

**THE AMARA CHARITABLE TRUST**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**THE AMARA CHARITABLE TRUST**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**TRUSTEES**

Mrs. Vasanti Bipinchandra Vora  
Mrs. Smita Kirit Shah  
Mrs. Manisha Nilesh Dave  
Mrs. Bindi Kamal Shah

**OFFICE ADDRESS**

L.R 209/1907  
3<sup>rd</sup> Floor, Avocado Towers  
Muthithi Road, Westlands  
P.O. Box 45669-00100  
Nairobi

**PRINCIPAL BANKERS**

I&M Bank Kenya Limited  
Kenyatta Avenue Branch  
P.O. Box 30238-00100  
Nairobi

Prime Bank Limited  
Parklands Branch  
P.O. Box 583-00606  
Nairobi

**INDEPENDENT AUDITOR**

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

**CERTIFICATE OF INCORPORATION**

PS 1695 (Under The Trustees Perpetual Succession Act)

## THE AMARA CHARITABLE TRUST

### REPORT OF THE TRUSTEES

#### FOR THE YEAR ENDED 31 DECEMBER 2023

The Amara Charitable Trust filed their registration documents in September 2008. The Trust has an administration cost of less than 13%. The Trustees give their time voluntarily. The Trust is completely transparent, accountable and has a hands-on approach.

Amara's primary vision is to build Kenya through holistic education. To date AMARA's completed projects are as follows:

**KWA KALUSYA PRIMARY SCHOOL, (2010-2023):** AMARA built five classrooms, kitchen, stores, pit latrine block, and was a catalyst in sinking a borehole. The total construction cost of this school was Ksh 6.2 Million. A daily feeding program for 200 learners during school days has been ongoing. A library was initiated in September 2017. A Curriculum workbooks program for Mathematics and English was introduced to assist students with revision. A playground was installed in 2020.

**THE KWA KALUSYA HEALTH CARE CENTRE (2012-2023):** A Health Centre was built on public utility land next to Kwa Kalusya Primary School due to lack of health facilities within 40 kms environs. The total construction cost of this Healthcare Centre was Ksh 2.5 Million.

**MOUNTAIN VIEW PRIMARY SCHOOL (2012-2023):** A total number of two classrooms and two pit latrines were built. Two classrooms were also renovated. The total construction cost of this school was Ksh 1.2 Million. In 2017 three classrooms and a multipurpose hall were constructed at a cost of Ksh 5 million. A daily feeding program for 250 learners during school days has been ongoing. A library was initiated in September 2017.

**KYANGOMA BOARDING SPECIAL NEEDS SCHOOL (2013-2023):** This school has a population of 117 children. Amara has constructed a fully equipped girls' dormitory, washing facilities, an open air hall, kitchen and store. The total construction cost of this school was KSh 5 Million. A path way constructed at a cost of Ksh 700,000/- and a well dug at a cost of Ksh 400,000/- in 2017. A daily feeding program for the children during school days was introduced from 2013 to 2016.

**KANAANI SECONDARY SCHOOL (2013-2023):** Amara was the first donor to construct five classrooms, a laboratory block. The total construction cost of this school was Ksh 8.3 Million. A Home science block was constructed in 2017 at a cost of Ksh 1.7 Million.

**KANAANI PRIMARY SCHOOL (2013-2023):** Amara built three classrooms, a kitchen/store block and refurbished six CDF classrooms. The total construction cost of this school was Ksh 6.3 Million. A twelve door ablution block was constructed in 2017 at a cost of Ksh 1.3 Million. 20ft container was donated to serve as Administration block at a cost of Ksh 610,900/-. A daily feeding program for 1192 learners during school days has been ongoing since 2013. A library was initiated in June 2017.

**KWA MBOO PRIMARY SCHOOL (2014-2023):** Amara built four new classrooms and refurbished their existing cattle dip into four classrooms, a staff room, head teacher's office and a hall. This project cost was Ksh 6.5 Million. A kitchen was built in September 2018 at a cost of Ksh 335,000/-. A daily feeding program for 350 learners during school days has been ongoing since 2015. A library was initiated in February 2017.

## THE AMARA CHARITABLE TRUST

### REPORT OF THE TRUSTEES (CONT'D)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

**NGALALYA PRIMARY SCHOOL (2015-2023):** Amara built seven classrooms and a kitchen. This project cost was Ksh 8.4 Million. A daily feeding program for 620 children during school days has been ongoing. A library was initiated in February 2017.

**NGWATA PRIMARY SCHOOL (2016-2023):** Amara built six classrooms and a kitchen. This project cost was Ksh 7.5 Million. A library was initiated in May 2018. A library was also built in August 2018 at a cost of Ksh 550,000/-. A daily feeding program for 3250 learners during school days has been ongoing.

**EMPAKASI SECONDARY SCHOOL (2017-2023):** Amara built one girls' dormitory in February 2018. The project cost was Ksh 4.4 Million. A library was initiated in February 2017. A boys' dormitory was constructed in 2023 at a cost of Ksh 5.4 Million. A kitchen with store and an open air hall was constructed at a cost of Ksh 1 Million in 2023.

**KATANI SECONDARY SCHOOL (2017-2023):** Amara built a kitchen and store. The project cost was Ksh 210,000/=. A library was initiated in May 2018. A boys' dormitory was constructed in April 2019. The project cost was Ksh 4.4 Million. A Curriculum workbooks program for Mathematics and English was introduced to assist students with revision.

**MATHATANI PRIMARY SCHOOL (2019-2023):** Amara built a kitchen and store. The project cost was Ksh 285,000. A daily feeding program for 100 children during school days has been ongoing. A library was initiated in February 2018.

**MATHATANI SECONDARY SCHOOL (2019-2023):** Amara built two dormitories, one girls' dormitory and one boys' dormitory. The project cost was Ksh 6.45 Million. A library was initiated in February 2018.

**KITENGELA MAGEREZA MIXED HIGH SCHOOL (2019-2023):** Amara built 10 classrooms (Amara's first double storey project of 10 classrooms). The project cost was Ksh 12 Million. A library was initiated in July 2019.

**PCEA KIMUKA GIRLS SECONDARY SCHOOL (2021-2023):** Amara built one girls' dormitory in 2023. The project cost was Ksh 3.5 Million.

**NAJILE BOYS SECONDARY SCHOOL (2021-2023):** Amara built one boys' dormitory in 2023. The project cost was Ksh 3.5 Million.

#### **AMARA'S EDUCATION FUND PROGRAMME- (2020- 2023)**

The Education Fund started in 2020 encourages students to go from Amara Primary to Amara Secondary Schools. Amara has chosen several Technical colleges and Vocational centres, where some of our students are sent to learn a skilled trade.

42 students were enrolled into Secondary schools and 57 students enrolled into various Technical colleges in 2023. (5 learners were with learning disabilities from Kyangoma Special Needs School).

**THE AMARA CHARITABLE TRUST**

**REPORT OF THE TRUSTEES (CONT'D)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**MITABONI VOCATIONAL TRAINING CENTRE (2023):** Amara built 2, 4 door ablution blocks, refurbished & partitioned the Dining hall into the Girls' dormitory, and renovated 2 classrooms and 2 workshops.

The project cost was Ksh 6 Million

To date Amara has provided to the schools;

- 2300 food parcels donated due to Covid-19 pandemic to 7 primary schools and other Charities who reached out to Kisumu, Tana River, Kilifi, and various Nairobi slums; Kibera and Githongoro
- 7 Playgrounds
- 14 Libraries
- Vegetable gardens, fruit trees and Moringa trees at 15 schools to supplement the food programmes
- Vertical farming at one school
- Reforestation project at 4 schools where 945 assorted fruit and shade trees were planted.
- 387 Desks, 29 teachers' tables, 7 cupboards, 26 library shelves, laboratory tables and assorted furniture
- Water piping and connection and installation of water tanks to most schools.
- Water supply to most schools
- Text and reference books and stationery to all schools
- Solar lanterns to most schools
- Medical care at Kyangoma Special Needs Schools
- A Curriculum workbooks program for Mathematics and English was introduced to assist students with revision at Oldonyonyokie Primary & Secondary Schools in August 202
- Workshops:
  - Teen workshops, Environmental, Karate training at Kanaani Primary School since 2014, Vocational training, Craft, Peer to peer knowledge exchange, Reiki and hygiene workshops.
  - Menstrual hygiene including sewing and making 800 reusable sanitary towels at 3 schools
  - Training of teachers and students on agricultural practices and management.

BY ORDER OF THE TRUSTEES

TRUSTEE *Mah*

TRUSTEE *Wane*

PLACE: NAIROBI DATE: 22<sup>nd</sup> March 2024

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE AMARA CHARITABLE TRUST**

### **OPINION**

We have audited the accompanying annual financial statements of The Amara Charitable Trust set out on pages 8 to 15, which comprise the Statement of Financial Position as at 31 December, 2023, Income and expenditure statement and Statement of Cash Flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Amara Charitable Trust as at 31 December, 2023, and 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.

### **BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence has obtained is sufficient and appropriate to provide a basis for the opinion.

### **OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report as required by the Trustees (Perpetual succession) Act Chapter 164, which we obtained prior to the date of this report.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or 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.

### **RESPONSIBILITIES OF THE OFFICE BEARERS AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL FINANCIAL STATEMENTS**

The management is responsible for the preparation and fair presentation of the Annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Trustees Perpetual Succession Act and for such internal control as the partners determine is necessary to enable the preparation of Annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual financial statements, the partners are responsible for assessing the group'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 management either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so. The management is responsible for overseeing the trust's financial reporting process.

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

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE AMARA CHARITABLE TRUST

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Annual 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 International Standards on Auditing 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 Annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:


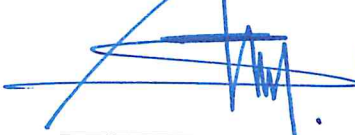
- Identify and assess the risks of material misstatement of the Annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
- 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the partners.
- Conclude on the appropriateness of the partner'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 trust'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 Annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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 AND REGULATORY REQUIREMENTS

In our opinion the information given in the report of the Trustees on page 2 - 4 is consistent with the annual financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Alfred Siele, Practicing Certificate No. 1690.

 Grant Thornton LLP  
Certified Public Accountants

For and on behalf of Grant Thornton LLP  
Certified Public Accountants (Kenya)  
Nairobi

26<sup>TH</sup> MARCH 2024

A/1213/1223/AUD

**THE AMARA CHARITABLE TRUST**  
**STATEMENTS OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 Kshs	2022 Kshs
Net donation activity	2	2,407,861	675,045
Net donation in feeding program	3	(2,823,731)	(4,431,718)
		<u>(415,869)</u>	<u>(3,756,674)</u>
Net donations - lack of donation			
Other operating income	4	1,534,263	1,574,756
		<u>1,118,393</u>	<u>(2,181,918)</u>
Administrative expenses	5	4,029,037	3,661,460
		<u>4,029,037</u>	<u>3,661,460</u>
Deficit for the year		<u><u>(2,910,643)</u></u>	<u><u>(5,843,378)</u></u>

THE AMARA CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023 Kshs	2022 Kshs
<b>Financed by</b>			
General fund		15,381,145	18,291,788
<b>Total reserves</b>		<u>15,381,145</u>	<u>18,291,788</u>
<b>Current liabilities</b>			
Other payables	9	85,347	53,924
		<u>85,347</u>	<u>53,924</u>
<b>Total reserves and liabilities</b>		<u>15,466,492</u>	<u>18,345,712</u>
<b>REPRESENTED BY</b>			
Equipment	6	37,552	42,916
<b>Current assets</b>			
Other receivables	7	-	136,034
Cash and cash equivalents	8	15,428,940	18,166,762
		<u>15,428,940</u>	<u>18,302,796</u>
<b>Total assets</b>		<u>15,466,492</u>	<u>18,345,712</u>

The annual report and financial statements on pages 8 to 15 were approved by the Trustees on 22<sup>nd</sup> March 2024 and were signed on its behalf by:

TRUSTEE *Syhat* TRUSTEE *Wane*

**THE AMARA CHARITABLE TRUST**  
**STATEMENT OF CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>GENERAL FUND</b> Kshs	<b>TOTAL</b> Kshs
As at 1 January 2022	24,135,166	24,135,166
Deficit for the year	(5,843,378)	(5,843,378)
As at 31 December 2022	<u><b>18,291,788</b></u>	<u><b>18,291,788</b></u>
As at 1 January 2023	18,291,788	18,291,788
Deficit for the year	(2,910,643)	(2,910,643)
As at 31 December 2023	<u><b>15,381,145</b></u>	<u><b>15,381,145</b></u>

**THE AMARA CHARITABLE TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 Kshs	2022 Kshs
<b>Operating activities</b>			
Deficit for the year (page 8)		(2,910,643)	(5,843,378)
<i>Adjustment for:</i>			
<i>Depreciation</i>	6	5,364	22,015
<i>Operating deficit before working capital changes</i>		<u>(2,905,279)</u>	<u>(5,821,363)</u>
Decrease in payables		31,423	53,920
Increase / (Decrease) in receivables	7	136,034	(59,596)
<i>Cash used in operations</i>		<u>(2,737,822)</u>	<u>(5,827,039)</u>
<i>Net cash used in operating activities</i>		<u>(2,737,822)</u>	<u>(5,827,039)</u>
<b>Movement in cash and cash equivalents</b>		<u>(2,737,822)</u>	<u>(5,827,039)</u>
<b>At start of year</b>		18,166,762	23,993,801
Decrease in cash and cash equivalents		(2,737,822)	(5,827,039)
<b>At end of year</b>	8	<u>15,428,940</u>	<u>18,166,762</u>

**THE AMARA CHARITABLE TRUST**  
**SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE YEAR 31 DECEMBER 2023**

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

**1 Basis of preparation**

The annual financial statements are prepared in compliance with International Financial Reporting Standard for Small and Medium-Sized Entities. The annual financial statements are presented in the functional currency, Kenyan Shillings (KShs.) under the historical cost convention and rounded off to the nearest Shilling.

For reporting purposes in these annual financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss.

**a) Financial instruments**

Financial instruments carried on the statement of financial position 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.

**b) 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.

**c) Translation of foreign Currencies**

Translations in foreign currencies during the year are converted into Kenya shillings at the rate ruling at the transaction month. Assets and liabilities at the statement of financial position 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.

**d) Equipment**

All 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	12.5%

**e) Cash and cash equivalents**

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

**f) Taxation**

No provision has been made for taxation as the trust derives income from donations received which are not taxable. The trust has applied for, and has, a tax exemption certificate No. KRAEXM0076651221 for a period of 5 years commencing 20<sup>th</sup> August 2021 to 20<sup>th</sup> August 2026 under the Income Tax Act (Cap 470).

**g) Donation fund**

The net Surplus/(Deficit) of the year is transferred to the General Fund account.

THE AMARA CHARITABLE TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<b>2023</b> <b>Kshs</b>	<b>2022</b> <b>Kshs</b>
<b>2 Donation income</b>		
Donation received	23,441,600	15,377,905
Less: Donation made	(21,033,739)	(14,702,861)
<b>Net Donations (deficit)</b>	<b>2,407,861</b>	<b>675,045</b>
Donations received are divided as follows:-		
Donations Income:Gift bags	-	161,300
Donations Income:Construction income	3,940,000	2,050,000
Donations Income:Donations in kind	6,210,640	560,943
Donations Income:General income	66,124	350,892
Donations Income:Bowling income	1,991,000	2,514,300
Donations Income:Jazz fundraiser	874,703	-
Donations Income:Golf tournament income	-	891,900
Donations Income:Desks	-	47,000
Donations Income:Walk fundraiser	3,165,291	-
Donations Income:Education fund program	7,117,742	8,586,020
Donations Income:Workshop	-	215,550
Donations Income:Diwali fair income	76,100	-
	<b>23,441,600</b>	<b>15,377,905</b>
Donations made are divided as follows:-		
Donation Expenditure:Construction	6,174,419	7,479,813
Donation Expenditure:Donations expense other	67,950	25,260
Donation Expenditure:Educational resources	329,860	561,477
Donation Expenditure:Gifts	38,500	-
Donation Expenditure:Donation in kind	6,210,640	560,943
Donation Expenditure:School fees expense	5,560,794	3,930,408
Donation Expenditure:Jazz fundraiser expenses	443,840	-
Donation Expenditure:MH workshop expense	178,943	-
Donation Expenditure:Walk fundraiser expense	136,107	-
Donation Expenditure:Education fund program:Health insurance	5,446	-
Donation Expenditure:Bowling expense	325,495	485,617
Donation Expenditure:Golf tournament expenses	-	133,005
Donation Expenditure:Workshop	10,100	15,900
Donation Expenditure:Desks	-	54,000
Donation Expenditure:Rent	1,532,209	998,831
Donation Expenditure:Repairs:Building repairs	-	320,000
Donation Expenditure:Repairs:Equipment repairs	-	119,000
Donation Expenditure:Transport & travelling expense	-	18,607
Donation Expenditure:TVET students pocket money	19,437	-
	<b>21,033,739</b>	<b>14,702,861</b>
<b>3 Feeding program</b>		
Donation income	5,223,324	2,054,134
Donation expenditure:Feeding program multiple	(8,047,055)	(6,485,852)
	<b>(2,823,731)</b>	<b>(4,431,718)</b>

THE AMARA CHARITABLE TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 Kshs	2022 Kshs
<b>4 Other operating income</b>		
Interest income	701,481	1,412,815
Gain on exchange differences	539,294	161,941
Merchandise income	293,488	-
	<u>1,534,263</u>	<u>1,574,756</u>
<b>5 Administrative expenses</b>		
Staff cost	2,805,020	2,607,705
Telephone and postage	23,721	20,300
Bank charges	44,223	46,929
Printing and stationery	85,595	40,310
Rental expense	406,000	696,000
Advertisement, media and marketing expense	6,400	108,400
Travelling expense	196,535	42,320
Website designing	-	35,220
Depreciation	5,364	22,015
Gift	-	21,000
Penalties	-	11,981
Computer repairs	12,000	9,280
Merchandise expenses	248,126	-
General expenses	196,052	-
	<u>4,029,037</u>	<u>3,661,460</u>
<b>6 Equipment</b>		
	<b>Office Equipments Kshs 2023</b>	<b>Office Equipments Kshs 2022</b>
<b><u>Cost or Valuation</u></b>		
At 1 January	189,024	189,024
At 31 December	<u>189,024</u>	<u>189,024</u>
<b><u>Depreciation</u></b>		
At 1 January	146,108	124,093
Charge for the year	5,364	22,015
At 31 December	<u>151,472</u>	<u>146,108</u>
<b><u>Net book amount</u></b>		
At 31 December	<u>37,552</u>	<u>42,916</u>

**THE AMARA CHARITABLE TRUST**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>7 Other receivables</b>		
Withholding tax	-	136,034
	<u>-</u>	<u>136,034</u>
<b>8 Cash and cash equivalents</b>		
I&M Bank Limited Account - 1410	362,297	590,727
I&M Bank Limited - USD	171,579	398,826
I&M Bank Limited - 03801505372911-SB/2	1,898,744	1,249,675
I & M Bank - GBP	1,271,096	1,926,498
Prime Bank	2,747,608	3,915,818
Cash in hand	717	2,241
Fixed Deposit Accounts:FDR Prime Bank-400001980297	-	2,500,000
Fixed Deposit Accounts:FDR Prime Bank - 347619	-	1,035,558
Fixed Deposit Accounts:FDR Prime Bank -400001980288	-	2,500,000
Fixed Deposit Accounts:FDR Prime Bank -400001980303	-	2,500,000
Fixed Deposit Accounts:FDR Prime Bank 400001994740	-	1,547,420
Fixed Deposit Accounts:FDR-Prime Bank - 400002185613	1,500,000	-
Fixed Deposit Accounts:FDR-Prime Bank - 400002185622	1,630,000	-
Fixed Deposit Accounts:FDR - Prime Bank - 400002219488	2,500,000	-
Fixed Deposit Accounts:FDR-I&M - 0380150537551216	1,000,000	-
Fixed Deposit Accounts:FDR - I&M - 0380150537551217	2,346,900	-
	<u>15,428,940</u>	<u>18,166,762</u>
<b>9 Other Payables</b>		
Accruals	85,347	53,924
	<u>85,347</u>	<u>53,924</u>

**10 Registration**

The Charitable Trust has been registered under the Trustees (Perpetual Succession) Act Cap 164.

**11 Tax exemption**

The trust has been granted a Tax Exemption Certificate Number KRAEXM0076651221 for a period of five years effective from 20/08/2021.

**12 Contingencies**

There were no contingencies for the year ended December 31, 2023.

**13 Commitments**

There were no commitments for the year ended December 31, 2023.

**14 Comparatives**

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

**15 Events after the reporting period**

The partners are not aware of any material event which occurred after the reporting date and up to the date of these annual financial statements.

The Partner  
Grant Thornton LLP  
Certified Public Accountants  
P O Box 46986 – 00100 GPO  
Nairobi, Kenya

26<sup>th</sup> March 2024

Dear Sir(s),

**RE: MANAGEMENT LETTER OF REPRESENTATION**

We confirm to the best of our knowledge and belief, the following representations given to you in connection with your audit of the Trust's annual report and financial statements of **The Amara Charitable Trust** for the year ended December 31, 2023. We acknowledge and confirm as trustee(s) that the annual report and financial statements are fairly presented, in all material respects, the state of affairs, results of the operations and cash flows of the Trust in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the manner required by the Trustees Perpetual Succession Act.

We understand that your examination included such tests and procedures as you considered necessary for the purpose of expressing an opinion on the annual report and financial statements for the year ended December 31, 2023. We also understand that such tests and procedures would not necessarily detect fraud, irregularities or error, should any exist. We acknowledge that control over and responsibility for the prevention and detection of fraud, irregularities and error remains with us.

In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

**1. Financial statements and records**

- a) The annual report and financial statements are free of material error and omissions and present fairly the financial position of the Trust and the results of its operations in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and Trustees Perpetual Succession Act.
- b) We have made available to you all accounting and financial records and related data of the Trust.
- c) There are no material transactions that have not been properly recorded in the accounting records underlying the annual report and financial statements.
- d) The annual report and financial statements are in agreement with the books of account.
- e) There have been no:
  - i) irregularities involving any member of the management or employees who have significant roles in the system of internal accounting control;
  - ii) irregularities involving other employees that could have a material effect on the annual report and financial statements; and
  - iii) violation or possible violations of laws and regulations, the effect of which should be considered for disclosure in the annual report and financial statements or as a basis for recording a loss or a contingency.
- f) We have provided you with:
  - i) Access to all information of which we are aware that is relevant to the preparation of the annual report and financial statements such as records documentation and other matters;

***Supporting Rural Education***

P.O. Box 46986 - 00100, Nairobi Kenya,  
3rd Floor Avocado Towers, Muthithi Road, Westlands, Cell: 0733 442 223  
Charity Registration No. PS. 1695 PIN No. P051310788E  
Trustees: Vasha Vora, Smita Shah, Manisha Dave, Bindi Shah,

[www.amaratrust.org](http://www.amaratrust.org)  
[amaracharitabletrust@gmail.com](mailto:amaracharitabletrust@gmail.com)

- ii) Additional information that you have requested from us for the purpose of the; and
- iii) Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.
- iv) All transactions have been recorded in the accounting records and are reflected in the annual report and financial statements.

## **2. Going Concern**

- a) We have disclosed to you all information relevant to preparation of the annual report and financial statements in accordance with the going concern assumption.
- b) The Trust has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- c) We confirm that the trust will be able to meet its liabilities as they fall due for at least 12 months from the date the annual report and financial statements are approved by the board for issue.

## **3. Accounting estimates and fair value measurements**

We confirm that the following representations made to you or implied by us during the course of the audit are to the best of our knowledge and belief accurate:

- a) That the assumptions and models used in determining the accounting estimates are appropriate in the context of the International Financial Reporting Standards for Small and Medium-Sized Entities and applied consistently throughout the process;
- b) That the assumptions appropriately reflect management's intent;
- c) That disclosures related to accounting estimates are complete and appropriate under International Financial Reporting Standards for Small and Medium-Sized Entities and
- d) That no subsequent event requires adjustment to the accounting estimates and disclosures included in the annual report and financial statements. There are no events that have occurred or matters been discovered subsequent to December 31, 2023 that would require adjustment to or disclosure other than those disclosed in the annual report and financial statements.

## **4. Laws and regulations**

- a) We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations, if any, whose effects should be considered when preparing the annual report and financial statements.
- b) The trust has complied with all the laws and regulations applicable and there have been no violations / penalties levied during the year by regulatory authority.

## **5. Litigations and claims**

- a) The estimated effect of pending or threatened litigation and claims against the trust have been properly recorded or disclosed in the annual report and financial statements.
- b) All known contingent liabilities have been described in the audited annual report and financial statements of the Trust as at December 31, 2023. Further, there have been no contingent liabilities that have not been disclosed to you.
- c) There have been no violations or possible violations of laws or regulations the effect of which should be considered for disclosure in the annual report and financial statements as the basis for recording a contingent loss.

## **6. Related parties**

We confirm the following representations in respect of related parties;

- a) We have disclosed to you the identity of all related parties to the Trust and all related party relationships and transactions disclosed in the annual report and financial statements are complete in all respect.

- b) We have appropriately accounted for and disclosed the identity of, and balances and transactions with, related parties in accordance with the requirements of International Financial Reporting Standards for Small and Medium-Sized Entities.

## **7. Subsequent events**

There are no events that have occurred or matters that have been discovered subsequent to December 31, 2023 that would require adjustment to or disclosure in the annual report and financial statements apart from those disclosed in events occurred after the date in Trustees' report and the notes to the annual report and financial statements.

## **8. Fraud**

We understand that the term 'fraud' includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the annual report and financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve theft of an entity's assets, often accompanied by false or misleading records or documents to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge responsibility for the design, implementation and operation of internal controls to prevent and detect fraud and error. There have been no instances of fraud or suspected fraud that we are aware of and that affects the trust and involves:

- a) Management;
- b) Employees who have significant roles in internal control; or
- c) Others where the fraud could have a material effect on the annual report and financial statements.

There have been no allegations of fraud, or suspected fraud, affecting the Trust's annual report and financial statements communicated by employees, former employees, analysts, regulators or others. We have disclosed to you the results of our assessment of the risk that the annual report and financial statements may be materially misstated as a result of fraud.

## **9. Share Capital and reserves**

There has been no change in share capital structure during the year ended December 31, 2023.

## **10. Debt**

- a) The Trust has not taken any loans other than those disclosed in the annual report and financial statements for the year ended December 31, 2023 from any sources including from any trustee(s) / manager(s). Further, there are no guarantees given by any trustee(s) / manager(s) either during or as at the Statement of Financial Position date other than those disclosed in the annual report and financial statements.
- b) The trust has complied with all the debt covenants throughout the year as per the loan agreement.

## **11. Capital assets**

- a) The Trust has satisfactory title in respect of all owned assets and there are no liens or encumbrances on such assets, except those disclosed in the notes to the annual report and financial statements.
- b) None of the fixed assets have been revalued during the year.
- c) All the fixed assets which are ready to use as at December 31, 2023 have been appropriately capitalized.
- d) No capital expenditure has been charged to the Statement of Comprehensive Income.

- e) The trust has taken sufficient insurance cover for securing all the assets from various calamities. In the opinion of the management the trust has adequately insured the assets of the trust.
- f) Rates used for depreciation are reflective of management's estimate of useful life of fixed assets.
- g) We have reviewed the carrying amount of assets whenever events or changes in the circumstances have indicated that the carrying amount of assets may not be recoverable and have appropriately recorded any impairment adjustment.
- h) We believe that the carrying amounts of all material assets are recoverable. No provision is required to be made for any material adjustments to any assets in accordance with IAS 36 "Impairment of Assets".
- i) There are no liens or encumbrances on the Trust's assets nor have the assets been pledged, mortgaged or assigned as security for liabilities, performance of contracts etc except as disclosed in the annual report and financial statements wherever applicable.
- j) Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and/ or accumulated impairment loss (if any).
- k) The cost of an item of tangible fixed assets comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.
- l) We have provided for depreciation / amortization on a scale to cover obsolescence as well as wear and tear and thus reduce the net book value of the assets to their estimated residual values over the economically useful lives thereof.

## 12. Intangible assets

- a) All the intangible assets which are ready to use as at December 31, 2023 have been appropriately capitalized in accordance with IAS 38.
- b) No capital expenditure has been charged to the Statement of Comprehensive Income.
- c) Rates used for amortization are reflective of management's estimate of useful life of intangible assets.
- d) We have reviewed the carrying amount of assets whenever events or changes in the circumstances have indicated that the carrying amount of assets may not be recoverable and have appropriately recorded any impairment adjustment.
- e) Intangible assets are carried at cost of acquisition less accumulated amortization and/ or accumulated impairment loss (if any).
- f) The cost of an item of intangible assets comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.
- g) We have provided for amortization on a scale to cover obsolescence as well as wear and tear and thus reduce the net book value of the assets to their estimated residual values over the economically useful lives thereof.

## 13. Current assets

- a) Current assets have a value, on realisation in the normal course of business or an expected cost benefit, at least equal to the amounts at which they are stated in the statement of financial position.
- b) Receivables reported in the annual report and financial statements represent valid claims against debtors for sales or other charges arising on or before year end date and appropriate provisions have been made for any impairment losses that may be sustained.
- c) We confirm that the deposit as per the annual report and financial statements is considered good and fully recoverable.

- d) The Trust has made adequate provision for doubtful debts.
- e) The Trust has made adequate provision for slow moving and/or damaged goods.

#### **14. Classification and netting of assets and liabilities**

- a) We confirm that we have reviewed all financial assets and liabilities outstanding as at December 31, 2023 and have correctly classified them as required by International Financial Reporting Standards for Small and Medium-Sized Entities.
- b) Financial assets and financial liabilities were offset and the net amount reported in the Statement of Financial Position only where the entity had a legal enforceable right to offset the recognised amounts; and the entity intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- c) Information regarding financial risk exposure and our financial risk management objectives and policies has been adequately disclosed in the notes to the annual report and financial statements, as required by International Financial Reporting Standards for Small and Medium-Sized Entities.

#### **15. Financial instruments**

The necessary information about financial instruments with off-balance-sheet risk and those financial instruments with credit risk and / or interest rate risk have been properly disclosed in the annual report and financial statements as required by International Financial Reporting Standards for Small and Medium-Sized Entities.

#### **16. Taxes**

- a) We confirm that the trust has fully complied with all the statutory and legal requirements in accordance with the Income Tax Act that could have a material effect on the annual report and financial statements in the event of non-compliance including payment of all applicable taxes, duties and other statutory obligations.
- b) The deferred tax valuation has been determined pursuant to the provisions of International Financial Reporting Standards for Small and Medium-Sized Entities including the trust's estimation of future taxable income.
- c) The deferred tax valuation has been recognised for all deductible temporary differences as required by International Financial Reporting Standards for Small and Medium-Sized Entities. The Trust has recognized the deferred tax assets to the extent there is virtual certainty of taxable profit in future.

#### **17. Statement of Comprehensive Income**

- a) All expenses have been duly authorized and are incurred solely for the purpose of carrying business of the trust.
- b) Except as disclosed in the accounts, the results for the year were not materially affected by :
  - i. Transactions of a nature not usually undertaken by the Trust;
  - ii. Circumstances of an exceptional or non-recurrent nature;
  - iii. Charges or credits relating to prior years.
- c) No personal expenses of employees or others, other than those for which the Trust is contractually liable or those, which are in accordance with normal business practice, have been debited to the Statement of comprehensive income.
- d) There are no specific claims to be made to the trust towards expenses incurred and accounted thereof in the annual report and financial statements.

- e) There are no barter transactions undertaken by the Trust during the period other than those disclosed to you during the course of the audit. All such transactions have been accounted for at the fair value of the services rendered.

#### **18. Contractual agreements**

The trust has complied with all aspects of contractual agreements that could have a material effect on the annual report and financial statements in the event of non-compliance. All contractual arrangements entered into by the trust have been properly reflected in the accounting records and where material or potentially material to the annual report and financial statements has been disclosed.

#### **19. Encumbrances**

The trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, except those disclosed in the notes to the annual report and financial statements.

#### **20. Commitments**

At year-end date, there were no material commitments under contracts concluded for capital expenditure, forward contracts of purchase and sale of foreign exchange or amounts of capital expenditure authorised by the trustees which had not been contracted for, other than those provided for or disclosed in the annual report and financial statements.

#### **21. Contingent agreement**

- a) All known contingent liabilities have been described in the audited annual report and financial statements of the Trust as at December 31, 2023. Further, during the year ended December 31, 2023, there have been no contingent liabilities that have not been disclosed to you.
- b) There have been no violations or possible violations of laws or regulations the effect of which should be considered for disclosure in the annual report and financial statements as the basis for recording a contingent loss.

#### **22. Current liabilities and provision**

- a) There are no claims that are outstanding, or possible claims, which have not been disclosed to you, whether or not discussed with lawyers / legal counsel.
- b) The Trust has recorded adequate provisions in respect of all incentives/bonuses payable to its employees for the year ended December 31, 2023.
- c) All known material liabilities and contractual obligations are included in the annual report and financial statements for the year ended December 31, 2023 and there are no other material unrecorded liabilities, which require provision or any other disclosure in the annual report and financial statements.
- d) We confirm that the liability with respect to leave encashment is not accounted for on the ground of materiality.

#### **23. Legal matters**

- a) There are no claims that are outstanding, or possible claims, which have not been disclosed to you, whether or not discussed with legal counsel.
- b) There is no outstanding litigation / claim against the Trust, the effect of which should be considered for disclosure in the accounts.
- c) Neither the trust, affiliates, nor any trustee, officer, agent, employee or other person associated with or acting on behalf of the trust used any corporate fund for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity.

#### **24. Minutes**

The board and/or shareholders' meetings have been held during the year and the minutes as recorded and produced to you are complete and authentic.

**25. General**

- a) There have been no shortages or other irregularities that have been discovered and not disclosed to you involving management or employees who have a significant role in the system of internal control that could have a material effect on the financial information.
- b) The Trust has no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.
- c) We confirm based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Trust has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

**26. Financial statement disclosure**

The following have been properly recorded and when appropriate, adequately disclosed in the annual report and financial statements:

- a) Assets pledged as collateral;
- b) Off-balance-sheet activities, including transactions with special purpose entities, non-consolidation and revenue recognition;
- c) Significant common ownership or management control relationships;
- d) Changes in accounting principles affecting consistency;
- e) Except as disclosed in the annual report and financial statements or notes thereto, there are no:
  - i) Other gain or loss contingencies or other liabilities that are recognised or disclosed in the annual report and financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possible illegal acts, or possible violations of human rights; or
  - ii) Other environmental matters that may have a material impact on the annual report and financial statements.

**27. Adjusted and Unadjusted Audit Differences**

We have reviewed all the adjustments and journal entries proposed arising out of the audit and confirm that they are true and correct.

We, the undersigned, confirm that we are authorized to sign this letter of representation on behalf of the Trust.

Yours faithfully,  
For **The Amara Charitable Trust**

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

26<sup>th</sup> March 2024

Grant Thornton LLP  
Certified Public Accountants,  
P.O. Box 46986-00100,  
Nairobi,  
Kenya.


Dear Sirs,


**CASH IN HAND CONFIRMATION**

This is to confirm that the cash in hand as at 31<sup>st</sup> December 2023 stands at KShs. 717/=.

Thank you.

Yours faithfully,  
For: The Amara Charitable Trust

  
\_\_\_\_\_  
TRUSTEE

  
\_\_\_\_\_  
TRUSTEE

**Supporting Rural Education**

THE AMARA CHARITABLE TRUST

JOURNAL ADJUSTMENTS - 31.12.2023

Particulars	Debit KShs	Credit KShs
Donation Expenditure:Donations in Kind	6,210,640	
Donations Income:Donations in Kind		6,210,640
(Being recognition of donations in kind income for the period)		
	<u>6,210,640</u>	<u>6,210,640</u>

We confirm that:-

- (i) All the above entries have been discussed and agreed upon.
- (ii) We will pass all the above entries into books of accounts and print the final set of accounts as at 31.12.2023.

  
\_\_\_\_\_  
TRUSTEE

  
\_\_\_\_\_  
TRUSTEE

**The Amara Charitable Trust**

For The Year Ended 31 December 2023

Opening trial balance: 01.01.2024

	Debit	Credit
Cash On Hand	717	
Fixed Deposit accounts:FDR-Prime Bank - 400002185613	1,500,000	
Fixed Deposit accounts:FDR-Prime Bank - 400002185622	1,630,000	
Fixed Deposit accounts:FDR - Prime Bank - 400002219488	2,500,000	
Fixed Deposit accounts:FDR-I&M - 0380150537551216	1,000,000	
Fixed Deposit accounts:FDR - I&M - 0380150537551217	2,346,900	
I & M Bank - 03801505371410	362,297	
I&M Bank - USD	171,579	
Prime bank	2,747,608	
I & M Bank - 03801505372911	1,898,744	
I & M Bank - GBP	1,271,097	
Computer Equipment:Cost	96,976	
Computer Equipment:Depreciation		69,399
Office Equipment:Cost	22,798	
Office Equipment:Depreciation		12,824
Withholding Tax	-	
Retained Earnings		15,381,145
Payroll Liabilities:Housing levy payable		6,600
Payroll Liabilities:NHIF Payable		3,400
Payroll Liabilities:NSSF Payable		4,320
Payroll Liabilities:PAYE Payable		71,027
	<b>15,548,715</b>	<b>15,548,715</b>

26<sup>th</sup> March 2024

The Partners,  
Grant Thornton LLP  
5<sup>th</sup> Floor, Avocado Towers  
Muthithi Road  
P.O. Box 46986-00100  
Nairobi.

Dear Sirs,

**AUDIT – 31<sup>ST</sup> DECEMBER 2023**

We refer to your cover letter dated 21<sup>st</sup> March 2024 and have received the documents stated therein.

We are returning herewith the following documents duly signed for your further action:

1. 5 sets of audited accounts
2. Letter of representation
3. Cash in hand confirmation certificate
4. Journal

Yours faithfully,  
For: The Amara Charitable Trust

*Amara*

TRUSTEE

**Supporting Rural Education**