Grant Thornton

THE AMARA CHARITABLE TRUST

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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THE AMARA CHARITABLE TRUST

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES	Mrs. Vasanti Bipinchandra Vora Mrs. Smita Kirit Shah Mrs. Manisha Nilesh Dave Mrs. Bindi Kamal Shah
OFFICE ADDRESS	L.R 209/1907 3rd Floor, Avocado Towers Muthithi Road, Westlands P.o. Box 45669-00100 Nairobi
PRINCIPAL BANKERS	I&M Bank Limited Kenyatta Avenue Branch P.O. Box 30238-00100 Nairobi
	Prime Bank Limited Parklands Branch P.O. Box 583-00606 Nairobi
INDEPENDENT AUDITOR	Grant Thornton Certified Public Accountants (K) Avocado Towers, 5th Floor Muthithi Road, Westlands P.O. Box 46986-00100 Nairobi
CERTIFICATE OF INCORPORATION	PS 1695 (Under The Trustees Perpetual Succession Act)

THE AMARA CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Amara Charitable Trust filed their registration documents in September 2008. The Trust has an administration cost of less than 7%. The Trustees give their time voluntarily. The Trust is completely transparent, accountable and has a hands-on approach.

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

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

THE KWA KALUSYA HEALTH CARE CENTRE (2012-2020): A Health Centre was built on public utility land next to Kwa Kalusya Primary School due to lack of health facilities within 40 kms environs. The total construction cost of this Healthcare Centre was K Sh 2.5 Million.

MOUNTAIN VIEW PRIMARY SCHOOL (2012-2020): A total number of two classrooms and two pit latrines were built. Two classrooms were also renovated. The total construction cost of this school was K Sh 1.2 Million. In 2017 three classrooms and a multipurpose hall were constructed at a cost of K Sh 5 million. A daily feeding program for 230 children during school days has been introduced. A library was initiated in September 2017.

KYANGOMA BOARDING SPECIAL NEEDS SCHOOL (2013-2020): This school has a population of 117 children. Amara has constructed a fully equipped girls' dormitory, washing facilities, an open air hall, kitchen and store. The total construction cost of this school was K Sh 5 Million. A path way constructed at a cost of K Sh 700,000/- and a well dug at a cost of K Sh 400,000/- in 2017. A daily feeding program for the children during school days has been introduced from 2013 to 2016.

KAANANI SECONDARY SCHOOL (2013-2020): Amara was the first donor to construct five classrooms, a laboratory block. The total construction cost of this school was K Sh 8.3 Million. A Home science block was constructed in 2017 at a cost of K Sh 1.7 Million.

KANAANI PRIMARY SCHOOL (2013-2020): Amara built three classrooms, a kitchen/store block and refurbished six CDF classrooms. The total construction cost of this school was K Sh 6.3 Million. A twelve door ablution block was constructed in 2017 at a cost of K Sh 1.3 Million. A 20ft container was donated to serve as Administration block at a cost of K Sh 610,900/-. A daily feeding program for 950 children during school days has been ongoing. A library was initiated in June 2017. Four boys were enrolled to a Vocational Training Centre as part of Amara's higher Education fund program. Five students got scholarship at Dadas Secondary School.

KWA MBOO PRIMARY SCHOOL (2014-2020): Amara built four new classrooms and refurbished their existing cattle dip into four classrooms, a staff room, head teacher's office and a hall. This project cost was K Sh 6.5 Million. A kitchen was built in September 2018 at a cost of K Sh 335,000/-. A daily feeding program for 300 children during school days has been ongoing. A library was initiated in February 2017.

NGALALYA PRIMARY SCHOOL (2015-2020): Amara built seven classrooms and a kitchen. This project cost was K Sh 8.4 Million. A daily feeding program for 516 children during school days has been ongoing. A library was initiated in February 2017.

NGWATA PRIMARY SCHOOL (2017-2020): Amara built six classrooms and a kitchen. This project cost was K Sh 7.5 Million. A library was initiated in May 2018. A library was also built in August 2018 at a cost of K Sh 550,000/-. A daily feeding program for 2,000 children during school days has been introduced. Five students got scholarship at Dadas Secondary School.

EMPAKASI SECONDARY SCHOOL (2017-2020): Amara built one girls' dormitory. The project cost was K Sh 4.4 Million. A library was initiated in February 2017.

KATANI SECONDARY SCHOOL (2017-2020): Amara built a kitchen and store. The project cost was K Sh 210,000/=. A library was initiated in May 2018. A Curriculum workbooks program for Mathematics and English was introduced to assist students with revision.

MATHATANI PRIMARY SCHOOL (2019-2020): Amara built a kitchen and store. The project cost was K Sh 285,000. A daily feeding program for 85 children during school days has been introduced. A library was initiated in February 2018.

MATHATANI SECONDARY SCHOOL (2019-2020): Amara built two dormitories, one girls' dormitory and one boys' dormitory. The project cost was K Sh 6.45 Million. A library was initiated in February 2018. One student got scholarship at Dadas Secondary School.

KITENGELA MAGEREZA MIXED HIGH SCHOOL (2019-2020): Amara built 10 classrooms(Amara's first double storey project of 10 classrooms). The project cost was K Sh 12 Million. A library was initiated in July 2019. Five students got scholarship at Dadas Secondary School.

To date Amara has provided to the schools;

- 2300 food parcels donated due to Covid-19 pandemic to 7 primary schools and other Charities who reached out to Kisumu, Tana River, Kilifi, and various Nairobi slums; Kibera and Githongoro
- 7 Playgrounds
- 14 Libraries
- Vegetable gardens, fruit trees and Moringa trees at 15 schools to supplement the food programmes
- Vertical farming at one school
- Reforestation project at 4 schools where 945 assorted fruit and shade trees were planted.
- 387 Desks, 12 teachers' tables, 7 cupboards, 26 library shelves, laboratory tables and assorted furniture
- Water piping and connection and installation of water tanks to most schools.
- Water supply to most schools
- Text and reference books and stationery to all schools
- Solar lanterns to most schools
- Medical care at Kyangoma Special Needs Schools

- Workshops:
    - Teen workshops, Environmental, Karate training at Kanaani Primary School since 2014, Vocational training, Craft, Peer to peer knowledge exchange, Reiki and hygiene workshops.
    - Menstrual hygiene including sewing and making 800 reusable sanitary towels at 3 schools
    - Training of teachers and students on agricultural practices and management.
    - Education fund program

BY ORDER OF THE TRUSTEES

TRUSTEE _____ TRUSTEE _____

PLACE: NAIROBI DATE: 25 June 2021

Grant Thornton

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

THE AMARA CHARITABLE TRUST

OPINION

We have audited the accompanying annual financial statements of The Amara Charitable Trust set out on pages 7 to 14, which comprise the Statement of Financial Position as at 31 December, 2020, Income and expenditure statement and Statement of Cash Flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Amara Charitable Trust as at 31 December, 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

BASIS OF OPINION

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

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

The management is responsible for the preparation and fair presentation of the Annual financial statements in accordance with Generally Accepted Accounting Principles and the requirements of the Trustees Perpetual Succession Act and for such internal control as the partners determine is necessary to enable the preparation of Annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual financial statements, the partners are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so. The management is responsible for overseeing the trust's financial reporting process.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual financial statements.

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

THE AMARA CHARITABLE TRUST

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

- Identify and assess the risks of material misstatement of the Annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the partners.

- Conclude on the appropriateness of the partner's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Grant Thornton
Certified Public Accountants

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

25TH JUNE 2021

A/059/1220/281/0621/AUD

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THE AMARA CHARITABLE TRUST

STATEMENTS OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Kshs	2019 Kshs
Net donation activity	2	5,255,436	(11,652,062)
Net donation in feeding program	3	(1,397,493)	9,224,883
Net donations excess		**3,857,943**	**(2,427,179)**
Other operating income	4	1,465,242	1,383,790
		5,323,184	**(1,043,389)**
Administrative expenses	5	1,074,139	1,054,345
		1,074,139	**1,054,345**
Net surplus/(deficit) for the year		**4,249,045**	**(2,097,734)**

THE AMARA CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 Kshs	2019 Kshs
Financed by			
General fund		25,113,499	20,864,454
Total reserves		**25,113,499**	**20,864,454**
Current liabilities			
Payables	6	-	52,778
		-	**52,778**
Total reserves and liabilities		**25,113,499**	**20,917,232**
REPRESENTED BY			
Equipment	7	88,559	112,187
Current assets			
Other receivables	8	1,480,100	45,760
Cash and cash equivalents	9	23,544,834	20,759,285
		25,024,934	**20,805,045**
Total assets		**25,113,499**	**20,917,232**

The annual report and financial statements on pages 7 to 14 were approved by the Trustees on 25 June 2021 and were signed on its behalf by:

TRUSTEE_____ TRUSTEE_____

THE AMARA CHARITABLE TRUST

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE YEAR ENDED 31 DECEMBER 2020

	GENERAL FUND Kshs	TOTAL Kshs
As at 1 January 2019	22,962,188	22,962,188
Deficit for the year	(2,097,734)	(2,097,734)
As at 31 December 2019	**20,864,454**	**20,864,454**
As at 1 January 2020	20,864,454	20,864,454
Deficit for the year	4,249,046	4,249,046
As at 31 December 2020	**25,113,499**	**25,113,499**

THE AMARA CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Kshs	2019 Kshs
Operating activities			
Income/(Deficit) for the year (page 7)		4,249,045	(2,097,734)
Adjustment for:			
Depreciation	7	23,628	35,422
Operating surplus before working capital changes		**4,272,673**	**(2,062,312)**
(Increase) in payables	6	(52,784)	(50,455)
(Decrease) in receivables	8	(1,434,340)	(24,360)
Cash (used in) / generated from operations		**2,785,549**	**(2,137,127)**
Net cash (used in) from operating activities		**2,785,549**	**(2,137,127)**
		2,785,549	**(2,137,127)**
Investing Activities			
Purchase of equipment	6	-	(119,774)
Net cash used in investing activities		**-**	**(119,774)**
Movement in cash and cash equivalents		**2,785,549**	**(2,256,901)**
At start of year		20,759,285	23,016,186
Increase/(decrease) in cash and cash equivalents		2,785,549	(2,256,901)
At end of year	9	**23,544,834**	**20,759,285**

THE AMARA CHARITABLE TRUST

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR 31 DECEMBER 2020

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

1 **Basis of preparation**

The annual financial statements are prepared in compliance with Generally Accepted Accounting Principles. The annual financial statements are presented in the functional currency, Kenyan Shillings (KShs.) under the historical cost convention and rounded off to the nearest Shilling.

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

a) **Financial instruments**

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

b) **Donation recognition**

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

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

c) **Translation of foreign Currencies**

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

d) **Equipment**

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

	PER ANNUM
Office equipment	12.5%

e) **Cash and cash equivalents**

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

f) **Taxation**

No provision has been made for taxation as the trust derives income from donations received which are not taxable. The trust has applied for, and has, a tax exemption certificate No. 20160819/10588 for a period of 5 years commencing 19th August 2016 to 19th August 2021 under the Income Tax Act (Cap 470).

g) **Donation fund**

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

	2020 Kshs	2019 Kshs
2 Donation income		
Donation received	8,282,721	5,961,570
Less: Donation made	(3,027,286)	(17,613,633)
Net Donations (deficit)	**5,255,436**	**(11,652,062)**
Donations received are divided as follows:-		
Donations - Gift bags	13,500	71,400
Donations - School fees income	302,724	47,945
Donations income: Construction income	-	2,779,700
Donations - Water Solutions	-	75,001
Donations Income:Educational Resources	2,429,017	-
Donations Income:Golf Tournament Income	1,768,424	-
Donations Income:Tree planting	-	10,000
Donations income: General income	1,333,931	789,905
Donations - Desks	-	205,400
Donations - Work shop	-	657,459
Donations	2,435,125	1,324,760
	8,282,721	**5,961,570**
Donations made are divided as follows:-		
Donations to gift bags	-	53,000
Donation expenditure: Construction	878,156	14,962,650
Donation expenditure: Karate classes	7,500	264,896
Donation expenditure: Educational resources.	251,681	167,770
Donation Expenditure:Solar Lanterns/Energy Solution.	-	39,600
Donations to workshops	169,410	175,930
Donation expenditure: Gifts	171,400	600
Donation to Library	-	36,000
Donation: Garden expenses	-	181,483
Donation Expenditure:Garden Expenses	1,850	-
Donation Expenditure:Water Solutions.	31,380	-
Donation to: Desks.	-	209,000
Donation Expenditure:Golf Tournament Expenses	148,340	-
Donation Expenditure:Playground	249,000	-
Donation to school fees	138,444	117,945
Donation to Water Solution	-	80,000
Donation to others	980,125	1,324,760
	3,027,286	**17,613,633**
3 Feeding program		
Donation Income	3,252,582	10,446,404
Donation expenditure:Feeding program Multiple	(4,650,075)	(1,221,521)
	(1,397,493)	**9,224,883**
4 Other operating income		
Interest income	1,057,517	1,283,082
Gain/(loss) on exchange	407,725	100,708
	1,465,242	**1,383,790**

	2020 Kshs	2019 Kshs
5 Administrative expenses		
Staff cost	704,000	567,000
Telephone and postage	32,241	30,997
Bank charges	11,243	7,699
Printing and stationery	30,941	28,210
Rental expense	206,400	208,800
Repairs and maintenance expense	-	1,500
Advertisement, media and marketing expense	5,000	-
Travelling expense	51,578	24,020
Website designing	9,108	14,198
Administrative expenses: Staff welfare	-	16,900
Depreciation	23,628	35,423
Administrative expenses: Educational resources	-	52,277
Realised exchange loss	-	67,322
	1,074,139	**1,054,345**
6 Other payables		
Accrued salaries and wages	-	47,250
Accrued telephone expenses	-	5,528
	-	**52,778**

7 Equipment	**Office Equipments Kshs**	**Total Kshs**
Cost or Valuation		
At 1 January 2020	189,024	189,024
At 31 December 2020	**189,024**	**189,024**
Depreciation		
At 1 January 2020	76,837	76,837
Charge for the year	23,628	23,628
At 31 December 2020	**100,465**	**100,465**
Net book amount		
At 31 December 2020	**88,559**	**88,559**

8 Other receivables		
Deposit	-	4,000
Prepaid expense	17,100	41,760
Donations received not utilised	1,463,000	-
	1,480,100	**45,760**

	2020 Kshs	2019 Kshs
9 Cash and cash equivalents		
Giro Commercial Bank Limited - 03801505371210-GBP	-	2,906,576
I&M Bank Limited Account - 1410	575,434	1,000,804
I&M Bank Limited - USD	1,857,033	104,660
I&M Bank Limited - 03801505372911-SB/2	2,584,201	766,813
Fixed Deposit accounts:FDR I&M - 0380150537550205	1,200,000	-
Fixed Deposit accounts:FDR Prime bank - 318349	1,500,000	-
Fixed Deposit accounts:FDR Prime bank - 318389	1,910,020	-
Fixed Deposit accounts:FDR Prime Bank - 323287	4,000,000	-
Fixed Deposit accounts:FDR I&M - 380150537550206	2,500,000	-
Fixed Deposit accounts:FDR Prime Bank - 485181	2,000,000	-
Fixed Deposit accounts:FDR Prime Bank - 485206	2,000,000	-
I & M Bank - GBP	521,286	-
FDR Prime bank - 400001196366	-	1,500,000
FDR Prime bank - 400001245547	-	1,844,798
FDR Prime Bank - 400001328284	-	4,000,000
FDR I&M - 0380150537550204	-	1,200,000
FDR I&M - 0380150537551202	-	3,000,000
FDR I&M - 0380150537551203	2,500,000	2,500,000
Prime bank	384,460	1,934,964
Cash in hand	12,400	671
	23,544,834	**20,759,285**

10 Registration

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

11 Tax exemption

The trust has been granted a Tax Exemption Certificate Number 20120713/1324 for a period of Five years effective from 30/08/2016.

12 Contingencies

There were no contingencies for the year ended December 31, 2020.

13 Commitments

There were no commitments for the year ended December 31, 2020.

14 Comparatives

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

15 Events after the reporting period

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