

# LIVE AND LEARN IN KENYA INTERNATIONAL

## ANNUAL REPORT AND FINANCIAL STATEMENTS



'TOGETHER WE GROW -WE ARE MAKING A DIFFERENCE'

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

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**Live & Learn In Kenya International  
Financial Statements  
For the Year Ended 31st December , 2015**

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**Live & Learn In Kenya International  
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**Institutional Summary Information**

<b>Board Directors</b>	<ol style="list-style-type: none"><li>1. Ms. Debra Joan Zeiner- Chairperson- An American-<a href="mailto:zeiner.selb@t-online.de">zeiner.selb@t-online.de</a></li><li>2. Ms. Elsbeth Hirsche-Treasurer- German -<a href="mailto:elsbethhirsche@web.de">elsbethhirsche@web.de</a></li><li>3. Mr. Kenneth Branda -Secretary- A Kenyan - <a href="mailto:kblk8@gmail.com">kblk8@gmail.com</a></li></ol>
<b>Bankers</b>	Barclays Bank of Kenya - Nakuru East Branch
<b>Contacts</b>	P.O.BOX 17208 -20100 NAKURU Tel: 051-2211026 Email: <a href="mailto:kb11k8@gmail.com">kb11k8@gmail.com</a>



## 1.0 INSTITUTIONAL REPORT

### BACKGROUND INFORMATION

Live and Learn in Kenya International is a charitable organization based in Nakuru Kenya and registered in 2007 by the NGOs Coordination Board. The NGO caters for orphans and vulnerable children mainly from Nakuru County and other parts of the Country.

During the year 2015, LLK had an enrolment of 90 School- going children who were at different levels of education i.e. Nursery, Primary, Secondary, Vocational level and University.

### HIGHLIGHTS OF THE MAJOR ACTIVITIES DURING YEAR 2015:

#### 1. EDUCATION

Education is the core aspect of the NGO with a beneficiary level of **440 children** that fall into different levels of Nursery, primary and secondary schools. While others are in vocational training institutions and Universities throughout the country. There is a partnership with over **10 (ten)** public primary schools within the project area where the beneficiary children are taken.

During the year, the NGO supported the children with school fees for those in nursery, secondary, vocational training and universities. School uniforms including shoes and socks and text books and other school supplies (learning materials) were also provided to all sponsored children.

During year 2015, LLK sponsored **17 pupils** to secondary school education out of **35 pupils** that had sat for year 2014 KCPE Examination. However, those who scored below 250 marks joined various vocational training taking courses like mechanic, tailoring, hairdressing, welding among others.

On 3<sup>rd</sup> January, 2015, the NGO moved its education activities to the newly constructed facility at Parkview and the classes begun on the 5<sup>th</sup> January, 2015 with Std 1 & 2 and 3 teachers. An official opening of the facility was done on 3<sup>rd</sup> January, 2015 and the occasion graced by LLK Chairperson, Ms. Debra Brique Zeiner.



*Education Centre official opening ceremony*



## Nursery School Enrolment

During year 2015, the new education facility enrolled **30(15 boys, 15 girls) pupils** in the pre-unit to commence classes on 5<sup>th</sup> January, 2016.

## High School/University

During year 2015, **5 (five) students** out of the **8(eight)** who had sat for their examinations in year 2014 joined various universities in the Country. At the same time, **2(two)** students successfully completed their university education.

## Children Presents

These are given to best performers by sponsors as a motivational tool. The presents given range from clothes, shoes, food stuff, utensils, school bags and books. **440 pupils** received presents during the year.

## 2. TAILORING UNIT

A tailoring Unit was started in March, 2015 at the Centre. This was to enable the NGO save on the costs of purchase of uniforms from vendors. The income generated from this activity revolves around the education related activities and during year 2015, **70 (seventy)** plastic chairs were acquired from tailoring surplus income.

## 2. FEEDING PROGRAM

Feeding program is an integral part of LLK activities and is sponsored by various donors and especially the founders of *feed a smile* program under the stewardship of Brique Zeiner, LLK Chair.

The children in the program enjoy a warm and nutritious meal every weekend and during school holidays. This program has made the children not only healthy but also to improve their academic standards and reduce school drop -out. The program also caters for lunch expenses for the sponsored children in various schools. This makes them to attend school and concentrate on their studies. In addition, it also saves them time to rush home for lunch and saves parents time and money.



*Children enjoying a nutritious meal at our center*

### **3. MEDICAL**

Medical and dental care is important components of LLK activities. All the sponsored children receive treatment whenever they fall sick through a number of identified hospitals and health clinics.

### **4. HOLIDAY TUITION**

Holiday tuition helps our children to revise what they learnt in school during the term and also prepare them for the next term. This has made them to improve in class work. We have such tuition whenever schools close in April, August and December.

During year 2015, **120 pupils** received various tuition lessons during April, August and December school holidays from our center while the rest received from their respective public schools.

### **5. VOCATIONAL TRAINING**

Children who don't perform well in Class 8 Exams are taken to vocational training. It takes 1 -2 years for a youth to complete vocational training. After completion of the course, one may receive a starter kits from the sponsor.

During the Year 2015, **14 children** received starter kits. These kits make these youths to start their own work and take care of their lives.

### **6. SCHOOL UNIFORM**

Our children receive new school uniform every year. They receive before the end of the year. This make them ready for the beginning of the year. Shoes, uniform which include sweaters and socks were fitted in October. Children received them before breaking for Christmas. Part of our school uniform was sewed by our youths who have finished vocational training. **440 pupils** received school uniform during the year.

### **7. MUSLIM FESTIVAL**

On behalf of our children and parents, I thank the Muslim community in Turkey and Germany for their continued donations of animals during annual Muslim festivals. This year they donated more than **18 animals** to our children. The festival was celebrated on 26<sup>th</sup>, September, 2015. Both parents and children enjoyed meat on this special Muslim day.

### **8. ANNUAL GENERAL MEETING**

We had our Annual General Meeting on 7<sup>th</sup> November, 2015. This meeting was attended by our organization Board chairperson, Secretary, Treasurer; a few sponsors, LLK staff and parents.

### **9. CHRISTMAS PRESENTS**

Every year, we give both parents and children Christmas presents. This year, parents received a live chicken, maize flour, rice and vegetables. Children on the other hand received warm blankets and kerosene lamps. Such lamps are basic needs to our families as most of them live in houses without electricity.





**Children with their Christmas presents- school bags and caps**

#### **10.SPONSOR'S VISIT**

The sponsors for the NGO visited the country field projects between 30<sup>th</sup> October and 8<sup>th</sup> November, 2015. During the visit the group participated in a number of community activities including sports, micro-credit projects, home visits and community outreach.



*A photo of sponsors who visited this year*



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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The NGOs Coordination Act, 1990 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the NGO as at the end of the financial year and the operating results of the NGO. It also requires the directors to ensure the NGO keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the NGO.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the international financial reporting standards and in a manner required by the NGOs Coordination Act, 1990. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the NGO and of its operating results. The directors further accept responsibility for the proper 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 directors to indicate that the NGO will not remain a going concern for at least the next twelve months from the date of this statement.

KENNETH A. BRANDA.....

**DIRECTOR**

**NAKURU-KENYA.**

*Live&Learn in Kenya Int.*  
*P.O. Box 17208*  
*20100 Nakuru*

.....13 - 01 - .....2016.



**Certified Public Accountants**

*Managing Partner: Maurice Owino Pedo MBA (Finance), B.Com (Finance), CPA-K*

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**REPORT OF THE AUDITORS TO THE MEMBERS OF LIVE AND LEARN IN KENYA INTERNATIONAL**

We have audited the financial statements of Live and Learn in Kenya International (herein referred to as the "NGO") set out on pages 7-13 for the year ended 31<sup>st</sup> December, 2015 which have been prepared on the basis of the accounting policies set out in note 1. We obtained all the information and explanations of our knowledge and belief, were necessary for the purpose of our audit and to provide a reasonable basis for our opinion.

**Respective Responsibility of the Directors and the Auditors**

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the NGO and of its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the financial position of the NGO as of 31<sup>st</sup> December 2015 and of its surplus for the year then ended in accordance with International Financial Reporting Standards and the NGOs Coordination Act, 1990.



14/01/2016.

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**Pedo & Associates**

**Certified Public Accountants (Kenya)**







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STATEMENT OF FINANCIAL POSITION

	NOTE	2015 KSh.	2014 KSh.
<b>ASSETS</b>			
Fixed Assets	2	11,760,692	8,534,322
<b>Current Assets</b>			
Cash and Bank	3	1,013,210	10,836
<b>Current Liabilities</b>			
Accrued Expenses	4	277,681	88,941
		277,681	88,941
Net Current Assets		735,529	(78,105)
<b>TOTAL ASSETS</b>		<b>12,496,220</b>	<b>8,456,217</b>
<b>FUNDS</b>			
Capital Funds	5	12,496,220	8,456,217
		12,496,220	8,456,217

The significant accounting policies on pages on page 11 and the notes to the financial statements on pages 12 to 14 form an intergral part of the financial statemenets.

Independent auditor's report -page 6

The financial statements on pages 8 to 10 were approved by the of Live & Learn in Kenya International on .....2016 and signed on their behalf by:

KENNETH A. BRANDA DIRECTOR

Live&Learn in Kenya Int.  
 P.O. Box 17208  
 20100 Nakuru

..... DIRECTOR

13 - 01 - .....2016

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STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2015 KSh.	2014 KSh.
<b>INCOME</b>			
Funds Transfers	6	17,944,026	24,694,821
		<b>17,944,026</b>	<b>24,694,821</b>
<b>EXPENDITURE</b>			
Programme	7	14,074,591	13,386,242
Salaries	8	2,951,771	1,831,751
Administration	9	1,024,878	1,910,438
Financial Costs	10	53,508	37,342
		<b>18,104,749</b>	<b>17,165,773</b>
<b>NET INCOME</b>		<b>(160,723)</b>	<b>7,529,048</b>

The significant accounting policies on pages on page 11 and the notes to the financial statements on pages 12 to 14 form an integral part of the financial statements.

Independent auditor's report -page 6



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**Statement of Cashflows**

	2015	2014
	Ksh.	Ksh.
<b>Cashflows from Operating Activities</b>		
Operating Income for the year	(160,723)	7,529,048
<b>Adjustments for:</b>		
Depreciation	54,569	-
Prior Year Adjustments	-	-
<b>Operating Surplus Before Working Capital</b>	<b>(106,154)</b>	<b>7,529,048</b>
Increase/Decrease in Capital Commitments	-	(1,675,000)
Increase/Decrease in creditors & accruals	188,740	(105,660)
<b>Cash Generated from Operations</b>	<b>82,586</b>	<b>5,748,388</b>
<b>Cashflow from Investing Activities</b>		
Land purchase	-	(1,675,000)
Construction (WIP)	(3,048,710)	(4,783,027)
Capital Funds	3,968,497	(1,748,638)
<b>Net Cash from Investing Activities</b>	<b>919,787</b>	<b>(8,206,665)</b>
Cash and Cash Equivalents	1,002,374	(2,458,277)
<b>Movement in Cash and Cash Equivalents</b>		
As at start of the year	10,836	2,469,113
Increase/Decrease	1,002,374	(2,458,277)
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,013,210</b>	<b>10,836</b>

The significant accounting policies on pages on page 11 and the notes to the financial statements on pages 12 to 14 form an integral part of the financial statements.

Independent auditor's report -page 6

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## Notes to the Financial Statements

### 1. ACCOUNTING POLICIES

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

#### (a). Basis of accounting

The financial statements are prepared in accordance and comply with International Financial Reporting Standards ( IFRSs) and prepared under the historical cost convention basis.

#### (b). Cash Basis of Accounting

The Cash basis of Accounting has been adopted in the preparation of the financial Statements . The cash basis of accounting recognizes transactions and events only when cash ( including cash equivalents ) is received or paid by the entity.

#### (c). Property and Equipment

Property and equipment are presented at cost less depreciation

#### (d). Depreciation

Depreciation on Property, Plant and Equipment are calculated at reducing balance basis to write off their cost over their estimated useful lives. The annuals rates are as shown below:

Computer & IT Equipment	30.0%
Equipment,Furniture&fittings	12.5%

#### (e). Foreign Currencies

These accounts are expressed in Kenya Shillings.

#### (f). Cash and Cash Equivalents

Cash and cash equivalents comprise balances in current account held with the bank and cash at hand as at 31 December 2014

#### (g). Income Taxes

The NGO is exempt from Income Taxes under paragraph 10 of the 1st schedule of the Income Tax Act , (CAP 470). Accordingly, no provision for income taxes have been made in the accompanying statements.



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Notes to the Financial Statements

2. FIXED ASSETS

	Land and Buildings 0.0%	Computers and IT Equipment 30.0%	Furniture and Equipment 12.5%	Total
<b>Cost/Valuation</b>				
At 01.01.2015	8,458,027	10,150	79,074	8,547,251
Additions	3,048,710	81,300	138,000	3,268,010
Disposals	-	-	-	-
<b>At 31.12.2015</b>	<b>11,506,737</b>	<b>91,450</b>	<b>217,074</b>	<b>11,815,261</b>
<b>Depreciation</b>				
At 01.01.2015	-	53,850	232,297	286,147
Charge for the Year	-	27,435	27,134	54,569
<b>At 31.12.2015</b>	<b>-</b>	<b>81,285</b>	<b>259,431</b>	<b>340,716</b>
<b>Net Book Value</b>				
<b>As at 31.12.2015</b>	<b>11,506,737</b>	<b>64,015</b>	<b>189,940</b>	<b>11,760,692</b>
<b>Net Book Value</b>				
<b>As at 31.12.2014</b>	<b>8,458,027</b>	<b>7,105</b>	<b>69,190</b>	<b>8,534,322</b>

3. CASH AND CASH EQUIVALENTS

	2015	2014
	Ksh.	Ksh.
Cash at hand and Bank	1,013,210	10,836

4. ACCRUED EXPENSES

NGO Coordination Board	2,000	2,000
Audit Fees	75,000	60,000
Staff Salaries	-	-
PAYE	22,431	22,431
NHIF	4,700	1,360
NSSF	3,200	2,800
NITA	350	350
Ms. Ronco & General Contractors	170,000	-
	<b>277,681</b>	<b>88,941</b>

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**5. CAPITAL FUNDS**

	2015	2014
	Ksh.	Ksh.
This represents development costs , donor		
The balances at 31st December	11,506,737	8,534,322

**6. TRANSFERS**

Transfers are made in Euros . Transactions are done directly by the receiving bank and amounts credited in Kenya shillings net of transactions charges.

**7. PROGRAMME EXPENSES**

	2015	2014
	Ksh.	Ksh.
Tuition Fees	4,641,259	4,535,082
Feeding	4,676,521	4,462,579
Medical	329,980	291,185
Social Support Activities	189,000	-
Youth Activities	32,700	-
Boarding & Tuition Supplies	2,084,147	2,764,259
Children's Presents	1,043,489	1,100,297
Community Policing	-	19,000
Monthly Food Assistance	39,600	100,200
Vocational Training Support	390,695	113,640
Field Visits	647,200	-
	<b>14,074,591</b>	<b>13,386,242</b>

**8. SALARIES**

Staff Salaries and Wages	2,688,900	1,755,640
Statutory Deductions	-	76,111
Other Staff Expenses	262,871	-
	<b>2,951,771</b>	<b>1,831,751</b>

**9. ADMINISTRATION EXPENSES**

Rent & Rates	99,980	240,000
Communication	27,260	-
Office Running Expenses	538,869	1,103,859
Subscription	2,000	2,000
Professional Fees	50,000	290,000
Audit and Accountancy	75,000	60,000
Transport	177,200	201,650
Depreciation (Note 2)	54,569	12,929
	<b>1,024,878</b>	<b>1,910,438</b>

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Notes to the Financial Statements

	2015	2014
<b>10. FINANCIAL COSTS</b>	Ksh.	Ksh.
Bank Charges	64,415	63,123
Interest Income	(10,906)	(25,781)
	<b>53,508</b>	<b>37,342</b>
<b>11. DEPRECIATION</b>		
Charge for the year (Note 2)	54,569	12,929

**12. STAFF LEVEL**

The staff during the year were 6 ( 2014 -6).

**13. CURRENCY**

These Financial Statements are presented in Kenya Shillings (Ksh)

**14. TAXATION**

The income received by Live and Learn in Kenya International is exempted from taxation as per paragraph 10 of the 1st Schedule of the Income Tax Act (Cap. 470)

**15. REGISTRATION**

Live and Learn in Kenya International is registered in Kenya under the NGOs Coordination Act 1990 under the Certificate No. OP/218/051/2007/0442/5026.