

NEW ROUTES FOUNDATION
REPORT AND ACCOUNTS
FOR
THE YEAR ENDED 31st MARCH 2023



KVDA PLAZA
SIXTH FLOOR, OLOO STREET
P.O BOX 5264 - 30100 ELDORET

WALUBENGO & ASSOCIATES
Certified Public Accountants of Kenya

Business Management • Taxation • Auditing • Information Systems

NEW ROUTES FOUNDATION

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST March 2022

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NEW ROUTES FOUNDATION

ORGANISATIONAL INFORMATION

BOARD OF DIRECTORS:

- | | |
|----------------------|---------------------|
| 1. Storm Lindenberg | -Chairperson |
| 2. Phylis Amukowa | -Treasurer |
| 3. Sophie Lindenberg | -Secretary |
| 4. Alfred Otieno | -Member |
| 5. Patricia Farrelly | -Member |

Registered Office Address:

New Routes Foundation

P. O BOX 4711- 30100

ELDORET

PRINCIPAL BANKERS

CO-OPERATIVE BANK LIMITED
ELDORET BRANCH

INDEPENDENT AUDITORS:

Walubengo & Associates,
Certified Public Accountants of Kenya
P.O. BOX 5264-30100
ELDORET – KENYA.

NEW ROUTES FOUNDATION

DIRECTORS' REPORT

The Board of Directors presents its report together with the audited financial statements for the year ended 31st March, 2023.

1. RESULTS FOR THE PERIOD ENDED 31ST March, 2023

The results for the year ended 31st March 2023 are stated on page 8.

2. BOARD MEMBERS:

The Board Members who held the office during the period under review were:

- | | |
|----------------------|---------------------|
| 1. Storm Lindenberg | -Chairperson |
| 2. Phylis Amukowa | -Treasurer |
| 3. Sophie Lindenberg | -Secretary |
| 4. Alfred Otieno | -Member |
| 5. Patricia Farrelly | -Member |

3. INDEPENDENT AUDITORS:

The independent auditors, Walubengo & Associates - Certified Public Accountants of Kenya of P.O. Box 5264 – 30100 ELDORET, have indicated their willingness to continue in office.

4. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved at a meeting of the Board of Directors on

BY ORDER OF THE BOARD

PROGRAM ADMINISTRATOR

NEW ROUTES FOUNDATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The NGO's law requires the Directors to prepare the 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 the organization keeps proper accounting records, which disclose with reasonable accountancy, the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards in the manner required by the NGO Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization and of its operating results. They further accept responsibility for the maintenance of proper accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal control.

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

CHAIRPERSON
DATE:

**SECRETARY/
EXECUTIVE DIRECTOR**

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEW ROUTES FOUNDATION

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Across Equator Aviators Limited, set out on pages 8 to 27, which comprise the statement of financial position as at 31ST MARCH 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity 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 NGO as at 31st March 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) and the requirements of the Kenyan NGOs laws.

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 NGO 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 in Kenya, and 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 directors are responsible for the other information, which comprises the report of directors and the statement of directors’ responsibilities as required by the Kenyan NGOs Laws. The other information 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. 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 on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEW ROUTES FOUNDATION

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan NGOs Laws, and for such internal controls as Directors determine are 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 NGO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Those charged with governance are responsible for overseeing the NGO'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:

- 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 NGO'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 the 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 NGO'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 NGO to cease to continue as a going concern.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the NGO to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organization audit. We remain responsible for our audit opinion.

We communicate with Directors, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Other Legal Requirements

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

1. 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;
2. In our opinion proper books of account have been kept by the NGO, so far as appears from our examination of those books; and

The NGO's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss) are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA **Johnstone Walubengo Kibunguchi – P/695**.

Certified Public Accountants (Kenya)

Eldoret, Kenya

NEW ROUTES FOUNDATION
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31st March 2023

	NOTES	2023 Kshs	2022 Kshs
1.INCOMING RESOURCES			
Grants from Donors	1	2,367,114	2,349,266
Other income	2	1,933	27,250
TOTAL GRANTS FROM DONORS		2,369,047	2,376,516
RESOURCES EXPENDED			
Programme costs	3	1,310,118	1,482,665
Administration costs	4	380,679	437,538
Personnel costs	5	525,241	422,556
Depreciation	6	-	-
TOTAL RESOURCES EXPENDED		2,216,038	2,342,759
SURPLUS/DEFICIT FOR THE YEAR		153,009	33,757
Less Assets		(153,554)	(34,800)
Net surplus brought forward		2,250	3,293
Net surplus for the period C/f		1,705	2,250
	Bank	617	
	Mpesa	1,088	
	TOTAL	1,705	

NEW ROUTES FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31st March 2023

	NOTES	2023 Kshs	2022 Kshs
ASSETS EMPLOYED			
NON-CURRENT ASSETS:			
PROPERTY, PLANT & EQUIPMENT	7	362,970	209,416
CURRENT ASSETS:			
Receivables	8	-	-
Cash & Bank Balance	9	1,705	2,250
Prepayments	10	-	-
TOTAL CURRENT ASSETS		1,705	2,250
CURRENT LIABILITIES			
Bank overdraft		-	-
Payables	10	-	-
TOTAL CURRENT LIABILITIES		-	-
NET CURRENT ASSETS		1,705	2,250
TOTAL NET ASSETS		364,675	211,666
FINANCED BY:			
ACCUMULATED FUNDS			
Donor Fund	13	364,675	211,666
TOTAL ACCUMULATED FUNDS		364,675	211,666

**NEW ROUTES FOUNDATION
STATEMENT OF CHANGES IN EQUITY
AS AT 31st MARCH 2023**

	ACCUMU Kshs	CAPITAL FUND Kshs	TOTAL ACCUMULATED FUNDS Kshs
As at 01.04.2022	211,666	-	211,666
Surplus/Deficit for the year	153,009	-	153,009
Prior Year adjustments			-
As at 31.03.2023	364,675	-	364,675

**NEW ROUTES FOUNDATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31st MARCH 2023**

	2023 Kshs	2022 Kshs
CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	153,009	33,757
Adjustments to Reconcile excess of revenue over expenses to net cash provided by operating activities		
Depreciation	-	-
Non- Adjustable Expenses	-	-
Armotisation(Deferred Income)	-	-
Interest Expenses	-	-
Operating Income before working capital changes	153,009	33,757
Decrease/(Increase) in receivables	-	-
Increase/(Decrease) in payables	-	-
Decrease/(Increase) in inventories	-	-
Cash generated from operations	153,009	33,757
Income tax paid		
Interest paid		
NET CASHFLOWS FROM OPERATING ACTIVITIES	153,009	33,757
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(153,554)	(34,800)
Capital Expenditure		
Fixed assets Donated		
NET CASHFLOWS FROM INVESTING ACTIVITIES	(153,554)	(34,800)
CASHFLOWS FROM FINANCING ACTIVITIES		
Donor Funding	-	-
Prior year adjustments	-	-
Additional funds	-	-
Deferred Income	-	-
NET CASHFLOWS FROM FINANCING ACTIVITIES	-	-
Net increase/(Decrease) in cash & Cash Equivalents.	(1,633)	(1,043)
Cash & cash Equivalents at the beginning of the period	2,250	3,293
Cash & cash Equivalents at the end of the period	617	2,250

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

For the Kenyan NGOs Act reporting purposes, in these financial statements the balance sheet is equivalent to the statement of financial position and the profit and loss account is included in the statement of profit or loss and other comprehensive income.

Application of new and revised International Financial Reporting Standards (IFRSs)

(i) *Relevant new standards and amendments to published standards effective for the year ended 31st DECEMBER 2021*

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of the new standards and interpretations and none of them had a significant impact on the organization's financial statements.

(ii) *Relevant new and amended standards and interpretations in issue but not yet effective in the year ended 31st DECEMBER 2021*

<i>New standards and amendments to standards</i>	<i>Effective for annual periods beginning on or after</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from contracts with customers	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IAS 7	1 January 2017
Amendments to IAS 12 Recognition of Deferred Tax	
Assets for Unrealized Losses	1 January 2017

(iii) *Impact of relevant new standards and amendments to published standards effective for future annual periods*

IFRS 9 Financial Instruments

In July 2014, the IASB finalized the reform of financial instruments accounting and issued IFRS 9 (As revised in 2014), which contains the requirements for:

- a) The classification and measurement of financial assets and financial liabilities;
- b) Impairment methodology; and
- c) General hedge accounting.

Key requirements of IFRS 9:

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however there are differences in the requirements applying to the measurement of an entity's own credit risk.

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES CONT'

Application of new and revised International Financial Reporting Standards (IFRSs)
(Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for future annual Periods (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9 (Continued):

- **Impairment.** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a loss event to have occurred before a credit loss is recognised
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **De-recognition.** The requirements for de-recognition of the financial assets and liabilities are carried forward from IAS 39. The Directors of the organization anticipate that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the organization's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed by the organization.

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES CONT'

Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for future annual Periods (Continued)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The Directors of the Organization anticipate that the application of IFRS 16 in the future may have a significant impact on amounts reported in respect of the Organization's financial assets and financial liabilities. However, it is not practical to provide a reasonable estimate of the effect of IFRS 16 until a detailed review has been completed.

Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Organization do not anticipate that the application of these amendments will have a material impact on the Organization's financial statements.

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES CONT'

Basis of preparation

The financial statements are prepared under the historical cost basis of accounting. The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below:

Revenue recognition

The organization does not trade but receives grants from donors to support the underprivileged during the year. It therefore did not generate any revenue.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non – monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on exchange are recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation is provided on the basis of the results for the year as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred tax represents the estimate of tax payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets on tax losses are recognised only to the extent that it is probable that future taxable profits will be generated against which the unused tax losses and unused tax credit can be utilized

Retirement benefit costs

The organization contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Fund Act. The organization's obligations under the scheme are limited to specific contributions legislated from time to time.

The NGO's obligations to employee retirement benefits schemes are recognised in profit or loss as they fall due.

Leave pay provision

A provision is made for the estimated liability in respect of accrued annual leave as a result of services rendered by employees up to the end of the reporting period. Employees' entitlement to annual leave is also recognised in profit or loss when they accrue to employees

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES CONT'

Depreciation

Depreciation is calculated on reducing balance basis to write off the cost of property, plant and equipment over their expected useful lives at the annual rate:

Furniture, fittings & equipment	10.0%
Computers	25.0%
Vehicles	25%

Leasehold land

Payments to acquire interest in leasehold land are treated as prepaid operating lease rentals and the cost of the land is amortised over the unexpired term of the lease on the straight line basis.

Intangible assets

Trademarks are measured initially at the purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Impairment

At the end of each reporting period, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced from its recoverable amount. Impairment losses are recognised as an expense immediately.

Accounting for leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The NGO as lessee

Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the term of the relevant lease.

Financial instruments

Financial assets and liabilities are recognized in the organization's statement of financial position when the organization has become a party to the contractual provisions of the instrument. Financial assets excluded from fair valuation and that have a fixed maturity are measured at amortised cost. Re-measurement gains and losses are dealt with in the profit or loss.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all its liabilities. Equity instruments issued by the organization are recorded at the proceeds received, net of direct issue costs.

Trade payables

Trade payables are initially stated at their nominal value and are subsequently measured at amortised cost using the effective interest rate method

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

ACCOUNTING POLICIES CONT'

Financial instruments (continued)

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Borrowings costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned from the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowings costs are recognized in the profit or loss in the period in which they are incurred.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances net of the outstanding bank overdraft.

Comparatives

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the organization's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgement in applying the entities accounting policies are dealt with below:

(a) Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see b below), that the directors have made in the process of applying the organization's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

(b) Key sources of estimation uncertainty

Impairment losses

At the end of each reporting period, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the organization estimates the recoverable amount of the cash generating unit to which the asset belongs.

Property, plant and equipment, prepaid operating lease rentals and intangible assets

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment and prepaid operating lease rentals and intangible assets.

**NEW ROUTES FOUNDATION
(AOET-KENYA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st March 2023**

	NOTES	2023 Kshs	2022 Kshs
Capital purchase	1		
Opening balance		-	161
Gifts & Donations			1,839
NRUK Grant		147,514	32,800
Total Income		147,514	34,800
Expenses			
Furnitures & Fittings		66,800	34,800
Office expense		5,200	
Fridge & fride guard		38,995	
Water filter ,Replacement filters& top filters		24,100	
Books		4,000	
Kitchen equipments		8,400	
Mpesa Transcations		19	
Total expense		147,514	34,800
Surplus C/f		-	-
Operational	2		
Opening balance		736	2,237
Gifts & Donations		1,933	10,445
NRUK Grant		363,350	400,744
Total Income		366,019	413,426
Expenses			
Bank service & charges withdrawals		5,143	16,394
Stationery expense		600	3,768
Office expense		15,836	3,020
Printing		15,070	10,710
Quickbooks		-	-
Repairs & Maintenanace		-	23,680
Telephone expense		1,000	2,000
Transport & Travel cost		12,493	19,075
Student item purchase cost			11,854
Capital purchase		2,192	5,950
Accomodation		-	29,577
Audit fees		29,000	29,000
Electricity & Water bills		14,913	25,002
Fundraising expense		-	13,630
stock purchase		-	2,400
internet purchase		23,400	31,256
rent expenses		226,750	160,000
Refreshments		10,015	24,774
KRA		-	600
Professional fees		6,000	
Postage		2,340	-
		364,752	412,690
Surplus C/f		1,267	736
Programme (1)	3		
Opening balance		-	895
Gifts & Donations			6,738

NRUK Grant	1,307,676	1,475,032
Total Income	1,307,676	1,482,665
Expenses		
Bank service & charges withdrawals	7,023	22,334
Student items purchase cost	7,000	463,962
Student Allowance	341,100	106,500
Water & Electricity bill	7,558	17,108
Medical expense	240	17,870
Office expense	-	6,265
Students NHIF	6,500	4,500
Telephone expense	3,000	1,000
Repairs & Maintenance	2,000	10,350
Rent expenses	422,050	260,129
Refreshments	19,682	86,398
Printing & stationery	-	18,424
other fees	1,652	9,172
Transport	40,838	113,561
University Fees Application	-	13,362
University School fees grants	372,870	320,730
Internet expense	4,500	11,000
Postage	530	-
Training fees	23,355	-
Equipments	4,983	-
Intern expenses	12,000	-
Christmas dinner	6,732	-
Personal projects	5,390	-
	1,289,003	1,482,665
Programme (2)		
Lamination	50	-
Meals	4,866	-
Travelling	4,740	-
Intern allowance	7,510	-
Fuel	957	-
Mpesa charges	203	-
TOTAL COST	18,326	-
TOTAL PROGRAMME COST	1,307,329	1,482,665
Surplus	347	-
Staff expenses	NOTE 5	
Opening balance	-	-
Gifts & Donations		
NRUK Grant	531,288	422,556
Total Income	531,288	422,556
Expenses		
Bank service & charges withdrawals	5,760	4,476
Pay as you Earn (PAYE)	34,653	27,235
National Hospital Insurance Fund(NHIF)	13,700	11,200
National Social Security Fund (NSSF)	34,560	25,920
Staff net salary	412,328	328,635
Staff Bonus	30,000	24,970
Staff Expense	-	120
Mpesa charges	287	-
Total expense	531,288	422,556
Surplus C/f	-	-

Miscellaneous**NOTE 6**

Opening balance	1,514	-
Gifts & Donations		8,228
NRUK Grant	17,286	18,134
Total Income	18,800	26,362
Expenses		
Bank service & charges withdrawals	87	1,484
Student item purchase cost	-	19,631
Showe head	-	1,500
Transport	-	1,048
National Hospital Insurance Fund(NHIF)	-	180
Refreshments	-	1,005
Report printing	4,800	
NGO office expense	4,000	
Office expense	3,755	
Capital purchase(Bunk Bed)	6,067	
Total expense	18,709	24,848
Surplus C/f	91	1,514
Net Surplus C/f	1,705	2,250
	2,369,592	

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st March 2023

	NOTES	2023 Kshs	2022 Kshs
1.INCOMING RESOURCES	1		
NRUK Grant		2,367,114	2,349,266
Other Income			
TOTAL GRANTS FROM DONORS		2,367,114	2,349,266
2.OTHER INCOME	2		
Gifts & Donations		1,933	27,250
TOTAL OTHER INCOME		1,933	27,250
TOTAL INCOME		2,369,047	2,376,516
3.PROGRAMME COSTS	3		
University School fees grants		372,870	320,730
University Fees Application		-	13,362
Travelling and Subsistence		46,535	
Medical expense		240	
Student Allowance		341,100	
Student Household items		7,000	500,542
Student rent expense		422,050	
Telephone & Postage		3,530	
Internet expense		4,500	
Refreshments		34,563	
Students NHIF		6,500	
other fees		15,824	
Training Expenses		23,355	
Utilities		7,558	
Equipments		4,983	
Intern Expenses		19,510	
TOTAL PROGRAMME COST		1,310,118	834,634
4.ADMINSTRATION COST	4		
Bank service & charges		5,143	44,968
Rent Expense		226,750	420,129
Water & Electricity		14,913	42,110
Stationery		600	14,062
Printing		19,870	18,840
Repairs & Maintenance		-	34,030

Telephone & Postage	3,340	3,000
Transport & Travel	12,493	133,684
Internet Expense	23,400	42,256
Audit fees	29,000	29,000
Accomodation	-	29,577
Fundraising expense	-	16,030
Medical expense	-	17,870
Office expense	21,791	6,265
Professional fees	10,000	
Capital Expenditure	153,554	
TOTAL ADMIN COST	367,300	806,853

NOTES

5.PERSONELL COSTS

5

Salary & Wages	412,328	328,635
PAYE	34,653	27,835
NHIF	13,700	15,880
NSSF	34,560	25,920
Staff Bonus	30,000	24,970
Staff Expense	-	120
TOTAL PERSONNEL COSTS	525,241	423,360

6.FINANCE COSTS

6

Bank Charges	5,760	28,294
M-pesa charges	7,619	
TOTAL FINANCE COSTS	13,379	28,294

**NEW ROUTES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THE YEAR ENDED 31st MARCH 2023**

	NOTES	2023 KSH	2022 KSH
8.RECEIVABLES	8		
Rent Prepaid			
Other receivables			
TOTAL RECEIVABLES		0	0
9.CASH & CASH EQUIVALENTS			
Cash at Hand			-
Cooperative Bank		617	2,250
MPESA	9		-
TOTAL		617	2,250
10.PAYABLES	10		
KRA			
NHIF			
NSSF			
PAYE			
TOTAL PAYABLES		0	0
BORROWINGS			
Bank overdraft		-	-
11.TAXATION			
Under the provision of Income Tax Act chapter 470 of the laws of the republic of Kenya as revised in the 2001 budget, Income of NGO'S established in Kenya or whose regional head quarters are situated in Kenya shall be exempt from the payment of Income Tax provided they pass on economic and social benefits to Kenyans. Since the programme is a registered NGO, it qualifies for exemption from the payment of Income Tax on its Income subject to receipt of Income Tax Exemption Certificate from Kenya Revenue Authority- Domestic Tax Department.			
12.ACCUMULATED FUND			
At 01.01.2023			
Prior Year adjustment			
Deffered Income			
Capital Reserve			
Surplus/Deficit for the year			
At 31.12.2021			0

13.DEFERRED INCOME

Value of donated assets

Deduct provision for Depreciation

Balance transferred to balance sheet

14.EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no material events after the balance sheet date which requires to be disclosed

15.ESTABLISHMENT

The NGO was established in accordance with NGO'S Coordination Act 1990

16.CURRENCY

These Financial Statements are presented in Kenya Shillings(Kshs)

NEW ROUTES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st March 2023

PROPERTY ,PLANT AND EQUIPMENT

	Balance as at 01.04.2022	Additions	Disposals	Total	Depreciation	Balance as at 1.04.2023
	kshs	kshs	kshs	Kshs	kshs	kshs
Land	-	-	-	-	-	-
Furniture & Fittings	74,704	72,867	-	147,571	14,757	132,814
Computers & printers	80,383	5,192	-	85,575	21,394	64,181
office printer	21,830	-	-	21,830	5,458	16,373
Quickbooks	20,000	-	-	20,000	20,000	20,000
Office Telephone	12,499	-	-	12,499	3,125	9,374
Fridge & fridge guard	-	38,995	-	38,995	9,749	29,246
Water filters& replacement filters	-	24,100	-	24,100	6,025	18,075
Kilchen equipments	-	8,400	-	8,400	840	7,560
Books	-	4,000	-	4,000	400	3,600
TOTAL	209,416	153,554	-	362,970	81,747	301,223