EARLY CHILDHOOD DEVELOPMENT NETWORK FOR KENYA

Annual Financial Statements

For the year ended 31 December, 2023

EARLY CHILDHOOD DEVELOPMENT NETWORK FOR KENYA (ECDNeK)
Annual financial statements
For the year ended 31 December 2023

The reports and statements set out below comprise the annual financial statements presented to the members.

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ORGANISATION INFORMATION

Country of Registration and Domicile	Kenya	
Date of Registration	6 September 2019	
Board of Directors	Beatrice Oyugi	Chairperson - Representing PATH
	Patricia Wekulo	Treasurer
	Teresa Mwoma	Secretary
	Lilly Oyare	Member
	Joyce Wesonga	Member
	Hudson Ouko	Member
	Oscar Kadenge	Member
	Damaris Wambua	Member - Representing Child Fund
	Brian Ombayo	Member - Representing Kidogo Innovations
	Sister Joyce Nyagucha	Member - Representing Association of Sisterhoods of Kenya
Management team	Teresa Mwoma	Ag. Executive Director
	Rachael Makena	Partnership Manager
	Sally Moraa	Programmes Liaison Officer
	King Kiranga Maina	Accountant
	Judith Mueni	Communications Assistant
Registered Office	Office No 229 and 230 Education Complex Kenyatta University NAIROBI	
Principal Banker	NCBA Bank Kenya Mama Ngina Branch P. O. Box 30437 - 00100 GPO, NAIROBI	
Independent Auditor	RIBRAN and Associates Certified Public Accountants (Kenya) info@ribranassociates.com P. O. Box 1495 - 00100 GPO, NAIROBI	
Tax reference number	P051914306C	
Organisation registration number	OP.218/051/19-137/11504	

DIRECTORS' REPORT

The Board of Directors present their annual report and audited financial statements of Early Childhood Development Network for Kenya (ECDNeK) for the year ended 31 December 2023, which disclose the Organisation's state of affairs.

1. Principal activity

Early Childhood Development Network for Kenya has interest in promoting, supporting and sustaining an enabling environment for the implementation of nurturing care for early child development through research, advocacy, effective partnerships and coordination.

There have been no material changes in the nature of the organisation's principal activity from the prior year.

2. Principal sources of funds

The principal donors during the year were:

a Kenyatta University
b Uthabiti Africa
c Africa Early Childhood Network (AfECN)
d KANCO
e Mathematica Inc.
f PATH Kenya
g Build Africa
h World Vision
i United Nations International Children's Emergency Fund (UNICEF)
j University of Southern California

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises and the requirements of the Non-Governmental Organisations Co-ordination Act.

Full details of the financial position, results of operations, cash flows of the organisation are set out in these financial statements.

4. Directors

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

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are not aware of any new material change that may adversely affect the organisation. The directors are also not aware of any material non- compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the organisation.

7. Relevant audit information

The directors in office at the date of this report confirm that;

a) There is no relevant audit information of which the organisation's auditor is unaware; and

b) The directors have taken all the steps that they ought to have taken as directors so as to be aware of any relevant information and to establish that the organisation's auditor is aware of that information.

8. Independent auditor

The organisation's auditor, RIBRAN and Associates, Certified Public Accountants (K) has indicated willingness to continue in office. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

DIRECTORS' REPORT (Continued)

9. Approval of financial statements

The annual financial statements set out on pages 9 to 21 were approved at a meeting by the board on 13 February 2024, and were signed on its behalf by:-

Beatrice Oyugi
(Chairperson)

STATEMENT OF DIRECTORS' RESPONSIBILITY

It is the responsibility of the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organization as at the end of the financial year and of the operating results of the organization for that year. It also requires the directors to ensure that the organization keeps proper accounting records that are sufficient to show and explain the transactions of the organization and 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 and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard 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 judgements that are reasonable in the circumstances.

Having made an assessment of the Organisation's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Organisation's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

The annual report and financial statements set out on pages 9 to 21, which have been prepared on the going concern basis, were approved by the board of directors on 12 February 2024 and were signed on their behalf by:

Teresa Mwoma
(Secretary)

Patricia Wekulo
(Treasurer)

Beatrice Oyugi
(Chairpersonon)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLY CHILDHOOD DEVELOPMENT NETWORK FOR KENYA (ECDNeK)

Report on Financial Statements
Opinion

We have audited the accompanying financial statements of Early Childhood Development Network for Kenya (ECDNeK), set out on pages 9 to 21, which comprise the statement of financial position as at 31 December 2023, and the statement of surplus and deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, 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 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) 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 Organisation 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.

Going concern

The financial statements of the organisation have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the directors intend to either liquidate the organisation or cease operations, or have no realistic alternative but to do so. As part of our audit of the organisation's financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The directors have not identified a material uncertainty that may cast significant doubt on the organisation's ability to continue as a going concern, and accordingly none is disclosed in the financial statement of the organisation. Based on our audit of the financial information of the organisation, we have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the organisation's ability to continue as a going concern.

Other information

The 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EARLY CHILDHOOD DEVELOPMENT NETWORK FOR KENYA (Continued)

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.

Directors' responsibility for the financial statements

The directors 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 Standard for Small and Medium-sized Entities and the requirements of the Non-Governmental Organisations Co-ordination Act, and for such internal control as the directors 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 directors are responsible for assessing the Organisation'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 directors either intend to liquidate the Organisation 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.

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

a. 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.
b. 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 Organisation's internal control.
c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
d. 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 Organisation'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 Organisation to cease to continue as a going concern.
e. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EARLY CHILDHOOD DEVELOPMENT NETWORK FOR KENYA (Continued)

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 on other legal requirements

As required by the Non-Governmental Organisations Co-ordination Act we report to you, based on our audit, that:

a) 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.
b) In our opinion proper books of accounts have been kept by the organisation, so far as appears from our examination of those books;
c) In our opinion, the financial information given in the Directors' report for the year ended 31 December 2023 is consistent with the organisation's annual financial statements; and
d) The organisation's Statement of Financial Position and the Statement of Income and Expenditure and Other Comprehensive Income are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Richard Onyiego Nyakeri, Practicing Certificate Number 2430.

For and on behalf of RIBRAN and Associates
Certified Public Accountants (K)
Nairobi, Kenya.

RIBRAN and Associates
Certified Public Accountants
P. O. Box 1495 - 00100,
Nairobi

15 February **2024**

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

Figures in Kenyan Shillings	Notes	2023	2022
INCOME			
Grant income	2	20,508,305	9,634,381
Miscellaneous income	3	4,648,595	512,010
Donation in kind	4	5,341,768	510,000
Total income		**30,498,668**	**10,656,391**
Other operating gain	5	2,063,813	580,286
EXPENDITURE			
Annual conference expenditure	4 & 6	(10,097,904)	-
Programme expenses	7	(13,240,065)	(5,423,315)
Operating and administrative expenses	8	(5,884,982)	(3,824,935)
Total expenses		**(29,222,951)**	**(9,248,250)**
Surplus for the year		3,339,530	1,988,427
Other comprehensive income		-	-
Total comprehensive surplus for the year		3,339,530	1,988,427

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of the annual financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Kenyan Shillings	Notes	2023	2022
Assets			
Non-current assets			
Equipment	11	753,061	494,645
		753,061	494,645
Current assets			
Tax receivable	10 (ii)	11,025	11,025
Trade and other receivables	12	14,598	-
Cash and cash equivalents	13	8,038,929	9,638,826
		8,064,552	9,649,851
Total Assets		**8,817,613**	**10,144,496**
Equity and Liabilities			
Equity			
Capital fund reserve	14	753,061	494,645
General fund (Retained earnings)		6,891,289	3,360,575
		7,644,350	3,855,220
Current liabilities			
Deferred grant income	15	1,093,263	6,182,319
Other payables	16	80,000	106,957
Total liabilities		1,173,263	6,289,276
Total Equity and liabilities		**8,817,613**	**10,144,496**

The annual financial statements and the notes on pages 9 to 21, were approved by the board of directors on the 13 February 2024 and were signed on its behalf by:

Teresa Mwoma
(Secretary)

Patricia Wekulo
(Treasurer)

Beatrice Oyugi
(Chairperson)

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of the annual financial statements.

STATEMENT OF CHANGES IN EQUITY

Figures in Kenyan Shillings	Capital Fund	Retained earnings	Total Equity
Balance at 1 January 2022	522,208	1,252,365	1,774,573
Total comprehensive deficit for the year	-	1,988,427	1,988,427
Transfer to capital assets additions	92,220		92,220
Depreciation charge	(119,783)	119,783	-
Total changes	(27,563)	2,108,210	2,080,647
Balance at 31 December 2022	**494,645**	**3,360,575**	**3,855,220**
Balance at 1 January 2023	494,645	3,360,575	3,855,220
Total comprehensive surplus for the year	-	3,339,530	3,339,530
Transfer to capital assets additions	449,600	-	449,600
Depreciation charge	(191,184)	191,184	-
Total changes	258,416	3,530,714	3,789,130
Balance at 31 December 2023	**753,061**	**6,891,289**	**7,644,350**

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of the annual financial statements.

STATEMENT OF CASH FLOWS

Figures in Kenyan Shillings	Notes	2023	2022
Surplus for the period		3,339,530	1,988,427
Adjustments for:			
Depreciation	11	191,184	119,783
Tax paid during the period	10 (ii)	-	-
Increase in capital fund	14	449,600	92,220
Changes in working capital			
(Increase) in trade and other receivables	12	(14,598)	-
(Decrease) / Increase in deferred income	15	(5,089,056)	5,382,319
(Decrease) / Increase in trade and other payables	16	(26,957)	36,639
Cash generated from operations		(1,150,297)	7,619,388
Cash flows from investing activities			
Purchase of equipment	11	(449,600)	(92,220)
		(449,600)	(92,220)
Net (decrease) / increase in cash and cash equivalents		(1,599,897)	7,527,168
Cash and cash equivalents at start of year		9,638,826	2,111,658
Cash and cash equivalents at end of year	13	**8,038,929**	**9,638,826**

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of the annual financial statements.

ACCOUNTING POLICIES

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

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. The balance sheet is equivalent to the statement of financial position and the profit and loss account is presented as the Statement of Surplus or deficit and other comprehensive income.

Adoption of new and revised International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs)

In July 2009, the International Accounting Standards Board (IASB) issued the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) in response to strong international support from the world's national accounting standard-setters for the IASB to develop global standards for SMEs.

In 2012, the IASB decided to commence its initial comprehensive review, based on its view that sufficient jurisdictions had adopted the IFRS for SMEs to provide broad insight into the implementation experience.

In May 2017, the IASB completed its comprehensive review of IFRS for SMEs resulting in limited amendments to the standard. However, some areas were identified where targeted improvements could be made. The most significant changes arising from the amendment, which relate to transactions commonly encountered by SMEs, are:

a The option to use the revaluation model for property, plant and equipment
b The alignment with International Accounting Standards (IAS) 12, Income taxes, of the main recognition and measurement requirements for deferred income tax
c The default ten-year life for goodwill amortization.

Other amendments mainly clarify existing requirements or add supporting guidance, such as the undue cost or effort exemption. The underlying requirements in IFRS for SMEs have, to a large extent, remained unchanged.

The amendments are expected to improve understanding of the existing requirements, without having a significant effect on an SME's financial reporting practices and financial statements.

The IASB requires the amendments to the IFRS for SMEs to be adopted by entities effective for annual periods beginning on or after 1 January 2018, earlier application is permitted provided all amendments are applied at the same time.

The directors have evaluated the impact of these amendments and none of them will have a significant impact on the organisation's financial statements.

The organisation did not early adopt any amendments to the IFRS for SMEs.

1 Basis of accounting

The Organisation prepares its financial statements under the historical cost convention as modified by revaluation of certain assets. The principal accounting policies adopted are set out below;

ACCOUNTING POLICIES (continued)

1.1 Equipment

The cost of an item of equipment is recognised as an asset when:
-It is possible that future economic benefits associated with the items will flow to the organisation
-The cost of the item can be measured reliably.

Equipment is initially measured at cost

Costs include costs incurred initially to acquire or construct an item of equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised.

Equipment are depreciated on reducing balance method over their expected useful lives to their estimated residual value.

The depreciation chart of the items of equipment have been assessed as follows:-

Asset Class	Rate per annum (%)
IT Equipment	30%
Furniture and fittings	12.5%
Office equipment	12.5%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Classification

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

a. Financial assets at a fair value through profit or loss
b. Loans and receivables
c. Financial liabilities at fair value through profit or loss

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

These financial assets are classified as loans and receivables.

ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for the doubtful receivables on a review of all outstanding amounts at the period-end. Bad debts are written off in the period in which they are identified.

Trade and other payables

Trade payables are stated at their nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Foreign currency transactions

Assets and liabilities denominated in foreign currencies other than Kenya Shillings are translated into Kenya shillings at the rate of exchange ruling at the statement of financial position date. Transactions during the year are translated at an average monthly rate. All exchange differences are dealt with in the statement of surplus or deficit and comprehensive income.

Taxation

No provision for corporate tax has been made in these financial statements. The organisation qualifies for exemption from corporation tax in Kenya under paragraph 10 of the 1st Schedule to the Income Tax Act, Cap. 470 of the Laws of Kenya. The Organization does not have a tax exemption certificate but will start the process of acquiring one as required by the Kenya Revenue Authority in the coming financial year.

1.3 Income recognition

Grants received from donors for specific purposes are treated as unexpended grants and credited to the statement of surplus or deficit when the activities for which they were provided for have been undertaken. Any unexpended grants are carried forward as liabilities. The excess of expenditure over receipts for specific grants is recognized as revenue and included in the financial statements as accounts receivable from donors.

Grants received from donors without specific purpose are treated as income on receipt to the statement of surplus or deficit. The excess of these funds at the end of reporting period are passed as fund balance for the period.

1.4 Other operating income

This represents interest income from bank accounts, gift article sales, foreign exchange gains and other miscellaneous income. It is recognized upon being earned.

1.5 Programme expenditure

Project expenditure is allocated to individual projects on the basis of benefits received by those projects, and in compliance with donor agreements.

1.6 Provisions and contingencies

Provisions are recognised when:

a) the organisation has a present obligation as a result of a past event;

b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c) a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

ACCOUNTING POLICIES (continued)

1.7 **Employee benefits**

Retirement benefit costs

The organisation and its employees contribute to the statutory National Social Security Fund (NSSF) on a monthly basis. This fund is a defined contribution scheme registered under the National Social Security Fund Act. The Organisation's obligations under this scheme are limited to specific contributions legislated from time to time.

The organisation's obligations to the schemes are recognized in the statement of income and expenditure.

1.8 **Financial and Business Risk Management**

The organisation risk limits are regularly assessed to ensure alignment with the organisation's objectives and prevalent market conditions. The directors are closely involved in ensuring that a variety of techniques are used to assess and manage said risks.

Currency risk :-

The organisation is exposed to risk through transactions in foreign currencies. The organisation's exposures give rise to foreign currency gains and losses that are recognized in the Statement of Profit or Loss and Other Comprehensive Income. The organisation ensures that its net exposure is kept to an acceptable level by careful monitoring of exchange rates and currency hedging.

1.9 **Critical accounting estimates and judgement**

In the process of applying the organisation'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 organisation's accounting policies:

The organisation 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:

Equipment:

Critical estimates are made by the directors in determining the depreciation rates on equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 Kshs	2022 Kshs
2 Grant Income		
Grant income received	20,508,305	9,634,381
Grant income analysis	**Amount Kshs**	**Amount Kshs**
Deferred income - opening balance	6,182,319	800,000
Receipts during the period	15,419,249	15,016,700
Deferred income - closing balance	(1,093,263)	(6,182,319)
	20,508,305	9,634,381
3 Other income		
Membership fees - individuals	81,500	54,710
Membership fees - organisations (analysis below)	405,750	457,300
Conference registration	4,161,345	-
	4,648,595	512,010
Membership fees - organisations (analysis below)		
Kidogo Innovations	-	20,000
Child Fund Kenya	50,000	50,000
Association of Sisterhoods of Kenya (AOSK SCORE-ECD)	20,000	50,000
Program for Appropriate (PATH)	50,000	50,000
Build Africa	-	50,000
Association of Consecrated Women in Eastern and	10,000	10,000
World Reader	125,750	227,300
Safe water& AIDS Project (SWAP)	50,000	-
Catholic Relief Services	50,000	-
Lwala Community Alliance	50,000	-
	405,750	457,300

4 Donation in kind (income and expense)

Type of donation	Organisation	Kshs	Kshs
Office space	Kenyatta University	480,000	480,000
Board induction	AOSK	-	30,000
Meals	PATH Kenya	2,304,000	-
Hire of public address system	Build Africa	180,000	-
Printing materials (banners and conference bags)	World Vision Kenya	278,168	-
Live streaming and documentary	UNICEF	2,099,600	-
		5,341,768	510,000

5 Other operating gain

	2023	2022
Net foreign exchange gain	2,063,813	580,286
The above net foreign exchange losses comprises of the following:		
Unrealised exchange gain	2,063,720	580,286
Realised exchange gain	93	-
	2,063,813	580,286

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

	2023 Kshs	2022 Kshs
6 Conference expenses		
Pre-conference expenses	288,750	-
Accommodation	526,300	-
Daily subsistence allowance (DSA)	270,000	-
Catering and meals	1,475,750	
Traveling	965,940	-
Uncategorised expenses	1,504,396	-
Rapporteurs	205,000	-
	5,236,136	-
7 Programme expenditure		
Conference package (venue, materials)	1,992,183	235,989
Hire of venue and equipment	-	65,500
Food and refreshments for participants	-	529,980
Stationery costs	-	22,213
Purchase of equipment	449,600	-
Participants' and facilitators' travelling costs	461,600	462,310
Training data facilitation	-	12,000
Consultants	6,858,591	2,633,500
Researchers' fees	1,395,800	-
Travelling to training sites	1,167,570	888,828
Miscellaneous expenses	337,107	-
Communication	-	16,150
Staff allowance - daily subsistence allowance	224,000	18,000
Insurance	353,614	538,845
	13,240,065	5,423,315
8 Operating expenses		
The following items are included within operating expenses		
Staff costs (Note 9)	4,255,685	2,402,200
Professional fees	28,500	240,000
Depreciation charge	191,184	119,783
Internet and website expenses	237,831	43,926
Meeting expenses	207,950	102,290
Repairs and maintenance	18,000	37,440
Office rent	480,000	480,000
Office general expenses	266,134	147,523
Bank charges	119,698	40,150
Taxi costs	-	18,745
Fines and penalties	-	658
Capital items purchased	-	92,220
Registration, subscription and membership fees	-	20,000
Auditors' remuneration	80,000	80,000
	5,884,982	3,824,935
9 Staff costs		
Salaries and wages	4,057,697	2,155,000
NSSF organisation contribution	54,000	7,200
Housing levy organisation contribution	29,988	-
Interns' allowance	114,000	240,000
	4,255,685	2,402,200

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

10 Taxation

(i) **Tax charge - Income statement**

No tax charge has been computed because the organisation conducts activities that are exempt in nature.

(ii) **Taxation account - Balance Sheet**

Opening balance	(11,025)	(11,025)
Payments - Withholding tax deducted at source	-	-
Current year's tax charge	-	-
Balance as at year end- Tax receivable	(11,025)	(11,025)

Whilst the organisation does not have a tax exemption certificate at present, the organisation deals in activities which are not for profit and, therefore, the management is of the view that the organisation would not be subject to tax. Therefore, no provision for current is recognised in these financial statements.

11 Property and equipment

2023	**IT equipment Kshs**	**Office equipment Kshs**	**Furniture and fittings Kshs**	**Total Kshs**
Cost				
As at start of year	374,656	49,420	494,500	918,576
Additions	246,100	203,500	-	449,600
As at year end	620,756	252,920	494,500	1,368,176
Accumulated depreciation				
As at start of year	202,736	16,562	204,633	423,931
Current year's charge	125,406	29,545	36,233	191,184
	328,142	46,107	240,866	615,115
Carrying amount				
At end of year	292,614	206,813	253,634	753,061

2022	**IT Equipment Kshs**	**Office equipment Kshs**	**Furniture and fittings Kshs**	**Total Kshs**
Cost				
As at start of year	282,436	49,420	494,500	826,356
Additions	92,220	-	-	92,220
As at year end	374,656	49,420	494,500	918,576
Accumulated depreciation				
As at start of year	129,056	11,869	163,223	304,148
Current year's charge	73,680	4,693	41,410	119,783
	202,736	16,562	204,633	423,931
Carrying amount				
At end of year	171,920	32,858	289,867	494,645

There were no idle assets as at year end

	2023 Kshs	**2022 Kshs**
12 Trade and other receivables		
Grant receivable	14,598	-
	14,598	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2023 Kshs	2022 Kshs
13 Cash and cash equivalent		
Cash on hand	-	-
Cash held at Kenyatta University	117,006	117,006
Cash at bank	7,921,923	9,521,820
	8,038,929	9,638,826
14 Capital fund reserve	753,061	494,645
Capital reserve		
Analysis		
At start of the year	494,645	522,208
Appropriation during the year	449,600	92,220
Release back to the general fund	(191,184)	(119,783)
At end of the year	753,061	494,645

The capital fund reserve is an appropriation of reserve fund for unrestricted funds utilised in purchase of capital equipment.

15 Deferred grant income

	2023	2022
Deferred grant income (analysis below)	1,093,263	6,182,319

2023	Opening deferred income	Receipts during the year	Expenses for the year	Closing deferred income
University of Southern California	-	4,888,294	(4,187,498)	700,796
KANCO	-	1,598,120	(1,596,539)	1,581
MATHEMATICA Inc.	1,582,319	8,932,835	(10,124,268)	390,886
AfCEN(Hilton Foundation)	4,600,000	-	(4,600,000)	-
	6,182,319	15,419,249	(20,508,305)	1,093,263

2022	Opening deferred income	Receipts during the year	Expenses for the year	Closing deferred income
KANCO	-	1,884,200	(1,884,200)	-
AfCEN(Hilton Foundation)	800,000	-	(800,000)	-
MATHEMATICA Inc.	-	7,532,500	(5,950,181)	1,582,319
Uthabiti Africa	-	1,000,000	(1,000,000)	-
AfCEN(Hilton Foundation)		4,600,000	-	4,600,000
	800,000	15,016,700	(9,634,381)	6,182,319

Deferred income relates to grant income from organisations which will be spent for a period beyond 1 year.

	2023 Kshs	2022 Kshs
16 Trade and other payables		
Payroll related liability	-	26,957
Accrued expenses	80,000	80,000
	80,000	106,957

17 Commitments

There were no commitments during the year ended 31 December 2023.

18 Contingencies

There were no contingent liabilities during the year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

19 Comparatives

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

20 Going concern

The financial statements have been prepared on a going concern basis on the belief that funds will continue to be received from members and other partners.

As at 31 December 2023, ECDNeK had current assets of Kshs 8,064,552 and current liabilities of Kshs 1,173,263. This position presents a positive working capital position of Kshs 6,891,289 indicating that The organisation will be able to meet its short term obligations as they fall due.

21 Fair value

The directors consider that there is no material difference between the fair value and carrying value of the organisation's financial assets and liabilities where fair value details have not been presented.

22 Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.