

NURU INTERNATIONAL KENYA
AUDITED FINANCIAL STATEMENTS

31ST DECEMBER 2019

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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 2019.

INTRODUCTION

Nuru Kenya is registered NGO (OP.218/051/2010/092/6886) whose mission is to end extreme poverty in remote rural communities in the country through a holistic poverty reduction model. The organization's mission is implemented through the core programs of Agriculture, Financial Inclusion, Healthcare and Education. The Leadership program is incorporated in the model to develop and enhance the capacity of local leaders to achieve and sustain impact in a cost effective and scalable way.

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 livelihoods program implemented crop-based and dairy interventions towards achieving organizational food security and nutrition targets. The program was rolled out through 14 cooperatives reaching 2120 farmers. The crop package for the long rain season was comprised of Maize, Millet, Sorghum, Beans and Groundnuts. These crop varieties allowed crop diversification thereby spreading and reducing risks associated with crop failure. The crop based agriculture program, through providing access to recommended inputs via the crop loan package and offering extension services, was able to meet its objectives of increasing crop yields and increasing farmers' incomes through sale of surplus produce.

The diversification of livelihoods is implemented through the dairy program. The program increased coverage to a total of 13 cooperatives based in both Kuria East and West with 520 farmers enrolled into the program by the end of the year. The program goal of sustainably diversifying livelihoods alternatives through dairy farming was met by increasing adoption of dairy farming among the smallholder farmers, building their capacity in dairy best management practices for increased productivity, increased milk yield by improving dairy breeds and translating surplus milk yield to income by linking farmers to sustainable markets. The dairy program had an average monthly attendance of over 250 farmers for the different best management practice trainings conducted. Fodder seeds were issued to 480 farmers and 225 farmers were supported through dairy loans to acquire improved heifers during the year. The teams also conducted 320 artificial inseminations within the community of operation.

NURU INTERNATIONAL KENYA

Report of the Board of Directors

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

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. A total of 1, 659 co-operative shareholders were registered in the Healthcare database and they were distributed across 13 co-operatives. During the reporting period, 12,858 household visits were conducted by the 141 active care group members translating to a monthly average of 1072 visits. A total of 1133 women group meetings were conducted aimed at promoting and encouraging cooperative household members to adopt effective interventions for improving maternal and child health.

In 2019, the program received 23 Embrace nests devices from Embrace Innovations. The medical device is an easy-to-use, portable infant warmer that does not need continuous power supply and is designed for hospitals and ambulances when skin-to-skin care is not possible. The devices were distributed to 16 selected government health facilities within the area of operation and trainings conducted on new born care services and proper use of the device.

3.0 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 mobilize savings from members of the co-operative in order to build a revolving fund that they can access for micro-loans. During the reporting period, all the 13 cooperatives involved in the dairy program began savings mobilization in the form of prepayments that served as a pre-qualification to acquire heifer loans. This also served as an incentive to repay the loans for the crop-based agriculture program, so that the incomes earned from surplus produce were re-invested into the dairy prepayments.

4.0 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 a training resource kit for the 14 co-operatives. The program developed curriculum in Business Planning, Cooperative CAP 490 and By laws, Cooperative evaluation and Cooperative Financial management curriculum. There was also Gender Mainstreaming and behavior change for community development curriculums developed. During the reporting period, the program also spearheaded the establishment of an agro-based TVET within the local community to capacity build smallholder farmers in their farming initiatives.

5.0 Other Project Activities

During the reporting period NK through the cooperatives and market linkages department strengthened its partnership with Kenya Commercial Bank (KCB) which is promoting farmer financial literacy through trainings on mobile based (Mobigrow) account management.

A feed mill was also established to promote local-based animal feeds from locally available raw materials. This was aimed at supplying quality and affordable dairy meals to the growing dairy farmers in the region.

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 2020, categorized in the main thematic areas of 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 of the union.
- Initiate financial inclusion to promote financial literacy, savings and credit.
- Advocating for agro-forestry.
- 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, sales, cooperative and union.

Leadership Development

- Capacity build the management of cooperatives and farmers through structured and targeted training sessions.
- Conduct staff needs assessments and hold training workshops.
- Establishment of the Technical and Vocational Education and Training (TVET) institution.

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.
- Erratic weather patterns also greatly affected crop production.
- Cultural festivities that happen around harvest-time (predominantly circumcision) also greatly affected the programs. We realized low attendance and participation in activities as a result.
- Logistical challenges in procurement and delivery of AI kits, and provision of the same to farmers.
- Unprecedented infection by pests and diseases that affected growth of crops. Animals were equally affected by East Coast Fever and Lumpy Skin outbreak.
- Low adoption of advocated diversified package.
- Skills transfer to cooperatives still a major challenge due to low attendance and attrition.

RECOMMENDATIONS

Proposed methods of mitigating and managing such challenges in future include;

- Advocate for progressive loan repayment throughout the season.
- Thorough mobilization for advocated diversified packages. This increases diversity of income and safeguards against shocks.
- Additional staff added to the program to forecast demand, procure resources in advance and closely monitor field progress to ensure timely implementation of activities.
- Close monitoring of crops and animals to detect warning and advocate for mitigation of such occurrences.

INDEPENDENT AUDITORS

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

Nairobi

By Order of the Board

17 JUNE 2020



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 Co-ordination Act.


The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the NGO Co-ordination 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 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 directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 17 JUNE 2020 and signed on its behalf by:-



Chairperson



Country Director



KKCO

KKCO East Africa
Certified Public Accountants

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 2019, 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, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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).

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.

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

June 29, 2020

KKCO East Africa
KKCO East Africa
Certified Public Accountants of Kenya

NURU INTERNATIONAL KENYA

Statement of Comprehensive Income

for the year ended 31st December 2019

INCOME	Note	<u>2019</u> Kshs	<u>2018</u> Kshs
Grant income	2	48,095,851	78,694,723
Other income	3	958,514	634,239
		<u>49,054,365</u>	<u>79,328,962</u>
EXPENDITURE			
Staff costs	4	18,335,280	14,943,151
Administrative expenses	5	6,501,128	5,289,316
Establishment expenses	6	2,609,386	3,299,470
Program expenses	7	35,992,474	55,288,398
Total expenditure		<u>63,438,268</u>	<u>78,820,335</u>
(DEFICIT) /SURPLUSFOR THE YEAR		<u>(14,383,903)</u>	<u>508,627</u>

NURU INTERNATIONAL KENYA

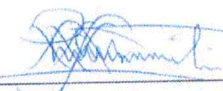
Statement of Financial Positionas at 31st December 2019

ASSETS	Note	<u>2019</u> Kshs	<u>2018</u> Kshs
Non-current assets			
Property and equipment	8	<u>46,128,736</u>	<u>49,146,811</u>
Current assets			
Inventories	9	-	900
Accounts receivable	10	23,190,766	38,005,471
Cash and bank balances	11	<u>6,003,477</u>	<u>7,622,802</u>
		<u>29,194,243</u>	<u>45,629,173</u>
Current liabilities			
Payables and accruals	12	<u>1,057,077</u>	<u>4,057,800</u>
Net current assets		<u>28,137,166</u>	<u>41,571,373</u>
TOTAL ASSETS		<u><u>74,265,902</u></u>	<u><u>90,718,184</u></u>
FUNDS			
Capital fund		46,128,736	49,146,811
NKSE fund		21,218,025	36,413,805
Unrestricted net assets		<u>6,919,141</u>	<u>5,157,568</u>
TOTAL FUNDS		<u><u>74,265,902</u></u>	<u><u>90,718,184</u></u>

The financial statements on pages 10 to 19 were approved by the board of directors on 17 JUNE 2020 and signed on their behalf by:



Chairperson



Country Director

NURU INTERNATIONAL KENYA

Statement of Changes in Equityas at 31st December 2019

	<u>Unrestricted net assets</u> Kshs	<u>Capital fund</u> Kshs	<u>NKSE funds</u> Kshs	<u>Total</u> Kshs
At 1 January 2018	4,769,441	51,663,185	36,413,805	92,846,431
Fixed assets additions	(120,500)	120,500	-	-
Depreciation charge	-	(2,636,874)	-	(2,636,874)
Surplus for the year	<u>508,627</u>	<u>-</u>	<u>-</u>	<u>508,627</u>
AT 31 DECEMBER 2018	<u>5,157,568</u>	<u>49,146,811</u>	<u>36,413,805</u>	<u>90,718,184</u>
At 1 January 2019	5,157,568	49,146,811	36,413,805	90,718,184
Fixed assets additions	(452,000)	452,000	-	-
Proceeds from disposal of assets	1,401,696	-	-	1,401,696
Receipts during the year	15,195,780	-	(15,195,780)	-
Net book value of disposed assets	-	(1,567,758)	-	(1,567,758)
Depreciation charge	-	(1,902,317)	-	(1,902,317)
Deficit for the year	<u>(14,383,903)</u>	<u>-</u>	<u>-</u>	<u>(14,383,903)</u>
AT 31 DECEMBER 2019	<u>6,919,141</u>	<u>46,128,736</u>	<u>21,218,025</u>	<u>74,265,902</u>

NURU INTERNATIONAL KENYA

Cash Flow Statementfor the year ended 31st December 2019

CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>2019</u> Kshs	<u>2018</u> Kshs
(Deficit) /Surplus for the year	(14,383,903)	508,627
Changes in operating assets and liabilities		
Decrease in inventory	900	-
Decrease/(increase) in receivables and prepayments	14,814,706	(1,460,164)
Decrease in payables	<u>(3,000,722)</u>	<u>(10,593,417)</u>
Cash flows generated from operations	<u>(2,569,019)</u>	<u>(11,544,954)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(452,000)	(120,500)
Proceeds on disposal of assets	<u>1,401,694</u>	<u>-</u>
Net cash generated from /(used in) investing activities	<u>949,694</u>	<u>(120,500)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,619,325)	(11,665,454)
Balance at beginning of the year	<u>7,622,802</u>	<u>19,288,256</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 12)	<u><u>6,003,477</u></u>	<u><u>7,622,802</u></u>

NURU INTERNATIONAL KENYA

Notes to the Financial Statements

for the year ended 31st December 2019

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 Standards 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 2019.../(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>2019</u>	<u>2018</u>
2.0 PROGRAM FUNDING	Kshs	Kshs
NURU International USA	<u>48,095,851</u>	<u>78,694,723</u>
	Kshs	Kshs
3.0 OTHER INCOME	<u>958,514</u>	<u>634,239</u>
4.0 STAFF COSTS	Kshs	Kshs
Salaries and wages	18,290,930	14,296,792
Staff welfare, training and development	40,600	646,359
NITA	3,750	-
	<u>18,335,280</u>	<u>14,943,151</u>

NURU INTERNATIONAL KENYA

Notes to the Financial Statementsfor the year ended 31st December 2019.../(Contd)

	<u>2019</u>	<u>2018</u>
	Kshs	Kshs
5.0 ADMINISTRATION EXPENSES		
Insurance and licenses	4,008,720	2,381,070
Printing and stationery	103,566	68,017
Bank commissions and fees	417,735	459,068
Contract services: audit fees	727,320	727,320
Other contractual services	693,861	902,003
Contract services: co-operatives audit	197,440	417,890
Contract services: research	40,000	-
Contract services: legal fees	137,100	66,314
Postage and mailing services	16,170	24,067
Write offs	159,216	-
Contract services: IT services	-	19,000
Contract services: security	-	143,813
Board of Directors expenses	-	80,754
	<u>6,501,128</u>	<u>5,289,316</u>
6.0 ESTABLISHMENT EXPENSES		
	Kshs	Kshs
Building repairs	1,050,145	1,222,835
Building utilities	985,366	583,793
Furniture and equipment repairs	561,875	917,909
Rental	12,000	574,933
	<u>2,609,386</u>	<u>3,299,470</u>
7.0 PROGRAMME EXPENSES		
	Kshs	Kshs
Salaries	18,488,414	34,687,518
Travelling and permits	5,875,391	7,702,295
Donations	4,210,266	55,000
Supplies programme	2,867,373	4,015,250
Telephone, postage and internet	1,352,965	2,424,336
Office supplies	912,632	885,734
Travel: lodging	830,363	730,840
Printing and stationery	539,972	435,692
Travel: conference, conventions and meetings	488,931	1,609,785
Travel: meals	273,797	1,019,771
Marketing	98,830	97,835
Community development and training	53,540	1,398,620
Research	-	166,650
Agriculture emergency	-	39,000
Freight and transport	-	20,072
	<u>35,992,474</u>	<u>55,288,398</u>

NURU INTERNATIONAL KENYA

Notes to the financial Statementsfor the year ended 31st December 2019**8.0 PROPERTY AND EQUIPMENT****COST OR VALUATION**

	<u>Land</u> Kshs	<u>Buildings</u> Kshs	<u>Motorcycles</u> Kshs	<u>Furniture & equipment</u> Kshs	<u>Computers</u> Kshs	<u>Total</u> Kshs
At 1 January 2019	7,174,020	42,079,731	3,669,000	8,045,379	6,501,820	67,469,950
Additions	-	-	222,000	230,000	-	452,000
Disposal	-	-	(3,547,000)	-	-	(3,547,000)

DEPRECIATION

At 1 January 2019	-	6,884,173	2,032,617	4,495,475	4,910,874	18,323,139
Disposal	-	-	(1,979,242)	-	-	(1,979,242)
Charge for the year	-	879,889	72,656	472,488	477,284	1,902,317

NET BOOK VALUE

AT 31 DECEMBER 2019	7,174,020	34,315,669	217,969	3,307,416	1,113,662	46,128,736
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NET BOOK VALUE

AT 31 DECEMBER 2018	7,174,020	35,195,558	1,636,383	3,549,904	1,590,946	49,146,811
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Note: (i) The Organization does not have title to all the parcels of land.

NURU INTERNATIONAL KENYA

Notes to the financial Statementsfor the year ended 31st December 2019

	<u>2019</u>	<u>2018</u>
	Kshs	Kshs
9.0 INVENTORIES		
Fodder seeds	-	<u>900</u>
10.0 ACCOUNTS RECEIVABLE	Kshs	Kshs
Due from NKSE Ltd (i)	21,218,025	36,413,805
Prepaid Insurance	1,453,905	1,502,366
Kapesa savings	204,991	57,398
Sale of asset to staff	176,323	-
Staff asset loan	80,450	-
Security deposit	40,000	-
Staff advances	17,072	-
Loans due from farmers	-	31,902
	<u>23,190,766</u>	<u>38,005,471</u>
 (i) This relates to monies advanced to NKSE a related party entity and is refundable to Nuru International Kenya.		
	<u>2019</u>	<u>2018</u>
	Kshs	Kshs
11.0 CASH AND BANK BALANCES		
Cash at bank	<u>6,003,477</u>	<u>7,622,802</u>
12.0 PAYABLES AND ACCRUALS	Kshs	Kshs
Payroll liabilities	329,757	1,055,077
Audit fees	727,320	727,320
Nuru Agrovet	-	2,262,768
Cash for Coops	-	12,635
	<u>1,057,077</u>	<u>4,057,800</u>

13.0 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 2019

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

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).