

INTERNATIONAL TRANSFORMATION FOUNDATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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INTERNATIONAL TRANSFORMATION FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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INTERNATIONAL TRANSFORMATION FOUNDATION

INFORMATION OF THE ORGANIZATION FOR THE YEAR ENDED 31 DECEMBER 2021

1. BOARD OF DIRECTORS:

The Board Members during the year 2021 were:

Mr. Boniface N. Nyambura	-	Chairman
Ms. Pauline Mwaura	-	Treasurer
Mr. Venuste Kubwimana	-	Secretary
Mr. Javan Churu	-	Board Liaison

2. PRINCIPLE PLACE OF OPERATION:

Buruburu Phase 1, Oldebe Road, Cassia Crescent, House 29 Ext.

P.O Box: 68141- 00200 Nairobi, Kenya

Tel: +254 0770306839

E-mail: secretariat@itfsecretariat.org

www.itfsecretariat.org

3. AUDITORS:

Mella-Aling & Associates

Certified Public Accountants

P. O. Box 2953-00200 - Nairobi, Kenya

E-Mail: office@mellaaling.co.ke

4. BANKERS:

Bank of Africa Limited

Monrovia Branch

P. O. Box 69562-00400

Nairobi

INTERNATIONAL TRANSFORMATION FOUNDATION

REPORT OF THE BOARD OF DIRECTORS

The Directors submit their report together with audited Financial Statements for the year ended 31 December 2021, which disclose the state of affairs of International Transformation Foundation.

LEGAL STATUS:

International Transformation Foundation was registered in Kenya as a Non-Profit making Organization on the 25 August 2010 by the Registrar of Societies with Registration Number 32667 and File No. SOC/57435.

PRINCIPAL ACTIVITY:

An internationally youth led non-profit organization providing youth educational and self development programs encompassing leadership and entrepreneurship.

RESULTS:

The results for the year are set out on page 7.

BOARD OF DIRECTORS:

The Directors who held office during the year and to the date of this report are listed on page 2.

AUDITORS:

During the year, Mella-Aling & Associates was appointed as the organization's auditor and has expressed its willingness to continue in office in accordance with the Kenyan NGOs' Coordination Act.

BY ORDER OF THE BOARD

(Board Chairman)

Date.....2022

INTERNATIONAL TRANSFORMATION FOUNDATION

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors are required to prepare Financial Statements for each financial year that gives a true and fair view of the financial position of the Organization as at the end of the financial year and of its financial performance for that year. It also requires the Board to ensure that the Organization keeps proper accounting records that: (a) show and explain the transactions of the Organization; and (b) disclose, with reasonable accuracy, the financial position of the Organization.

The Board of Directors accepts responsibility for the preparation and presentation of the Financial Statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities. 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 misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgments that are reasonable in the circumstances.

Having made an assessment of the Organization's ability to continue as a going concern, the Board is 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 Board acknowledges that the independent audit of the Financial Statements does not relieve them of their responsibilities.

Approved by the Board of Directors on.....2022 and signed on their behalf by:

Position:

Signature:

Chairman

Secretary

Treasurer



Mella-Aling & Associates

Certified Public Accountants

Suite No. 31, 4th floor, Epren Square, Mumias South Rd, P.O. Box 2953, 00200- Nairobi

Tel: 0721 750 969, 0722 752 067, Email: office@mellaaling.co.ke

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF INTERNATIONAL TRANSFORMATION FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion:

We have audited the accompanying Financial Statements of International Transformation Foundation, set out on pages 7 to 12, which comprise the Balance Sheet as at 31 December 2021, the Statement of Income and Expenditure, the Statement of Changes in Reserves 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 Organization as at 31 December 2021 and of its financial performance and Cash Flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

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 Company 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information:

The Board of Directors 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 statement, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of 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.

Board of Directors' Responsibilities for the Financial Statements:

The Board of Directors 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 Standard for Small and Medium-sized Entities, and for such internal control as the Board 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 of 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 Board either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITOR (Cont.)
TO THE MEMBERS OF INTERNATIONAL TRANSFORMATION FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for 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 aggregate, they could reasonably be expected to influence the economical decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISA's 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 of 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 the 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 up to the date of the 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.

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 may identify during our audit.

Report on other Legal Regulatory Requirements.

As required by the Kenyan NGOs' Co-ordination 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 purposes of our audit.
- ii) In our opinion, proper books of account have been kept by the organization, so far as it appears from our examination of those books; and
- iii) The organization's statement of financial position and statement of comprehensive income are in agreement with books of account; and
- iv) The organization's transactions were conducted in accordance with the provisions of the Kenyan NGO's Co-ordination Act and other donor requirements.

The engagement Partner responsible for the audit resulting in independent Auditor's Report was CPA Ayub O. Oruko P/2025.



Mella – Aling & Associates
Certified Public Accountants

For and on behalf of
Mella-Aling & Associates
Certified Public Accountants
Nairobi, Kenya
Date:2022

INTERNATIONAL TRANSFORMATION FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Kshs.	2020 Kshs.
INCOME:			
Sponsorship/Grants	1b	805,063	217,295
Join The Pipe Project Funding	1b	1,120,665	1,920,748
Members Loans		-	35,000
Membership Donations		-	72,233
Membership Contribution		-	12,283
Interest Income and Currency Exchange		115,759	10,744
Jijenge Kijana Fund		-	125,000
Join The Pipe Bottle bike		106,654	44,250
		<u>2,148,141</u>	<u>2,437,553</u>
EXPENDITURE:			
Office Kitchen		62,755	46,421
ITF Rwanda Expense		251,063	424,636
ITF USA Expenses		-	775,625
Office Rent		205,000	163,500
Office House Bills		63,093	170,691
Volunteer House Bills		118,055	-
Volunteer Transport		129,035	8,950
Volunteer Staff Support		25,000	220,592
Bank/Mpesa Charges		11,670	17,633
General Expenses		-	108,516
Audit Fees		15,000	10,000
YSI Project		-	7,700
SET YP Project		-	79,760
REC Project		57,460	49,053
JTP Homabay		-	10,283
JTP Cheptais		89,300	498,020
JTP Madoya		240,350	-
JTP Karugia		6,000	-
JTP Kajiei Primary School		9,000	-
JTP Motor bike		4,102	9,600
AGM Expenses		-	10,000
Office Vehicle expenses		-	1,500
Others/Loans		79,300	3,116
Evergreen Project		27,810	-
Go Pro Project		450	-
City Water expenses		108,715	-
Jijenge Kijana Fund		-	11,000
TOTAL EXPENDITURE		<u>1,503,158</u>	<u>2,626,596</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>644,983</u>	<u>(189,043)</u>

INTERNATIONAL TRANSFORMATION FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 Kshs.	2020 Kshs.
EQUITY & RESERVES:			
Capital Fund	6	366,503	448,246
Surplus Fund		654,652	179,259
		<u>1,021,155</u>	<u>627,505</u>
REPRESENTED BY:			
Non-Current Assets:			
Furniture & Equipment	2	<u>366,503</u>	<u>448,246</u>
Current Assets:			
Cash & Cash Equivalents	3	669,652	19,669
Accounts Receivable	5	-	169,590
		<u>669,652</u>	<u>189,259</u>
Current Liabilities:			
Accounts Payable	4	<u>15,000</u>	<u>10,000</u>
Net Current Assets:		<u>654,652</u>	<u>179,259</u>
Total Net Assets		<u>1,021,155</u>	<u>627,505</u>

The Financial Statements were approved by the Board of Directors on.....2022 and signed on their behalf by:

Position:

Signature:

Chairman _____

Secretary _____

Treasurer _____

INTERNATIONAL TRANSFORMATION FOUNDATION

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2021

Year ended 31 December 2021:

	Notes	Surplus Fund Kshs.	Capital Fund Kshs.	Total Kshs.
At 1 January 2021		179,259	448,246	627,505
Prior year adjustment	7	(169,590)	-	627,505
Surplus for the Year		644,983	-	644,983
Depreciation Charge		-	(81,743)	(81,743)
At 31 December 2021		<u>654,652</u>	<u>366,503</u>	<u>1,818,250</u>

Year ended 31 December 2020:

		Surplus Fund Kshs.	Capital Fund Kshs.	Total Kshs.
At 1 January 2020		368,302	729,989	1,098,291
Deficit for the Year		(189,043)	-	(189,043)
Depreciation Charge		-	(281,743)	(281,743)
At 31 December 2020		<u>179,259</u>	<u>448,246</u>	<u>627,505</u>

INTERNATIONAL TRANSFORMATION FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Kshs.	2020 Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		644,983	(189,043)
Prior year adjustment	7	(169,590)	-
Decrease in Accounts Receivable		169,590	-
Increase/ (Decrease) in Accounts Payable		5,000	(10,000)
Cash Generated from Operating Activities		<u>649,983</u>	<u>(199,043)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		649,983	(199,043)
CASH AND CASH EQUIVALENTS AT THE START		<u>19,669</u>	<u>218,712</u>
CASH AND CASH EQUIVALENTS AT THE END	3	<u><u>669,652</u></u>	<u><u>19,669</u></u>

INTERNATIONAL TRANSFORMATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

(a) Basis of Preparation:

The Financial Statements are prepared under the historical cost convention in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards for Small and Medium Entities.

(b) Income:

Income is recognised when received or if confirmed to have been in transit at the Balance Sheet date.

(c) Cash and Cash Equivalents:

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash in hand and cash at bank less any overdrafts.

(d) Accounts Receivable:

Receivables are initially recognised at the transaction amount. At the end of the reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

(e) Fixed Assets:

Fixed Assets purchased are expensed on acquisition. Memorandum accounts, through the Capital Fund and Fixed Assets account are maintained to track the Fixed Assets through the Balance Sheet.

(f) Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged using the straight line method to write down the cost of assets to their residual values over their estimated useful lives using the following rates:

<u>Assets Category</u>	<u>Annual Rate (%)</u>
Electronic Equipment	30
Furniture & Fittings	12.5
Motor Vehicle	25

(g) Comparatives:

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

(h) Taxation:

No provision for corporate tax has been made in these Financial Statements. Being a charitable entity, the organization qualifies for exemption from Kenyan Corporate Tax under provisions of the Income Tax Act, 2015 (Laws of Kenya).

(i) Presentation Currency:

The Financial Statements are presented in Kenya Shillings as the functional currency.

(j) Capital Commitments:

As at 31 December 2021 International Transformation Foundation had no capital commitments.

(k) Transaction of Foreign Currencies:

Transactions in United States Dollar were converted at rates ruling on the transaction dates. Assets and Liabilities at the end of the reporting period which were in United States Dollar were translated at the rate ruling on the Balance Sheet dates. The resulting difference from conversion and translation were dealt with in the Statement of Income and Expenditure for the period.

INTERNATIONAL TRANSFORMATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2021

2. FURNITURE AND EQUIPMENT

	Electronic & Equipment Kshs.	Office Furniture & Equipment Kshs.	Bicycle Kshs.	Motor Vehicle Kshs.	Total Kshs.
At 1 Jan. 2021					
Cost or Valuation	674,034	646,450	7,500	230,000	1,557,984
Disposal	-	-	-	115,000	115,000
Accumulated Depreciation	674,034	202,893	2,811	115,000	994,738
Net Carrying Amount	<u>-</u>	<u>443,557</u>	<u>4,689</u>	<u>-</u>	<u>448,246</u>
Year ended 31 December 2021					
Opening Carrying Amounts	-	443,557	4,689	-	448,246
Additions	-	-	-	-	-
Charge for the Year	-	80,806	937	-	81,743
Closing Carrying Amount	<u>-</u>	<u>362,751</u>	<u>3,752</u>	<u>-</u>	<u>366,503</u>
At 31 December 2021					
Cost or Valuation	674,034	646,450	7,500	230,000	1,557,984
Disposal	-	-	-	115,000	115,000
Accumulated Depreciation	674,034	283,700	3,748	115,000	1,076,482
Net Carrying Amount	<u>-</u>	<u>362,751</u>	<u>3,752</u>	<u>-</u>	<u>366,503</u>
At 1 Jan. 2020					
Cost or Valuation	674,034	646,450	7,500	230,000	1,557,984
Disposal	-	-	-	115,000	115,000
Accumulated Depreciation	474,034	122,087	1,874	115,000	712,995
Net Carrying Amount	<u>200,000</u>	<u>524,363</u>	<u>5,626</u>	<u>-</u>	<u>729,989</u>
Year ended 31 December 2020					
Opening Carrying Amounts	200,000	524,363	5,626	-	729,989
Additions	-	-	-	-	-
Charge for the Year	200,000	80,806	937	-	281,743
Closing Carrying Amount	<u>-</u>	<u>443,557</u>	<u>4,689</u>	<u>-</u>	<u>448,246</u>
At 31 December 2020					
Cost or Valuation	674,034	646,450	7,500	230,000	1,557,984
Disposal	-	-	-	115,000	115,000
Accumulated Depreciation	674,034	202,893	2,811	115,000	994,738
Net Carrying Amount	<u>-</u>	<u>443,557</u>	<u>4,689</u>	<u>-</u>	<u>448,246</u>

3. CASH AND CASH EQUIVALENTS

	2021 Kshs.	2020 Kshs.
Bank of Africa Current Account	660,574	5,691
Cash Balance	9,078	13,978
	<u>669,652</u>	<u>19,669</u>

4. ACCOUNTS PAYABLE

Audit Fees	<u>15,000</u>	<u>10,000</u>
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5. ACCOUNTS RECEIVABLE

Staff Loans	<u>-</u>	<u>169,590</u>
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6. CAPITAL FUND

Capital Funds represents the cost of Fixed Assets brought into the Books less Accumulated Depreciation.

7. PRIOR YEAR ADJUSTMENT

The amount relate to adjustment of loan amount recovered in the prior years captured as income.