,645	203,745	350,692	596,449	139,072	2,299,270
Total Income	40,107,005	1,431,853	12,753,034	22,124,312	6,592,684	20,816,232	7,156,164	5,339,195	7,257,815	23,354,643	6,477,872	130,729,415
Expenses												
Insurance	422,264	-	8,101	24,303	24,302	24,303	12,151	8,101	4,050	225,535	-	548,475
Clothing	216,891	-	-	-	-	-	-	-	-	-	-	286,606
Counseling	374,179	-	-	-	2,993,508	-	-	-	-	-	-	3,367,687
Leisure & Activities	77,379	-	-	-	-	-	4,025,497	-	-	-	-	2,805,274
Medical	1,316,881	-	1,523	10,179,214	-	-	-	407,820	-	-	383,140	2,702,062
Rent	-	-	-	73,340	-	17,170	-	24,490	-	-	-	8,925,324
Security	2,700	-	-	-	-	-	-	-	-	-	-	120,000
Office Supplies and printing	43,444	-	1,285	2,280	6,144	17,268	14,372	1,550	587	10,100	49,805	731,980
Education	4,587,888	-	9,077,065	-	-	-	-	371,185	-	-	2,787,778	16,823,916
Seminars	300,201	-	374,639	186,949	-	234,857	204,487	35,388	-	-	-	1,336,521
Macheo Admin Costs	1,381,368	21,466	297,361	1,114,731	351,850	1,506,372	178,628	344,547	284,433	1,165,931	58,347	542,451
School Activities	-	-	-	-	-	-	-	-	-	78,363	-	3,261,722
Economic Empowerment	41,991	-	-	-	-	9,756,112	-	471,682	-	-	-	700
Communication	273,397	3,358	29,830	207,639	154,929	227,061	66,984	49,062	26,868	58,439	20,899	6,380,907
Infrastructure	355,405	-	1,265,530	-	-	-	95,915	-	4,262,948	-	1,480,097	1,342,403
Child Family Support	1,178,123	-	-	-	-	-	-	-	-	-	-	11,803,051
Community work	1,005,320	79,988	269,333	1,420,799	966,845	1,683,256	169,025	321,691	61,839	573,091	-	1,242,167
M&E and other Subscription	-	-	-	-	-	-	-	-	-	-	-	12,915,368
Sanitary Pads	-	-	-	-	-	-	-	-	-	-	-	175,711
Bank Charges	-	-	-	149	-	-	24,200	-	-	-	-	24,200
Emergency Support	-	962,575	-	-	-	-	12	-	243	998	170	83,744
Personnel cost	20,322,852	116,084	975,701	7,039,237	1,023,140	6,155,845	1,922,598	2,619,863	1,151,751	6,592,722	1,595,821	55,075
Utilities	902,109	-	-	7,057	-	-	-	-	-	93,143	-	29,877,679
Food	3,456,754	-	-	591,130	-	-	-	73,342	-	12,678,123	-	1,433,152
Household	896,166	-	10,538	7,243	-	-	59,764	235,120	1,187,446	56,134	15,300	18,607,981
Professional Fees	4,533	-	-	-	-	-	-	-	-	-	227,345	2,568,953
Repair and maintenance	473,650	-	-	540	-	-	-	-	-	603,908	-	712,099
Transportation	2,360,402	18,954	442,127	1,270,097	1,071,965	1,193,989	382,531	348,665	277,649	975,102	288,331	980,604
Cash transfer (Covid-19)	-	229,429	-	-	-	-	-	-	-	243,055	-	8,102,732
Stakeholders meeting	113,109	-	-	-	-	-	-	-	-	-	-	1,917,413
Total Expenses	40,107,004	1,431,854	12,753,032	22,124,708	6,592,683	20,816,233	7,156,164	5,339,194	7,257,814	23,354,643	6,907,032	131,051,415
Surplus/(deficit)	1	(1)	2	(396)	1	(1)	0	1	1	0	(429,159)	(322,000)

MACHEO CHILDREN'S CENTRE: P.O. BOX 3443 - 01002, MADARAKA, THIKA.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023
DETAILED INCOME STATEMENT PER INTERVENTION

Annex 2

	2023		2022	
	Administration	Income Generating Projects	Administration	Income Generating Projects
Donations from NL	1,001,809	-	1,297,421	-
Local donations	26,635	70,248	20,303	20,145
Income Generating projects	-	-	-	462,000
Gain on disposal	-	-	-	391,049
Exchange gain/(loss)	21,319	-	(19,674)	-
Total Income	1,049,762	70,248	1,298,050	873,194
Expenses				
Insurance	256,909	-	158,801	-
Office Supplies and printing	405,491	-	222,174	-
Macheo Admin Costs	(7,005,073)	-	(3,424,489)	-
Communication	398,943	-	349,357	-
M&E and other Subscription	1,230,597	-	373,537	-
Bank Charges	780,391	-	653,453	362
Personnel cost	2,224,200	62,748	1,781,201	104,916
Household	40,185	-	-	6,500
Professional Fees	1,960,077	7,500	876,478	-
Repair and maintenance	149,546	-	115,674	17,371
Transportation	608,496	-	191,865	3,629
Total Expenses	1,049,762	70,248	1,298,051	132,778
Surplus/(deficit)	-	-	(1)	740,416