

IMPACT AFRICA NETWORK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

HANNINGTON & ASSOCIATES
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IMPACT AFRICA NETWORK

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IMPACT AFRICA NETWORK
P.O BOX 1887 HAMILTON AVENUE, USA

Financial Statements for the year ended 31st December 2022

CORPORATE INFORMATION

REGISTRATION Registered as a NON GOVERNMENTAL ORGANISATION

BOARD OF DIRECTORS & MEMBERS: MARK KARAKE
NAOMI KARAKE
PATRICIA ONYANGO

REGISTERED OFFICE: IMPACT AFRICA CALIFORNIA
1887 HAMILTON AVENUE
CITY, SAN JOSE STATE, CALIFORNIA
ZIP CODE 95125

BANKERS BANK OF AMERICA
MERCURY BANK
UNITED STATES OF AMERICA

CURRENCY - REPORTING REPORTED IN DOLLAR - UNITED STATES OF AMERICA
USD

1 REPORT

The board and office bearers present their Report and Financial Statements for the year ended 31st December 2022.

2 PRINCIPAL ACTIVITIES

This Corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. More particularly, but without limitation, the purposes of this Corporation are to help catalyze the startup ecosystem in Nairobi, Kenya, by offering support services to local startups. Through our efforts, we aspire to empower individuals to become independent by gaining fundamental business skills and obtaining the necessary training to promote sustainability.

3 MEMBERSHIP

The office bearers & Members who served during the year were:

MARK KARAKE
NAOMI KARAKE
PATRICIA ONYANGO

4 CORPORATE GOVERNANCE

The Board and office bearers consist of 3 members, apart from the Chairman, no other member hold executive positions in the organisation. The Board takes overall responsibility for the Organisation, including responsibility for identifying key risk areas, considering and monitoring significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

Members of the Board are required to meet during the year. Members of the Board delegate the day to day management of the business to the Chairman assisted by senior members. Senior Members are invited to attend board meetings and facilitate the effective control of all the Organisation's operational activities, acting as a medium of communication and coordination between all the various organisation units.

The Organisation is committed to the principles of effective Corporate Governance. The members also recognize the importance of integrity, transparency and accountability.

5 EFFORTS TO SECURE NATIONAL BENEFITS AND SEEK NATIONAL GOALS

The Organisation's aim is to help catalyze the startup ecosystem in Nairobi, Kenya, by offering support services to local startups. Through our efforts, we aspire to empower individuals to become independent by gaining fundamental business skills and obtaining the necessary training to promote sustainability.

1. SOLVENCY

The Board and office bearer confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Board and office bearer have a reasonable expectation that Impact Africa Network has adequate resources to continue in operational existence for the foreseeable future.

2. EMPLOYEES WELFARE

Management and Employees' Relationship

There were continually good relations existing between employees and management for the year ended 31st December 2022. There were no unresolved complaints received by members from the employees during the year.

The Organisation is an equal-opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which does not impair the ability to discharge duties.

3. MANAGEMENT/EMPLOYEE RELATIONSHIP

The relationship between employees and management was good throughout the year.

4. MANAGEMENT RESPONSIBILITIES

It is our responsibility as members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organisation for that year.

We are responsible for keeping proper accounting records in line with the provisions of the Act for taking reasonable steps to safeguard the assets of the Organisation to prevent and detect fraud and other irregularities.

We confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st December 2022.

We also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis.

AUDITORS

The auditors Hannington & Associates were appointed as auditors during the annual General Meeting.

APPROVED BY:



CHAIRPERSON



SECRETARY

INDEPENDENT AUDITORS' REPORT

To the members of Impact Africa Network Report on the Audit of the Financial Statements.

Opinion

We have audited the Organisation financial statements of Impact Africa Network which comprise the statement of financial position for the year ended 31st December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the Organisation's financial statements give a true and fair view of the financial position of the Organisation as at 31st December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs') and requirements of the Kenyan NGO Act.

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' 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 other ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board Members are responsible for the other information, which comprises the report of Board Members.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial 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 and whether the knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained before the date of this auditor's report, 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 the Board Members for the Financial Statements

The Board Members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the NGO Act, and for such Internal controls as Board Members determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

To the members of Impact Africa Network Report on the Audit of the Financial Statements.

Cont.....

Responsibilities of the Board Members for the Financial Statements

In preparing the financial statements, the Board Members 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 Board Members either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 decision 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:

- 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 that of one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Obtain sufficient and appropriate audit evidence regarding the financial information on the entity or business activities within the Organisation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Organisation's audit. We remain responsible for our audit opinion.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

To the members of Impact Africa Network Report on the Audit of the Financial Statements.

Cont.....

Report on other Legal and Regulatory Requirements

As required by the NGO Act, we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the Organisation, so far as appears from our examination of those books; and
- (iii) The Organisation's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.


ANUNDA HANNINGTON OKETCH P/2593
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P.O.BOX 32600-00600
Tell: +254 723002312
NAIROBI





IMPACT AFRICA NETWORK

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2022

		2022	2021
	NOTE	USD	USD
REVENUE			
DIRECT PUBLIC SUPPORT - INDIVIDUAL CONTRIBUTION	5.1	\$552,794	\$463,057
FUNDRAISING EVENTS SPONSORSHIPS	5.1	\$484	\$0
		<u>\$553,278</u>	<u>\$463,057</u>
 OTHER REVENUE			
FOREIGN EXCHANGE GAIN		\$93	\$0
INTEREST INCOME		\$26	\$0
 TOTAL REVENUE		<u>\$553,396</u>	<u>\$463,057</u>
 EXPENDITURE			
PROJECT MANAGEMENT COST	6	\$462,443	\$384,935
GENERAL OPERATING COSTS	7	\$76,806	\$69,415
TOTAL EXPENSES		<u>\$539,249</u>	<u>\$454,350</u>
 OPERATING SURPLUS/ DEFICIT		<u>\$14,148</u>	<u>\$8,707</u>

These financial statements were approved by the Impact Africa Network Management on.....30/12.....2023 and signed on its behalf by:


.....
CHAIRPERSON


.....
TREASURER

IMPACT AFRICA NETWORK

P. O. BOX 1887 HAMILTON AVENUE CALIFORNIA, USA

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31ST DECEMBER 2022

	NOTES	2022 USD	2021 USD
ASSETS:			
Non - Current Assets:			
Property, Plant & Equipments	3	\$16,526	\$11,962
		<u>\$16,526</u>	<u>\$11,962</u>
CURRENT ASSETS:			
Cash and cash equivalent	9	\$161,436	\$302,456
Funds Recevables	10	\$83,642	\$0
Total Current Assets		<u>\$245,078</u>	<u>\$302,456</u>
TOTAL ASSETS		<u>\$261,604</u>	<u>\$314,418</u>
EQUITY & LIABILITIES			
CURRENT LIABILITIES			
Funds Payables	11	\$6,818	\$0
ACCUMULATED GENERAL FUNDS:	12	<u>\$254,786</u>	<u>\$314,418</u>
TOTAL EQUITY & LIABILITIES		<u>\$261,604</u>	<u>\$314,418</u>

These financial statements were approved by the board of members on.....30.06.2023
and were signed on it's behalf by :



CHAIRPERSON




TREASURER.

**IMPACT AFRICA NETWORK
FOR THE YEAR ENDED 31ST DECEMBER 2022
STATEMENT OF CASHFLOW**

	2022 USD	2021 USD
Cash flows from operating activities		
Profit for the year	\$14,148	\$8,707
Adjustments for non-cash items	\$3,358	\$3,116
Net cash from operating activities	<u><u>\$17,506</u></u>	<u><u>\$11,824</u></u>
Working Capital		
Increase in funds receivables	-\$83,642	\$0
Increase in funds payables	\$6,818	\$0
Net cash outflow from working capital	<u><u>-\$76,824</u></u>	<u><u>\$0</u></u>
Cash flows from investing activities		
Purchase of fixed assets	-\$9,377	-\$8,587
Net cash used in investing activities	<u><u>-9,377</u></u>	<u><u>-\$8,587</u></u>
Cash flows from financing activities		
Accumulated general fund	-\$35,138	\$93,440
Net cash used in financing activities	<u><u>-35,138</u></u>	<u><u>\$93,440</u></u>
Net increase (decrease) in cash and cash equivalents	<u><u>-103,833</u></u>	<u><u>\$96,676</u></u>
Cash and cash equivalents at beginning of year	\$265,269	\$205,780
Cash and cash equivalents at end of year	<u><u>161,436</u></u>	<u><u>\$302,456</u></u>

These financial statements were approved by the Management of Impact Africa Network on 30-06 2023
and signed on its behalf by:


.....
CHAIRPERSON


.....
TREASURER

NOTE:

Balance B/F (The final Exchange Rate used in (2022) was USD 122 compared to the one that closed the year (2021) USD 107 that's the reason why balance brought forward is different. The local currency is set as KSH in the system and thus a foreign exchange gain.

**IMPACT AFRICA NETWORK
FOR THE YEAR ENDED 31ST DECEMBER 2022
NOTES TO THE FINANCIAL STATEMENTS**

1.0 INCORPORATION

The NGO is domiciled in Kenya and incorporated in the U.S.A as a Non Governmental Organisation under the U.S.A laws and regulations. The address of the Organisation is set up on page 1.

2.0 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Statement of compliance

The financial statements of Impact Africa Network have been prepared in accordance with International Public-Sector Accounting Standards (IPSAS).

2.2 Summary of significant accounting policies

2.3 Revenue Recognition

Revenue comprises income from, Direct Public Support, individual contributions, donors, and grants from overseas. Donations and Grants are recognized as revenue when received.

A receipt is issued once funds are received.

2.4 Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

IMPACT AFRICA NETWORK
FOR THE YEAR ENDED 31ST DECEMBER 2022
SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation on plant and equipment is calculated on a reducing balance method at the following annual rates: -

	%
Video Equipments	12.50%
Computers	30.00%

2.5 Revenue and other receivables

Receivables are recognized and carried at the original invoice amount less an allowance for any uncollectable amounts.

Donations from Overseas are recognized when received.

2.6 Cash and cash equivalents

Cash in the balance sheet and cash flow statement comprise cash at banks and on hand.

2.7 Provisions

Provisions are recognized when the entity has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognized represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

2.8 Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the organization during the reporting period, which remain unpaid. The balance is recognized as a current liability with the amounts normally paid within 30 days of recognition of the liability.

IMPACT AFRICA NETWORK

NOTE 3 ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD YEAR ENDED 31ST DECEMBER 2022

3 NOTE 3 FIXED ASSETS DEPRECIATION CHARGE

DESCRIPTION	COST				DEPRECIATION				NET BOOK VALUE	
	AS AT	ADDITIONS	(DISPOSALS)	AS AT 31.12.2022	ACCUMULATED	AS AT	CHARGE FOR	AS AT	AS AT 31.12.2022	AS AT 31.12.2021
	01.01.2022				DEPR FOR	01.01.2022	THE YEAR	31.12.2022		
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
EQUIPMENTS - VIDEO	8,066	8,728	0	16,795	0	2,162	1,862	3,758	13,036	7,035
COMPUTERS	6,666	665	0	7,331	0	2,674	1,496	3,841	3,490	4,926
TOTAL	14,732	9,393	0	24,126	0	4,836	3,358	7,599	16,526	11,962

IMPACT AFRICA NETWORK
FOR THE YEAR ENDED 31ST DECEMBER 2022
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4	GENERAL FUND	2022	2021
	The General Fund is the accumulation of deferred revenues and is not available for distribution to members	Amount	Amount
		USD	USD
5.0	DONATIONS		
5.1	CONTRIBUTION AND SUPPORT		
	Direct Public Support Individual Contributions	\$552,794	\$463,057
	Fundraising Events Sponsorship	\$484	\$0
		<u>\$553,278</u>	<u>\$463,057</u>
	OTHER INCOME		
	Exchange Gain/(loss)	\$93	\$0
	Interest Income	\$26	\$0
		<u>\$119</u>	<u>\$0</u>
6	Development Programmes		
	Project Management Costs		
	Project Support	\$5,187	\$62,041
	Fellowship Programme Cost	\$402,787	\$255,898
	Team Building	\$0	\$35,922
	Fundraising Expenses	\$477	\$3,273
	Corporate Social Responsibility	\$13,165	\$0
	Contract Services	\$1,701	\$7,095
	Team Meeting Expenses	\$10,696	\$9,771
	Subscription & License	\$28,430	\$10,935
		<u>\$462,443</u>	<u>\$384,935</u>

IMPACT AFRICA NETWORK
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2022
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2022	2021
	Amount	Amount
7 GENERAL OPERATING COSTS	USD	USD
Administration Staff Salaries	\$8,066	\$29,439
Audit Fees	\$820	\$0
Bank and Mpesa Charges	\$1,309	\$2,273
Depreciation	\$3,358	\$3,116
Employee Benevolent Fund	\$0	\$372
Event planning expenses	\$603	\$0
Gift and Package	\$393	0
Printing and Stationary	\$81	\$52
Postage and Telephone	\$258	\$278
Rent Expense	\$4,508	\$0
Legal Fees	\$3,409	\$3,465
Travel and Accommodation	\$11,139	\$20,955
Internet services	\$12,023	\$8,727
Repairs and Maintenance	\$69	\$651
Exchange Loss	\$0	\$85
Rental Lease	\$10,132	\$0
Office Expenses	\$1,277	\$0
Performance Bonus	\$2,079	\$0
Staff medical	\$14,080	\$0
Staff meals	\$3,200	\$0
	\$76,806	\$69,415

8 CURRENCY

These accounts are expressed in United States of America currency USD)
Currency.

IMPACT AFRICA NETWORK
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2022
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2022	2021
	Amount	Amount
	USD	USD
9 CASH AND CASH EQUIVALENTS		
Cash at Bank	\$161,436	\$302,456
	\$161,436	\$302,456
10 FUNDS RECEIVABLES		
RECEIVABLES FROM		
Staff Advance	\$26	\$0
Staff Loan	\$2,391	\$0
Jenga Donation	\$28,349	\$0
Merch Store	\$593	\$0
ElevateHR	\$11,632	\$0
Funds receivable - ElevateHR	\$0	\$0
The Bridge	\$973	\$0
Jenga School	\$39,678	\$0
	83,642	\$0
11 FUNDS PAYABLES		
PAYABLES TO		
Salary Payables	\$0	\$0
Accounts Payables	\$5,447	\$0
Audit Fees - Hannington & Associates	\$820	\$0
Kinetic	\$552	\$0
	\$6,818	\$0
12 ACCUMULATED GENERAL FUNDS		
Balance B/F (The final Exchange Rate used in (2022) was usd 122 compared to the one that closed the year (2021) USD 107 that's the reason why balance brought forward is different. The local currency is set as KSH in the system and thus a foreign exchange gain.	\$180,632	\$1,792
Retained Earnings	\$0	\$195,455
Surplus/(Deficit) for the Year	\$14,148	\$8,707
	\$194,780	\$205,954
Deferred Revenue		
At end of the year	\$60,006	\$108,463
Grand Total	\$254,786	\$314,418