

AKILI COMMUNITY LIBRARIES

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2012

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AKILI COMMUNITIES LIBRARIES
AKL - DIRECTORS' REPORT FOR Y/E 31 OCTOBER 2012
The directors' submit their report together with the audited financial statements of the Organization for the year ended 31st October 2012.

PRINCIPAL ACTIVITY

Akili communities libraries is an NGO with the objective of operating libraries in rural areas in Kenya in order to develop a reading culture in communities, particularly among the youth. The model used is to base a library in a school, using school premises, and to make the library available for the school students, neighbouring schools and the whole community. A key part of this process is to ensure that the libraries are staffed by locally recruited and trained librarians. The libraries are stocked with books in English and Swahili, purchased in Kenya and with books shipped from the UK. The libraries also provide computer access and training for the school and community and have started working in partnership with DOT Kenya. An additional supporting activity is the provision of bursary programme based in each school which funds secondary school places for economically needy but able students. In return, students are expected to work in the libraries during their holiday periods, either on library tasks or coaching of younger students. Funding and support for these activities is provided by The Akili Trust, a UK based charity.

RESULTS

The results for the year are set out on page 5. The director's would also wish to say that the organization foresees a tremendous growth and benefits to the communities in the future.

The schools that the libraries are based in are doing well academically and there have been requests locally to extend the programme, which will be considered if funding becomes available. The first bursary students have graduated and two are at university. They have ambitions to act as role models for the community.

DIRECTORS

The directors of the organization were:-

1. Emmanuel Yongo
2. Francis Matayo
3. Lucy Evans
4. *Benson Mutha*

AUDITORS

Messrs Waithaka Kiarie Mbaya & Co. have expressed their willingness to continue in office.

BY ORDER OF THE BOARD



SECRETARY

30TH JANUARY 2013

ALL : STATEMENT OF DIRECTORS RESPONSIBILITIES

The Kenyan NGO Act requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of the financial affairs of the organization as at the end of the financial year and of the organization's operating results for that year. It also requires the directors to ensure the organization keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The directors accept responsibility for the annual accounts, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with international accounting standards and in the manner required by the Kenyan NGO Act. The directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the organization and the organization's operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of accounts, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.



} DIRECTORS

..... 30TH JANUARY 2013

REPORT OF THE AUDITORS TO THE MEMBERS OF**AKILI COMMUNITY LIBRARIES****FOR THE YEAR ENDED 31ST OCTOBER 2012**

1. We have audited the accompanying financial statements of Akili Community Libraries set out on pages 5 to Appendix I, which comprise the Statement of financial position as at 31st October 2012, the Statement of comprehensive income and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements have been prepared on a going concern basis. The assumption is that Akili Trust Fund-UK will continue to financially support the organization.

2. Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Kenyan NGO Act. The responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

3. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

REPORT OF THE AUDITORS TO THE MEMBERS OF
A.C.L FOR Y/E 31 OCTOBER 2012

4. **Opinion**

In our opinion, the accompanying financial statements give true financial performance of the company and its cash flow for the year then ended and due to the size of the Organization does not comply with the International Financial Reporting Standard but comply with Kenyan NGO Act.

5. **Report on other legal requirements**

As required by the Kenyan NGO Act we report to you, based on our audit that;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts have been kept by the Organization so far as appears from our examination of those books; and
- iii) The organization's statement of financial position and the statement of comprehensive income are in agreement with the books of accounts.

SIXTH FLOOR,
UFANISI HOUSE,
HAILE SELASSIE AVENUE,
P. O. BOX 55107
NAIROBI

Waithaka Kiari Mbaya
WAITHAKA KIARIE MBAYA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

31/10/2013
.....2013

AKILI COMMUNITY LIBRARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST OCTOBER 2012

<u>INCOME</u>	<u>NOTES</u>	<u>2012</u> <u>KSHS</u>	<u>2011</u> <u>KSHS</u>
Contributions (net of designated funds)	Appendix I	<u>3,212,258</u>	<u>1,980,857</u>
<u>EXPENDITURES</u>			
Mission Programs	6	1,427,698	1,478,041
Administration	7	862,179	492,867
		<u>2,289,877</u>	<u>1,970,908</u>
Surplus /(Deficit) for the year		<u><u>922,381</u></u>	<u><u>9,949</u></u>

STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 31ST OCTOBER 2012

⑥

	<u>NOTES</u>	<u>2012</u> <u>KSHS</u>	<u>2011</u> <u>KSHS</u>
FIXED ASSETS	5	<u>862,147</u>	<u>639,630</u>
<u>CURRENT ASSETS</u>			
Cash and Bank Balance		<u>711,845</u>	<u>11,981</u>
TOTAL ASSETS		<u>1,573,992</u>	<u>651,611</u>
<u>ACCUMULATED FUNDS AND LIABILITIES</u>			
Payables		20,000	20,000
Deficit/Surplus for the year	8	<u>1,553,992</u>	<u>631,611</u>
TOTAL ACCUMULATED FUNDS AND LIABILITIES		<u>1,573,992</u>	<u>651,611</u>

The Financial Statements on pages 5 to 10 were approved by the Board of Directors on 30th JANUARY.....2013, and signed on its behalf by:



 } DIRECTORS

AKILI COMMUNITY LIBRARIESCASH FLOW STATEMENTFOR THE YEAR ENDED 31ST OCTOBER 2012

	<u>2012</u> <u>KSHS</u>	<u>2011</u> <u>KSHS</u>
<u>Cash flows from operating activities</u>		
Surplus/ (Deficit) for the year	922,381	9,949
Depreciation	<u>172,610</u>	<u>155,777</u>
<u>Operating surplus before working capital changes</u>	1,094,991	165,726
Increase in payables	<u>-</u>	<u>20,000</u>
<u>Net cash from operating activities</u>	1,094,991	185,726
Purchase of assets	<u>(395,127)</u>	<u>(314,055)</u>
<u>Net increase in cash and cash equivalents</u>	699,864	(128,329)
<u>Movement in cash and cash equivalents</u>		
As at 1st November,	11,981	180,310
Increase in cash and cash equivalents	699,864	(128,329)
<u>Cash and cash equivalents as at 31st October,</u>	<u>711,845</u>	<u>51,981</u>

AKILI COMMUNITY LIBRARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2012

1 ACTIVITIES

Akili Community Libraries - Kenya is a Non-Government Organization whose objectives are to run Libraries and support children through school bursaries in rural areas in Kenya.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The Financial Statements have been prepared under the historical cost convention.

b) Income

Income comprises funds received from Akili Trust Fund Head office in UK.

c) Property, plant and equipment

Items of property and equipment are stated at historical cost or valuation less accumulated depreciation.

Depreciation is calculated on reducing balance method using the following annual rates:-

	<u>Rates</u>
Furniture, Fitting & Equipment	20%
Library Books	10%
Computers	30%

d) Translation of foreign currency

Foreign currencies are translated at the market rate.

3 TAXATION

Akili Community Libraries - Kenya is a non-governmental organization whose objectives are to run libraries and support children through school bursaries in rural areas in Kenya and all its surplus are ploughed back for purposes of supporting existing and future projects. Currently, non-governmental organizations are not subject to income Tax. However, they are supposed to be compliant with Pay-As-You Earn (PAYE) for their employees and directors. Akili Community Libraries - Kenya should act as an agent for Kenya Revenue Authority in law in regard to PAYE.

4 CURRENCY

The Financial Statements have been prepared in Kenya Shillings (Kshs).

AKILI COMMUNITY LIBRARIESNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER 20125 FIXED ASSETS

<u>COST</u>	<u>FURNITURE</u>	<u>LIBRARY</u>	<u>COMPUTERS</u>	<u>TOTAL</u>
	<u>& FITTINGS</u> KSHS	<u>BOOKS</u> KSHS	<u>KSHS</u>	<u>KSHS</u>
As at 01.11.2011	432,607	257,060	297,884	987,551
Additions	120,000	275,127	-	395,127
As at 31.10.2012	552,607	532,187	297,884	1,382,678
<u>DEPRECIATION</u>				
As at 01.11.2011	131,044	53,885	162,992	347,921
Charge for the year	84,313	47,830	40,468	172,610
As at 31.10.2012	215,357	101,715	203,460	520,531
<u>NETBOOK VALUE</u>				
As at 31.10.2012	337,250	430,472	94,424	862,147
<u>2011</u>				
<u>COST</u>				
As at 01.11.2010	180,552	257,060	235,884	673,496
Additions	252,055		62,000	314,055
As at 31.10.2011	432,607	257,060	297,884	987,551
<u>DEPRECIATION</u>				
As at 01.11.2010	55,653	31,310	105,181	192,144
Charge for the year	75,391	22,575	57,811	155,777
As at 31.10.2011	131,044	53,885	162,992	347,921
<u>NETBOOK VALUE</u>				
As at 31.10.2011	301,563	203,175	134,892	639,630

AKILI COMMUNITY LIBRARIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST OCTOBER 2012**

	<u>2012</u>	<u>2011</u>
	<u>KSHS</u>	<u>KSHS</u>
6 <u>MISSION PROGRAM EXPENDITURE</u>		
Bursaries	633,561	474,068
Filing fees	21,200	29,000
Stolen purse	-	63,000
Medical expenses	40,670	10,768
Website Costs	-	68,010
Clinic	-	24,520
Salaries and Wages	668,223	720,175
Electricity and water	64,044	88,500
	<u>1,427,698</u>	<u>1,478,041</u>
7 <u>ADMINISTRATION EXPENSES</u>		
Travelling Expenses	26,066	25,000
Printing and Stationery	24,000	24,230
Telephone and Postage	28,200	16,200
Bank charges	37,920	32,990
Audit fees	20,000	20,000
Office Expenses	197,359	184,170
Depreciation	172,610	155,777
Repairs and maintenance	46,130	34,500
Shipping Expenses	207,594	-
Filming Expenses	102,300	-
	<u>862,179</u>	<u>492,867</u>
8 <u>STATEMENT OF ACCUMULATED FUNDS</u>		
As at 1st November,	631,611	621,662
Surplus /(Deficit) for the year	922,381	9,949
As at 31st October,	<u>1,553,992</u>	<u>631,611</u>

AKILI COMMUNITY LIBRARIES
SCHEDULE OF MONEY RECEIVED FROM AKILI TRUST FUND UK
TO AKILI COMMUNITY LIBRARIES KENYA
FOR THE YEAR ENDED 31ST OCTOBER 2012

	<u>DATE</u>	<u>AMOUNT IN POUNDS</u>	<u>EXCHANGE RATE</u>	<u>AMOUNT IN KSHS.</u>
<u>2011</u>				
	<u>NOVEMBER</u>			
	2	144.15	149.15	21,500.00
	4	2,000.00	148.55	297,100.00
	<u>DECEMBER</u>			
	10	2,000.00	130.51	261,020.00
	20	167.91	126.44	21,230.00
	20	85.82	126.43	10,850.00
<u>2011</u>				
	<u>JANUARY</u>			
	9	77.62	128.84	10,000.00
	9	273.20	128.84	35,200.00
	11	3,000.00	127.94	383,820.00
	19	77.74	128.63	10,000.00
	22	58.63	128.63	7,542.00
	27	46.11	130.12	6,000.00
	<u>FEBRUARY</u>			
	14	565.00	127.37	71,964.00
	14	581.66	127.37	74,086.00
	14	47.10	127.37	6,000.00
	18	78.98	126.62	10,000.00
	<u>MARCH</u>			
	5	101.45	127.16	12,900.00
	20	(Cash deposit)		35,000.00
	27	2,500.00	125.66	314,150.00
	<u>APRIL</u>			
	10	62.93	127.81	8,044.00
	18	46.69	128.51	6,000.00
	23	1,924.24	132.00	254,000.00

AKILI COMMUNITY LIBRARIES
SCHEDULE OF MONEY RECEIVED FROM AKILI TRUST FUND UK
TO AKILI COMMUNITY LIBRARIES KENYA
FOR THE YEAR ENDED 31ST OCTOBER 2012

<u>DATE</u>	<u>AMOUNT IN POUNDS</u>	<u>EXCHANGE RATE</u>	<u>AMOUNT IN KSHS.</u>
<u>MAY</u>			
9	42.54	129.29	5,500.00
9	32.19	130.42	4,200.10
9	153.56	130.24	20,000.00
9	179.02	130.24	23,316.00
10	133.74	130.24	17,418.00
15	77.24	129.46	10,000.00
18	77.24	129.46	10,000.00
<u>JUNE</u>			
16	86.45	127.24	11,000.00
19	44.31	126.87	5,626.00
<u>JULY</u>			
9	2,885.86	128.00	369,390.08
<u>SEPTEMBER</u>			
12	217.25	133.79	29,107.00
<u>OCTOBER</u>			
2	262.25	132.79	34,823.00
5	3,032.86	135.00	409,436.00
15	3,007.67	135.00	406,036.00
			<u>3,212,258.18</u>