

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

AUDITED FINANCIAL STATEMENTS

31ST DECEMBER 2021

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KKCO East Africa LLP
Certified Public Accountants
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UJAMAA NA WATOTO WENYE HAKI INITIATIVE

BOARD MEMBERS

: Ada Mwangola Owiti	- Board Chair
: Michael Jacob Sinclair	- Treasurer
: Jane Wangithi	- Member
: Prasede Wanjiru	- Member
: Benjamin Mboya	- Secretary

REGISTERED OFFICE

**: Landmark 007 Plaza
P. O. BOX 51455-00100
NAIROBI**

BANKERS

**: Equity Bank
Kariobangi Branch**

INDEPENDENT AUDITORS

**: KKCO East Africa LLP
Certified Public Accountants of Kenya**

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

AIHD	- African Institute For Health & Development
CADAID	- Canadian Aid
CBO's	- Community Based Organizations
CISP	- Comitato Internazionale per lo Sviluppo dei Popoli
DFID	- Department of International Developments
FGM	- Female Genital Mutilation
GBV	- Gender Based Violence
GCC	- Grand Challenges Canada
IPV	- Intimate Partner Violence
JHU	- John Hopkins University
MSF	- Médecins Sans Frontières (MSF) International
NAYA	- Network For Adolescent and Youth of Africa
NGO	- Non -Governmental Organization
NMN TRAINING	- No Means No Training
NOVO	- NOVO Foundation
PSOP	- Peace and Stabilization Operations Program
UKAID	- United Kingdom Aid
UNICEF	- United Nations Children's Fund
VAWG	- Violence Against Women And Girls

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Report of the Board

to the Members of Ujamaa na Watoto Wenye Haki Initiative

The Board has pleasure in presenting their report together with the audited financial statements for the year ended 31st December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the organization is to economically empower orphans and their caretakers in urban areas and to provide simple yet effective practical self defense skills to protect women against rape and other forms of sexual violence.

BACKGROUND INFORMATION

Ujamaa Africa, officially known as Ujamaa na Watoto Wenye Haki is a registered NGO whose main objective is to reduce sexual violence against women and children by:-

- a) Running a simple, low cost, effective and scalable sexual violence prevention programme, FGM, teenage pregnancies and early childhood marriages.
- b) Running a community bank that provides micro-loan services to victims of Intimate Partner Violence (IPV).

In Kenya Ujamaa delivers its interventions in Nairobi's 5 largest slums. Its sexual violence prevention programme delivered primarily in schools has been proven by Stanford University, John Hopkins University and the United States International University to cut the incidence of sexual assault and pregnancy related school drop out by half.

The program dubbed Empowerment Transformation Training (ETT) is a successful and rigorously tested rape prevention approach that targets female and male youth in schools and Community Based Organizations. This intervention reduces VAWG across the lifespan with different approaches to meet different needs at different times. Ujamaa works in close partnerships with local authorities and stakeholders in the communities they work, including the Ministry of Education, Ministry of Health, Area Chiefs and Elders, CBOs, Mosques, Churches and International NGOs including MSF, Amnesty International, Terres des Hommes, UN Women, UNICEF, Plan International and Action Aid.

Over the last 10 years Ujamaa-Africa has implemented the 6-week, 12-hour ETT program in hundreds of Nairobi upper primary and secondary schools. During this time, Ujamaa-Africa and its partners have relied on a process of interactive learning, making continuous, incremental adjustments to curriculum, staffing and implementation models in direct response to the political and operational realities of the communities.

Ujamaa has forged research partnerships with academic institutions to objectively evaluate the programs efficacy. It is working with John Hopkins University, Stanford, USIU and The University of Nairobi. These partnerships give the benefit of high-level research and have led to the publication of two articles in peer-reviewed medical journals. From 2012 to date, Ujamaa managed to train girls and boys in over 400 primary schools and 290 secondary schools from Nairobi's informal settlements.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Report of the Board

to the Members of Ujamaa na Watoto Wenye Haki Initiative.../Condt.

Besides the girls and boys programme, Ujamaa Africa also provides economic empowerment through a micro loan program which ensures that the elderly lead dignified, active and secure lives, and also runs two unique psychosocial support programs which are geared towards providing interventions to the elderly. The micro loans also target survivors of intimate partner violence who in addition to the loans receive Psychosocial Group Support. One program, known as SHOSHO program offers support to women who are survivors of sexual assault. The other, SASA (Sexual Assault Survivors Anonymous) is a support group for survivors of sexual assault. active and secure lives, and also runs two unique psychosocial support programs which are geared towards providing interventions to the elderly. The micro loans also target survivors of intimate partner violence who in addition to the loans receive Psychosocial Group Support. One program, known as SHOSHO program offered support to women who are survivors of sexual assault. The other, SASA (Sexual Assault Survivors Anonymous) is a support group for survivors of sexual assault.(Repetition)

MAIN ACTIVITIES IN 2021

POWER TO YOU(TH)

Amref Health Africa in Kenya and Network for Adolescent and youth of Africa (NAYA) were awarded, a five years (2021 – 2025) program funded by the Dutch ministry of foreign Affairs and trade implementing power of youth program. Power of Youth (PtY) would be implemented in the following regions; Senegal, Ethiopia, Kenya, Ghana, Malawi, Uganda, Indonesia, In Kenya the power of youth will be implemented at the National and County level; Siaya, Homabay, Migori and Kajiado counties. The intervention would focus on empowerment of Adolescents, girls, young women from underserved communities ensuring they are meaningfully included in all decision-making processes and levels regarding Harmful Practices, unintended pregnancies, Sexual and Gender Based violence that will be addressed through, lobby and advocacy, linking and learning, and capacity strengthening. Ujamaa was sub granted for the 5 year grant to implement its interventions in Migori County. The program is dedicated work to end child marriage, FGM and teenage pregnancy and provide girls with opportunities to take charge of their own lives. For the first year of implementation, Ujamaa was tasked with conducting needs assessment in select sub-counties in Migori to access and to further advocate young people demand for accountability & responsiveness on harmful practices, SGBV & unintended pregnancies, societal and state actors support towards youth rights and progressive social norms, among others.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Report of the Board

to the Members of Ujamaa na Watoto Wenye Haki Initiative.../Condt.

GRAND CHALLENGES CANADA ETT SCALE UP PROJECT

Under Transition to Scale 2 (TTS2), Ujamaa worked to build and scale up a sustainability model for our ETT program through engagement of the Ministry of Education (MOE), specifically training of MOE Teacher Champions through the Teachers Service Commission (TSC) and Beacon Teachers Program. Over the project period, Ujamaa successfully trained 223 MOE Teacher Champions as ETT instructors, as well as select groups of student leaders to act as Teacher Assistants. Under the supervision of Ujamaa Senior Instructors, the newly trained Teacher Champions and student leader teams delivered the ETT program in 116 selected schools in Nairobi and Kajiado counties, reaching 42,506 girls and boys with the ETT training in both private and public schools.

UJAMAA MASHINANI

In 2021, Ujamaa supported John Hopkins University in conducting community engagement meetings to determine the best way forward on scaling up MyPlan app intervention in Kenya. The organization managed to reach out to and involve several CBOs, NGOs working in the health, justice, education, sectors and community groups. Upon engagement, they were able to map out essential resources to be used as a mapping guide at MyPlan Kenya implementation phase. Ujamaa was also able to get a buy in from Government to roll out the program fully. Inception meetings were conducted for some of key stakeholder including Nairobi Metropolitan Services, Ministry of Gender and Sport, Local Administration i.e. Chiefs and village elders, and NGOs that deal with SGBV. Further, there was preparation of MyPlan Protocols, study design and workflow chart, implementation and dissemination designs.

Challenges

Ujamaa experienced the following main challenges in 2021:

1) Impact of COVID 19

Entry into schools and institutions; owing to stringent COVID measures enforced by Government to curb spread of the virus was challenging. Obtaining permits to operate in schools was challenging. Ujamaa had to re-strategize on other means of reaching to its beneficiaries.

Upon resumption of school in early 2021, it was observed that a huge number of students either, dropped out of school due to pregnancy related causes or encountered a form of sexual assault during period in which schools had been closed due to Covid.

2) Programming challenges

a) Political Goodwill

Under Power to You(th) program; Lack of political goodwill within the Kuria community hampered Ujamaa's advocacy efforts. FGM within this community is deemed a sensitive topic (as it is culturally embraced), most leaders are afraid of speaking against it for fear of losing their posts in the upcoming elections.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Report of the Board

to the Members of Ujamaa na Watoto Wenye Haki Initiative.../Condt.

b) Insecurity

In Somali, the main challenges faced was insecurity and the stand-off between the Kenya and Somali government. Cases of Alshabab attacks in nearby districts and with Mogadishu would lead to closure of roads and offices thus hampering trainings in schools. Political unease between Kenya and Somali government had spiraling effects such as stringent measures imposed on Kenyans travelling to Somali and vice versa.

RESULTS

The results for the year are set out in the statement of comprehensive income on page 11.

IMPACT OF COVID-19 ON THE ORGANIZATION'S SUSTAINABILITY

In March 2020, the World Health Organization declared a global pandemic due to the emergence of COVID-19. Since then, the situation has been constantly evolving leading to multiple impacts on local, national and global economies. In Kenya, the containment measures (partial lockdown) were introduced on 15th March 2020 following the announcement of the first case. The pandemic has had an impact on the organization's financial statements as a result of travel restrictions, disrupted school calendar, restrictions to gatherings and other business interruptions.

The Board has been closely monitoring the situation and responding to ensure the organization is sustainable during and after the pandemic.

BOARD

The names of the Board members who served during the year ended 31st December 2021 are set out on page 1.

INDEPENDENT AUDITORS

The auditors, KKCO East Africa LLP, Certified Public Accountants, have expressed their willingness to continue in office.

Nairobi

April 28, 2022

By Order of the Board



Managing Director/Secretary

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Board's Responsibilities

The Board is required to prepare financial statements for each financial year, which give a true and fair view of the financial position of the organization as at the end of the financial year and of its surplus and deficit for that year. The directors are also required to ensure that the organization keeps proper accounting records that: (a) show and explain the transactions of the organization (b) disclose, with reasonable accuracy, the financial position of the organization; and (c) enable the organization to ensure that every financial statement required to be prepared complies with the requirements of the NGOs Co-ordination Act.

The Board accepts responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the NGOs Co-ordination Act. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as at 31st December 2020 and of its transactions for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and of the NGOs Co-ordination Act.

Having made an assesment of the organization's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the organization's ability to continue as a going concern.

The Board acknowledges that the independent audit of the financial statements does not relieve the Board of its responsibilities.

Approved by the Board on **April 28, 2022** and signed on its behalf by:-



Chairman



Chief Executive Officer/Secretary



KKCO East Africa LLP
Certified Public Accountants

Report of the Independent Auditors

to the Members of Ujamaa Na Watoto Wenye Haki Initiative

on the financial statements for the year ended December 31, 2021

Opinion

We have audited the financial statements of **Ujamaa Na Watoto Wenye Haki Initiative** set out on pages 11 to 21, which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ujamaa Na Watoto Wenye Haki Initiative as at December 31, 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Governmental Organisations Co-ordination Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board is responsible for the other information. The other information comprises the Report of the Board, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 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, 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.

Independent Member Firm of



A worldwide association of independent accounting firms
and business advisers (www.dfk.com).

Report of the Independent Auditors

to the Members of Ujamaa Na Watoto Wenye Haki Initiative.../(Contd)

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the NGOs Co-ordination Act and for such internal control as the Board determines 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 is 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.

Auditors' 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 auditors' 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 financial statements.

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

- 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.
- 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 auditors' 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 our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.

Report of the Independent Auditors

to the Members of Ujamaa Na Watoto Wenye Haki Initiative.../(Contd)


- 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.

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.

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA Joshua Gachomo, Practising Certificate Number 2472 and Member Number 10632.

Nairobi, Kenya

19.05.22


For and on behalf of
KKCO East Africa LLP
Certified Public Accountants of Kenya

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Comprehensive Incomefor the year ended 31st December 2021

INCOME	Note	<u>2021</u> Kshs	<u>2020</u> Kshs
Grant income	2	47,849,772	83,222,944
Other income	3	<u>1,337,116</u>	<u>19,650</u>
		<u>49,186,888</u>	<u>83,242,594</u>
 EXPENDITURE			
Staff costs	4	7,519,601	10,044,166
Administrative expenses	5	11,367,749	7,896,647
Establishment expenses	6	3,152,600	3,478,540
Program expenses	7	<u>37,077,339</u>	<u>76,405,470</u>
		59,117,289	97,824,824
Capital expenditure	9	<u>40,000</u>	<u>775,000</u>
Total expenditure		<u>59,157,289</u>	<u>98,599,824</u>
BALANCE FOR THE YEAR C/FWD		<u>(9,970,400)</u>	<u>(15,357,229)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Financial Positionas at 31st December 2021

ASSETS	Note	<u>2021</u> Kshs	<u>2020</u> Kshs
Non-current assets			
Property and equipment	8	2,648,846	3,391,789
Intangible asset	9	<u>545,822</u>	<u>642,277</u>
		<u>3,194,667</u>	<u>4,034,066</u>
Current assets			
Accounts receivable	10	3,414,338	5,748,680
Cash and bank balances	11	<u>1,558,636</u>	<u>11,433,166</u>
		<u>4,972,974</u>	<u>17,181,846</u>
TOTAL ASSETS		<u>8,167,641</u>	<u>21,215,912</u>
FUNDS			
Capital fund		3,194,667	4,034,066
Accumulated reserves		<u>(13,384,670)</u>	<u>(5,689,831)</u>
		<u>(10,190,002)</u>	<u>(1,655,765)</u>
Current liabilities			
Payables and accruals	12	<u>18,357,643</u>	<u>22,871,677</u>
TOTAL FUNDS AND LIABILITIES		<u>8,167,641</u>	<u>21,215,912</u>

The financial statements on pages 11 to 21 were approved by the board on **April 28, 2022** and signed on its behalf by:



Chairman



Chief Executive Officer/Secretary

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Changes in Fundsas at 31st December 2021

	<u>Capital Fund Kshs</u>	<u>Accumulated Reserve Kshs</u>	<u>Total Kshs</u>
At 1 January 2020	4,424,944	8,501,520	12,926,464
Fixed assets additions	775,000	-	775,000
Depreciation	(1,005,308)	1,005,308	-
Amortisation	(160,570)	160,570	-
Balance for the year	<u>-</u>	<u>(15,357,229)</u>	<u>(15,357,229)</u>
AT 31 DECEMBER 2020	<u>4,034,066</u>	<u>(5,689,831)</u>	<u>(1,655,765)</u>
At 1 January 2021	4,034,066	(5,689,831)	(1,655,765)
Prior year adjustments(i)		1,396,163	1,396,163
Fixed assets additions	40,000	-	40,000
Depreciation	(742,943)	742,943	-
Amortisation	(136,455)	136,455	-
Balance for the year	<u>-</u>	<u>(9,970,400)</u>	<u>(9,970,400)</u>
AT 31 DECEMBER 2021	<u>3,194,667</u>	<u>(13,384,670)</u>	<u>(10,190,002)</u>

(i) Prior year adjustment relates to the following :-

	<u>Amount Kshs</u>
2016 Advance PAYE payment write off	793,088
2018 Soma Loan Balances correction	599,875
2018 Correction of Soma savings balances	3,200
	<u>1,396,163</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Cash Flow Statementfor the year ended 31st December 2021

CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>2021</u> Kshs	<u>2020</u> Kshs
Balance for the year	(9,970,400)	(15,357,229)
Adjustments for:		
Depreciation and amortisation	879,399	1,165,878
Capital expenditure	40,000	775,000
Prior year adjustments	1,396,163	-
Changes in operating assets and liabilities		
Decrease/(Increase) in receivables and prepayments	2,334,342	1,495,497
Decrease/Increase in payables	<u>(4,514,034)</u>	<u>16,104,916</u>
Cash flows (used in)generated from operations	<u>(9,834,530)</u>	<u>4,184,062</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment and furniture	<u>(40,000)</u>	<u>(775,000)</u>
Cash flows used in investing activities	<u>(40,000)</u>	<u>(775,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,874,530)	3,409,062
Balance at beginning of the year	<u>11,433,166</u>	<u>8,024,104</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 11)	<u>1,558,636</u>	<u>11,433,166</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements

for the year ended 31st December 2021

1.0 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

1.2 Revenue recognition

Grants, remittances, interest on loans and other income are credited into the respective accounts upon receipt.

1.3 Property and equipment

Items of property and equipment, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property and equipment:

Computers	30%
Furniture and fittings	12.50%
Equipment	12.50%
Intangible assets	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item is recognised in the statement of comprehensive income.

1.4 Capital expenditure

The cost of additional fixed assets is expensed in the year of purchase. A capital fund is created to represent the organization's equity held in fixed assets.

1.5 Receivables

Receivables are stated at their nominal value and reduced by appropriate allowance for estimated irrecoverable amount. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts of recovery have been exhausted.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements

for the year ended 31st December 2021.../(Contd)

1.6 Payables

Payables are recognized at fair values.

1.7 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with bank.

1.8 Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings using the spot rate at the date of the transaction. Foreign currency monetary items at the balance sheet date are translated using the closing rate. All exchange differences arising on settlement or translation are recognized in statement of comprehensive income.

1.9 Comparatives

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

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

- i) Critical estimates are made by the organization in determining depreciation rates for property and equipment. The rates used are as set out in Note 1.3.
- ii) In the process of applying the organization's accounting policies, Board has made judgements in determining:-
 - a) Depreciation rates for property and equipment. The rates are as set out in note 1.3 above.
 - b) The classification of financial assets and leases.
 - c) Whether assets are impaired.

3 FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The organization's activities expose it to a variety of financial risks. These include: Market risk (foreign exchange risk and interest risk), credit risk and liquidity risk. The Board's overall risk management programme focuses on the unpredictability of changes in operating environment and seeks to minimise potential adverse effects of such risks on its financial performance by setting acceptable levels of risks.

Risk management is carried out by the management under policies approved by the Board.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements
for the year ended 31st December 2021.../(Contd)

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Risk management is carried out by the management under policies approved by the Board.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements

for the year ended 31st December 2021 (Continued)

a) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, and foreign exchange rates which will affect the organization's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

i) Foreign exchange risk

The organization is not exposed to any significant foreign exchange risk.

b) Credit risk

The organization's credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivable.

The utilisation of the credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparts.

None of the financial assets that are fully performing has been renegotiated during the period.

Exposure to risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

The amount that best represents the organization's maximum exposure to credit risk at 31st December 2021 is made up as follows:-

	<u>2021</u>	<u>2020</u>
	Kshs	Kshs
Receivables and prepayments	3,414,338	5,748,680
Cash and cash equivalents	1,558,636	11,433,166
	<u>4,972,974</u>	<u>17,181,846</u>

c) Liquidity risk

The responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the NGO's short, medium and long term funding and liquidity management requirements. The organization manages liquidity risk by maintaining enough required funds for its operation through continuous monitoring of forecast and actual cash flows.

The table below provides a contractual analysis of the organization's financial liabilities :-

	<u>2021</u>	<u>2020</u>
	Kshs	Kshs
Total financial liabilities	<u>18,357,643</u>	<u>22,871,677</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statementsfor the year ended 31st December 2021.../(Contd)

	<u>2021</u> Kshs	<u>2020</u> Kshs
2.0 PROGRAM FUNDING		
Winifred Stevens	10,997,140	9,997,500
JAKE	10,405,000	-
JHU	8,144,040	1,092,677
PSOP	6,936,640	28,361,352
GCC Empowerment	5,675,847	25,339,598
UNICEF	2,950,558	-
AMREF Kenya	2,004,149	-
Victoria Porter	964,100	19,000
GCC Mashinani	(247,702)	1,480,000
Other	20,000	-
Rutgers	-	7,449,767
NOVO	-	5,997,500
Ujamaa	-	3,475,200
LPF	-	10,350
	<u>47,849,772</u>	<u>83,222,944</u>
3.0 OTHER INCOME	Kshs	Kshs
Foreign exchange	1,325,498	-
Interest income	8,158	17,350
Other income	3,460	-
Processing fee	-	2,300
	<u>1,337,116</u>	<u>19,650</u>
4.0 STAFF COSTS	Kshs	Kshs
Staff salaries	6,757,830	6,227,075
Medical insurance	497,421	2,411,911
Pension employer	212,000	248,000
NITA	52,350	14,400
Staff welfare	-	1,142,780
	<u>7,519,601</u>	<u>10,044,166</u>
5.0 ADMINISTRATION EXPENSES	Kshs	Kshs
Professional fees	4,521,315	3,572,839
Bad debts written off	2,801,938	-
Other utilities	1,138,035	1,091,931
Telephone and internet expenses	529,775	526,414
Audit fees	506,163	363,000
Printing and stationery	388,095	178,857
Office supplies	248,566	53,132
Travelling and entertainment	172,142	112,340
Bank charges	138,571	108,860
Asset insurance	43,750	-
Depreciation and amortization	879,399	1,165,878
Audit fees-Rutgers project	-	121,800
Foreign exchange loss	-	601,596
	<u>11,367,749</u>	<u>7,896,647</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2021

	<u>2021</u>	<u>2020</u>		
	Kshs	Kshs		
6.0 ESTABLISHMENT EXPENSES				
Rent - programme offices	2,001,600	2,318,000		
Rent - administration office	1,080,000	1,080,000		
Repairs and maintenance	71,000	80,540		
	<u>3,152,600</u>	<u>3,478,540</u>		
7.0 PROGRAMME EXPENSES	Kshs	Kshs		
Program staff salaries	27,031,318	28,367,785		
Travelling expenses	4,673,828	13,646,389		
Programme utilities	3,565,136	4,971,908		
Volunteer allowances	1,224,657	1,584,163		
Production and distribution of training materials	582,400	758,500		
Donations	-	27,070,225		
Day care expenses	-	6,500		
	<u>37,077,339</u>	<u>76,405,470</u>		
8.0 PROPERTY AND EQUIPMENT				
	Computers	Furniture & fittings	Equipment	Total
COST OR VALUATION	Kshs	Kshs	Kshs	Kshs
At 1 January 2021	<u>5,791,900</u>	<u>1,226,639</u>	<u>1,726,585</u>	<u>8,745,124</u>
DEPRECIATION				
At 1 January 2021	3,969,216	584,960	799,159	5,353,335
Charge for the year	546,805	80,210	115,928	742,943
	<u>4,516,021</u>	<u>665,170</u>	<u>915,087</u>	<u>6,096,278</u>
NET BOOK VALUE				
At 31 December 2021	<u>1,275,879</u>	<u>561,469</u>	<u>811,498</u>	<u>2,648,846</u>
NET BOOK VALUE				
At 31 December 2020	<u>1,822,684</u>	<u>641,679</u>	<u>927,426</u>	<u>3,391,789</u>
9.0 INTANGIBLE ASSETS				
		<u>2021</u>	<u>2020</u>	
COST OR VALUATION		Kshs	Kshs	
At 1 January		1,555,875	1,555,875	
Additions		40,000	-	
		<u>1,595,875</u>	<u>1,555,875</u>	
AMORTIZATION				
At 1 January		913,598	753,028	
Amortization for the year		136,455	160,570	
		<u>1,050,053</u>	<u>913,598</u>	
NET BOOK VALUE				
At 31 December		<u>545,822</u>	<u>642,277</u>	

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2021

	<u>2021</u>	<u>2020</u>
	Kshs	Kshs
10.0 ACCOUNTS RECEIVABLE		
Loans to members	4,846,245	5,326,038
Less:		
Provision for doubtful debts	<u>(1,585,877)</u>	<u>(1,585,877)</u>
	3,260,368	3,740,161
Due from Ujamaa Pamodzi Africa	-	1,341,640
Deposits	34,900	44,900
Ujamaa Somalia	66,000	-
Jake Sinclair	50,070	-
Other receivables	3,000	124,558
Insurance prepaid	<u>-</u>	<u>497,421</u>
AT 31 DECEMBER	<u>3,414,338</u>	<u>5,748,680</u>
11.0 CASH AND BANK BALANCES	Kshs	Kshs
Equity Bank USD	1,458,288	10,527,956
Equity Bank Kshs	59,142	803,083
Equity Bank GBP	7,503	6,507
Equity Canadian dollar	1,698	4,828
Petty cash	29,693	90,705
Mpesa	<u>2,312</u>	<u>87</u>
	<u>1,558,636</u>	<u>11,433,166</u>
12.0 PAYABLES AND ACCRUALS	Kshs	Kshs
Due to CISP	9,196,611	9,256,611
Ujamaa Somalia	3,326,531	-
Member savings	2,669,607	2,657,267
Jake Sinclair	1,363,740	6,889,934
Sacco deductions	1,199,754	2,469,754
Payroll liabilities	585,710	1,109,044
Unidentified deposits	15,690	4,100
Other payables	<u>-</u>	<u>167</u>
	<u>18,357,643</u>	<u>22,871,677</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2021

13.0 REGISTRATION

Ujamaa na Watoto Wenye Haki Initiative was registered on 31st March 2011, under The Non-Governmental Organizations Co-ordinations (NGO) Act.

14.0 TAXATION

No provision for corporate taxation has been made in these financial statements. The organisation qualifies for exemption from Kenyan corporate tax under the provisions of Paragraph 10 of the First Schedule of Income Tax Act, Cap 470 (Laws of Kenya). Further, grants and donations are not subject to taxation in Kenya.

15.0 EVENTS AFTER REPORTING PERIOD

We draw your attention to the Report of the Board on page 6 regarding the impact of Covid-19 on the sustainability of the organization.

The Board is not aware of any other matters arising after 31 December 2021 that would significantly affect the operations of the company.

16.0 CURRENCY

These financial statements are presented in Kenya Shillings (Kshs).

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

RUTGERS

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Grant income	-	7,449,767
EXPENDITURE		
Staff costs	-	1,778,110
Meeting, travel and entertainment	-	3,694,277
Program utilities	-	864,417
Rent	-	126,000
Telephone and internet	-	110,004
Utilities	-	101,524
Bank charges	-	2,940
Printing and stationery	-	275
Audit fees	-	121,800
Travel and subsistence	-	-
Office Supplies	-	3,641
Total expenditure	-	6,802,989
BALANCE FOR THE YEAR	-	646,778
Balance b/forward	986,989	340,211
BALANCE C/FORWARD	<u>986,989</u>	<u>986,989</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

AMREF

Detailed Statement of Comprehensive Income

for the year ended 31st December 2021.

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Grant income	<u>2,004,149</u>	<u>-</u>
EXPENDITURE		
Staff costs	562,000	-
Travelling and Subsistence	742,001	-
Program utilities	469,785	-
Rent	144,060	-
Telephone and internet	46,897	-
Office Supplies	17,526	-
Bank charges	16,052	-
Utilities	<u>5,750</u>	<u>-</u>
Total expenditure	<u>2,004,071</u>	<u>-</u>
BALANCE FOR THE YEAR	<u>78</u>	<u>-</u>
Balance b/forward	<u>-</u>	<u>-</u>
BALANCE C/FORWARD	<u>78</u>	<u>-</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

UNICEF

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Program Funding	<u>2,950,558</u>	<u>-</u>
EXPENDITURE		
Rent	1,337,540	-
Program utilities	734,690	-
Travelling and subsistence	456,211	-
Other Utilities	368,451	-
Telephone, postage and internet	44,691	-
Office supplies	<u>12,122</u>	<u>-</u>
Total expenditure	<u>2,953,705</u>	<u>-</u>
BALANCE FOR THE YEAR	<u>(3,147)</u>	<u>-</u>
BALANCE C/FORWARD	<u>(3,147)</u>	<u>-</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

JHU

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Grant income	<u>8,144,040</u>	<u>1,092,677</u>
EXPENDITURE		
Staff costs	7,381,500	2,685,000
Program Utilities	659,708	48,300
Meeting, travel and entertainment	360,900	71,700
Telephone and internet	201,000	75,125
Printing and stationery	176,030	-
Utilities	117,801	64,090
Training expenses	54,000	-
Supplies	45,930	-
Repairs and maintenance	5,000	-
Professional fees	-	-
Capital expenditure	-	241,000
Bank charges	-	6,660
Total expenditure	<u>9,001,869</u>	<u>3,191,875</u>
BALANCE FOR THE YEAR	<u>(857,829)</u>	<u>(2,099,198)</u>
Balance b/forward	<u>(2,123,779)</u>	<u>(24,581)</u>
BALANCE C/FORWARD	<u>(2,981,608)</u>	<u>(2,123,779)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

CISP

Detailed Statement of Comprehensive Income

for the year ended 31st December 2021

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Grant income	-	-
EXPENDITURE		
Staff costs	-	-
Professional fees	-	-
Meeting, travel and entertainment	-	-
Rent	-	-
Telephone and internet expenses	-	-
Printing and stationery	-	-
Training expenses	-	-
Capital expenditure	-	-
Bank charges	-	-
Program utilities	-	-
Total expenditure	-	-
BALANCE FOR THE YEAR	-	1
Balance b/forward	<u>(1,371,704)</u>	<u>(1,371,704)</u>
BALANCE C/FORWARD	<u>(1,371,704)</u>	<u>(1,371,704)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

PSOP

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

	<u>2021</u>	<u>2020</u>
	Kshs	Kshs
INCOME		
Grant income	6,936,640	28,361,352
	<u>6,936,640</u>	<u>28,361,352</u>
EXPENDITURE		
Staff costs	-	22,847,115
Donations	-	17,963,305
Meeting, travel and entertainment	-	5,236,764
Professional fees	-	2,906,840
Volunteer Allowances	-	869,723
Rent	-	327,000
Program utilities	-	299,000
Utilities	-	37,786
Telephone and internet expenses	-	9,000
Supplies	-	6,200
Repairs and maintenance	-	400
Bank charges	-	9,660
Printing and stationery	-	3,000
Capital expenditure	-	-
Training expenses	-	-
Total expenditure	-	<u>50,515,792</u>
BALANCE FOR THE YEAR	<u>6,936,640</u>	<u>(22,154,440)</u>
Balance b/forward	(6,936,640)	15,217,800
BALANCE C/FORWARD	<u>-</u>	<u>(6,936,640)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

GCC MASHINANI

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

	<u>2021</u> Kshs	<u>2020</u> Kshs
INCOME		
Grant income	-	1,480,000
EXPENDITURE		
Staff costs	-	1,554,880
Donations	-	807,120
Program utilities	-	751,207
Capital expenditure	-	534,000
Medical Insurance	-	412,476
Meeting, travel and entertainment	-	150,350
Rent	-	344,000
Training	-	93,500
Printing and stationery	-	43,850
Telephone and internet expenses	-	69,464
Supplies	-	9,500
Utilities	-	7,500
Bank charges	-	3,360
Repairs and maintenance	-	-
Total expenditure	-	<u>4,781,207</u>
BALANCE FOR THE YEAR	-	<u>(3,301,207)</u>
Balance b/forward	<u>201,423</u>	<u>3,502,630</u>
Refund to donor	<u>(201,423)</u>	-
BALANCE C/FORWARD	<u>-</u>	<u>201,423</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

WINFRED STEVENS

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

INCOME	<u>2021</u> Kshs	<u>2020</u> Kshs
Grant income	10,997,140	9,997,500
Staff costs	11,669,233	-
Travelling and subsistence	1,655,854	-
Program utilities	843,694	-
Rent	706,400	-
Utilities	572,817	-
Training expenses	528,400	-
Office supplies	172,868	-
NSSF Employer	145,800	-
Telephone and internet expenses	126,572	-
Repairs and maintenance	55,500	-
Printing and stationery	16,500	-
Asset Insurance	43,750	-
Total expenditure	<u>16,537,388</u>	<u>-</u>
BALANCE FOR THE YEAR	<u>(5,540,248)</u>	<u>9,997,500</u>
Balance b/forward	<u>9,997,500</u>	<u>1,790,244</u>
Members loans issued	-	(560,000)
Charged to staff cost	-	(1,230,244)
BALANCE C/FORWARD	<u><u>4,457,252</u></u>	<u><u>9,997,500</u></u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

GCC EMPOWERMENT

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2021

INCOME	<u>2021</u> Kshs	<u>2020</u> Kshs
Grant income	5,675,847	25,339,598
EXPENDITURE		
Staff costs	3,781,765	9,036,483
Professional fees	4,476,871	666,000
Meeting, travel and entertainment	854,332	3,465,412
Program utilities	452,620	2,614,802
Printing and stationery	195,565	131,732
Telephone & Internet	4,000	200
Bank charges	2,940	8,480
Utilities	1,170	7,884
Medical insurance	-	1,825,350
Rent	-	900,000
Training expenses	-	620,000
General repairs	-	6,000
Total expenditure	<u>9,769,263</u>	<u>19,282,343</u>
BALANCE FOR THE YEAR	<u>(4,093,416)</u>	<u>6,057,255</u>
Balance b/forward	<u>948,827</u>	<u>(5,108,428)</u>
BALANCE C/FORWARD	<u>(3,144,589)</u>	<u>948,827</u>