

MLANGO FARM FOUNDATION

P.O BOX 27619-00100,NAIROBI

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

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FOR THE YEAR ENDED 31ST DECEMBER 2024

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CORPORATE INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2024

Board Members

Elisabeth Breet Kamande	-	Chairperson
Carolyne Narocho Makheti	-	Secretary
Gordon Njee Muturi	-	Treasurer
Caroline Njuguna	-	Board member
Sylvia Esther Njeri Njenga	-	Board member

Auditors

Njuguna Mwangi & Co Auditors
Certified Public Accountants-CPA(K)
P.O Box 204-01000,Thika
Tell:+254723270124
Email:admin@nmcauditors.com

Registered Office

Mlango Farm Foundation
Educational City farm
PO Box 27619, 00100
Nairobi.

Principal bankers

Equity Bank of Kenya

THE REPORT BY THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2024

The Board has the pleasure in submitting their report and the audited financial statements for the year ended 31st December,2024 which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITIES

The principal activity of the organization is that of to enlight and inspire through hands-on educational experiences in farming, Livestock rearing nature, and environmental stewardship.

RESULTS

Results of the year are set out on page 6.

BOARD MEMBERS

The board members who served during the year are set out on page 1.

AUDITOR

The organisation's Auditors,Njuguna Mwangi & Co Auditors,Certified Public Accountants-CPA(K) has expressed willingness to continue in office.

APPROVAL OF FINANCIAL STATEMENTS

The report was approved by the Board on2024

By order of the Board

SECRETARY

SIGN

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31ST DECEMBER 2024

The board is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and operating results for that year. It also requires the board to ensure the organisation keeps proper accounting records which disclose with reasonable accuracy the financial position of the organisation's. The Board is also responsible for safeguarding the assets of the organisation.

The Board accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the organisation's and its operating results. The Board further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Dated..... and signed on behalf of the Board

Chairman.....Sign.....

Secretary.....Sign.....

Treasurer.....Sign.....

**To the members of
MLANGO FARM FOUNDATION****Opinion**

We have audited the accompanying financial statements of **Mlango Farm Foundation**, set out on page 7 to 12, which comprise the statement of financial position as at 31st December, 2024, the income statement, statements of changes in equity, cashflows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the organisation as at 31st December, 2024 and of its financial performance and cashflows for the year then ended in accordance with the International Financial Reporting Standards 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 (ISAs). Our responsibilities under those standards are further described in the Auditor's 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 (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The board members are responsible for the other information. Other information comprises the information included in the Annual Report, 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 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.

Board members' responsibility for the financial statements

The board members are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards, and for such internal control as the board members 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 board members 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 board either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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 ISAs 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.

**To the members of
MLANGO FARM FOUNDATION**

Auditor's responsibilities for the audit of the financial statements (continued)

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

- (i) 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.
 - (ii) 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.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 upto the date of the auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- (iv) 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
 - (v)

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA HM Njuguna Practising Certificate No P.2554

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**Njuguna Mwangi & Co Auditors
Certified Public Accountants-CPA(K)
P.O Box 204-01000, Thika
Tell:+254723270124
Email:admin@nmcauditors.com**

Date.....

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2024

		2024	2023
		<u>Kshs</u>	<u>Kshs</u>
<u>INCOMES</u>	Notes		
Farm Incomes	2a)	3,991,267	3,183,334
Donations	2b)	691,497	254,000
		<u>4,682,764</u>	<u>3,437,334</u>
 <u>EXPENDITURE</u>			
Project costs	3)	1,965,545	677,298
Personnel costs	4)	1,712,858	2,075,235
Administration costs	5)	460,295	325,067
Other operating costs	6)	829,214	-
Total Expenditure		<u>4,967,912</u>	<u>3,077,600</u>
Surplus/(Deficit)for the year		<u><u>(285,148)</u></u>	<u><u>359,734</u></u>

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER,2024

	Notes	2024 Kshs	2023 Kshs
ASSETS			
Biological assets	7)	<u>267,350</u>	<u>250,000</u>
		267,350	250,000
Current Assets			
Cash and cash equivalents	8)	619,311	359,032
Trade and other receivables	9)	<u>23,510</u>	<u>-</u>
		642,821	359,032
TOTAL ASSETS		<u>910,171</u>	<u>609,032</u>
EQUITY & LIABILITIES			
Equity			
Property fund	10)	267,350	250,000
Accumulated fund	11)	<u>31,534</u>	<u>334,032</u>
		298,884	584,032
Liabilities			
Trade and other payables	12)	<u>611,287</u>	<u>25,000</u>
		611,287	25,000
TOTAL EQUITY & LIABILITIES		<u>910,171</u>	<u>609,032</u>

The financial statements were authorised for issue by the board members on and were signed on it's behalf by :

Chairman.....Sign.....

Secretary.....Sign.....

Treasurer.....Sign.....

MLANGO FARM FOUNDATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2024

	Accumulated Fund Kshs	Property Fund Kshs	Total Kshs
Year ended 31st December 2023			
As at 1st January 2023	224,298	-	224,298
Surplus/(Deficit)for the year	359,734	-	359,734
Transfer to property fund	(250,000)	250,000	-
As at 31st December 2023	334,032	250,000	584,032
Year ended 31st December 2024			
As at 1st January 2024	334,032	250,000	584,032
Surplus/(Deficit)for the year	(285,148)	-	(285,148)
Additions during the year	(17,350)	17,350	-
As at 31st December 2023	31,534	267,350	298,884

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024 <u>Kshs</u>	2023 <u>Kshs</u>
Surplus/(Deficit)for the year	(285,148)	359,734
Add :Depreciation(Not expensed through Income statement)	N/a	N/a
Operating Profit before working capital changes	<u>(285,148)</u>	<u>359,734</u>
Operating activities		
Decrease(Increase) in trade & other receivables	(23,510)	-
Increase(decrease) in trade & other payables	<u>586,287</u>	<u>25,000</u>
Cash inflow from operating activities	<u>277,629</u>	<u>384,734</u>
Cash inflow from Investing Activities		
Purchase of Assets	<u>(17,350)</u>	<u>(250,000)</u>
Cash in(out)/flow from investing activities	<u>(17,350)</u>	<u>(250,000)</u>
Net outflow in cash and cash equivalents	<u>260,279</u>	<u>134,734</u>
Movement in cash and cash equivalents	260,279	134,734
At the start of the year	359,032	224,298
Movement during the year	<u>260,279</u>	<u>134,734</u>
At the end of the year	<u><u>619,311</u></u>	<u><u>359,032</u></u>

**MLANGO FARM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

1) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards . The Financial statements are prepared under the historical cost convention as modified by the fair value adjustments to financial instruments, and are presented in the functional currency, Kenya Shillings. The preparation of financial statements in conformity with the International Financial Reporting Standards requires management to exercise its judgement in the process of applying the accounting policies adopted by the organisation. Although such estimates and assumptions are based on the management's best knowledge of the information available, actual results may differ from those estimates.

b) Grant Recognition

Grants are recognised on cash basis and no accrual for grants not received has been accounted for.

c) Expense allocation

All expenses have been allocated based on set budget line. The budget lines have been allocated as per approved donor budget.

d) Foreign Currencies translation

Transactions in foreign currencies are converted into Kenya shillings at the rate of exchange ruling at the date of the transaction.

e) Cash and Cash Equivalent

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024 <u>Kshs</u>	2023 <u>Kshs</u>
Incomes		
2a) Farm incomes		
Educational visits	3,240,767	3,167,334
Animal Income	-	16,000
Training Income	750,500	-
	<u>3,991,267</u>	<u>3,183,334</u>
2b) Donations		
Donations in Kind	-	254,000
Donations NL	691,497	-
	<u>691,497</u>	<u>254,000</u>
Total Incomes	<u>4,682,764</u>	<u>3,437,334</u>
3) Project costs		
3a) Animal husbandry		
Animal attendants	338,975	300,000
Animal food & hay	596,750	252,370
New animals	-	26,870
Sawdust	42,480	21,080
Animal houses	41,580	-
Animal products	17,360	-
Vet and treatment	242,260	76,978
	<u>1,279,405</u>	<u>677,298</u>
3b) Playoff Forest		
Trees & seedlings	25,592	-
Staff cost	338,400	-
	<u>363,992</u>	<u>-</u>
3c) Community Sustainable Development Empowerment Programme-COSDEP		
Farmers Training	306,848	-
	<u>306,848</u>	<u>-</u>
3d) Educational classroom		
Building renovation costs	15,300	-
	<u>15,300</u>	<u>-</u>
Total project costs	<u>1,965,545</u>	<u>677,298</u>
4) Personnel costs		
Admin salaries	244,024	1,794,075
Director salary share	424,167	-
Kitchen salaries	205,300	-
Kitchen/host casuals	484,545	-
Volunteer allowances	4,630	258,400
Staff training	14,590	8,000
Staff welfare (staff meals)	-	14,760
Farm casuals	201,700	-
Cleaner casuals	52,200	-
NHIF	8,970	-
NITA levy	1,000	-
NSSF	44,196	-
PAYE	20,000	-
Housing Levy	7,536	-
	<u>1,712,858</u>	<u>2,075,235</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024 <u>Kshs</u>	2023 <u>Kshs</u>
5) Administration costs		
Bank/m-pesa charges	21,108	1,020
Kitchen costs	-	4,975
Travel and transport	8,620	15,420
Motor vehicle fuel	215,056	270,992
Motor vehicle maintenance	75,950	1,500
Provision for audit	30,000	25,000
Utilities (gas/firewood/charcoal)	-	2,960
Telephone and internet	10,340	3,200
Donation	4,000	-
Computer Maintenance	1,100	-
Printing & stationary	10,259	-
Website maintenance & hosting	29,572	-
Board costs	41,230	-
Marketing materials	13,060	-
	<u>460,295</u>	<u>325,067</u>
6) Other operating costs		
Education visitation costs (meals & refreshments)	829,214	-
	<u>829,214</u>	<u>-</u>
7) Biological assets[animals]		
Balance as at 1st January	250,000	-
Additions during the year	17,350	250,000
Balance as at 31st December	<u>267,350</u>	<u>250,000</u>
8) Cash and cash equivalents		
Cash at bank	564,860	164,096
Mpesa paybill	33,200	105
Cash at hand	21,251	194,831
	<u>619,311</u>	<u>359,032</u>
For the purposes of the cash flow statement, the year end cash and cash equivalents comprise cash in hand and deposits held with the bank.		
9) Trade and other receivables		
Cash advance	23,510	-
	<u>23,510</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	<u>Kshs</u>	<u>Kshs</u>
10) Property fund		
Balance as at 1st January	250,000	-
Additions for the year	17,350	250,000
Balance as at 31st December	<u>267,350</u>	<u>250,000</u>
11) Accumulated fund		
Balance at 1st January	334,032	224,298
Surplus/Deficit for the year	(285,148)	359,734
Transfer to property fund	(17,350)	(250,000)
Balance at 31st December	<u>31,534</u>	<u>334,032</u>
Represented By:		
Cash and bank balance	619,311	359,032
Add :Trade & other receivables	23,510	-
Less: Trade & other payables	(611,287)	(25,000)
	<u>31,534</u>	<u>334,032</u>
12) Trade and other payables		
Audit fee	30,000	25,000
Housing levy	1,080	-
Net salary payable	120,000	-
NITA	100	-
NSSF	4,320	-
SHA	990	-
Accrual Ngecha OrgLTD	454,797	-
	<u>611,287</u>	<u>25,000</u>

13) Registration

The organisation is registered to work in Kenya under section 10 of the Non-Governmental organisations Co-ordination Act certificate No.OP.218/051/15-031/9877

14) Taxation

The organisation relies on donations which are not taxable. Accordingly, no tax has been provided in these financial statements.

15) Currency

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