

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

AUDITED FINANCIAL STATEMENTS

31ST DECEMBER 2020

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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
: **Meghann Kabala - Treasurer
: **Samo Obanda - Member
: **Elizabeth A Obanda - Member
: **Yolande Coombes - Member
: **Vida Sanford - Member

*** Appointed in April 2020**

**** Left in March 2020**

REGISTERED OFFICE

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

BANKERS

: Equity Bank
Kariobangi Branch

INDEPENDENT AUDITORS

: KKCO East Africa
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 2020.

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.

RUTGERS KAJIADO COUNTY PROJECT

Ujamaa was awarded a 5 year grant to implement its interventions in Kajiado West sub county of Kajiado by Rutgers international. The Organization is working as part of a consortia of 5 Organizations: AMREF, Plan International Kenya, NAYA, and CSA. Besides Sexual assault reduction, Ujamaa's curriculum was tailored to also help address teenage pregnancy, child marriage and FGM. It adapted its curriculum in 2016 for the Kajiado context. The final cohort of over 5000 beneficiaries were taught in 2020.

AT RISK YOUTH NOVO FOUNDATION PROJECT

Ujamaa was awarded a 3 year grant to implement its IMpower program in Nairobi by NOVO in 2016. The project started in October 2016 with a target of 4000 boys and girls per year. This project had a particular focus on at risk boys and girls living in Nairobi's informal settlements. The primary outcome for this project was the reduction in levels of sexual assault among the intervention group. This project was also implemented in all the 5 largest slums of Nairobi (Kibera, Mukuru, Huruma, Korogocho and Dandora). The last cohort of beneficiaries were taught in 2020. The project was slated to end in January 2021.

CANADA PSOPS'S MULTICOUNTRY PROJECT

In 2018 Ujamaa received funds for Canadas PSOPS to expand our activities to humanitarian crisis settings. The Organization was funded to work in Kenya, South Sudan and Somalia. Its school based program for this project started in March 2018 and was delivered in the following sites;

Kenya: Nairobi's Informal settlements and Kakuma refugee camps

South Sudan: Juba & Wau States

Somalia: Mogadishu

In South Sudan, Ujamaa set up new offices in Juba and Wau. In 2020 it delivered the intervention to over 12,000 boys and girls. In Somalia the Organization worked through a local established NGO, CISP to deliver the intervention. CISP facilitated the logistics of moving around and teaching in schools in Mogadishu. Ujamaa Somali trainers from Nairobi deliver the interventions.

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

With the challenges that come with scaling up anti GBV services, Ujamaa was funded by GCC to work with the ministry of education and the Teachers Service Commission (TSC) to advocate the training of selected beacon teachers in Kajiado and Nairobi on SGBV prevention in 2019. In 2020 the project saw the engagement with the TSC through the Ministry of Education that has since allowed the assignment of at least 2 beacon teachers in selected school for training on SGBV prevention. Ujamaa got into an MOU with the TSC to train the teachers. In addition, Ujamaa worked with selected community influencers including boda boda riders, sand harvesters and teen mothers to build a community movement in advocating for end to FGM. This culminated in the signing of the end FGM policy in Kajiado.

UJAMAA MASHINANI

Ujamaa Mashinani continued running its micro loan program. This program targets victims of Intimate Partner Violence (IPV). In 2020, Mashinani handled over 350 clients at different stages of borrowing and repaying their loans and saving deposits. The Organization also successfully supported John Hopkins University in expanding its MyPlan app Project in Nairobi. The app helps women make safety decisions based on their assessed situation. Ujamaa supported John Hopkins by connecting them with potential organizations in Nairobi that will help scale up access to MyPlan app.

Challenges

Ujamaa experienced the following main challenges in 2020:

a) Financial challenges.

With the end of the PSOPs grant in March, funding gaps were experienced given that the grant supported a big part of Ujamaa's programming. There was delayed disbursements of funds from donors. This interfered with the delivery of the intervention as activities could not run as initially planned.

b) Poor Weather

This still remained an issue particularly in Kajiado. Heavy rains and poor infrastructure made it difficult sometimes to operate in Nairobi's slums and Kajiado County.

c) COVID-19 Pandemic Disruptions

The restriction of movements and closure of schools as a result of the pandemic slowed down implementation and service delivery. Ujamaa had to re-strategize on other means of reaching to its beneficiaries.

d) Insecurity

This was an issue in all the three countries where Ujamaa worked in. The Organization works with a lot of caution, in South Sudan and Somalia for instance, the staff were expected to be in their residences by 8pm every day.

e) Fundraising:

COVID-19 pandemic significantly changed donor priorities which not only affected funds allocated for SGBV but also delays in processing agreements and proposals.

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Report of the Board

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

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 2020 are set out on page 1.

INDEPENDENT AUDITORS

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

Nairobi

May 20, 2021

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 **May 20, 2021** and signed on its behalf by:-



Chairman



Chief Executive Officer/Secretary



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, 2020

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, 2020, 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, 2020 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 Coordination 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.

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 Elizabeth Matimu, Practicing Certificate Number 2088 and Member Number 10261.

Nairobi, Kenya

May 20, 2021



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

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Comprehensive Incomefor the year ended 31st December 2020

INCOME	Note	<u>2020</u> Kshs	<u>2019</u> Kshs
Grant income	2	83,222,944	170,419,069
Other income	3	19,650	110,134
		<u>83,242,594</u>	<u>170,529,203</u>
 EXPENDITURE			
Staff costs	4	10,044,166	14,127,846
Administrative expenses	5	7,896,647	22,833,626
Establishment expenses	6	3,478,540	5,497,676
Program expenses	7	76,405,470	135,617,844
		<u>97,824,824</u>	<u>178,076,991</u>
Capital expenditure	8 and 9	775,000	2,129,875
Total expenditure		<u>98,599,824</u>	<u>180,206,866</u>
BALANCE FOR THE YEAR C/FWD		<u>(15,357,229)</u>	<u>(9,677,663)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Statement of Financial Positionas at 31st December 2020

ASSETS	Note	<u>2020</u> Kshs	<u>2019</u> Kshs
Non-current assets			
Property and equipment	8	3,391,789	3,622,097
Intangible asset	9	642,277	802,847
		<u>4,034,066</u>	<u>4,424,944</u>
Current assets			
Accounts receivable	10	5,748,680	7,244,177
Cash and bank balances	11	11,433,166	8,024,104
		<u>17,181,846</u>	<u>15,268,281</u>
Current liabilities			
Payables and accruals	12	22,871,677	6,766,761
Net current assets		<u>(5,689,831)</u>	<u>8,501,520</u>
TOTAL ASSETS		<u>(1,655,765)</u>	<u>12,926,464</u>
FUNDS			
Capital fund		4,034,066	4,424,944
Accumulated reserves		(5,689,831)	8,501,520
TOTAL FUNDS		<u>(1,655,765)</u>	<u>12,926,464</u>

The financial statements on pages 11 to 21 were approved by the board on **May 20, 2021** 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 2020

	Capital Fund Kshs	Accumulated Reserve Kshs	Total Kshs
At 1 January 2019	3,535,748	16,938,504	20,474,252
Fixed assets additions	2,129,875	-	2,129,875
Depreciation	(1,039,967)	1,039,967	-
Amortisation	(200,712)	200,712	-
Balance for the year	<u>-</u>	<u>(9,677,663)</u>	<u>(9,677,663)</u>
AT 31 DECEMBER 2019	<u>4,424,944</u>	<u>8,501,520</u>	<u>12,926,464</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>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Cash Flow Statement

for the year ended 31st December 2020

CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>2020</u> Kshs	<u>2019</u> Kshs
Balance for the year	(15,357,229)	(9,677,663)
Adjustments for:		
Depreciation and amortisation	1,165,878	1,240,679
Capital expenditure	775,000	2,129,875
Changes in operating assets and liabilities		
Decrease/(Increase) in receivables and prepayments	1,495,497	(2,929,639)
Increase in payables	16,104,916	276,453
Cash flows generated from/(used in) operations	<u>4,184,062</u>	<u>(8,960,295)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment and furniture	(775,000)	(2,129,875)
Cash flows used in investing activities	<u>(775,000)</u>	<u>(2,129,875)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,409,062	(11,090,170)
Balance at beginning of the year	8,024,104	19,114,274
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 11)	<u><u>11,433,166</u></u>	<u><u>8,024,104</u></u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements

for the year ended 31st December 2020

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 2020.../(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 2020 (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 2020 is made up as follows:-

	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
Receivables and prepayments	5,748,680	7,244,177
Cash and cash equivalents	11,433,166	8,024,104
	<u>17,181,846</u>	<u>15,268,281</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>2020</u>	<u>2019</u>
	Kshs	Kshs
Total financial liabilities	<u>22,871,677</u>	<u>6,766,761</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the Financial Statements

for the year ended 31st December 2020.../(Contd)

	<u>2020</u>	<u>2019</u>
2.0 PROGRAM FUNDING	Kshs	Kshs
PSOP	28,361,352	133,289,727
GCC EMPOWERMENT	25,339,598	9,250,000
WINIFRED STEVENS	9,997,500	-
Rutgers	7,449,767	8,356,279
NOVO	5,997,500	-
Ujamaa	3,475,200	11,337,733
GCC MASHINANI	1,480,000	5,550,000
JHU	1,092,677	547,800
VICTORIA PORTER	19,000	-
LPF	10,350	-
UKAID	-	2,087,530
	<u>83,222,944</u>	<u>170,419,069</u>
3.0 OTHER INCOME	Kshs	Kshs
Interest income	17,350	56,334
Processing fee	2,300	8,385
Other income	-	45,415
	<u>19,650</u>	<u>110,134</u>
4.0 STAFF COSTS	Kshs	Kshs
Staff salaries	6,227,075	10,031,466
Medical insurance	2,411,911	3,303,887
Pension employer	248,000	215,000
Staff welfare	1,142,780	18,680
NITA	14,400	558,813
	<u>10,044,166</u>	<u>14,127,846</u>
5.0 ADMINISTRATION EXPENSES	Kshs	Kshs
Professional fees	3,572,839	16,279,936
Depreciation and amortization	1,165,878	1,240,679
Other utilities	1,091,931	1,114,535
Telephone and internet expenses	526,414	1,019,726
Printing and stationery	178,857	659,164
Travelling and entertainment	112,340	609,712
Audit fees	363,000	363,000
Audit fees-Rutgers project	121,800	121,800
Office supplies	53,132	355,200
Foreign exchange loss	601,596	850,099
Bank charges	108,860	219,774
	<u>7,896,647</u>	<u>22,833,626</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2020

	<u>2020</u>	<u>2019</u>		
	Kshs	Kshs		
6.0 ESTABLISHMENT EXPENSES				
Rent - programme offices	2,318,000	3,870,000		
Rent - administration office	1,080,000	1,080,000		
Repairs and maintenance	80,540	547,676		
	<u>3,478,540</u>	<u>5,497,676</u>		
7.0 PROGRAMME EXPENSES	Kshs	Kshs		
Salaries for NMN instructors	28,367,785	48,931,656		
Donations	27,070,225	56,877,572		
Travelling expenses	13,646,389	20,921,133		
Programme utilities	4,971,908	4,485,949		
Volunteer allowances	1,584,163	2,457,304		
Day care expenses	6,500	1,025,130		
Production and distribution of NMN training materials	758,500	919,100		
	<u>76,405,470</u>	<u>135,617,844</u>		
8.0 PROPERTY AND EQUIPMENT				
	<u>Computers</u>	<u>Furniture & fittings</u>	<u>Equipment</u>	<u>Total</u>
COST OR VALUATION	Kshs	Kshs	Kshs	Kshs
At 1 January 2020	5,016,900	1,226,639	1,726,585	7,970,124
Additions	<u>775,000</u>	<u>-</u>	<u>-</u>	<u>775,000</u>
	<u>5,791,900</u>	<u>1,226,639</u>	<u>1,726,585</u>	<u>8,745,124</u>
DEPRECIATION				
At 1 January 2020	3,188,065	493,292	666,670	4,348,027
Charge for the year	<u>781,151</u>	<u>91,668</u>	<u>132,489</u>	<u>1,005,308</u>
	<u>3,969,216</u>	<u>584,960</u>	<u>799,159</u>	<u>5,353,335</u>
NET BOOK VALUE				
At 31 December 2020	<u>1,822,685</u>	<u>641,679</u>	<u>927,426</u>	<u>3,391,789</u>
NET BOOK VALUE				
At 31 December 2019	<u>1,828,835</u>	<u>733,347</u>	<u>1,059,915</u>	<u>3,622,097</u>
9.0 INTANGIBLE ASSETS			<u>2020</u>	<u>2019</u>
			Kshs	Kshs
COST OR VALUATION				
At 1 January			1,555,875	1,555,875
AMORTIZATION				
At 1 January			753,028	552,316
Amortization for the year			<u>160,570</u>	<u>200,712</u>
			<u>913,598</u>	<u>753,028</u>
NET BOOK VALUE				
At 31 December			<u>642,277</u>	<u>802,847</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2020

	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
10.0 ACCOUNTS RECEIVABLE		
Loans to members	5,326,038	5,171,478
Less:		
Provision for doubtful debts	<u>(1,585,877)</u>	<u>(1,585,877)</u>
	3,740,161	3,585,601
Due from Ujamaa Pamodzi Africa	1,341,640	1,341,640
Insurance prepaid	497,421	-
Other receivables	124,558	-
Deposits	44,900	44,900
Staff advances	-	176,896
Due from Ujamaa South Sudan	<u>-</u>	<u>2,095,140</u>
AT 31 DECEMBER	<u>5,748,680</u>	<u>7,244,177</u>
11.0 CASH AND BANK BALANCES	Kshs	Kshs
Equity Bank USD	10,527,956	12,305
Equity Bank Kshs	803,083	7,990,118
Equity Bank GBP	6,507	6,507
Equity Canadian dollar	4,828	1,612
Petty cash	90,705	13,475
Mpesa	<u>87</u>	<u>87</u>
	<u>11,433,166</u>	<u>8,024,104</u>
12.0 PAYABLES AND ACCRUALS	Kshs	Kshs
Member savings	2,657,267	2,463,716
Sacco deductions	2,469,754	1,885,062
Jake	6,889,934	124,812
Payroll liabilities	1,109,044	1,761,625
Accrued audit fees	484,800	484,800
Unidentified deposits	4,100	-
Other payables	167	-
Due to CISP	9,256,611	-
Safaricom	-	46,746
Unclaimed deposits	<u>-</u>	<u>-</u>
	<u>22,871,677</u>	<u>6,766,761</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

Notes to the financial Statements

for the year ended 31st December 2020

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 7 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 2020 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 2020

INCOME	<u>2020</u> Kshs	<u>2019</u> Kshs
Grant income	<u>7,449,767</u>	<u>8,356,279</u>
EXPENDITURE		
Staff costs	1,778,110	2,267,600
Meeting, travel and entertainment	3,694,277	-
Program utilities	864,417	1,155,807
Rent	126,000	168,000
Telephone and internet	110,004	144,100
Utilities	101,524	37,625
Bank charges	2,940	6,360
Printing and stationery	275	40,000
Audit fees	121,800	121,800
Travel and subsistence	-	4,315,800
Office Supplies	<u>3,641</u>	<u>-</u>
Total expenditure	<u>6,802,989</u>	<u>8,257,093</u>
BALANCE FOR THE YEAR	<u>646,778</u>	<u>99,186</u>
Balance b/forward	<u>340,211</u>	<u>241,025</u>
BALANCE C/FORWARD	<u><u>986,989</u></u>	<u><u>340,211</u></u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

NOVO

Detailed Statement of Comprehensive Income
for the year ended 31st December 2020.

	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
INCOME		
Grant income	<u>5,997,500</u>	<u>-</u>
EXPENDITURE		
Staff costs	3,792,722	3,033,800
Medical Insurance	629,659	-
Rent	600,000	500,000
Telephone and internet	213,740	495,406
Meeting, travel and entertainment	149,261	843,510
Utilities	497,478	122,852
Repairs and maintenance	57,550	6,350
Program utilities	52,589	287,560
Supplies	28,990	65,154
Printing and stationery	-	64,650
Bank charges	-	1,560
Total expenditure	<u>6,021,989</u>	<u>5,420,842</u>
BALANCE FOR THE YEAR	<u>(24,489)</u>	<u>(5,420,842)</u>
Balance b/forward	<u>80</u>	<u>5,420,922</u>
BALANCE C/FORWARD	<u>(24,408)</u>	<u>80</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

UKAID

Detailed Statement of Comprehensive Income

for the year ended 31st December 2020

	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
INCOME		
Grant from UKAID	-	2,087,530
EXPENDITURE		
Staff costs	-	-
Meeting, travel and entertainment	-	-
Rent	-	-
Bank charges	-	-
Printing and stationery	-	-
Telephone, postage and internet	-	-
Donations	-	-
Program utilities	-	-
Other Utilities	-	-
Total expenditure	-	-
BALANCE FOR THE YEAR	-	2,087,530
Balance b/forward	(3,475)	(2,091,005)
BALANCE C/FORWARD	<u>(3,475)</u>	<u>(3,475)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

JHU

Detailed Statement of Comprehensive Income

for the year ended 31st December 2020

INCOME	<u>2020</u> Kshs	<u>2019</u> Kshs
Grant income	1,092,677	547,800
EXPENDITURE		
Staff costs	2,685,000	-
Capital expenditure	241,000	-
Telephone and internet	75,125	-
Meeting, travel and entertainment	71,700	-
Utilities	64,090	-
Program Utilities	48,300	-
Rent	-	-
Repairs and maintenance	-	-
Professional fees	-	-
Supplies	-	-
Printing and stationery	-	-
Bank charges	6,660	-
Total expenditure	3,191,875	-
BALANCE FOR THE YEAR	(2,099,198)	547,800
Balance b/forward	(24,581)	(572,381)
BALANCE C/FORWARD	(2,123,779)	(24,581)

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

CISP

Detailed Statement of Comprehensive Income

for the year ended 31st December 2020

	<u>2020</u> Kshs	<u>2019</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	-	-
Balance b/forward	(1,371,704)	(1,371,704)
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 2020

INCOME	<u>2020</u> Kshs	<u>2019</u> Kshs
Grant income	28,361,352	133,289,727
	<u>28,361,352</u>	<u>133,289,727</u>
 EXPENDITURE		
Staff costs	22,847,115	46,881,189
Donations	17,963,305	54,027,263
Meeting, travel and entertainment	5,236,764	9,773,913
Professional fees	2,906,840	12,622,136
Volunteer Allowances	869,723	-
Rent	327,000	3,325,000
Program utilities	299,000	868,939
Utilities	37,786	530,125
Telephone and internet expenses	9,000	108,355
Supplies	6,200	133,057
Repairs and maintenance	400	441,526
Bank charges	9,660	51,088
Printing and stationery	3,000	6,960
Capital expenditure	-	878,875
Training expenses	-	274,000
Total expenditure	<u>50,515,792</u>	<u>129,922,427</u>
BALANCE FOR THE YEAR	<u>(22,154,440)</u>	<u>3,367,300</u>
Balance b/forward	15,217,800	11,850,500
BALANCE C/FORWARD	<u>(6,936,640)</u>	<u>15,217,800</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

WINFRED STEVENS

Detailed Statement of Comprehensive Income

for the year ended 31st December 2020

INCOME	<u>2020</u> Kshs	<u>2019</u> Kshs
Grant income	9,997,500	-
Staff costs	-	812,000
Repairs and maintenance	-	6,000
Meeting, travel and entertainment	-	25,420
Program utilities	-	22,880
Office supplies	-	60,789
Utilities	-	169,707
Bank charges	-	360
Telephone and internet expenses	-	14,500
Total expenditure	-	1,111,656
BALANCE FOR THE YEAR	9,997,500	(1,111,656)
Balance b/forward	1,790,244	4,997,500
Members loans issued	(560,000)	(2,095,600)
Charged to staff cost	(1,230,244)	-
BALANCE C/FORWARD	9,997,500	1,790,244

UJAMAA NA WATOTO WENYE HAKI INITIATIVE
GCC EMPOWERMENT

Detailed Statement of Comprehensive Income

for the year ended 31st December 2020

	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
INCOME		
Grant income	25,339,598	9,250,000
EXPENDITURE		
Staff costs	9,036,483	6,226,045
Meeting, travel and entertainment	3,465,412	4,697,636
Program utilities	2,614,802	1,545,128
Medical insurance	1,825,350	-
Rent	900,000	-
Professional fees	666,000	532,800
Training expenses	620,000	596,100
Printing and stationery	131,732	408,675
Bank charges	8,480	5,450
Utilities	7,884	10,594
General repairs	6,000	-
Telephone & Internet	200	-
Supplies	-	11,000
Capital expenditure	-	325,000
Total expenditure	<u>19,282,343</u>	<u>14,358,428</u>
BALANCE FOR THE YEAR	<u>6,057,255</u>	<u>(5,108,428)</u>
Balance b/forward	<u>(5,108,428)</u>	-
BALANCE C/FORWARD	<u>948,827</u>	<u>(5,108,428)</u>

UJAMAA NA WATOTO WENYE HAKI INITIATIVE

GCC MASHINANI

Detailed Statement of Comprehensive Incomefor the year ended 31st December 2020

INCOME	<u>2020</u>	<u>2019</u>
	Kshs	Kshs
Grant income	1,480,000	5,550,000
EXPENDITURE		
Staff costs	1,554,880	846,000
Donations	807,120	710,120
Program utilities	751,207	51,500
Capital expenditure	534,000	151,000
Medical Insurance	412,476	-
Meeting, travel and entertainment	150,350	6,600
Rent	344,000	60,000
Training	93,500	-
Printing and stationery	43,850	136,080
Telephone and internet expenses	69,464	28,000
Supplies	9,500	10,200
Utilities	7,500	25,700
Bank charges	3,360	2,520
Repairs and maintenance	-	19,650
Total expenditure	<u>4,781,207</u>	<u>2,047,370</u>
BALANCE FOR THE YEAR	<u>(3,301,207)</u>	<u>3,502,630</u>
Balance b/forward	<u>3,502,630</u>	<u>-</u>
BALANCE C/FORWARD	<u>201,423</u>	<u>3,502,630</u>