

**MLANGO FARM FOUNDATION
P.O BOX 27619-00100,
NAIROBI**

**ANNUAL REPORT
&
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2025**

**Njuguna Mwangi & Co Auditors
Certified Public Accountants (CPA K)
P. O. Box 204-01000 Thika
Tel: 0723-270,124
*Email: admin@nmcauditors.com***

MLANGO FARM FOUNDATION
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

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CORPORATE INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2025

Board Members

Elisabeth Breet Kamande	-	Chairperson
Carolyne Narocho Makhetai	-	Secretary
Gordon Njee Muturi	-	Treasurer
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 2025

The Board has the pleasure in submitting their report and the audited financial statements for the year ended 31st December,2025 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 on2026

By order of the Board

Secretary

Sign

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31ST DECEMBER 2025

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 13, which comprise the statement of financial position as at 31st December, 2025, 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, 2025 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 (IESBACode) 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 IESBACode. 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.
- (iv) 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.
- (v) 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 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
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Date.....

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2025

		2025	2024
		<u>Kshs</u>	<u>Kshs</u>
<u>INCOMES</u>	Notes		
Farm Incomes	2a)	4,208,962	3,240,767
Donations	2b)	2,452,775	1,441,997
		6,661,737	4,682,764
<u>EXPENDITURE</u>			
Project costs	3)	3,750,337	1,965,545
Personnel costs	4)	1,416,420	1,712,858
Administration costs	5)	166,378	460,295
Other operating costs	6)	1,171,384	829,214
Total Expenditure		6,504,519	4,967,912
Surplus/(Deficit)for the year		157,218	(285,148)

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2025

	Notes	2025 <u>Kshs</u>	2024 <u>Kshs</u>
ASSETS			
Biological assets	7)	<u>285,350</u>	<u>267,350</u>
		285,350	267,350
Current Assets			
Cash and cash equivalents	8)	333,227	619,311
Trade and other receivables	9)	<u>28,135</u>	<u>23,510</u>
		361,362	642,821
TOTAL ASSETS		<u>646,712</u>	<u>910,171</u>
EQUITY & LIABILITIES			
Equity			
Accumulated fund	10)	156,289	31,534
Property fund	11)	<u>285,350</u>	<u>267,350</u>
		441,639	298,884
Liabilities			
Trade and other payables	12)	<u>205,073</u>	<u>611,287</u>
		205,073	611,287
TOTAL EQUITY & LIABILITIES		<u>646,712</u>	<u>910,171</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 2025

	Accumulated Fund Kshs	Property Fund Kshs	Total Kshs
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)
Transfer to property fund	(17,350)	17,350	-
As at 31st December 2024	31,534	267,350	298,884

	Accumulated Fund Kshs	Property Fund Kshs	Total Kshs
Year ended 31st December 2025			
As at 1st January 2025	31,534	267,350	298,884
Opening balance reconciliation	(14,463)	-	(14,463)
Surplus/(Deficit)for the year	157,218	-	157,218
Transfer to property fund	(18,000)	18,000	-
As at 31st December 2025	156,289	285,350	441,639

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2025

	2025 <u>Kshs</u>	2024 <u>Kshs</u>
Surplus/(Deficit)for the year	157,218	(285,148)
Opening balance reconciliation	(14,463)	-
Add :Depreciation(Not expensed through Income statement)	N/a	N/a
Operating Profit before working capital changes	<u>142,755</u>	<u>(285,148)</u>
Operating activities		
Decrease(Increase) in trade & other receivables	(4,625)	(23,510)
Increase(decrease) in trade & other payables	<u>(406,214)</u>	<u>586,287</u>
Cash inflow from operating activities	<u>(268,084)</u>	<u>277,629</u>
Cash inflow from Investing Activities		
Purchase of Assets	<u>(18,000)</u>	<u>(17,350)</u>
Cash in(out)/flow from investing activities	<u>(18,000)</u>	<u>(17,350)</u>
Net outflow in cash and cash equivalents	<u>(286,084)</u>	<u>260,279</u>
Movement in cash and cash equivalents	<u>(286,084)</u>	<u>260,279</u>
At the start of the year	619,311	359,032
Movement during the year	<u>(286,084)</u>	<u>260,279</u>
At the end of the year	<u><u>333,227</u></u>	<u><u>619,311</u></u>

MLANGO FARM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

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.

**MLANGO FARM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025**

	2025 Kshs	2024 Kshs
Incomes		
2a) Education and Training Income		
Educational visits	3,573,110	3,240,767
Training Income	<u>635,852</u>	<u>-</u>
	4,208,962	3,240,767
2b) Donations		
Donations non local	2,448,775	1,441,997
Donations local	<u>4,000</u>	<u>-</u>
	2,452,775	1,441,997
Total Incomes	<u>6,661,737</u>	<u>4,682,764</u>
3) Project costs		
3a) Animal husbandry		
Animal attendants	432,875	338,975
Animal food & hay	662,850	596,750
New animals	16,800	-
Sawdust	42,700	42,480
Animal houses	34,900	41,580
Animal products	-	17,360
Vet and treatment	<u>158,650</u>	<u>242,260</u>
	1,348,775	1,279,405
3b) Community Sustainable Development Empowerment Programme-COSDEP		
Training & Facilitation costs	1,054,565	306,848
Meals/Refreshments	88,610	-
Mpesa and bank charges	4,000	-
Internet/Airtime costs	32,400	-
Transport cost	<u>178,530</u>	<u>-</u>
	1,358,105	306,848
3c) Community trainings		
Training cost	<u>113,000</u>	<u>-</u>
	113,000	-
3d) Educational Projects		
Building renovation costs	15,743	15,300
New Staff Kitchen	611,382	-
Ecobrick Corner	60,000	-
Educational Comer	<u>73,020</u>	<u>-</u>
	760,145	15,300
3e) Educational Forest		
Art & Design Four Elements	14,200	-
Casuals Forest	80,000	338,400
Slackline costs	60,812	-
Tree Seedlings	<u>15,300</u>	<u>25,592</u>
	170,312	363,992
Total project costs	<u>3,750,337</u>	<u>1,965,545</u>
4) Personnel costs		
Admin salaries	-	244,024
Director salary share	288,000	424,167
Kitchen Gross Salaries	146,000	260,136
Kitchen/host casuals	-	484,545
Personnel costsContinued to Page 12	<u>434,000</u>	<u>1,412,872</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

	2025 <u>Kshs</u>	2024 <u>Kshs</u>
Personnel costs.....Continued from Page 11		
Volunteer allowances	-	4,630
Casuals- Education Visit	414,450	-
Staff training	-	14,590
Farm casuals	547,820	201,700
Cleaner casuals	-	52,200
NITA levy	650	1,000
NSSF Employer	15,600	22,098
Housing Levy Employer	3,900	3,768
	<u>982,420</u>	<u>299,986</u>
Total personnel costs	<u>1,416,420</u>	<u>1,712,858</u>
5) Administration costs		
Bank/m-pesa charges	43,731	21,108
Travel and transport	10,400	8,620
Motor vehicle fuel	-	215,056
Motor vehicle maintainance	-	75,950
Audit & accounts registration fee	35,050	30,000
License and permits	11,320	-
Telephone and internet	7,600	10,340
Donations	-	4,000
Computer Maintenance	-	1,100
Printing & stationary	-	10,259
Website maintenace & hosting	9,993	29,572
Board costs	24,500	41,230
Marketing materials	22,899	13,060
Penalties and Interests	885	-
	<u>166,378</u>	<u>460,295</u>
6) Other operating costs		
Education visitation costs (meals & refreshments)	1,168,510	829,214
Equipment Tools and maintenance	2,874	-
	<u>1,171,384</u>	<u>829,214</u>
7) Biological assets[animals]		
Balance as at 1st January	267,350	250,000
Additions/(disposal) during the year	18,000	17,350
Balance as at 31st December	<u>285,350</u>	<u>267,350</u>
8) Cash and cash equivalents		
Cash at bank	267,139	564,860
Mpesa paybill	24,700	33,200
Mpesa Admin	1,266	21,251
Cash MFF	40,122	-
	<u>333,227</u>	<u>619,311</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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

	2025 Kshs	2024 Kshs
9) Trade and other receivables		
Salary/Cash advance	28,135	23,510
	<u>28,135</u>	<u>23,510</u>
10) Accumulated fund		
Balance at 1st January	31,534	334,032
Opening balance reconciliation	(14,463)	-
Surplus/Deficit for the year	157,218	(285,148)
Transfer to property fund	(18,000)	(17,350)
Balance at 31st December	<u>156,289</u>	<u>31,534</u>
Represented By:		
Cash and bank balance	333,227	619,311
Add :Trade & other receivables	28,135	23,510
Less: Trade & other payables	(205,073)	(611,287)
	<u>156,289</u>	<u>31,534</u>
11) Property fund		
Balance as at 1st January	267,350	250,000
Additions for the year	18,000	17,350
Balance as at 31st December	<u>285,350</u>	<u>267,350</u>
12) Trade and other payables		
Audit & accounts registration fee	35,050	30,000
Housing levy	600	1,080
Net salary payable	-	120,000
NITA	50	100
NSSF	2,400	4,320
SHA	550	990
Accrual Ngecha Org Ltd	166,420	454,797
Accruals	3	-
	<u>205,073</u>	<u>611,287</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.)