

Children of Watamu Trustees Report 2020-21

Children of Watamu has been running its Happy House children's home in Watamu, Kenya, for 11 years and the past year has certainly been the most challenging.

No sooner had we celebrated our 10th birthday, than we were in lockdown because of the Covid19 pandemic.

This brought enormous challenges as we were forced, like all schools in Kenya, to close our school.

But change is challenge and our director Sue Hayward decided to harness the IT technology that we have to ensure that education would continue for the 60 children living in our care.

Class areas, with Smart TVs brought from school, were set up in areas around the Happy House children's home with teachers, based in school where they could safely socially distance, could continue to teach via Zoom.

This was so successful and the youngsters thrived, stimulated by the different lesson format. We were unable, sadly, to extend this teaching method to the day pupils who attend our school as sufficient technology is not available. After 9 months Government-enforced closure school eventually resumed and, unreasonably, many children had fallen badly behind. Fortunately, we were able to secure funding from a private donor for four remedial classes and teachers to help these youngsters catch-up where they needed to, with teaching tailored to specific individual needs.

We also received private funding from a generous supporter for a new mini-bus.

The pandemic has brought other challenges with shortages of many essentials brought to us by friends and tourists travelling to Kenya and visiting Happy House. This means that we being even more careful than usual with replacing worn clothing etc because our storeroom is in short supply, but we make do and mend!

Two of the children who have grown up in our care have now graduated from secondary school and enrolled on higher education courses. They are doing remote learning while employed at Happy House, one as a teaching assistant and another as a trainee manager. They now live independently in the local community in their own accommodation. Setting themselves up was greatly helped by the saving accounts set up in their names (all our children have them) and which have been added to by child sponsors on their birthdays and at Christmas.

Holding any meetings has been difficult, we have worked together to oversee the charity and ensure that it is strong. We are constantly grateful to those who support us with donations, child sponsorships etc and for remaining with us at a time when so many people have experienced hardships of their own.

SUE HAYWARD - HAPPY HOUSE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

Sue Hayward - Happy House

Annual Report and Financial Statements - Y/E 31/12/2020

At an average exchange rate of 135.23 Kenyan Schillings to the £ Sterling

Income and Expenditure Account - Y/E 31/12/2020

	2020 £	2019 £
Donations Received	160,009	168,585
Less: Expenditure	(155,901)	(172,259)
Operating (Deficit) / Surplus	<u>4,108</u>	<u>(3,674)</u>

Statement of Reserves

Year ended 31 December 2020

	2020 £	2019 £
Accumulated Fund Balance Brought Forward	158,564	164,089
(Deficit)/Surplus for the Year	4,108	(3,674)
Exchange difference	(24,554)	(1,851)
Prior Year Adjustments	42,773	
Accumulated Fund Balance Carried Forward	<u>180,891</u>	<u>158,564</u>

Detailed Income and Expenditure Account - Y/E 31/12/2020

	2020	2019
	£	£
Donations Received	125,388	105,790
Other income	<u>34,621</u>	<u>62,795</u>
	<u>160,009</u>	<u>168,585</u>
Expenditure:		
Motor Running Expenditure	25,475	13,727
Telephone, Postage and Internet	3,523	3,532
Repairs and Maintenance	10,213	15,403
Food Programme	22,254	29,025
Water and Electricity	4,467	5,140
Transport	712	722
Salaries and Wages	62,897	79,361
Director's Expenses	3,855	1,740
House Keeping	0	0
Entertainment	650	1,093
Printing and Stationery	4,264	3,420
Garden Expenses	859	432
Students' Utilities	1,536	1,617
Medical Expenses	709	1,092
Legal & Expenses	0	2,064
Grandpapas' Expenses	0	0
Bank Charges	658	906
Security	212	90
Bookkeeping & Accountancy Fees	592	506
Licenses	0	413
Cleaning and Sanitation	580	314
Generator Expenses	18	107
Books and Learning Materials	0	0
Shoes and Uniforms	0	0
School Fees	2,144	1,981
Rent and rates	887	934
Insurance	0	0
Miscellaneous	450	154
Depreciation	<u>8,946</u>	<u>8,483</u>
	<u>155,901</u>	<u>172,259</u>
(Deficit) / Surplus for the Year	<u>4,108</u>	<u>(3,674)</u>

**Sue Hayward - Happy House
Statement of Financial Position - Y/E 31/12/2020**

	<u>Notes</u>	2020 £	2019 £
Non-Current Assets			
Property, Plant and Equipment		173,204	190,685
Current Assets			
Cash and Bank	2	2,371	4,254
Other Receivables	3	5,538	3,069
		<u>7,909</u>	<u>7,323</u>
Current Liabilities	4	222	39,443
Net Assets		<u>180,891</u>	158,564
Financed by:			
Accumulated Funds		<u>180,891</u>	<u>158,564</u>

Notes to the Financial Statements

		2019	
		£	
2	Cash and Bank		
	Cash in Hand	82	117
	Cash at Bank	2,289	4,137
		<u>2,371</u>	<u>4,254</u>
3	Receivables		
	Other Receivables	5,538	3,069
		<u>5,538</u>	<u>3,069</u>
4	Current Liabilities		
	Other creditors	222	39,443
		<u>222</u>	<u>39,443</u>

Sue Hayward - Happy House
Statement of Cash Flows - Y/E 31/12/2020

	2020 £	2019 £
Operating Activities		
(Deficit) / Surplus for the Year	4,108	(3,674)
Prior year Adjustments	42,773	0
Exchange differences	(1,065)	157
Depreciation	8,946	8,386
Operating (Deficit) / Surplus Before Working Capital Changes	<u>54,762</u>	<u>4,869</u>
Movement in Payables	(39,221)	(7,849)
Movement in Receivables	(2,469)	2,429
	<u>(41,690)</u>	<u>(5,420)</u>
Cash (Used) / Generated from Operations	<u>13,072</u>	<u>(551)</u>
Income Taxes Paid		0
Net Cash (Used In) / Generated from Operating Activities	<u>13,072</u>	<u>(551)</u>
Investing Activities		
Purchase of Property, Plant and Equipment	<u>(14,954)</u>	<u>(9,870)</u>
Net Movement in Cash and Cash Equivalents	(1,883)	(10,421)
Cash and Cash Equivalents at Start of Year	<u>4,254</u>	<u>14,675</u>
Cash and Cash Equivalent at End of Year	<u>2,371</u>	<u>4,254</u>

Sue Hayward - Happy House

Contents	Page No.
Report of the Board of Trustees	2-3
Statement of Board of Trustees' Responsibilities	4
Independent Auditors' Report	5
Income & Expenditure Account	6
Statement of Financial Position	7
Statement of Cash Flows	8
Accounting Policies	9
Notes to the Financial Statements	10-11
Detailed Income & Expenditure Account	12

Sue Hayward - Happy House
Report of the Board of Trustees

The organisation is governed by its by-laws and constitutes an unincorporated charity.

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Sue Hayward - Happy House
P.O. Box 796 - 80202
Watamu, Kenya

1. INDEPENDENT AUDITOR

Monda & Associates
Certified Public Accountants
P. O. Box 16826 - 80100
Mombasa, Kenya

2. MAIN DONORS

Blackpool Soroptimists
United Kingdom

3. PRINCIPAL BANKER

NCBA Bank PLC
Malindi, Kenya

Sue Hayward - Happy House

Report of the Board of Trustees (continued)

Sue Hayward Happy House aims to provide health care and hygiene, food-security and education to destitute children in Watamu, Kenya and its environs.

Health care services are provided by catering for the children's medical expenses in various health centres, dispensaries and hospitals in the area.

It contributes to food-security by providing free meals to the needy children.

It also contributes towards improvement of education through specific special school projects such as provision of studying furniture, school fees, books and uniforms to the needy children.

The Board of Trustees meet once a year. The chairman is responsible for the general policy guidelines relating to the affairs of the organisation provided in the constitution.

Nothing has come to the attention of the Board of Trustees to indicate that the organisation will not remain a going concern for the next twelve months from the date of this statement.

Board of Trustees

Ms. D. McAlroy
Mrs. E. Gomm
Ms. P. Pendo
Mrs. J. Ottley
Mr. C. Franklin

Sue Hayward - Happy House

Statement of Board of Trustees' Responsibilities

The constitution requires the Board of Trustees to prepare financial statements which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the operating results for that year. It also requires the Board of Trustees to ensure that the organisation maintains proper accounting records which disclose with reasonable accuracy of the financial position of the organisation. The Board of Trustees are also responsible for safeguarding the assets of the organisation.

The Board of Trustees accept the responsibility for the financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates consistent with previous years, and in conformity with the International Accounting Standard and the requirements of the NGO's Co-ordination Act. The Board of Trustees are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the organisation as at 31 December 2021 and of its operating results for the year then ended. The Board of Trustees further confirm the accuracy and completeness of the accounting records maintained by the organisation which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Approved by the Board of Trustees on and signed on its behalf by:

.....
Chairperson

.....
Treasurer

.....
Secretary

Auditors' Report

Report of the Independent Auditors to the board of trustees of Sue Hayward - Happy House

We have audited the financial statements set out on pages 6 and 12. 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 and to provide a reasonable basis for our opinion. The financial statements are in agreement with the books of accounts.

Respective responsibilities of board of trustees and auditors

The board of trustees are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the organisation and of the operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the board of trustees, as well as an evaluation of the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the organisation as at 31 December 2020 and of its results for the year then ended and comply with the International Financial Reporting Standard.

Monda & Associates
Certified Public Accountants
P. O. Box 16826 - 80100
Mombasa

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Sue Hayward - Happy House
Income and Expenditure Account
For the year ended 31 December 2020

	Notes	<u>2020</u>
		<u>Shs.</u>
Donations received		21,637,932
Less: Expenditure		<u>(21,082,685)</u>
Operating surplus		<u>555,247</u>

Statement of Reserves

Accumulated fund balance brought forward	26,397,598
Surplus for the year	555,247
	<u>26,952,845</u>
Accumulated fund balance carried forward	<u>26,952,845</u>

Sue Hayward - Happy House
Statement of Financial Position
As at 31 December 2020

	<u>Notes</u>	<u>2020</u>
		<u>Shs.</u>
Non-current assets		
Property, plant & equipment	1	25,807,401
Current Assets		
Cash and Bank	3	353,311
Other Receivables	2	825,203
		1,178,514
Current Liabilities	4	33,070
Net assets		26,952,845
Financed by:		
Accumulated funds		26,952,845

These Financial Statements were approved by the Board of Trustees on
and signed on their behalf by:

.....
Chairperson

.....
Secretary

.....
Treasurer

Sue Hayward - Happy House
Statement of Cash Flows
Year ended 31 December 2020

	2020 Shs	2020 Shs
Operating activities		
Surplus for the year		555,247
Adjustments for:		
Depreciation		1,209,783
Operating deficit before working capital changes		1,765,030
- other payables	33,070	
- other receivables	(398,949)	(365,879)
Cash generated from operations		1,399,151
Income taxes paid		0
Net cash generated from operating activities		1,399,151
Investing activities		
Purchase of property, plant & equipment (Note 1)		(2,228,196)
		(2,228,196)
Net movement in cash & cash equivalents		(829,045)
Cash & cash equivalents at start of year		1,182,356
Cash & cash equivalents at end of year (Note 3)		353,311

Sue Hayward - Happy House
Accounting Policies

1. 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.

(b) Income recognition

Income is recognised once grant money is received. It is accounted for on a cash basis.

(c) Basis of accounting

Accrual basis of accounting has been used to recognise expenses.

(d) Fixed assets

All fixed assets are initially recorded at cost and subsequently shown at historical cost less depreciation.

Depreciation is provided to write off the cost of the assets over their expected useful lives on a reducing balance basis at the following rates:

Land	-0%
Motor Vehicles	-25%
Motor Bikes	12.5%
Furniture & Fittings	12.5%
Machinery & Equipment	12.5%
Green House	12.5%
Computers & Accessories	30%
Text books	-0%

Land is not depreciated as it is deemed to have an indefinite life.

(e) Comparatives

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

Sue Hayward - Happy House
Notes to the Financial Statements

1. Property, plant & equipment

	Land & Building	Motor Vehicles 25.0%	Motor Bikes 12.5%	Furniture & Fittings 12.5%	Machinery & Equipment 12.5%	Green House 12.5%	Computers & Accessories 30.0%	Text Books 0.0%	Total
Cost:									
As at 1 January 2020	22,916,453	7,804,600	95,000	1,348,860	2,867,437	1,540,000	674,300	31,910	37,278,560
Additions	0	0	0	1,784,869	443,327	0	0	0	2,228,196
As at 31 December 2020	22,916,453	7,804,600	95,000	3,133,729	3,310,764	1,540,000	674,300	31,910	39,506,756
Depreciation:									
As at 1 January 2020	2,543,690	6,669,524	57,694	678,191	987,374	935,249	617,851	0	12,489,573
Charge for the year	231,456	283,769	4,663	306,942	290,424	75,594	16,935	0	1,209,783
As at 31 December 2020	2,775,146	6,953,293	62,357	985,133	1,277,798	1,010,842	634,786	0	13,699,356
Net book value:									
As at 31 December 2020	20,141,307	851,307	32,643	2,148,596	2,032,966	529,158	39,514	31,910	25,807,401

Sue Hayward - Happy House
Notes to the Financial Statements

	<u>2020</u>
	<u>Shs.</u>
2. Receivables	
Other Receivables	825,203
	<hr/>
3. Cash and Bank	
Cash in hand	12,211
Cash at bank	341,100
	<hr/>
	353,311
	<hr/>
4. Current Liabilities	
Other creditors	33,070
	<hr/>
5. Currency	
These financial statements have been presented in Kenya Shillings.	
6. Foreign Currency	
Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction.	
7. Commitments	
There were no capital commitments as at 31 December 2020.	

Sue Hayward - Happy House
Detailed Income and Expenditure Account
Year ended 31 December 2020

	2020	2020
	<u>Shs.</u>	<u>Shs.</u>
Donations received		16,956,200
Other income		4,681,732
		21,637,932
 <u>Expenditure:</u>		
Motor running expenses	3,445,028	
Telephone, postage & internet	476,367	
Repairs & maintenance	1,381,073	
Food programme	3,009,359	
Water & electricity	604,107	
Transport	96,330	
Salaries & wages	8,505,525	
Director's expenses	521,324	
Entertainment	87,906	
Printing & stationery	576,632	
Garden expenses	116,190	
Students' utilities	207,777	
Medical expenses	95,903	
Bank charges	89,043	
Security	28,700	
Bookkeeping & Accountancy fees	80,000	
Cleaning & Sanitation	78,415	
Generator expenses	2,500	
School fees	289,877	
Rent and rates	120,000	
Miscellaneous	60,846	
Depreciation	1,209,783	
	1,209,783	(21,082,685)
Surplus for the year		555,247

Auditors' Report

Report of the Independent Auditors to the board of trustees of Sue Hayward - Happy House

We have audited the financial statements set out on pages 6 and 12. 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 and to provide a reasonable basis for our opinion. The financial statements are in agreement with the books of accounts.

Respective responsibilities of board of trustees and auditors

The board of trustees are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the organisation and of the operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the board of trustees, as well as an evaluation of the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the organisation as at 31 December 2020 and of its results for the year then ended and comply with the International Financial Reporting Standard.


Monda & Associates
Certified Public Accountants
P. O. Box 16826-80100
Mombasa



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