FOOD FOR EDUCATION FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

GEOFFE & ASSOCIATES LLP

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COMPANY INFORMATION

Board of directors	: Ann Wawira Njiru - Executive director : Peter Njonjo - Member (Retired during the year) : Christopher Holmes - Member : Michelle Kagari - Member : Kristin Richmond - Member : Dr. Githinji Gitau - Member (Appointed during the year)
Registered office	: The Address : Muthangari Drive : P.O Box 476637 - 00100 : Nairobi
Independent Auditor	: Geoffe & Associates LLP : Certified Public Accountants of Kenya : 7th Floor Kalson Towers, Westlands : P.O Box 19823 - 00100 : Nairobi.
Principal bankers	: Family Bank (K) Limited : Kasarani Branch : P.O Box 74145 - 00200 : Nairobi : Absa Bank Kenya Limited : Corporate Service Centre : P.O Box 30120 - 00100 : Nairobi

REPORT OF THE DIRECTOR

The Directors present their report together with the audited financial statements of the organization for the year ended 30 June 2024.

1 Principal Activities

Food for Education Foundation provides subsidised nutritious meals to vulnerable school children to improve education outcome.

2 Results

The fund balance for the year has been added to general reserve as follows:

	2024 USD	2023 USD
Fund balance transferred to general reserves	16,059,244	6,539,178

3 Directors

The Director who held office during the period are set out on page 1.

4 Auditor

The company's independent auditors Messrs Geoffe & Associates LLP, Certified Public Accountants (Kenya), have expressed their willingness to continue in office.

By order of the board

Director/Company Secretary

Date: 18|10|24 **Nairobi**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are expected to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the company's management of donor resources. It is expected that the directors will ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time its fund position. They are also responsible for safeguarding the assets of the organisation.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept 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.

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

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

Approved by the board of directors on ....18|10|.....2024 and signed on its behalf by:

Director's name: Ann Kawira

Signature: ______________

Opinion

We have audited the financial statements of Food For Educationt Foundation, set out on pages 6 to 14 which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, statements of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2024 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.

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 organization 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 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 an audit opinion or 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.

Responsibilities of Directors and those charged with Governance 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 and in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the organization's financial reporting process.

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 International Standards on Auditing 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.

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement 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 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the organization to express and opinion on the financial statements. We are responsible for the direction, supervision and performance of the organization's audit. We remain solely responsible for our audit opinion.

- 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 the directors 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.

We also provided the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that they may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on legal and other matters prescribed by the Kenyan Companies Act, 2015

In our opinion, information given in the report of the directors page 2 is consistent with financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA ......

Geoffe & Associates LLP

Geoffe & Associates LLP
Certified Public Accountants of Kenya
P.O. Box 19823 - 00100
Nairobi

GEOFFE & ASSOCIATES LLP
CPA Geoffrey Kamau
Practicing Certificate No. 1477
P.O Box 19823 - 00100, Nairobi.
7th Floor, Kalson Towers, Crescent Road

Date: ......18/10/...... **2024**

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2024 USD	2023 USD
Grants received	3	32,607,925	14,832,622
Cost of sales	4	(7,524,733)	(3,499,547)
Other income: Exchange gain	5	-	1,289,880
Other direct costs	6	(4,591,723)	(3,731,405)
Staff costs	8	(2,269,789)	(1,179,754)
Operating expenses	9	(2,162,436)	(1,172,618)
Fund balance after operations expenses		16,059,244	6,539,178

The accounting policies on pages 10 and 11 and notes on pages 11 to 14 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 USD	2023 USD
ASSETS			
Non-current Assets			
Property and equipment	10	315,464	293,655
Intangible assets	11	-	21,762
		315,464	315,417
Current Assets			
Inventory	12	1,459,827	429,569
Cash and bank balances	13	4,023,678	1,886,029
Grants Receivables	14	20,921,896	10,677,693
Deposits and Prepayments	14	2,196,358	799,252
		28,601,759	13,792,543
Total assets		**28,917,223**	**14,107,960**
FUND BALANCE			
General reserve	Page 8	19,048,461	8,989,217
Board Approved contigency reserve	Page 8	6,000,000	-
		25,048,461	8,989,217
CURRENT LIABILITIES			
Deferred income	15	1,824,879	3,878,153
Accounts payable	16	2,043,883	1,240,590
		3,868,762	5,118,743
Total reserves and liabilities		**28,917,223**	**14,107,960**

The financial statements on pages 6 to 14 were approved and signed by the director on ......18|10|...2024

DIRECTOR

The accounting policies on pages 10 and 11 and notes on pages 11 to 14 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

STATEMENT OF CHANGES IN NET ASSETS

	Contingency Reserve USD	General Reserve USD	Total USD
Year ended 30 June 2023			
At 1 July 2023	-	2,450,039	2,450,039
Fund balance in the year	-	6,539,178	6,539,178
Fund balance reserves as at 30 June 2023	-	8,989,217	8,989,217
Year ended 30 June 2024			
At 1 July 2023	-	8,989,217	8,989,217
Created contigency reserve*	6,000,000	(6,000,000)	-
Fund balance in the year		16,059,244	16,059,244
Fund balance reserves as at 30 June 2024	6,000,000	19,048,461	25,048,461

* Contingency reserve approved by the board as a fund available to cover future unexpected events to ensure that programs are not interrupted or affected by funding cycles.

The accounting policies on pages 10 and 11 and notes on pages 11 to 14 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

STATEMENT OF CASH FLOWS

	Notes	2024 USD	2023 USD
Operating activities			
Surplus in the year		16,059,244	6,539,178
Adjustment for:			
Depreciation and amortisation	10	67,893	70,735
Surplus before working capital changes		16,127,137	6,609,913
Working capital changes			
Grants Receivables		(10,244,203)	(10,636,665)
Deposits and prepayments		(1,397,106)	(767,211)
Inventory		(1,030,258)	(280,981)
Deferred income		(2,053,274)	3,878,153
Accounts payable		803,293	769,479
		(13,921,548)	(7,037,225)
Net cash flows generated from operating activities		2,205,589	(427,312)
Investing Activities			
Write off of assets to p&l		48,498	-
Acquisition of assets		(116,438)	(236,306)
		(67,940)	(236,306)
Increase in cash and cash equivalents		2,137,649	(663,618)
Movement in cash and cash equivalents			
At start of year		1,886,029	2,549,647
Increase in cash and cash equivalents		2,137,649	(663,618)
At end of year	13	4,023,678	1,886,029

NOTES TO THE FINANCIAL STATEMENTS

1 Background information

Food For Education Foundation was established with a mission to provide subsidised nutritious meals to vulnerable school children to improve education outcomes.

2 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 to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards for Small and Medium - Sized Entities under the historical cost basis of accounting. The presentation currency used in the preparation of the financial statements is the Kenya Shilling, which is the functional currency (the currency of the primary economic environment in which the entity operates).

The financial statements comprise a statement of comprehensive income, statement of financial position, statement of changes in net assets, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the statement of comprehensive income. Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the statement of comprehensive income as required or permitted by International Financial Reporting Standard for Small and Medium - Sized Entities (IFRS for SMEs). Reclassification adjustments are amounts reclassified to the statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods.

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium - Sized Entities requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the organization. Although such estimates and assumptions are based on the directors' 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.

b) Revenue recognition

Revenue is mainly in form of grants received from donors. Recognision thereof is upon receipt and where there is certainity of amounts receivable.

c) Cash and cash equivalent

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three 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.

d) Payables

Payables are recorded at their undiscounted amount of cash and cash equivalents expected to be paid or the fair value of the consideration received in exchange of the obligation.

e) Receivables

Accounts receivable comprise of grants receivables, advances, deposits and prepayments to suppliers.

f) Inventory

Inventory are stated at the lower of cost and net realisable value. Items held in inventory include dry food stuff.

g) Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

The financial statements have been presented in USD (United States Dollars) for stake holders consumption.

h) Taxation

The organisation is a company limited by gurantee whose income are grants from donors. The organisation has been granted tax exemption status by Kenya Revenue Authority. During the year under audit, the organisation was not in receipt of taxable income.

NOTES TO THE FINANCIAL STATEMENTS

2 Significant accounting policies...continued

i) Plant and equipment

All categories of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates.

Depreciation is calculated using the reducing balance method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

	Rate
Motor vehicle	25%
Furniture & Equipment	10%
Computers	25%
Intangible assets	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

	2024 USD	2023 USD
3 Revenue		
Grant revenue	27,655,229	13,075,974
Earned revenue	1,452,709	1,093,764
Corporate revenue	170,050	221,997
County governments revenue*	3,329,937	440,887
	32,607,925	14,832,622

Earned revenue comprise contributions by parents, guardians and other well wishers who sponsor school meals to pupils

* County government revenue grew as a result of the additional Nairobi City County into the program that included an additional 7 kitchens during the period.

	2024 USD	2023 USD
4 Cost of sales		
Food costs*	3,909,717	1,750,447
Other food preparation costs	1,208,410	456,699
Food delivery costs	649,744	432,444
Direct wages	208,772	541,644
Programatic salaries**	1,548,090	318,313
	7,524,733	3,499,547

*During the year there was an increase in the food costs driven by the additional kitchens - Nairobi City County (NCC)

** Other direct costs include additional space for the central warehouse and increase in cooking energy as a result of more kitchens that commenced operation in the year including NCC

	2024 USD	2023 USD
5 Other income		
Realised exchange gain	-	1,289,880
6 Other Direct Program costs		
Kitchen construction costs	2,244,671	914,434
Kitchen equipment and other costs	1,825,055	2,243,818
Tap2Eat technology application cost	514,014	505,830
Research consultancy cost	7,983	67,323
	4,591,723	3,731,405

7 Meals Served

The number of meals served during the year stood at 34,344,168 prepared from a total of 21 centralised, and 65 decentralised kitchens.

	2024 USD	2023 USD
8 Administrative staff costs		
Salaries and wages	2,007,763	1,048,351
Casual wages	1,450	-
Medical insurance	48,634	47,165
Staff welfare	123,107	24,296
Staff training	86,047	59,942
Work permits	2,788	-
	2,269,789	1,179,754

	2024 USD	2023 USD
9 Operating expenses		
Depreciation	67,893	70,735
Fund raising	265,354	310,559
Policy and partnership*	196,546	-
Office expenses	24,221	18,071
Office rent	98,556	121,486
Transport and accommodation	324,561	233,073
Repair and maintenance	4,932	3,334
Professional fees**	604,179	246,559
Donations	110,122	77,345
Audit fees	15,602	11,905
Bank charges	32,910	11,731
Water and electricity	2,385	1,642
Telephone and internet cost	30,085	17,258
Printing and stationery	24,164	12,345
Subscriptions	74,589	24,113
Exchange loss***	254,999	-
General insurance	19,615	3,770
Licenses	11,723	8,692
	2,162,436	1,172,618

* These are expenses incurred around strategic advocacy and policy activities in the County Government of Nairobi for the program dubbed dishi na county.

** These are additional construction supervisory professional expenses incurred in the year.

*** Reversal effect of a gain by the Kenya Shillings against the USD compared to the previous period.

NOTES TO THE FINANCIAL STATEMENTS

10 Property and equipment

	Motor Vehicle	Kitchen Structures	Furniture & Equipment	Computers	Total
Depreciation rate	25%	0%	12.5%	30%	
	USD	USD	USD	USD	USD
Year ended 30 June 2023					
Cost	90,598	26,736	67,652	20,929	205,915
Additions during the year	51,587	-	123,217	61,502	236,306
Depreciation charge	(21,236)	-	(21,515)	(22,543)	(65,294)
	120,949	**26,736**	**169,354**	**59,888**	**376,927**
Net Book Value					
Cost	142,185	26,736	190,869	82,431	442,221
Accumulated depreciation	(78,476)	-	(40,260)	(29,830)	(148,566)
NBV as at 30 June 2023	**63,709**	**26,736**	**150,609**	**52,601**	**293,655**
Year ended 30 June 2024					
Cost	142,185	26,736	190,869	82,431	442,221
Additions during the year	-	-	26,627	89,811	116,438
Write off	-	(26,736)	-	(5,758)	(32,494)
Acc dep on write off	-	-	-	5,758	5,758
Depreciation charge	(12,957)	-	(18,086)	(36,850)	(67,893)
	129,228	**-**	**199,410**	**135,392**	**464,030**
Net Book Value					
Cost	142,185	-	217,496	166,484	526,165
Accumulated depreciation	(91,433)	-	(58,346)	(60,922)	(210,701)
NBV as at 30 June 2024	**50,752**	**-**	**159,150**	**105,562**	**315,464**

11 Intangible assets - software

	2024 USD	2023 USD
Cost		
At start of year	59,677	59,677
Write off to p&l	(59,677)	-
At end of year	-	59,677
Accumulated amortisation		
At start of year	37,915	32,474
Accumulated depreciation on write off to p&l	(37,915)	-
Annual amortisation (20%) (included in operating expenses)	-	5,441
At end of year	-	37,915
Carrying amount		
At end of year	-	21,762

NOTES TO THE FINANCIAL STATEMENTS

		2024 USD	2023 USD
12	**Inventory**		
	Dry goods inventory	1,459,827	429,569

Inventory represents dry food cereals and grain.

		2024 USD	2023 USD
13	**Cash and bank balances**		
	Bank balance	4,015,916	1,884,346
	Cash in hand	7,762	1,683
		4,023,678	1,886,029
14	**Receivables**		
	Grants receivables	20,921,896	10,677,693

Grants receivables include funds held in US entity's Chase Bank account.

		2024 USD	2023 USD
	Deposits and prepayments	2,196,358	799,252

85% of the amount above are prepayments for rice supplies to hedge against price fluctuations.

		2024 USD	2023 USD
15	**Deferred Income**		
	Deferred income	1,824,879	3,878,153

Deferred grant income represents advance received for school meals to that will be served in the future.

		2024 USD	2023 USD
16	**Accounts payable**		
	Accounts payables	1,697,013	1,116,143
	Other payables*	327,792	112,542
	Accruals	19,078	11,905
		2,043,883	1,240,590

Accounts payable mainly relate to amounts owing to contractors for the kitchen construction i.e Giga kitchen and the seven kitchens under the Nairobi City County government.

* Other payables include unredeemed tokens for school meals by pupils as held on the tap-to-eat platform, and other statutory payroll deductions that were settled subsequent to end of month.

17 Comparatives

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

18 Incorporation

Food For Education Foundation is incorporated in Kenya under the Companies Act as a company limited by guarantee and is domiciled in Kenya.