

**Garden and Ridgeways Residents Association.
Annual Report and Financial Statements
For the Year Ended 31st December, 2020**



Karanja Kamanu & Company
Certified Public Accountants of Kenya
P.O Box 13873-00800
Tel 0202250146 Tel/Fax 020 2219554, 0722800178
Email kamanu@karanjakamanu.com
NAIROBI

Garden and Ridgeways Residents Association Annual Report and Financial Statements For the Year Ended 31st December, 2020

Contents

Description	Page No
1. Report of the Office bearers	3
2. Statement of Office Bearers' Responsibilities	4
3. Report of the Independent Auditors	5 - 7
4. Statement of Income	8
5. Statement of Financial Position	9
6. Accounting Policies and notes to the Accounts	10-12

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Report of the Office bearers

1. Incorporation

The Association was formed in October 2000 and registered under the societies Act, 1968 CAP.108 on 21st November 2001.

2. Operations Results

The operation results of the Association for the year are shown on page 8.

3. Officials

The officials who were in office during the period of this report are:

Chairman	Edgar Okioga
Vice Chairman	Mary Ann Wariithi
Secretary	Joan Change
Treasurer	Abdulmalek Virani
Assistant Treasurer	Samuel Mwiti
Auditors	Karanja Kamanu & Company Certified Public Accountants P.O. Box 13873-00800 Nairobi.
Bankers	Standard Chartered Bank Ltd Muthaiga Branch P. O. Box 3195 Nairobi.

4. Auditors

The Auditors, Karanja Kamanu & Company, Certified Public Accountants of Kenya, have expressed their willingness to continue in office in accordance with the Societies Act, CAP. 108

Signed.....
Hon Chairman2021

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Statement of Office Bearers' Responsibilities

The Societies Act requires the office bearers to prepare financial statements that give a true and fair view of the state of affairs of the association as at the end of the financial year and of the operating results of the association for the year. They are also required to ensure that the Association keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the association. They are also responsible for safeguarding the assets of the association.

The Office bearers accept responsibility for the financial statements that have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards for SME's and in the manner and the requirements of the Societies Act.

The Office bearers are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the association and of its profit or loss. The Office bearers further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate system of financial controls.

Signed.....2021
Hon. Chairman

Signed.....2021
Hon. Treasurer

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Report of the Independent Auditors to the Members of Garden and Ridgeways Residents Association

Opinion

We have audited the financial statements of Garden and Ridgeway's Residents Association on pages 8 to 12, for the period ended 31 December 2020 which comprise the statement of financial position, the statement of comprehensive income, statement of cash flows, a summary of accounting policies and the explanatory notes. In our Opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st December, 2020 and of its operations for the year then ended in accordance with International Financial Reporting Standards for SMEs and comply with the Association's By-laws (Cap108).

Office bearers' Responsibility for the Financial Statements

The Office bearers are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Association and of its receipts and expenditure. This responsibility includes selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances as well as designing, implementing and maintaining internal controls to facilitate preparation and presentation of financial statements that are fair and free from material misstatements due to fraud or error.

Auditor's Responsibility and basis of opinion

Our responsibility is to express an opinion on the financial statements in this report based on our audit.

We conducted our audit in accordance with the International Auditing Standards. These standards require that we comply with ethical standards and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on our assessment of the risk of material misstatement whether due to fraud or error. An audit also includes assessing the accounting policies used and significant estimates made by the Office bearers, as well as evaluating the overall financial statements presentation.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. No such matters were identified during our audit. We therefore have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

The officials are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act 2015 and for such internal control as the officials 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 officials are responsible for assessing the Association'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 officials either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The officials are responsible for overseeing the Association'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 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 judgment and maintain professional skepticism throughout the audit. We also:

- (i) 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.
- (ii) 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 Association's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the officials.
- (iv) Evaluate the appropriateness of the officials' 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 association'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 our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- (v) 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.
- (vi) Obtain appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the officials 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 Societies Act we report that

- i) We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept
- iii) The financial statements are in agreement with the books of account.

Karanja Kamanu & Company
Certified Public Accountants of Kenya
Nairobi

CPA Edward K Kamanu
Practicing Certificate No. 1413

.....2021

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Detailed Income Statement

	Notes	2020 Ksh	2019 Ksh
Income	1	<u>1,110,750</u>	<u>1,288,920</u>
Expenses			
Staff and administration costs	2	894,872	1,197,554
Selling costs	3	16,667	107,556
Financial charges	4	<u>21,060</u>	<u>18,120</u>
Total Expenses		<u>932,599</u>	<u>1,323,230</u>
Surplus/(Deficit) for the year		<u>178,151</u>	<u>(34,310)</u>

**Garden and Ridgeways Residents Association
 Financial Statements
 For the Year Ended 31st December, 2020**

Statement of Financial Position

	Notes	2020 Ksh	2019 Ksh
Non- Current Assets	5	<u>35,690</u>	<u>45,477</u>
Current Assets			
Bank	6	<u>459,889</u>	<u>105,988</u>
		<u>459,889</u>	<u>105,988</u>
Total Assets		<u>495,579</u>	<u>151,465</u>
Long Term Liabilities and Equity			
General reserve fund	7	163,938	(14,213)
Development fund		123,600	123,600
Police post fund	8	18,988	21,558
Barrier Fund		<u>133,173</u>	<u>-</u>
		<u>439,699</u>	<u>130,945</u>
Current Liabilities			
Payables and accruals	9	<u>55,880</u>	<u>20,520</u>
		<u>55,880</u>	<u>20,520</u>
Total Equity and Liabilities		<u>495,579</u>	<u>151,465</u>

The accounts on pages 8 to 12 together with the notes thereon were approved by the
 Office bearers on _____ and signed on their behalf by

Signed.....2021
Hon Chairman

Signed.....2021
Hon Treasurer

Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020

Accounting policies

1. The financial statements have been prepared in accordance with and comply with the International Accounting Standards under the historical cost convention.
2. Resident's subscriptions are accounted for on a receipt basis.
3. Depreciation is calculated on the reducing balance basis to write off the cost of each asset to its residual value over the estimated useful life as follows: -

	Rate
Police Post Container	12.5%
Bicycle	12.5%
Furniture and Equipment	12.5%
Computer Equipment	30.0%
4. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.
5. Receivables are carried at their anticipated realizable value. Bad debts are written off during the year in which they are identified.

Notes to the Financial Statements

1. Income

	2020	2019
	Ksh	Ksh
Residents monthly contributions	1,110,750	1,192,600
Sponsorship	-	94,000
Overprovision on audit fees reversed	-	2,320
	1,110,750	1,288,920

2. Staff and Administration Costs

Members' contributions collection fees	420,000	422,250
Accounting and audit including VAT	18,000	18,000
VAT on audit fees	2,880	2,520
Website and Communication.	105,768	-
COVID contribution	41,129	-
Professional fees	-	17,250
AGM expenses	-	52,479
Subscription (KARA & Friends of Karura Forest)	20,000	55,000
Community work (cleaning, repairs & security)	29,800	109,550
Community welfare (funeral expenses)	40,000	-
Boda Boda Shed	18,650	-
Social Baraza (Catering)	119,060	390,980
GAARA meetings expenses	66,750	121,800
Travelling	50	3,850
Printing & Stationery expense	12,785	3,875
	894,872	1,197,554

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Notes to the Financial Statements (Continued)

	2020	2019			
	Ksh	Ksh			
3. Selling Costs					
Post box rental	9,450	9,450			
Branding of GARRA (Umbrellas & Jackets)		87,850			
Depreciation	7,217	10,256			
	16,667	107,556			
4. Financial Charges					
Bank charges	21,060	18,120			
	21060	18,120			
5. Non -current Assets					
Cost	Police Post Container Ksh	Furniture & Equipment Ksh	Computer Equipment Ksh	Bicycle Ksh	Total Ksh
As at 01.01.2020	260,000	11,000	47,840	3,900	322,740
Additions	-	-	-	-	-
As at 31.12.2020	260,000	11,000	47,840	3,900	322,740
Depreciation					
Balance b/d	239,437	10,129	24,398	3,299	277,263
Charge for The Year	2570	109	7033	75	9787
Balance c/d	242,007	10,238	31,431	3,374	287,050
NET BOOK VALUE					
31.12.2020	17,993	762	16,409	526	35,690
31.12.2019	20,563	871	23,442	601	45,477
Bank					
	2020	2019			
	Ksh	Ksh			
Cash and bank	439,889	105,988			
Float Balance with Collector	20,000	-			
	459,889	105,988			
7. General Reserve Fund					
Balance brought forward	(14,213)	20,097			
Surplus/ (Deficit) for the year	178,151	(34,310)			
Balance carried forward	163,938	(14,213)			

**Garden and Ridgeways Residents Association
Financial Statements
For the Year Ended 31st December, 2020**

Notes to the Financial Statements (Continued)

8. Police Post Fund

	2020	2019
	Ksh	Ksh
Balance brought forward	21,558	24,496
Depreciation	(2,570)	(2,938)
Balance carried forward	18,988	21,558

9. Payables and Accruals

Audit fees accrued	18,000	18,000
VAT on audit fees	2,880	2,520
Collection fees	35,000	-
	55,880	20,520

10. Taxation

The Association is exempt from corporate taxation per Schedule One Section 10 of the Income Tax Act.