

Hope For Cancer Kids
Annual Report and Financial Statements
for the year ended December 31, 2019

Hope For Cancer Kids

Annual Report And Financial Statements for the year ended December 31, 2019

Society Information

Management committee

Mr. Sidney M Chahonyo	Chairperson
Ms. Carol Kaburu	V. Chairperson
Ms Juliet Mburu	Hon. Secretary
Ms. Rose Wandaka	Treasurer

Principal bankers

Co-operative Bank of Kenya
Nairobi Business Centre
Nairobi

Principal place of business

Top Plaza
Kindaruma road, Off Ngong road
P.O. Box 3907-00506
Nairobi

Independent Auditor

Nyenge and Company
Certified Public Accountants (K)
P.O. Box 45040-00100
Nairobi, Kenya
Tel: 0727 130955
Email: nyengeco@gmail.com, sila_gabriel@yahoo.com

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Report of the Management Committee

The Management Committee submit their report and the audited financial statements for the year ended December 31, 2019. which show the state of the Society's affairs.

1 Incorporation

The Society was incorporated under the Kenya Societies Act (Cap 108) and is domiciled in Kenya. The address of the registered office is as set out on page 1.

2 Review of activities

Main business and operations

The Society is engaged in assisting needy children suffering from cancer through diagnosis, treatment and bereavement.

The(deficit) /surplus of the Society was as follows

	2019	2018
	(648,526)	3,227
	<u> </u>	<u> </u>

3 Financial statements

At the date of this report, the Management Committee were not aware of any circumstances which would have rendered the values attributed to the assets in the financial statements misleading.

4 Management Committee

The Management Committee who held office during the year up till the date of this report were as follows:

Mr. Sidney M Chahonyo	Kenyan
Ms. Carol Kaburu	Kenyan
Ms Juliet Mburu	Kenyan
Ms. Rose Wandaka	Kenyan

5 Auditor

Nyenge and Company, Certified Public Accountants(K) were the Society's auditor and have expressed their willingness to continue in accordance with (Cap 108) of the Kenyan Societies Act

Management Committee

2020

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Statement of Management Committee' responsibilities on the financial statements

The Societies Act (Cap 108) requires the Management Committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Society, as at the end of the financial year and of its operating results for the year. It also requires the Management Committee to ensure that the Society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. The Management Committee are also responsible for safeguarding the assets of the Society.

The Management Committee accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. It also accepts responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

The Management Committee are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society as at 31 December 2019 and of its financial performance and cash flows for the year ended in accordance with international Financial Reporting Standards and the requirement of the Kenyan Societies Act.

Nothing has come to the attention of the management committee to indicate that the society will not remain as a going concern for atleast the next twelve months from the date of this statement.

Approved by the Management Committee on _____ 2020 and signed on its behalf by:

Name:
Designation:

Name:
Designation:

Report of the Independent Auditor

To the members of Hope for Cancer Kids

Opinion

We have audited the accompanying financial statements of Hope for Cancer Kids, set out on pages 8 to 17 which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows 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 company as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Societies Act.

Basis for 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 Society 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 Management Committee 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 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.

Management Committee' responsibility for the financial statements

The Management Committee are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Societies Act, and for such internal control as the Management Committee 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 Management Committee are responsible for assessing the Society'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 Management Committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 Society's internal control.
- 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 Society'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 the auditor's report. However, future events or conditions may cause the Society 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the Independent Auditor

Report on Other Legal and Regulatory Requirements

As required by the Kenyan Societies Act, we report to you that the financial statements are in agreement with the books of accounts kept by the Society and that, based on our audit, nothing has come to our attention that causes us to believe that the Society's business has not been conducted:

- In accordance with the provisions of the Societies Act
- In accordance with the Society's by-laws and other resolutions made by the Society at a general meeting.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA David Nyen'ge - P/No 0402

Nyenge and Company
Certified Public Accountants (K)
Nairobi

_____ **2020**

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Statement of comprehensive income

Figures in Kenyan Shillings	Note	2019	2018
Income	2	1,373,071	1,881,788
EXPENDITURE			
Administration expenses	3	(197,779)	(139,732)
Operating expenses	4	(1,819,133)	(1,738,829)
Finance expenses	5	<u>(4,685)</u>	<u>-</u>
Total expenditure		(2,021,597)	(1,878,561)
(Deficit) /Surplus for the year		<u>(648,526)</u>	<u>3,227</u>

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Statement of financial position

Figures in Kenyan Shillings	Note	2019	2018
Assets			
Non-current assets			
Property and equipment	6	97,457	91,484
		97,457	91,484
Current Assets			
Receivables	7	13,000	13,000
Cash and cash equivalents	8	84,688	762,457
		97,688	775,457
Total Assets		195,145	866,941
Fund balance and Liabilities			
Fund balance			
General Fund		160,975	809,501
		160,975	809,501
Liabilities			
Current liabilities			
Payables	9	34,170	57,440
		34,170	57,440
Total Fund balance and liabilities		195,145	866,941

The annual report, financial statements and the notes on pages 8 to 17, were approved by the board on the _____ 2020 and were signed on its behalf by:

Name:
Designation:

Name:
Designation:

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Statement of changes in Fund balance

Figures in Kenyan Shillings	General fund	Total Fund balance
Balance at January 1, 2018	806,274	806,274
Changes in Fund balance	3,227	3,227
Balance at December 31, 2018	809,501	809,501
Balance at January 1, 2019	809,501	809,501
Changes in Fund balance	(648,526)	(648,526)
Balance at December 31, 2019	160,975	160,975
Note		

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Statement of cashflow

Figures in Kenyan Shillings	Note	2019	2018
Cash flows (used in)/ from operating activities			
Cash (used in)/ from operations		(649,369)	56,613
Net cash used in)/ from operating activities		(649,369)	56,613
Cash flows from investing activities			
Purchase of property, plant and equipment		(28,400)	(59,000)
Net cash (used in)/ from investing activities		(28,400)	(59,000)
Total cash movement for the year		(677,769)	(2,387)
Cash at the beginning of the year		762,457	764,844
Total cash at end of the year		84,688	762,457

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Accounting policies

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied over the years presented unless otherwise stated.

These accounting policies are consistent with the previous period.

1.1 Statement of compliance and basis of preparation

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards. The financial statements are prepared under the historical cost basis of accounting and presented in the functional currency Kenya shillings (Kshs) rounded to the nearest shilling.

The financial statements comprise the statement of comprehensive income, statement of financial position, statement of changes in Fund balance, statement of cash flows, and other explanatory information. Income and expenses.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Society's accounting policies. Although such estimates and assumptions are based on the Management Committee's best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed.

1.2 Property and equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only where it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be reliably measured. All other repair and maintenance costs are charged to the statement of comprehensive income in the financial period in which they are incurred.

Depreciation is calculated on the reducing balance basis, at annual rates estimated to write off carrying values of the property and equipment over their expected useful lives.

The annual rates in use are:

Asset class	Rate per annum(%)
Toys & equipment	20.0%
Computers	30.0%

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Accounting policies

1.3 Financial instruments

Classification

The Society classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- payments that are not quoted in an active market, and exclude assets which the entity intends to sell
- Financial liabilities; comprise of all financial liabilities except financial liabilities at fair value through profit or loss

Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of 12 months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities.

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise cash and cash equivalents as defined above

1.4 Employee benefits

Retirement benefits costs

The Society and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The society's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

1.5 Provision for liabilities and charges

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made

1.6 Revenue recognition

Income represents cash flows from donations and fundraising activities and is recognised in the period in which it is received. Interest on bank deposit is recognised on receipt basis.

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Accounting policies

1.7 Critical accounting estimates and judgements

In the process of applying the Society's accounting policies, the management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below:

- **Critical judgment's in applying the Society's accounting policies:**
The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as when identified.
- **Key sources of estimation uncertainty:**
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that has a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year:
- **Property and equipment:**
Critical estimates are made by the Management Committee in determining the depreciation rates on property and equipment.

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Figures in Kenyan Shillings	2019	2018
2 Revenue		
Donations	733,388	826,802
Fundraising activities	639,683	1,054,986
	1,373,071	1,881,788
3 Administration expenses		
Audit and book-keeping Fees	30,000	30,000
Donations	100,000	4,400
Printing & stationery	7,787	3,814
Postage, Telephone website & Internet	14,200	18,540
Subscriptions	29,061	5,000
Meeting expenses	16,731	30,223
Staff welfare	-	46,050
Miscellaneous expenses	-	1,705
	197,779	139,732
4 Operating expenses		
Allowances - Volunteers	84,000	152,000
Conference costs	20,000	-
Fun day expenses	57,000	114,121
Fundraising events	245,910	333,127
Medical & Other hospital charges	-	46,942
Nhif contributions	1,247,000	1,041,750
Transport & travelling	62,796	15,028
Advocacy	80,000	-
Depreciation and amortisation	22,427	30,246
	1,819,133	1,738,829
5 Finance expenses		
Bank charges	4,685	-

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Figures in Kenyan Shillings 2019 2018

6 Property and equipment

	Computers	Toys & equipment	Total
Cost or valuation:	Kshs	Kshs	Kshs
At 1 January 2018	-	373,900	373,900
Addition	59,000	-	59,000
At 31 December 2018	<u>59,000</u>	<u>373,900</u>	<u>432,900</u>
At 1 January 2019	59,000	373,900	432,900
Addition	-	28,400	28,400
At 31 December 2019	<u>59,000</u>	<u>373,900</u>	<u>461,300</u>
Depreciation:			
At 1 January 2018	-	311,170	311,170
Charge for the year	17,700	12,546	30,246
At 31 December 2018	<u>17,700</u>	<u>323,716</u>	<u>341,416</u>
At 1 January 2019	17,700	323,716	341,416
Charge for the year	12,390	10,037	22,427
At 31 December 2019	<u>30,090</u>	<u>333,753</u>	<u>363,843</u>
Net book value:			
At 31 December 2019	<u>28,910</u>	<u>40,147</u>	<u>97,457</u>
At 31 December 2018	<u>41,300</u>	<u>50,184</u>	<u>91,484</u>

7 Receivables

Deposit	13,000	13,000
	<u>13,000</u>	<u>13,000</u>

8 Cash and cash equivalents

Cash on hand	67,860	1,800
Bank balances	16,828	760,657
	<u>84,688</u>	<u>762,457</u>

9 Trade and other payables

Other payables	4,170	27,440
Accruals	30,000	30,000
	<u>34,170</u>	<u>57,440</u>

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Notes

Figures in Kenyan Shillings	2019	2018
10 Cash used in operations		
Surplus/ Deficit	(648,526)	3,227
Adjustments for:		
Depreciation and amortisation	22,427	30,246
Changes in working capital:		
Trade and other receivables	-	-
Trade and other payables	(23,270)	23,140
	<u>(649,369)</u>	<u>56,613</u>

11 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

12 Management Committee' emoluments

No emoluments were paid to the Management Committee during the year.