MACHEO CHILDREN'S ORGANIZATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2025

PUBLIC BENEFIT ORGANIZATIONS
REGULATORY AUTHORITY
OFFICE OF THE DIRECTOR
31 MAR 2026
HEADQUARTERS
RECEIVED

MACHEO CHILDREN'S ORGANIZATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2025

CONTENTS

	Pages
Organization Information	1
Report of the Board Members	2
Report of Board Members' Responsibilities	3
Independent Auditors' Report	4 to 7
Financial Statements:	
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 18
Detailed Income Statement per Intervention	Annexes

MACHEO CHILDREN'S ORGANIZATION
ORGANIZATION'S INFORMATION
FOR THE YEAR ENDED 31 DECEMBER, 2025

REGISTERED OFFICE:

The organization is registered to work in Kenya under Section 10 of the Non-Governmental Organizations Co-ordination Act, Certificate No. OP. 218/051/2005/0410/3824

BOARD MEMBERS

Josephat Ngaira Musumba	-	Chairman
Sarah Wanjiru Mbira	-	Secretary
Dirk-Jan Koeman	-	Treasurer
Marnix Huis In t Veld	-	Member
Anne Mukami Njeru	-	Member
Jennifer Wanjiru Weru	-	Member

REGISTERED OFFICE

Macheo Children's Organization
P.o Box 3443-01002
Madaraka - Thika

INDEPENDENT AUDITORS

Nolands Kenya,
Certified Public Accountants
Thika Office: Ananas Mall 1st Floor, F31
Off Garissa Road
Nairobi Office: Golf course Phase 1, House No. 78
Off Ngobit Road
P.O. Box 70872-00400,
Nairobi

PRINCIPAL BANKERS

Standard Chartered Bank of Kenya Limited
P.O Box 30001-00100,
Nairobi - Kenya

MACHEO CHILDREN'S ORGANIZATION

REPORT OF THE BOARD MEMBERS,

FOR THE YEAR ENDED 31 DECEMBER, 2025

The Board has the pleasure in submitting their report and the audited financial statements for the year ended 31 December, 2025 which disclose the state of the affairs of the Organization.

PRINCIPAL ACTIVITY

Macheo Children's Organization hereby referred as 'the Organization' is a registered not-for-profit organization. The purpose of the Organization is to release restrained potential in disadvantaged children by carrying out intervention that cut across the six domains of a child's wellbeing. These are: Education and Skills, Food and Nutrition, Health, Psychosocial wellbeing, Protection, Shelter and Care. It envisions a society where children live happily in a safe, caring and stimulating environment that promotes the best of their potential.

LEGAL STATUS

Macheo Children's Organization was first registered in Kenya as Macheo Children's Centre under Section 10 of the Non Government Organizations Act on 15th December, 2005 under Registration Certificate number OP.218/051/2005/0410/3824. The organization later changed its name to Macheo Children's Organization on 18th January 2019.

RESULTS

Results of the year are set out from page 8

BOARD MEMBERS

The Board members who held office during the year and to the date of this report are set out on page 1.

INDEPEDENT AUDITORS

Nolands Kenya Certified Public Accountants were appointed to carry out the audit for the year ended 31 December, 2025 and have expressed their willingness to continue in office.

The Board monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on **27 March, 2026**

By order of the Board

.....

Sarah Wanjiru Mbira
Secretary

MACHEO CHILDREN'S ORGANIZATION
27 MAR 2026
P.O. Box 3443-01002,
MAADARAKA, THIKA, KENYA

MACHEO CHILDREN'S ORGANIZATION

STATEMENT OF THE BOARD MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER, 2025

The Board is required to prepare 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 Organization's operating result for that year. It also requires the Board to ensure the Organization keeps proper accounting records which disclose with reasonable accuracy the financial position of the Organization. The Board is also responsible for safeguarding the assets of the Organization.

The Board accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards. The Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Organization and its operating results. The Board further accept responsibilty for the maintenance of accounting records which may be relied upon in preparation of financial statements, as well as adequate systems of internal financial control.

The financial statements have been prepared on a going concern basis. In making this assessment, the Board members considered the organization's funding commitments, cash reserves, and donor pipeline. As of the reporting date, the Organization has secured signed donor agreements covering the majority of projected expenditures for the next twelve months, and maintains unrestricted reserves sufficient to meet core operating costs for at least six months.
While the Organization's activities remain dependent on donor funding, the Board is satisfied that adequate resources are available to continue operations for the foreseeable future. Funding visibility beyond the twelve-month horizon is subject to donor renewal cycles and external economic conditions, which the Board monitors closely as part of its risk management framework.

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

The Board acknowledges that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board on **27 March, 2026** and signed on its behalf by:

.....
Josephat Ngaira Musumba
Chairman

.....
Sarah Wanjiru Mbira
Secretary

MACHEO CHILDREN'S ORGANIZATION
27 MAR 2026
P.O. Box 3443-01002,
MAADARAKA,THIKA,KENYA

INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS OF MACHEO CHILDREN'S ORGANIZATION

OPINION

We have audited the accompanying financial statements of Macheo Children's Organization set out on pages 8 to 18 which comprise the Organization's statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and the notes, including a summary of significant accounting policies and other explanatory information.

In our opinion the accompanying financial Statements give a true and fair view of the financial position of the Organization as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Public Benefit Organizations (PBO) Act 2013.

BASIS OF 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) and we have fulfilled our ethical responsibilities in accordance with these requirement and the IESBA. We believe that the audit evidence as obtained is sufficient and appropriate to provide a basis for our opinion.

GOING CONCERN

The financial statements of the organization have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the Board intend to either liquidate the organization or cease operations, or have no realistic alternative but do so. As part of our audit of the organization's financial statements we have concluded that the Board use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The Board members have not identified a material uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the Organization. Based on our audit of the financial information of the organization, we have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Organization's ability to continue as a going concern.

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition of Donor Grants

Description of matter:

Macheo Children's Organization receives significant funding from multiple donors, often with restrictions and performance conditions. Determining whether income should be recognized requires judgment, particularly in assessing compliance with donor conditions.

Audit response:

We examined donor agreements to understand the conditions attached to funding. We tested a sample of grants to verify whether recognition criteria were met, reviewed management's assessment of compliance, and checked supporting documentation such as progress reports and expenditure records. We also evaluated disclosures in the financial statements regarding restricted and unrestricted funds.

Continued

2. Procurement and Expenditure Controls

Description of matter:

Procurement represents a major portion of project expenditure. Given the decentralized operations of Macheo Children's Organization, there is a risk of non-compliance with donor procurement rules or misappropriation of funds.

Audit response:

We assessed the design and implementation of procurement controls, including tendering, approvals, and segregation of duties. We tested a sample of procurement transactions against donor guidelines and internal policies. We also performed substantive procedures to confirm that goods and services procured were delivered and used for project purposes.

3. Cash Handling and Field Operations

Description of matter:

Macheo Children's Organization operates in regions where cash transactions are prevalent. This increases the risk of misappropriation and incomplete recording of expenditures.

Audit response:

We reviewed cash management policies and tested reconciliations between cash books and bank statements. We reviewed whether surprise cash counts were performed and traced expenditures to supporting documentation. We also evaluated whether controls over cash disbursement were consistently applied.

4. Compliance with Donor Reporting Requirements

Description of matter:

Donor agreements require detailed financial and programmatic reporting. Non-compliance could lead to funding clawbacks or reputational damage.

Audit response:

We reviewed donor reports submitted during the year and reconciled them to the underlying accounting records. We tested a sample of reported expenditures against invoices and beneficiary records. We also assessed management's monitoring processes to ensure timely and accurate reporting.

OTHER INFORMATION

The Board members are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report theron.

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.

Continued

Board Members' responsibility for the financial statements

The Board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board 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 Board members 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 Board either intend to liquidate the organization or to cease operations, or have no realistic alternative but do so.

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 issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the 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 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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 Organization's internal control.

iii.) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Conclude on the appropriateness of the Board's 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 our auditor's report. However, future events or conditions may cause the organization 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.

Continued

SCOPE OF THE AUDIT

In line with our Terms of Reference we were specifically required to:

1. Examine the financial records, support documents and accounting procedures.
2. Review compliance with donor agreements, internal financial policies and statutory regulations.
3. Evaluate the adequacy and effectiveness of the Organization's internal control systems and make recommendations for improvement.
4. Verification of assets, liabilities, income, expenditure and bank reconciliations.
5. Identify and report any material misstatements, irregularities, fraud risks, or weaknesses in internal controls.
6. Evaluate implementation status of prior audit recommendations.
7. Preparation of an audit report and management letter highlighting key findings, risks and actionable recommendations.
8. Offer high level insights arising from audit findings e.g. risk, compliance, and financial enhancements, etc.

We communicate with those charged with governance regarding, among other matters, planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

REPORT ON OTHER LEGAL REQUIREMENTS

As required, 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 purposes of our audit;

ii.) In our opinion, proper books of account have been kept by the Organization, so far as appears from our examination of those books; and

iii.) The organization's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report was **CPA Amos Mwangi Maingi, Practicing Certificate No. P/1691.**

Nolands

Nolands Kenya
Certified Public Accountants
Thika Office: Ananas Mall 1st Floor, F31
Off Garissa Road
Nairobi Office: Golf course Phase 1, House No. 78
Off Ngobit Road
P.O. Box 70782-00400
Nairobi

NOLANDS KENYA
CERTIFIED PUBLIC ACCOUNTANTS
27 MAR 2026
P.O. BOX 70872 - 00400, NAIROBI

UNIQUE CODE: 58407260327

Date: 27 March, 2026

MACHEO CHILDREN'S ORGANIZATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2025

	Note	2025 Kshs	2024 Kshs
INCOME			
Revenue	1	178,010,407	176,210,671
Total Income		**178,010,407**	**176,210,671**
EXPENSES			
Programme expenses	2	177,933,300	176,449,590
Administrative Expenses	3	709,920	297,412
Other Operating Expenses	4	1,626,797	1,810,482
		180,270,017	**178,557,484**
Deficit		**(2,259,609)**	**(2,346,812)**

MACHEO CHILDREN'S ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2025

	Note	2025 Kshs	2024 Kshs
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	30,076,815	32,173,424
		30,076,815	32,173,424
CURRENT ASSETS			
Inventories	6	860,218	1,126,993.00
Trade and Other receivables	7	37,759	5,583,031
Cash and Bank balances	8	50,952,007	25,287,224
		51,849,984	31,997,248
TOTAL ASSETS		**81,926,799**	**64,170,672**
FUNDS AND LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	1,287,926	1,986,724
		1,287,926	1,986,724
FUNDS			
Property & Equipment/Capital Fund	11	30,076,815	32,173,424
Accumulated Fund	12	1,513,420	1,677,677
Restricted Funds	10	49,048,636	28,332,848
		80,638,872	62,183,948
TOTAL FUNDS AND LIABILITIES		**81,926,799**	**64,170,672**

The financial statements were approved and authorised for issue by the Board on **27 March, 2026** and were signed on their behalf by:

.....
Dirk-Jan Koeman
Treasurer

.....
Josephat Ngaira Musumba
Chairman

MACHEO CHILDREN'S ORGANIZATION
27 MAR 2026
P.O. Box 3443-01002,
MAADARAKA,THIKA,KENYA

MACHEO CHILDREN'S ORGANIZATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER, 2025

DETAILS	Capital Fund Kshs	General Acc. Fund Kshs	Funds Received in Advance Kshs	Total fund Kshs
At 1 January 2025	32,173,424	1,677,677	28,332,848	62,183,950
Surplus/(Deficit) for the year		(2,259,609)	-	(2,259,610)
Transfer to property & Equipment	163,000	(163,000)	-	-
Transfer from Property & Equipment	(1,626,797)	1,626,797	-	-
Transfer from Property & Equipment (Disp	(632,812)	632,812		
Prior year adjustments	-	(1,256)	-	(1,260)
Net change for the year	-	-	20,695,788	20,695,790
At 31 December 2025	**30,076,815**	**1,513,420**	**49,028,636**	**80,618,872**
At 1 January 2024	33,952,801	2,245,111	52,865,885	89,063,797
Surplus/(Deficit) for the year	-	(2,346,812)	-	(2,346,812)
Transfer to Property & Equipment Fund	31,104	(31,104)	-	-
Transfer from Property & Equipment Fund	(1,810,482)	1,810,482	-	-
Net change for the year	-	-	(24,533,038)	(24,533,038)
At 31 December 2024	**32,173,424**	**1,677,677**	**28,332,848**	**62,183,949**

MACHEO CHILDREN'S ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2025

	Note	2025 Kshs	2024 Kshs
Cash Flows from Operating Activities:			
Deficit for the year		(2,259,609)	(2,346,812)
Add: Depreciation	5	1,626,797	1,810,482
Add: loss on disposal		632,812	(1,854)
Adjustments		(1,256)	-
Operating Surplus/(Deficit) Before Working Capital Changes		(1,256)	(538,185)
Changes in Working Capital			
(Increase)/ Decrease in Inventory		266,776	(499,715)
Increase/ (Decrease) in Payables		(698,797)	303,803
(Increase)/ Decrease in Receivables		5,565,272	13,332,130
Net Cash Flows from Operating Activities		**5,131,995**	**12,598,033**
Cash Flows from Investing Activities:			
Acquisition of Property,Plant & Equipment		(163,000)	(32,250)
Proceeds on Disposal of Assets		-	3,000
Net Cash Flows from Investing Activities		**(163,000)**	**(29,250)**
Cash Flows from Financing Activities:			
Movement in restricted funds		20,695,788	(24,533,038)
Net Cash Flows from Financing Activities		**20,695,788**	**(24,533,038)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		25,664,783	(11,964,255)
Cash and Cash Equivalents at Start		25,287,224	37,251,479
Cash and Cash Equivalents at the end	8	**50,952,007**	**25,287,224**

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements are prepared in accordance with and comply with international Financial Reporting Standards. The Financial statements are prepared under the historical cost convention and are presented in the functional currency, Kenya Shillings (Ksh).

b) Revenue recognition

Income shall comprise funding from different donors, income from the social enterprises, grants, donations, bank iterest, investment returns and proceeds from fund raising initiatives and disposal of assets and shall include all those revenues due and receivable in the accounting period. Income shall be recognized in the financial statements in the year to which their assets relate.

Specific Grants

Grants received for specific purposes are recognised as revenue upon the fulfillment of donor-imposed conditions or restrictions attached to the grants as explained below:

(i) Funds on restricted grants are recognised when spent. Unspent funds are deferred and recorded as unexpended grants.

(ii) The excess of expenditure over receipts for restricted grants are recognised as revenue and included in the financial statements as grants receivable. Restricted grants received for which expenditure has not been incurred are included on the financial statements as unexpended grants.

General Grants

Non specific grants are recognised as income when received.

Donations in kind, such as furniture, fittings and equipment are recognised at their estimated market values on receipt and recorded as deferred income and is amortised over the respective life of the furniture, fittings and equipment.

c) Foreign currency transactions

Transactions, monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are converted into Kenya shillings at the prevailing rate of exchange ruling at that date. The resulting gain and /or losses from settlement of such transactions and translations are recognised on a net basis in the income account in the year in which they arise.

d) Taxation

No provision for corporate tax has been made in these financials. The Organisation qualifies for exemption from corporation tax in Kenya under paragraph 10 of the 1st Schedule to the Income Tax Act, Cap. 470 of the Laws of Kenya. The Organisation does not have a tax exemption Certificate but is in the process of acquiring one as required by the Kenya Revenue Authority.

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation.

Depreciation

No depreciation is provided on freehold land as it is deemed to have infinite life.
Bulidings are depreciated on straight line basis to write off the cost over the estimated useful life

Depreciation for all other assets is calculated on the reducing balance basis to write off the cost of the asset over the estimated useful life.

The annual rates currently in use are:

	Rates	
Land	Nil	
Buildings	2.5%	Straignt line
Computers and Electronics	30.0%	Reducing Balance
Motor vehicles	25.0%	Reducing Balance
Furniture and fittings / office equipment	12.5%	Reducing Balance
Utensils and Kitchen Equipments	12.5%	Reducing Balance

f) Receivables

Trade and Other receivables are stated at nominal value, less provision for any amount expected to be irrecoverable.

g) Payables and acrruals

Payables are stated at norminal value, less any amount not expected to be paid.

h) Cash and cash Equivalent

For the purposes of the cashflow statement cash and cash equivalents comprise cash in hand and cash at bank.

i) General Fund

The General Fund represents surplus and deficits carried forward from previous periods, including the surplus for the current period as per the Statement of Comprehensive Income.

j) Retirement Benefits Obligations

The Organization contributes to the statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute.

k) Comparatives

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

1 REVENUE	2025 Kshs	2024 Kshs
Child Care and Protection	38,750,422	43,306,693
Facilitate Emergency Family Support	2,235,307	1,384,797
School feeding	22,218,810	25,196,142
Facilitate Direct Individuals School Support	19,915,973	16,190,526
Physical health Support	21,760,509	19,340,637
Family economic empowerment	28,382,599	24,643,627
Mental Health Support	8,762,208	8,131,816
Assist teenage mothers	5,897,918	5,030,824
Pysical Living & Learning Conditions	8,059,579	11,773,356
Life skills training	9,429,829	7,161,524
Income Generating Projects	73,372	-
Projects	11,813,963	13,754,463
Administration	709,920	296,267
	178,010,407	**176,210,672**

2 PROGRAM EXPENSES		
Insurance	345,927	685,735
Clothing	154,490	430,657
Counseling	5,670,438	4,928,815
Sports & Activities	8,169,917	4,032,988
Medical	11,986,233	12,577,156
Rent	-	139,568
Security	-	40,311
Office Supplies and printing	54,973	60,111
Education	16,475,485	19,656,160
Seminars	2,360,596	1,950,089
Macheo Admin Costs	7,332,286	12,008,263
Economic Empowerment	14,483,763	9,380,516
Communication	1,612,109	1,392,831
Infrastructure	7,108,918	10,858,562
Child Family Support	1,300,306	1,529,077
Community work	8,708,076	7,455,352
Sanitary pads	-	45,840
Bank charges	-	185
Emergency Support	3,245,129	2,979,583
Personnel costs	54,587,065	52,000,355
Utilities	1,213,912	807,130
Food	10,852,252	10,913,380
Household	5,447,994	5,155,389
Professional Fees	68,699	782,468
Tax Charge	-	212,768
Repair and maintenance	1,541,431	1,049,791
Transportation	10,099,850	9,641,062
Cash Transfers (to schools &parents)	4,291,950	5,527,939
Stakeholders meeting	188,690	207,509
Loss on disposal of assets	632,812	-
	177,933,300	**176,449,590**

	2025	2024
3 ADMINISTRATIVE EXPENSES	**Kshs**	**Kshs**
Audit & Professional fees	712,390	884,750
Fundraising costs	200,598	507,630
Office costs	299,355	272,566
Communication	444,019	424,439
Personnel Costs	1,359,206	2,098,806
Insurance expense	179,909	164,756
Bank & Mpesa charges	725,972	932,542
M&E and other Subscriptions	2,388,113	1,728,202
Household utilities	496,998	304,585
Repair and maintainance	809,164	340,539
Transportation	426,481	455,712
Allocation to programs	(7,332,286)	(7,817,115)
	709,920	**297,412**
4 OTHER OPERATING EXPENSES		
Depreciation	**1,626,797**	1,810,482
	1,626,797	**1,810,482**

MACHEO CHILDREN'S ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2025

5

DETAILS	Land	Buildings	Computer & Electronics	Motor Vehicles	Furniture & Fitting	Utensils & Kitchen Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	0.00%	2.50%	30.00%	25.00%	12.50%	12.50%	
Cost:							
As at 1 Jan 2025	7,495,000	33,443,103	2,657,831	7,006,157	4,290,944	1,421,900	56,314,935
Additions	-	-	163,000	-	-	-	163,000
Disposal	-	-	-	(1,500,000)	-	-	(1,500,000)
As At 31 Dec 2025	**7,495,000**	**33,443,103**	**2,820,831**	**5,506,157**	**4,290,944**	**1,421,900**	**54,977,935**
Depreciation:							
As at 1 Jan 2025	-	12,187,964	2,208,637	5,123,759	3,306,657	1,314,494	24,141,511
Charge for the year	-	836,078	183,658	123,036	470,600	13,426	1,626,797
Disposal		-	-	(867,188)	-	-	(867,188)
As At 31 Dec 2025	**-**	**13,024,042**	**2,392,295**	**4,379,607**	**3,777,257**	**1,327,920**	**24,901,120**
NBV As At 31 Dec 2025	**7,495,000**	**20,419,061**	**428,536**	**1,126,550**	**513,688**	**93,980**	**30,076,815**

DETAILS	Land	Buildings	Computer & Electronics	Motor Vehicles	Furniture & Fitting	Utensils & Kitchen Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost:							
As at 1 Jan 2024	7,495,000	33,443,103	2,657,831	7,006,157	4,265,194	1,421,900	56,289,185
Additions	-	-	-	-	32,250	-	32,250
Disposal	-	-	-	-	(6,500)	-	(6,500)
As At 31 Dec 2024	**7,495,000**	**33,443,103**	**2,657,831**	**7,006,157**	**4,290,944**	**1,421,900**	**56,314,935**
Depreciation:							
As at 1 Jan 2024	-	11,351,887	2,016,125	4,496,293	3,172,928	1,299,150	22,336,384
Charge for the year	-	836,078	192,512	627,466	139,083	15,344	1,810,482
Disposal	-	-	-	-	(5,354)	-	(5,354)
As At 31 Dec 2024	**-**	**12,187,964**	**2,208,637**	**5,123,759**	**3,306,657**	**1,314,494**	**24,141,511**
NBV As At 31 Dec 2024	**7,495,000**	**21,255,139**	**449,194**	**1,882,398**	**984,287**	**107,406**	**32,173,424**

	2025 Kshs	2024 Kshs
6 INVENTORY		
Closing Stock (dry foods)	860,218	1,126,993
7 TRADE AND OTHER RECEIVABLES		
Debtors Outside Macheo	-	7,441
Donations	-	5,216,647
Cash with Employees	-	3,107
Prepaid expenses	12,759	175,346
Debtors Employees Macheo	25,000	180,490
	37,759	**5,583,031**
8 CASH AND CASH EQUIVALENTS		
Standard Chartered Bank - KES Account	33,753,697	24,399,147
Standard Chartered Bank - USD Account	2,895,450	8,700
Standard Chartered Bank - EURO Account	12,669,392	-
Rotary Account - KES Account	1	1
Petty Cash	10,007	2,209
Cash in M-pesa	911,485	866,944
M-pesa Bulk payment	711,975	10,223
	50,952,007	**25,287,224**
9 TRADE AND OTHER PAYABLES		
Macheo Employees	349,773	181,415
Creditors outside Macheo	732,761	81,757
Audit Fees	145,000	127,600
Statutory Payable	2	1,570,952
Accrued expenses	-	25,000
Cash to Employees	60,390	-
	1,287,926	**1,986,724**
10 RESTRICTED FUNDS		
Donations received in advance	49,048,636	28,280,812
Donations in progress	-	52,036
	49,048,636	**28,332,848**
11 PROPERTY AND EQUIPMENT FUND/CAPITAL FUND		
Balance brought forward	32,173,424	33,952,801
Transfer from Accumulated fund-additions	163,000	31,104
Transfer to Accumulated fund - depreciation	(1,626,797)	(1,810,482)
Trasfer to Accumulated fund (Disposal)	(632,812)	-
Balance Carried forward	**30,076,815**	**32,173,424**

Property and equipment fund represents funds invested in the Net book value of property and equipment and capital grants which not available for other uses.

	2025 Kshs	2024 Kshs
12 ACCUMULATED FUND/GENERAL FUND		
Balance brought forward	1,677,677	2,245,111
Prior year adjustment	(1,256)	-
Surplus/Deficit for the year	(2,259,609)	(2,346,812)
Transfer to property and equipment fund (additions)	(163,000)	(31,104)
Transfer from property and equipment fund (Disposal)	632,812	-
Transfer from property and equipment fund (Depreciation)	1,626,797	1,810,482
Balance carried forward	**1,513,420**	**1,677,677**

13 REGISTRATION

The organization is registered in Kenya under section 10 of the Non-Governmental Organizations Co-ordination Act Certificate No. OP.218/051/2005/0410/3824

14 NUMBER OF EMPLOYEES

The number of employees as at 31 December, 2025 were 122 (one hundrend twenty two), in comparision to 127 (one hundred and twenty seven) Employees as at 31 December 2024

MACHEO CHILDREN'S ORGANIZATION

ANNEX 1 TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2025

DETAILED INCOME STATEMENT PER INTERVENTION

	Child care & Protection Kshs	Facilitate Emergency Family Support Kshs	School feeding Kshs	Facilitate Direct Individual School Support Kshs	Physical Health support Kshs	Mental Health support Kshs	Family Economic Empowerment Kshs	Life Skills Training Kshs	Assist Teenage Mothers Kshs	Physical Living & learning Conditions Kshs	Projects Kshs	IGP Kshs	Area social-work cost Kshs	2025 Kshs	2024 Kshs
Donations from NL	38,577,306	2,232,307	14,038,979	19,402,504	20,861,009	8,761,908	28,256,509	9,429,829	5,897,918	7,635,852	10,875,325	-	-	165,969,446	156,080,514
Non-NL Donations	137,000	-	7,374,476	452,760	899,500	-	120,790	-	-	389,727	876,387	-	-	10,250,640	17,109,733
Local donations	36,116	3,000	7,585	60,708	-	300	5,300	-	-	34,000	62,251	73,372	-	282,632	1,220,568
Parents Contribution	-	-	797,770	-	-	-	-	-	-		-	-	-	797,770	932,725
Exchange gain/(loss)	-	-	-	-	-	-	-	-	-		-	-	-	-	570,865
Total Income	**38,750,422**	**2,235,307**	**22,218,810**	**19,915,973**	**21,760,509**	**8,762,208**	**28,382,599**	**9,429,829**	**5,897,918**	**8,059,579**	**11,813,963**	**73,372**	**-**	**177,300,487**	**175,914,405**
Expenses															
Insurance	115,323	218	45,280	23,916	39,719	40,400	48,446	13,392	12,042	7,191	-	-	-	345,927	685,735
Clothing	154,490	-	-	-	-	-	-	-	-		-	-	-	154,490	430,657
Counseling	300,092	-	-	-	8,000	5,362,346	-	-	-		-	-	-	5,670,438	4,928,815
Leisure & Activities	53,668	-	-	-	-	-	-	5,841,220	-		2,275,030	-	-	8,169,917	4,032,988
Medical	1,900,461	-	-	-	9,680,238	4,368	-	-	401,166		-	-	-	11,986,233	12,577,156
Rent	-	-	-	-	-	-	-	-	-		-	-	-	-	139,568
Security	-	-	-	-	-	-	-	-	-		-	-	-	-	40,311
Office Suppliers and Pr	31,770	-	913	1,537	456	4,000	3,661	2,673	275	618	8,510	-	560	54,973	60,111
Education	3,478,606	-	-	10,546,917	-	-	321,193	-	468,009		1,660,760	-		16,475,485	19,656,160
Seminars	599,380	-	-	110,233	40,382	-	616,644	622,534	69,661		301,762	-		2,360,596	1,950,089
Macheo Admin costs	1,766,279	22,725	1,026,525	825,609	960,116	366,349	1,298,875	153,929	329,404	191,477	390,997	-		7,332,286	12,008,263
School Activities	-	-	-	-	-	-	-	-	-		-	-		-	-
Economic Empowerme	-	-	-	-	-	-	-	-	-		-	-		14,483,763	9,380,516
Communication	259,840	1,666	93,513	108,230	158,834	199,308	13,605,153	-	291,026		587,584	-		1,612,109	1,392,831
Infrastructure	145,408	-	-	1,841,708	-	-	231,127	72,010	49,000	60,700	27,999	-	349,882	7,108,918	10,858,562
Child Family Support	1,300,306	-	-	-	-	-	-	-	-	1,610,668	3,511,135	-		1,300,306	1,529,077
M & E & other Subscription							-	-	-	-	-	-			
Community work	559,402	74,849	2,262,743	1,629,182	1,546,072	632,766	2,430,068	192,106	476,632	360,491	13,330	-	(1,469,565)	8,708,076	7,455,352
Sanitary pads	-	-	-	-	-	-	-	-	-	-	-	-		-	45,840
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-		-	185
Emergency Support	-	2,046,311	-	-	-	-	-	-	-	-	-	-		3,245,129	2,979,583
Personnel cost	20,692,345	52,868	5,815,715	4,175,396	7,598,457	846,855	1,198,818	-	-	-	-	-		54,587,065	52,000,355
Utilities	697,266	-	19,143	-	-	-	7,357,650	2,122,893	2,593,230	1,022,966	2,271,039	3,082	34,568	716,914	807,130
Food	2,942,231	-	6,930,344	-	629,409	-	-	-	-	-	-	505	-	10,852,252	10,913,380
Household	631,793	-	26,760	-	-	-	-	-	350,269	-	-	-	-	5,944,992	5,155,389
Profesional Fees	62,210	-	-	-	-	-	-	-	545,023	4,410,265	331,151	-	-	68,699	782,468
Tax Charge	-	-	-	-	-	-	-	-	-	-	3,959	2,530	-	-	212,768
Repair and maintenanc	643,427	-	641,270	-	1,087	-	-	-	-	-	-	-	-	1,541,431	1,049,791
Transportation	2,227,436	36,670	1,064,654	653,245	1,097,738	1,305,816	1,270,963	409,072	312,180	395,203	188,393	67,255	-	10,099,850	9,641,062
Cash transfer	-	-	4,291,950	-	-	-	-	-	-	-	242,316	-	1,084,555	4,291,950	5,527,939
Stakeholders meeting	188,690	-	-	-	-	-	-	-	-	-	-	-	-	188,690	207,509
Total Expenses	**38,750,422**	**2,235,307**	**22,218,810**	**19,915,973**	**21,760,509**	**8,762,208**	**28,382,599**	**9,429,829**	**5,897,918**	**8,059,579**	**11,813,963**	**73,372**	**-**	**177,300,488**	**176,449,590**
Surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	(0)	(1)	-	(1)	(535,185)

MACHEO CHILDREN'S ORGANIZATION
ANNEX 2 TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2025
DETAILED INCOME STATEMENT PER INTERVENTION

	2025 Kshs Administration	2024 Kshs Administration
Donations from NL	483,995	248,593
Non-NL Donations	-	11,713
Local donations	225,925	30,579
Income Generating projects	-	-
Gain on disposal	-	1,854
Exchange gain/(loss)	-	3,527
Total Income	**709,920**	**296,267**
Expenses		
Insurance	179,909	164,756
Office supplies and printing	299,355	272,466
Macheo admin costs	(7,332,286)	(7,817,115)
Communication	444,019	424,439
M & E and other subscription	2,388,113	1,728,202
Bank Charges	725,972	932,542
Personnel cost	1,359,206	2,098,806
Household	496,998	304,585
Professional fees	712,390	884,750
Fundraising cost	200,598	507,630
Repair and maintenance	809,164	340,539
Transportation	426,481	455,712
Total Expenses	**709,920**	**297,412**
Surplus/(deficit)	-	**(1,146)**