

**THE AMARA CHARITABLE TRUST**  
**ANNUAL REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**THE AMARA CHARITABLE TRUST**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**THE AMARA CHARITABLE TRUST**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

TRUSTEES

Mrs. Vasanti Bipinchandra Vora.  
Mrs. Smita Kirit Shah.  
Mrs. Priti Shah.  
Mrs. Manisha Nilesh Dave.

OFFICE ADDRESS

L.R 209/89/12  
Wambugu road Parklands  
P.o. Box 58827-00200  
Nairobi

BANKER

Giro Commercial Bank Limited  
Westland Branch.  
P.o Box 14973 – 00800  
Nairobi

AUDITOR

Grant Thornton  
Certified Public Accountants (K)  
Avocado Towers, 5<sup>th</sup> Floor  
Muthithi Road, Westland  
P.O. Box 46986 - 00100  
Nairobi

**REPORT OF THE TRUSTEES OF THE AMARA CHARITABLE TRUST  
FOR THE YEAR ENDED 31 DECEMBER 2011**

The trustees present its report together with the audited financial statements for the period ended 31 December 2011.

The trustees 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 trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the institution as at end of the financial period and of the surplus of the institution for that period.

The trustees further accept the 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. They are also responsible for safeguarding the assets of the institution and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACTIVITIES**

The principal activity of the The Amara Charitable Trust is to provide support and assistance at community level in rural areas and uplifting the living standards of people in this areas

**INCOME TAX STATUS**

An Income Tax exemption has been applied for 29<sup>th</sup> March,2010 and the same is awaited from Kenya Revenue Authority.

**RESULTS**

Profit for the period transferred to Donation Fund Kshs. 3,207,710/=.

**AUDITOR**

At a statutory general meeting, the Auditor Messrs Grant Thornton, Certified Public Accountants (K) was appointed as first auditor of the Trust. They have indicated their willingness to continue in office.

**BY ORDER OF THE TRUSTEES**

TRUSTEE

  
\_\_\_\_\_

TRUSTEE

  
\_\_\_\_\_

PLACE: NAIROBI

DATE: 25<sup>th</sup> April, 2012

SR NO: T/59/1211/170/0412/AUD

**AUDITORS' REPORT TO THE TRUSTEES OF THE AMARA CHARITABLE TRUST**

We have audited the financial statements on pages 4 to 10 and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

**Respective responsibilities of the office bearers and auditors**

As described on page 2, the trustees are responsible for the preparation of the financial statements. Our responsibility is to express an opinion on those financial statements based on our audit.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing. Those standards require 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the trustees, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**Emphasis of matter**

There is susceptibility in the system of recording of donation funds received and selling of tickets on movie project as there is no control whether all funds received are being receipted.

**Opinion**

In our opinion, proper books of account have been kept by the institution and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of The Amara Charitable Trust as at 31 December 2011 and of its result for the period then ended in accordance with International Financial Reporting Standards.

*Grant Thornton.*

 **Grant Thornton**  
Certified Public Accountants

Grant Thornton  
Certified Public Accountants (K)

*25 APRIL 2012*  
.....  
NAIROBI

**THE AMARA CHARITABLE TRUST**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

|  | Notes | <u>2011</u><br>Kshs | <u>2010</u><br>Kshs |
|--|-------|---------------------|---------------------|
| Donations received (net)                         | 1     | 1,525,584           | 2,128,865           |
| Net funds generated from fund raising activities | 2     | 1,560,490           | 747,581             |
|  |       | 3,086,074           | 2,876,446           |
| Net Donations Received                           |       |                     |                     |
| Other operating Income                           | 3     | 156,967             | 123,272             |
| Administrative expenses                          | 4     | 34,481              | 104,618             |
| Finance costs                                    | 5     | 850                 | 750                 |
|  |       | 35,331              | 105,368             |
| Net Surplus for the year                         |       | 3,207,710           | 2,894,350           |

**THE AMARA CHARITABLE TRUST**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

|                                       | Notes | <u>2011</u><br>Kshs | 2010<br>Kshs     |
|---------------------------------------|-------|---------------------|------------------|
| <b>Financed by</b>                    |       |                     |                  |
| General Fund (page 4)                 |       | 6,102,060           | 2,894,350        |
| <b>Total reserves</b>                 |       | <u>6,102,060</u>    | <u>2894350</u>   |
| <b>Current liabilities</b>            |       |                     |                  |
| Payables                              | 7     | 698                 | -                |
|                                       |       | <u>698</u>          | <u>-</u>         |
| <b>Total reserves and liabilities</b> |       | <u>6,102,758</u>    | <u>2,894,350</u> |
| <b>REPRESENTED BY</b>                 |       |                     |                  |
| <b>Non-current assets</b>             |       |                     |                  |
| Property, Plant and Equipment         | 6     | 934                 | 1,867            |
|                                       |       | <u>934</u>          | <u>1,867</u>     |
| <b>Current assets</b>                 |       |                     |                  |
| Deposits                              |       | 4,000               | 4,000            |
| Cash and cash equivalents             | 8     | 6,097,824           | 2,888,483        |
|                                       |       | <u>6,101,824</u>    | <u>2,892,483</u> |
| <b>Total assets</b>                   |       | <u>6,102,758</u>    | <u>2,894,350</u> |

The Financial statements on pages 4 to 10 were approved by the Trustees on 25 April, 2012 and were signed on its behalf by:

TRUSTEE



TRUSTEE



THE AMARA CHARITABLE TRUST  
 STATEMENT OF CHANGES IN EQUITY  
 AS AT 31 DECEMBER 2011

|                        | <b>GENERAL<br/>FUND<br/>Kshs</b> | <b>TOTAL<br/>Kshs</b> |
|------------------------|----------------------------------|-----------------------|
| Surplus for the year   | 2,894,350                        | 2,894,350             |
| As at 31 December 2010 | <u>2,894,350</u>                 | <u>2,894,350</u>      |
| As at 1 January 2011   | 2,894,350                        | 2,894,350             |
| ● Surplus for the year | 3,207,710                        | 3,207,710             |
|                        | <u>6,102,060</u>                 | <u>6,102,060</u>      |
| As at 31 December 2011 | <u>6,102,060</u>                 | <u>6,102,060</u>      |



**THE AMARA CHARITABLE TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED 31 DECEMBER, 2011**

|  | Notes | 2011<br>Kshs            | 2010<br>Kshs            |
|--|-------|-------------------------|-------------------------|
| <b>Operating activities</b>                            |       |                         |                         |
| Surplus for the year (page 4)                          |       | 3,207,710               | 2,894,350               |
| <i>Adjustment for:</i>                                 |       |                         |                         |
| Depreciation   | 6     | 933                     | 933                     |
| <i>Operating profit before working capital changes</i> |       | <u>3,208,644</u>        | <u>2,895,283</u>        |
| Increase in payables                                   | 7     | 698                     | -                       |
| Increase in receivables                                |       | -                       | (4,000)                 |
|  |       | <u>698</u>              | <u>(4,000)</u>          |
| <i>Cash generated from operations</i>                  |       | 3,209,342               | 2,891,283               |
| <i>Net cash from operating activities</i>              |       | <u>3,209,342</u>        | <u>2,891,283</u>        |
| <b>Investing activities</b>                            |       |                         |                         |
| Purchase of plant and equipments                       | 6     | -                       | (2,800)                 |
| <i>Net cash (used in) investing activities</i>         |       | <u>-</u>                | <u>(2,800)</u>          |
| <b>Net Increase in cash and cash equivalents</b>       |       | <u><u>3,209,342</u></u> | <u><u>2,888,483</u></u> |
| <b>Movement in cash and cash equivalents</b>           |       |                         |                         |
| At start of year                                       |       | 2,888,483               | -                       |
| Increase in cash and cash equivalents                  |       | 3,209,340               | 2,888,483               |
| At end of year   | 8     | <u><u>6,097,824</u></u> | <u><u>2,888,483</u></u> |

**THE AMARA CHARITABLE TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR 31 DECEMBER 2011**

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

**1 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 presented in Kenya Shillings.

**2 Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, receivables and non current asset. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**3 Donation recognition**

Donations are recognised upon receipt from various donors, sale of tickets on movie project and golf tournaments. All funds raised are utilised solely for donation purposes.

Interest earned on deposits is accounted for net of withholding tax and are solely used for donation purposes.

**4 Translation of foreign Currencies**

Translations in foreign currencies during the period are converted into Kenya shillings at the rate ruling at the transaction month. Assets and liabilities at the Balance Sheet date which are expressed in foreign currencies are translated into Kenya shillings at rate ruling at the date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the period in which they arise.

**5 Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Depreciation is calculated on the straight-line basis to write down the cost of each asset, to their residual values over their estimated useful life as follows:

|                  | <u>PER ANNUM</u> |
|------------------|------------------|
| Office equipment | 33.33%           |

**6 Cash and cash equivalents**

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

**7 Taxation**

No provision has been made for taxation as the trust derives income from donations received which are not taxable.

**8 Donation fund**

The net surplus of the year is transferred to the Donation Fund account

**THE AMARA CHARITABLE TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

|  | <u>2011</u><br>Kshs | <u>2010</u><br>Kshs |
|--|---------------------|---------------------|
| <b>1 DONATION INCOME</b>   |                     |                     |
| Donation received  | 3,221,934           | 3,506,980           |
| Less: Donation made  | (1,696,350)         | (1,378,115)         |
| Net Donations Received   | <u>1,525,584</u>    | <u>2,128,865</u>    |
| Donation made are towards construction of Kwa Kalusya Primary School |                     |                     |
| <b>2 FUND RAISING ACTIVITIES</b>                                     |                     |                     |
| <b>(a) TICKET SALES INCOME</b>                                       |                     |                     |
| Movie ticket sales   | 603,500             | 426,000             |
| Movie project expenses   | -                   | 215,518             |
| Net income from movie sales (a)                                      | <u>603,500</u>      | <u>210,482</u>      |
| <b>(b) GOLF TOURNAMENT INCOME</b>                                    |                     |                     |
| Income from tournament   | 1,240,000           | 793,350             |
| Tournament expenses  | 283,010             | 256,251             |
| Net Golf Tournament Income (b)                                       | <u>956,990</u>      | <u>537,099</u>      |
| Net Funds generated  | <u>1,560,490</u>    | <u>747,581</u>      |
| <b>3 OTHER OPERATING INCOME</b>                                      |                     |                     |
| Net Interest Income  | 256,090             | 122,198             |
| Gain on exchange   | (99,123)            | 1,074               |
|  | <u>156,967</u>      | <u>123,272</u>      |
| <b>4 ADMINISTRATIVE EXPENSES</b>                                     |                     |                     |
| Telephone  | 33,548              | 665                 |
| Printing and stationery  | -                   | 2,320               |
| Advertisement  | -                   | 100,700             |
| Depreciation   | 933                 | 933                 |
|  | <u>34,481</u>       | <u>104,618</u>      |
| <b>5 FINANCE COST</b>  |                     |                     |
| Bank charges   | <u>850</u>          | <u>750</u>          |

**THE AMARA CHARITABLE TRUST**  
**FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**6 PROPERTY, PLANT AND EQUIPMENTS**

| <u>Cost or Valuation</u>    | Office<br>Equipments<br>Kshs |
|-----------------------------|------------------------------|
| Additions during the period | 2,800                        |
| At 31 December 2011         | <u>2,800</u>                 |
| At 1 January 2011           | 2,800                        |
| Additions                   | -                            |
| At 31 December 2011         | <u>2,800</u>                 |
| <br><u>Depreciation</u>     |                              |
| Charge for the period       | 933                          |
| At 31 December 2011         | <u>933</u>                   |
| At 1 January 2011           | 933                          |
| Charge for the year         | 933                          |
| At 31 December 2011         | <u>1,866</u>                 |
| <br><u>Net book amount</u>  |                              |
| At 31 December 2011         | <u>934</u>                   |
| At 31 December 2011         | <u>1,867</u>                 |

|                         | 2011<br>Kshs | 2010<br>Kshs |
|-------------------------|--------------|--------------|
| <b>7 OTHER PAYABLES</b> |              |              |
| Other payables          | 698          | -            |
|                         | <u>698</u>   | <u>-</u>     |

**8 CASH AND CASH EQUIVALENTS**

|  |                  |                  |
|--|------------------|------------------|
| Giro Commercial Bank Ltd - Kshs. Account | 618,539          | 515,112          |
| Giro Commercial Bank Ltd - Kshs. Account | 5,479,285        | 2,356,327        |
| Giro Commercial Bank Ltd - USD Account   | -                | 17,044           |
|  | <u>6,097,824</u> | <u>2,888,483</u> |

**9 INCORPORATION**

The Charitable Trust has a registered Trust Deed which was registered with The Ministry of Lands under folio number 291/1755, file number MMVIII on 15th October, 2008.