

NURU INTERNATIONAL KENYA
AUDITED FINANCIAL STATEMENTS
31ST DECEMBER 2018

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Certified Public Accountants
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NURU INTERNATIONAL KENYA

EXECUTIVE BOARD MEMBERS : Anne Mosenda - Chairperson
: Pauline Wambeti - Secretary
: Joseph Matiko - Treasurer

BOARD MEMBERS : Naomi Matiko - Member
: Leonard Otii - Member
: Kennedy Opondo - Member
: Catherine Tingo - Member
: Anastacia Masero - Member

REGISTERED OFFICE : Isebania Station
Migori - Isebania Road
P. O. BOX 176 - 40414
Isebania
KENYA

PRINCIPAL BANKERS : Kenya Commercial Bank Limited
Isebania Branch
: Equity Bank of Kenya Limited
Migori Branch
: Ecobank Kenya Limited
Kisii Branch

INDEPENDENT AUDITORS : KKCO East Africa
Certified Public Accountants of Kenya

NURU INTERNATIONAL KENYA

Report of the Board of Directors

to the Members of Nuru International Kenya

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31st December 2018.

INTRODUCTION

Nuru Kenya is registered NGO (OP.218/051/2010/092/6886) whose mission is to end extreme poverty one community at a time in remote rural regions. The organization's holistic poverty reduction model is implemented through integration of Agriculture, Healthcare, Financial Inclusion and Education Programs. This annual report summarizes the major activities from January to December year 2018.

AREA OF COVERAGE

The Organization currently operates in 53 sub-locations under 4 sub-counties (Kuria East, Kuria West, Uriri and Awendo) in Migori County.

KEY RESULT AREAS

There are five key result areas that the Nuru Kenya programs focus on. These contribute to the organization's strategic goal of expanding access to quality information, products and services to households in order to combat hunger, poor health and low quality education.

1.0 Food Security and Nutrition

The Agriculture program continued to implement the crop project with 1,944 farmers in the 14 Co-operatives. The crop package for the long rain season comprised of Maize, Millet and Sorghum. The diversification of livelihoods was implemented through the dairy project. Fodder seeds were issued to the 243 farmers in the Dairy Project. The team supported the farmers to acquire 107 improved heifers during the year. The team also piloted a short rain crop and issued 24 farmers with beans for half an acre.

2.0 Adoption of Healthy Behaviors

The Healthcare program aims at reaching Nuru farmer households with health information through the tailored interpersonal communication approach. The emphasis is on the adoption of ten identified healthy behaviors that contribute to the elimination of preventable diseases incidences. Care groups comprising of nominated members of the co-operatives are involved in the above and meet on a monthly basis to deliberate issues and progress. During the reporting period, 13,829 household visits were conducted by the 186 active care group members.

NURU INTERNATIONAL KENYA

Report of the Board of Directors

to the Members of Nuru International Kenya.../(Contd.)

3.0 Formal Education for all Children

The Education program targets the children in rural public primary schools through their structured outreach activities that aim at increasing literacy levels. Weekly sessions are held in select low-performing schools as guided by the Ministry of Education's annual Uwezo surveys. The project supports these schools to manage libraries. The Education program also supports the established co-operatives to equip and run book banks which are accessed by the children of the co-operative members. This helps nurture a reading culture in the community. There are 14 book banks located within the co-operatives that greatly assisted in improving the reading skills of co-operative members' children. The reforms in the education sector necessitated changes in the Education program. The new curriculum being rolled out in the primary schools is similar to the Nuru Education Curriculum hence the organisation wound up activities in October to avoid duplication of effort.

4.0 Community Economic Development

The Financial Inclusion program aims to improve the well-being of targeted communities by focusing on reducing the barriers which prevent them from accessing mainstream financial services through household economic strengthening. The team continued to mobilise savings from members of the co-operative in order to build a revolving fund that they can access for micro-loans. There are 10 co-operatives that have begun savings mobilisation in order to acquire heifer loans.

5.0 Leadership Development

The Leadership program aims at ensuring sustainability of Nuru's model. The program equips the local leaders with the requisite knowledge and skills for implementing activities that will end extreme poverty and thereafter, sustain and scale the impact achieved to other needy communities in a cost effective way. The team continued to work closely with the management committees of the co-operatives to impart knowledge and skills on leadership and governance. They developed training resource kit for the 14 co-operatives. They also developed five modules comprising of: Financial Management and Record Keeping, CAP 490 Foundation of Leadership, Evaluation and Business Planning Management. The team conducted structured training sessions in the 14 co-operatives throughout the year; nine (9) trainings were held by the team for each of the co-operatives.

6.0 Other project Activities

The organisation celebrated its 10 year anniversary on the 7th day of December, 2018. The team commemorated the milestone with other key stakeholders who sponsored the event, at the office premises.

The organisation maintained presence in the AIDF-Africa Summit and the Climate Smart Agriculture Conference

Exchange visits by farmer representatives to Meru Central Dairy and Kenyan Farm took place in quarter two and four. The Nuru Ethiopia team also visited the Kenyan team on 24th to 28th September 2018

NURU INTERNATIONAL KENYA

Report of the Board of Directors

to the Members of Nuru International Kenya.../(Contd.)

PLANNED ACTIVITIES FOR NEXT YEAR

This introduces some of the areas Nuru Kenya intends to pursue for the next implementation cycle. The key program activities for 2019, categorized in the main thematic areas if implementation include;

Adoption of Health Behaviors

- Advocacy for health behavior adoption through capacity building of farmers and women in the program.
- Household monitoring through visits to follow up on compliance and adherence to advocated healthy behaviors.
- Preparation and implementation of the handover strategy.
- Capacity building of Health Volunteer Leaders and cooperative health representatives.

Food security and nutrition

- Procurement and issue of inputs to farmers.
- Procurement and distribution of heifers.
- Advocating for crop diversification in order to safeguard farmers from shocks.
- Training and capacity building of farmers to adopt best agronomic and herd management practices.
- Creating partnerships with relevant stakeholders to increase access to quality certified inputs.

Community Economic Development

- Mobilization and recruitment of farmers into the cooperatives and by extension the union.
- Establishment of feed mill.
- Initiate financial inclusion to promote financial literacy, savings and credit.
- Create a union to support activities of farmer cooperative.
- Pursue different awards to support Nuru Kenya's activities.
- Creating market access for farmer produce.
- Mobilization for harvest aggregation and sales and cooperative and union.

Leadership Development

- Marketing of the + Nuru Products and services to more potential partners.
- Capacity build the management of cooperatives and farmers through structured and targeted training sessions.
- Conduct staff needs assessments and hold training workshops.
- Monitor and support implementation of book banks.

NURU INTERNATIONAL KENYA

Report of the Board of Directors

to the Members of Nuru International Kenya.../(Contd.)

4.0 CHALLENGES AND WAY FORWARD

- Low market pricing for farmer produce due to invasion by cartels and influx in supply at harvest time. This equally affected loan prepayments and repayment as profit margins were greatly reduced. The organisation has introduced dairy project to mitigate and provide an alternative income stream.
- Erratic (too much rainfall) weather patterns also greatly affected crop production. The organisation is working hard to ensure the farmers adopt drought torelant crops (Millet, Sorghum).
- Low adoption of proposed short rain crop package. The team is working to have contractual farming so that they can supply raw materials to the feed mill.
- Logistical challenges in procurement and delivery of AI kits, and provision of the same to farmers. This due to reliance on government facilities and personnel. The team is planning to recruit this expertise.
- Unprecedented infection by pests and diseases that affected growth of crops. Animals were equally affected by East Cost Fever. The team shall ensure close monitoring to ensure early detection and mitigation in addition to having a dedicated staff to address this.

INDEPENDENT AUDITORS

The auditors, KKCO East Africa, Certified Public Accountants, were appointed as the organisation auditors on 28th February 2017 and have expressed their willingness to continue in office.

Nairobi

By Order of the Board

Country Director

NURU INTERNATIONAL KENYA

Statement of Directors' Responsibilities

The directors are 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 NGO Act.

The directors accept 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 NGO Act. They also accept responsibility for:

- i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatements, whether due to fraud or error:
- ii) Selecting suitable accounting policies and applying them consistently; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the organization's liability 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 directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on _____ and signed on its behalf by:-

Chairperson

Country Director



Report of the Independent Auditors

To the Members of Nuru International Kenya

Report of the audit of the financial statements

Opinion

We have audited the financial statements of **Nuru International Kenya**, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 Nuru International Kenya as at December 31, 2018 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 of 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 organization 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 directors are responsible for the other information. The other information comprises the corporate information, report of the board of directors and statistical information and other disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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).

NURU INTERNATIONAL KENYA

Report of the Independent Auditors

To the Members of Nuru International Kenya

Responsibilities of the Directors

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Non-Governmental Co-ordination Act and for such internal control as the directors determine 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 directors are 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 directors 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 ISAs, we exercise professional judgment 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

NURU INTERNATIONAL KENYA

Report of the Independent Auditors

To the Members of Nuru International Kenya

- Conclude on the appropriateness of management'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 auditor's 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 auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- 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.

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA Elizabeth Matimu (P.2088).

Nairobi, Kenya

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

NURU INTERNATIONAL KENYA

Statement of Comprehensive Income

for the year ended 31st December 2018

INCOME	Note	<u>2018</u> Kshs	<u>2017</u> Kshs
Grant income	2	78,694,723	109,132,175
Other income	3	<u>634,239</u>	<u>915,330</u>
		<u>79,328,962</u>	<u>110,047,505</u>
EXPENDITURE			
Staff costs	4	49,630,669	67,211,334
Administrative expenses	5	5,741,854	12,127,980
Establishment expenses	6	3,299,470	3,955,899
Program expenses	7	<u>20,148,343</u>	<u>48,683,493</u>
Total expenditure		<u>78,820,335</u>	<u>131,978,705</u>
DEFICIT FOR THE YEAR	Kshs	<u>508,627</u>	<u>(21,931,200)</u>

NURU INTERNATIONAL KENYA

Statement of Financial Position

as at 31st December 2018

ASSETS	Note	<u>2018</u> Kshs	<u>2017</u> Kshs
Non-current assets			
Property and equipment	9	<u>49,146,811</u>	<u>51,663,185</u>
Current assets			
Inventories	10	900	900
Accounts receivable	11	37,948,073	36,487,909
Cash and bank balances	12	<u>7,622,802</u>	<u>19,288,256</u>
		<u>45,571,775</u>	<u>55,777,065</u>
Current liabilities			
Payables and accruals	13	<u>4,000,402</u>	<u>14,593,818</u>
Net current assets		<u>41,571,373</u>	<u>41,183,247</u>
TOTAL ASSETS		Kshs <u>90,718,184</u>	<u>92,846,432</u>
FUNDS			
Capital fund		49,146,811	51,663,185
NKSE fund		36,413,805	36,413,805
Unrestricted net assets		<u>5,157,568</u>	<u>4,769,442</u>
TOTAL FUNDS		Kshs <u>90,718,184</u>	<u>92,846,432</u>

The financial statements on pages 10 to 19 were approved by the board of directors on _____ and signed on their behalf by:

Chairperson

Country Director

NURU INTERNATIONAL KENYA

Statement of Changes in Equityas at 31st December 2018

	Unrestricted net assets Kshs	Capital fund Kshs	NKSE funds Kshs	Total Kshs
At 1 January 2017	30,368,612	51,156,211.47	36,413,805	117,938,628
Fixed assets additions	(3,667,970)	3,667,970	-	-
Depreciation	-	(3,160,996)	-	(3,160,996.3)
Deficit for the year	<u>(21,931,200)</u>	<u>-</u>	<u>-</u>	<u>(21,931,200)</u>
AT 31 DECEMBER 2017	Kshs <u>4,769,441</u>	<u>51,663,185</u>	<u>36,413,805</u>	<u>92,846,432</u>
At 1 January 2018	4,769,441	51,663,185	36,413,805	92,846,432
Fixed assets additions	(120,500)	120,500	-	-
Depreciation	-	(2,636,874)	-	(2,636,874)
Deficit for the year	<u>508,627</u>	<u>-</u>	<u>-</u>	<u>508,627</u>
AT 31 DECEMBER 2018	Kshs <u>5,157,568</u>	<u>49,146,811</u>	<u>36,413,805</u>	<u>90,718,185</u>

NURU INTERNATIONAL KENYA

Cash Flow Statementfor the year ended 31st December 2018

CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>2018</u> Kshs	<u>2017</u> Kshs
Surplus/(Deficit) for the year	508,627	(21,931,200)
Changes in operating assets and liabilities		
Decrease in inventories	-	17,237,127
(Increase)/decrease in receivables and prepayments	(1,460,164)	7,696,428
(Decrease)/ increase in payables	<u>(10,593,416)</u>	<u>5,085,096</u>
Cash flows (used)/ generated from operations	<u>(11,544,954)</u>	<u>8,087,451</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(120,500)</u>	<u>(3,667,970)</u>
Net cash used in investing activities	<u>(120,500)</u>	<u>(3,667,970)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(11,665,454)	4,419,481
Balance at beginning of the year	<u>19,288,256</u>	<u>14,868,775</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 12)	Kshs <u><u>7,622,802</u></u>	<u><u>19,288,256</u></u>

NURU INTERNATIONAL KENYA

Notes to the Financial Statements

for the year ended 31st December 2018

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:

Land	Nil
Buildings	2.5%
Motor cycles	25%
Computers	30%
Furniture and fittings	12.5%

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.

NURU INTERNATIONAL KENYA

Notes to the Financial Statements

for the year ended 31st December 2018.../(Contd)

1.5 Receivables

Receivables are stated at their nominal value as 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.

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.

	<u>2018</u>	<u>2017</u>
	Kshs	Kshs
2.0 PROGRAM FUNDING		
NURU International USA	Kshs <u>78,694,723</u>	<u>109,132,175</u>
3.0 OTHER INCOME	Kshs	Kshs
Programme income		218,285
Other income	<u>634,239</u>	<u>697,045</u>
	Kshs <u>634,239</u>	<u>915,330</u>
4.0 STAFF COSTS	Kshs	Kshs
Salaries and wages	48,984,310	66,820,678
Staff welfare, training and development	<u>646,359</u>	<u>390,656</u>
	Kshs <u>49,630,669</u>	<u>67,211,334</u>

NURU INTERNATIONAL KENYA

Notes to the Financial Statementsfor the year ended 31st December 2018.../(Contd)

	<u>2018</u>	<u>2017</u>
	Kshs	Kshs
5.0 ADMINISTRATION EXPENSES		
Bank commissions and fees	459,068	259,925
Board of Directors expenses	80,754	517,840
Insurance	2,381,070	638,322
Provision for bad debts write off	-	7,798,134
Contract services: audit fees	727,320	727,320
Contract services: IT services	19,000	257,500
Contract services: security	143,813	327,169
Contract services: co-operatives audit	417,890	330,467
Other contractual services	902,003	226,204
Contract services: legal fees	66,314	18,000
Books, subscriptions and reference	16,846	77,120
Community welfare	-	86,900
Postage and mailing services	24,067	35,420
Printing and stationery	503,709	681,592
Miscellaneous expenses	-	131,067
Travelling: other permits	-	15,000
	<u>Kshs 5,741,854</u>	<u>12,127,980</u>
6.0 ESTABLISHMENT EXPENSES		
	Kshs	Kshs
Rental	574,933	1,923,772
Furniture and equipment repairs	917,909	1,523,880
Building repairs	1,222,835	12,069
Building utilities	583,793	496,178
	<u>Kshs 3,299,470</u>	<u>3,955,899</u>
7.0 PROGRAMME EXPENSES		
	Kshs	Kshs
Research	166,650	2,054,107
Community development and training	1,398,622	2,740,115
Seed capital for cooperatives (Donations)	-	17,315,027
Other donations	55,000	-
Freight and transport	20,072	404,440
Marketing	97,835	623,803
Office supplies	885,734	2,925,508
Supplies programme	4,015,250	4,334,061
Telephone, postage and internet	2,407,490	3,127,179
Agriculture emergency	39,000	3,657,583
Travel: conference, conventions and meetings	1,609,785	1,612,275
Travel: lodging	730,840	201,230
Travel: meals	1,019,771	414,243
Travelling and permits	7,702,295	9,273,922
	<u>Kshs 20,148,343</u>	<u>48,683,493</u>

NURU INTERNATIONAL KENYA

Notes to the financial Statementsfor the year ended 31st December 2018

9.0 PROPERTY AND EQUIPMENT

		<u>Land</u>	<u>Buildings</u>	<u>Motorcycles</u>	<u>Furniture & equipment</u>	<u>Computers</u>	<u>Total</u>
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST OR VALUATION							
At 1 January 2017		7,174,020	42,079,731	3,669,000	8,023,879	6,402,820	63,681,480
Additions		-	-	-	21,500	99,000	120,500
		<u>7,174,020</u>	<u>42,079,731</u>	<u>3,669,000</u>	<u>8,045,379</u>	<u>6,501,820</u>	<u>63,801,980</u>
DEPRECIATION							
At 1 January 2017		-	5,981,723	1,487,156	3,988,346	4,229,039	12,525,268
Charge for the year		-	902,450	545,461	507,129	681,834	2,636,875
		<u>-</u>	<u>6,884,173</u>	<u>2,032,617</u>	<u>4,495,475</u>	<u>4,910,874</u>	<u>15,162,143</u>
NET BOOK VALUE							
AT 31 DECEMBER 2018	Kshs	<u>7,174,020</u>	<u>35,195,557</u>	<u>1,636,383</u>	<u>3,549,904</u>	<u>1,590,947</u>	<u>49,146,811</u>
NET BOOK VALUE							
AT 31 DECEMBER 2017	Kshs	<u>7,174,020</u>	<u>36,098,007</u>	<u>2,181,844</u>	<u>4,035,533</u>	<u>2,173,781</u>	<u>51,663,185</u>

NURU INTERNATIONAL KENYA

Notes to the financial Statements

for the year ended 31st December 2018

	<u>2018</u>	<u>2017</u>
10.0 INVENTORIES	Kshs	Kshs
Fodder seeds	Kshs <u>900</u>	<u>900</u>
11.0 ACCOUNTS RECEIVABLE	Kshs	Kshs
Due from NKSE Ltd (i)	36,413,805	36,413,805
Loans due from farmers	31,902	47,310
Amount due from farmers	-	7,798,134
Provision for bad debts	-	(7,798,134)
Prepaid Insurance	<u>1,502,366</u>	<u>26,794</u>
	Kshs <u>37,948,073</u>	<u>36,487,909</u>
<p>(i) This relates to monies advanced to NKSE a related party entity and is refundable to Nuru International Kenya.</p>		
12.0 CASH AND BANK BALANCES	<u>2018</u>	<u>2017</u>
	Kshs	Kshs
Cash at bank	Kshs <u>7,622,802</u>	<u>19,288,256</u>
13.0 PAYABLES AND ACCRUALS	Kshs	Kshs
Nuru Agrovet	2,262,768	12,902,910
Payroll liabilities	1,055,077	1,120,916
Audit fees	727,320	727,320
Kapesa savings	(57,398)	(716,667)
Cash for Coops	12,635	-
Accounts payable	<u>-</u>	<u>559,339</u>
	Kshs <u>4,000,402</u>	<u>14,593,818</u>

14.0 REGISTRATION

Nuru International Kenya was registered on 31st March 2011, under The Non-Governmental Organizations Co-ordinations (NGO) Act.

NURU INTERNATIONAL KENYA

Notes to the financial Statements

for the year ended 31st December 2018

15.0 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.

16.0 EVENTS AFTER REPORTING PERIOD

The directors are not aware of any matters arising since the end of the year that significantly affect the operations of the organization.

16.0 CURRENCY

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