

Faraja Trust

Annual Report 2010



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FOREWORD

Dear Reader,

Once again I am privileged to present to you our annual report. I look upon this year 2010 as a true landmark in the history of Faraja. In January we celebrated ten years of our organization, a period of continuous growth in size, quality and commitment to our vision. Though Faraja is not Church-bound, it is deeply rooted in the Gospel values. As the founder and leader of it, I can only repeat what has been stressed over time again and again: our only reason to exist is to proclaim in word and deed the Good News, and as a consequence, to imbue with, or to restore, human dignity and self-respect to the people we serve and to empower them to take their lives into their own hands.

This year has been, more than ever, a time of transition in management from expatriates to Kenyan experts. For very long periods I, injured in an accident, have been absent from the scene and also, our Executive Director had to travel to Europe because his son had a serious motorbike accident.

Nonetheless, our programmes have continued to be run peacefully, successfully and effectively. Faraja has stood the ground and has proved that we take sustainability seriously. We have every reason to believe in the professionalism of our successors who have been with us for many years and are intent on preserving the legacy of the founder.

I wish to express my sincere gratitude to our management team who with great enthusiasm and commitment worked towards the progressing of our programmes; to our faithful co-operators in the field and to our Trustees who gave their time and expertise to Faraja. Most of all I wish to thank all our friends and partners overseas, both individual persons and organized groups of people, who with great generosity helped us not only financially, but, by believing in Faraja's objectives, gave us their spiritual and moral support. "Asante sana, tena sana" – thank you so very much! A Dieu, may the Lord himself reward you!



Fr. Peter Meienberg
Founder of Faraja Trust

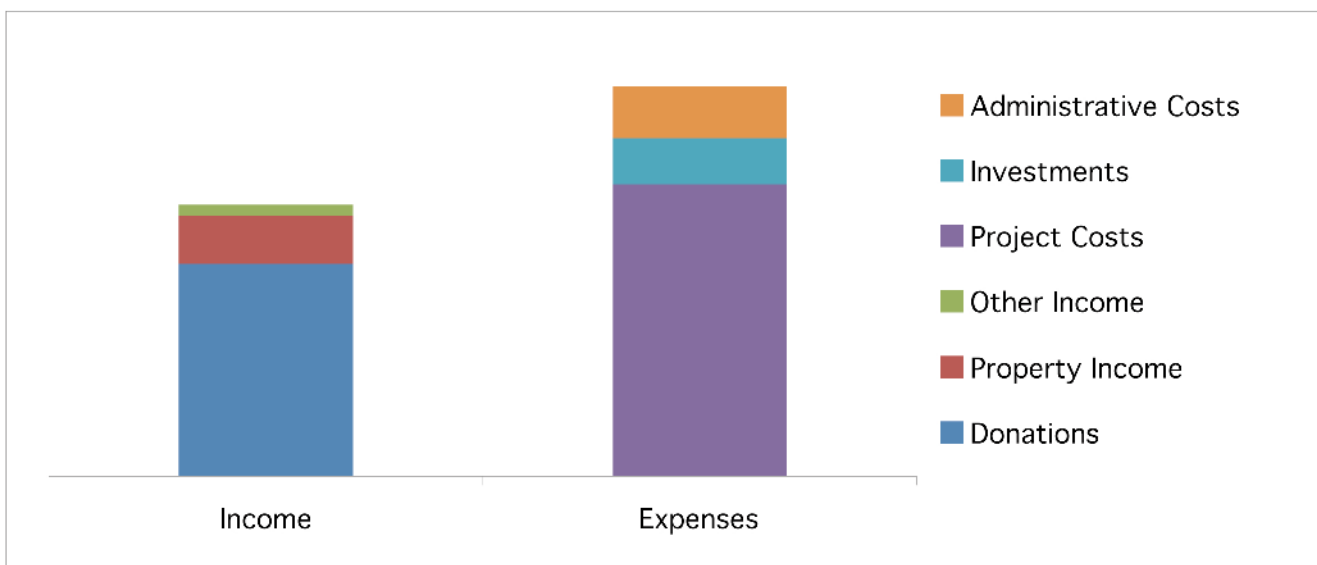
THE YEAR 2010 AT A GLANCE

Financial Key Figures

in KES

in CHF

Total Income	52'970'028	706'267
Total Project Costs	51'457'542	686'101
Total Administrative Costs	9'115'029	121'534
TOTAL NET PROFIT	-7'602'543	-101'367
TOTAL OPERATING INVESTMENTS	8'162'042	108'827
GRANTS AND RESERVES AT 31/12/2010	228'829'664	3'051'062



Administrative Cost in % of Income

17.2%

Number of Beneficiaries

Scholarships (Secondary & Post-Secondary)	250
Humanitarian Aid (average per month)	100
Small Business Support	21
Counselling (incl. Prisons)	192
Creative Skills Courses in Prisons	199
Entrepreneurship Trainings in Prisons	100
Staff Training Workshops Prisons	528
Group Therapy Sessions in Prisons	324
Apprentices Faraja Latia Farm	33
Short Courses Faraja Latia Farm (incl. ICT)	188
Water Tank Construction Latia Farm	60

Number of Employees

Full-Time Employees (as at 31.12.2010)	50
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Get together of Faraja-sponsored students



Applicants signing up for scholarships



Sale of goods manufactured at Langata Women's Prison



Participants of the art workshops at Nairobi Remand and Allocation Prison

SOCIAL AND HUMANITARIAN PROGRAMMES

The social and humanitarian programmes of Faraja include the Trust's prison work, its scholarships programme, refugee work, humanitarian aid activities as well as the provision of start-up support for small entrepreneurs. This last aspect has been one specific area of focus in the past year. More resources have been allocated to start-up support so as to help beneficiaries overcome dependence on external support. This is seen as a way of deepening the impact of Faraja's work not only in economic terms but also by the fact that self-reliance positively affects a person's self-confidence and sense of dignity.

Prison Work

Faraja's educational and occupational programmes in several prisons of Nairobi are designed to turn inmates' idle time into usefulness. Being able to do and learn something instead of being locked up all day reduces mental stress and hence the potential for violence. For many inmates, Faraja's programmes mean a ray of light in an otherwise depressing and hopeless situation. Acquiring skills that are useful for a future life outside prisons opens up a new perspective and gives prisoners a motivation for good behaviour.

Over the years, Faraja has established several programmes in different prisons of Nairobi. Some of them, like the computer courses or the trainings in agriculture and bakery, are now being run by the prisons themselves. Others are still offered through Faraja's own staff like the knitting and sewing courses at Langata Women's Prison or the art workshops at the men's Nairobi Remand Prison. Thereby, the art classes have become so popular that the project has been expanded to the remand section the Kamiti Maximum Security Prison – the largest prison in the country.

In 2010, Faraja has increased its focus towards young offenders. Following the establishment of two model

farms that are being used for training, one in the women's and one in the youth prison, Faraja has invited a group of ex-prisoners from the latter to Faraja Latia Farm for a follow-up course in agriculture. In addition to this, Faraja has offered trainings in entrepreneurship at the Kamiti Youth Correction and Training Center and another youth prison outside of Nairobi with the aim of equipping these young people with a comprehensive set of skills that adequately prepares them for a new life outside prisons – a life in self-reliance and responsibility. This very promising approach shall be complemented by the provision of start-up support in future and possibly, the courses in entrepreneurship will be expanded to other prisons.

Apart from these educational and occupational programmes, Faraja has also intensified its spiritual and psychological support to prison inmates. Programmes like professional counselling or group therapy sessions have been institutionalized. Such group therapy sessions have been offered in several prisons with the aim of helping inmates accept their situation and hence increase the chances of successful rehabilitation. The same applies to the individual counselling sessions which are being offered on a regular basis at Langata Women's Prison for inmates and at the Nairobi Remand Prison – for prison staff.

Working with prison staff members has become one of the strategic pillars of Faraja's work in penal institutions over the last few years. Again in 2010, workshops on topics like team work, self confidence, motivation, attitude towards work, customer service and the treatment of inmates have been organized. In order to broaden the impact of such workshops, the same have been opened up to officers from prisons outside of Nairobi. Also, Faraja has organized two workshops on human rights for both inmates and officers at the Langata Women's Prison and the Nairobi Remand Prison.

In terms of infrastructural aid to prisons, several long-term projects could be finalized in 2010. There has been the opening of new classrooms at the Nairobi West Prison and in Kamiti, the Maximum Security Prison's kitchen has been renovated with the help of Faraja. This is a major achievement towards the improvement of the hygienic conditions in Kenya's largest penal institution. Last but not least, Faraja has renovated the sanitary facilities for prison officers at Nairobi the Remand Prison – as a token to staff for their commitment to reforms and rehabilitation!

Scholarships

After Faraja has granted quite a number of extraordinary scholarships after post election violence in 2008, the number of sponsorships have now been reduced to a manageable level. In 2010, a total of 250 young people have been sponsored mostly in secondary school – a few very high performers even in post-secondary education. These students supported by Faraja are regularly visited by social workers both at home but also in school. In order to manage all these visits without compromising on the quality of personal assistance, Faraja has increased the number of social workers by one person at the beginning of the year 2010.

In April, all sponsored students have been called in to get together and further meetings have been held with parents and school representatives. Such meetings are being done with the principal aim of maintaining the contact with the students and their families but also with the clear intent to make it very clear to the parents of the students that they have not transferred their responsibilities for their children to Faraja simply because they are on a scholarship. For this reason, Faraja's is only financing 100 % of the education costs in cases of hardship. In normal situations, the parents however have to make a personal contribution.

Humanitarian Aid and Start-up Support

Over the years, more and more people have come to Faraja asking for support. Whereas the big majority of these people are genuinely needy, there are always those cases that don't qualify for support. For this reason, Faraja puts a lot of efforts in the assessment of the individual situation of each aid applicant by doing interviews, home visits and by asking for referral letters or references. Thereby, Faraja can build up on a long-term network with many other NGOs working in similar projects or areas.

The majority of people coming to Faraja will be assisted with short-term emergency aid (clothing, food and shelter) or medical support, which is being offered in collaboration with the German Doctors for the Third World. Nevertheless, there are persons who have been supported for a longer period of time and who have developed some level of dependency on aid. For such cases, Faraja has organized a three-day course in entrepreneurship in May 2010. Thereafter, some 20 participants of the same course have – with the support of Faraja's social workers – come up with a business plan, which they presented to Faraja. After a critical review, almost all proposals have been considered as viable and the applicants have received a start-up grant from Faraja.

Now, the former aid recipients have become able to manage their day to day life on their own. They have become small entrepreneurs selling second-hand clothes, making soap and beauty products or handicrafts. Their businesses are being regularly visited by Faraja's social workers who support them with guidance and entrepreneurial mentoring. Also, the social workers are regularly networking with other organizations doing business start-up support so as to continuously increase their capacity in this field.

FARAJA LATIA FARM

Our agricultural training center „Faraja Latia Farm“ has had an eventful 2010. In April, the long awaited rains came with such intensity that large portions of the farm have been flooded. The rains also caused some major repairs on the buildings and the drainage systems. Luckily, the two water reservoirs were strong enough to withstand the floods and at the beginning of the dry season, they were full of precious water! Apart from those almost dramatic happenings, the year 2010 has been a successful one for the Faraja Latia project:

Education

In May, the second group of trainees – 18 young men and women – graduated from the one year training course in entrepreneurial agriculture. Since then, all of them have either found employment or they have set-up their own farms. This is considered a major achievement in a country with as high levels of youth unemployment even under well educated young people as Kenya. Also, it confirms that Faraja’s approach of doing very practical trainings with a strong focus on entrepreneurial aspects is more suitable than a very academic education that lacks the practical aspects of work.

One very touching story is that of four graduates who have started their own businesses. Those four youngsters have requested Faraja to let them cultivate a small area of Latia Farm for one year with the intention to build up some capital for themselves. After that one year, the young entrepreneurs plan to invest this capital into their family’s farms at home. Faraja has agreed to their proposal and has helped the four graduates to draw up a full business plan for their venture. Thereafter, Faraja has allocated 0.5 acres to each of the young farmers on which they are now setting up the basis for their future existence.

Apart from the training of permanent students, there have been several field days and a number of short courses at Latia Farm. One very special occasion thereby was the training of some 20 former youth offenders, who came to Latia for a one week’s training in agriculture and entrepreneurship. One aspect that Faraja was very keen on during this training was that the participants could interact as much as possible with the trainees of Latia. This was seen as an active process of reintegration into society. Unfortunately, ex-convicts face a lot of stigmatization from the community. However, the trainees at Latia Farm could learn that ex-prisoners are not just criminals but youngsters with the same interest, problems, and joys like them. And for the ex-offenders, it was a way to see that there are opportunities to learn something that helps one setting-up a living.

In addition to agricultural trainings, Faraja Latia Farm is now also able to offer basic computer packages – after a fully-fledged computer lab complete with internet connectivity has been set-up. These courses are in high demand with the students and there is also a lot of interest from the local community. As from the year 2011, the computer courses are expected to take off fully.

Recognition of the Traineeship Courses

The integration of Faraja’s entrepreneurial trainings into the formal education system has taken another step in April 2010 when the newly established Diploma in Entrepreneurial Agriculture was approved and formally adopted by the Kenya National Examination Council. As a next step, this Diploma curriculum will now be converted into lower-level Certificate course, which will replace the current internal traineeship courses as from 2012 – if all goes well. This new course will take 1,5 years and by the end of it, the graduates will be awarded with a nationally reco-



Water tank built by Faraja Trust at a Maasai homestead



Beneficiaries of the Faraja outreach programme attending a training session



Faraja outreach officer visits a beneficiary of the project at her own farm



View of Faraja Latia Farm from the water storage tower

gnized Certificate. The advantage of this is quite evident: governmental recognition makes the training course a lot more attractive, especially for students who intend to go for further studies at a later stage.

The Outreach Project

In 2009, Faraja in collaboration with the Rotary Club Solothurn, Switzerland and Power For People, a joint CSR Programme of the Swiss companies SWG and EBL, started an outreach programme targeting 100 neighbouring small-scale farmers of Faraja Latia Farm. The main feature of this project, which was near completion by the end of 2010, was the construction of 100 concrete water tanks for these small farmers.

It was therefore important to make it very clear to the farmers that they will not just receive their water tank but that they are rather a premium for active commitment. To benefit from the project, the farmers had to prepare their roofs with rain gutters so as to make sure that the tanks will actually be filled with water during rainy season. Also, the farmers had to prepare the foundation for the tanks and provide hardcore for the same. Lastly, the beneficiaries had to prepare their fields for planting and give a plan stating the intended farming activity.

The selection criteria for the project participants were clear from the beginning. The beneficiaries had to be local small-scale farmers, who are struggling in their production due to the scarcity of water during dry season. The majority of participants are local Maasai women, who are traditionally at the center of food preparation, gardening but also the water management of their families. The water tanks have greatly strengthened their position within the community and have helped them to ensure the food security of their families.

Apart from the construction of water tanks, the project entails an educational component. Participating far-

mers are invited for a one week basic course in agriculture and another training in livestock health. One important aspect of these trainings has been the managing of water, which is the key challenge for small-holders in the semi-arid area of Kajiado District. Thereby, the teaching on cultivation and irrigation techniques has not only been done in the classrooms but also during practical sessions at Faraja Latia Farm and even during field visits to some of the participating farmers. The latter helped farmers to share their own experiences and learn from each other on a very practical basis.

All in all, the outreach project has been very successful. Even though Maasai are traditionally nomadic pastoralists, they have been very enthusiastic about agriculture and gardening. Participants have established their own small plantations, on which they are producing food for their own families in the first place. Thanks to the water tanks, they can now irrigate their crops also during dry season and some of the farmers have actually invested in a small drip irrigation kit. Whenever the production exceeds the needs of the family, the farmers are able to sell their produce on local markets which means an extra income for the family!

ACKNOWLEDGMENTS

Four eyes entrepreneurs,
P.o box 3302-00506,
Nairobi.

Faraja Trust,
P.o box 3302-00506,
Nairobi - Kenya.

Dear Sir,

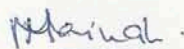
RE: APPRECIATION FOR SUPPORT

We enrolled for the Apprenticeship traineeship at Latia in 2009 sponsored by Faraja Trust. Our goal was to learn skills which we could later use to earn a living. After we completed our studies, we had no capital to invest in our farms back home. The four of us approached the then coordinator, Mr. Mathias Fettback for support. After several deliberations, the four eyes idea was developed. We were offered ½ acre of land each, water, inputs and upkeep support to cultivate. Our idea was that through farming we could raise enough capital and go back home to invest in our farms to prove the concept of entrepreneurial agriculture.

So far we have managed to produce for two seasons. We encountered several challenges in the first season the main one being market price fluctuation for the produce. In the second season we managed to produce and we didn't encounter many challenges as compared to the first season. We are now commencing with the third season. We are optimistic that we will achieve our goal hoping since we are now more conversant with the market forecast and well equipped with production skills. We have learnt much as far as entrepreneurial agriculture is concerned.

We therefore sincerely extend our appreciation to Faraja Trust management and sponsors for the inputs, grants and material support we have received from. God bless you all and Long Live Faraja!

Yours, faithfully,



Nickson Maina

For Four eyes entrepreneurs.

Teresa Magesa MUKOLWE,
 Phone No 0712-269654,
 ID No 1918950,
 16th April 2011.

Faraja Trust,
 Zanziba road south B,
 Nairobi Kenya.

RE: APPRECIATION LETTER

Dear Sir / Madam,

I would like to take this opportunity to thank Faraja Office. I, Teresa really appreciate for everything you have done for me. With the money you loan me, I managed to set up my own business of selling second hand clothes (Mitumba)

This business has helped me in solving many problems such as paying rent and buying food. I can't say the business has picked up completely - at least I get something out of it.

Lastly but not least, is to thank you very much for the loan. May God bless in abundance and give the heart to help others in situations similar to mine. God bless Father Peter and his office.

Yours in Christ
 Magesa.

OFFICE OF THE VICE PRESIDENT AND MINISTRY OF HOME AFFAIRS
KENYA PRISONS SERVICE

Telegrams: "PROV.PRISONS WESTERN"
Telephone: 056 – 30027 KAKAMEGA
When replying please quote;



PROVINCIAL PRISONS HEADQUARTERS
WESTERN PROVINCE
P.O. 793 – 50100
KAKAMEGA

Our Ref:PPCW/STF/6/VOL.XVI/189

DATE: 17th January, 2011

The Director
Faraja Trust
P O Box 3302-00506
NAIROBI

RE: TRAINING OF STAFF – WESTERN PROVINCE

I wish to take this opportunity to give a word of appreciation to you for partnering with Kenya Prisons Service in training prison officers in Western Province.

In deed it was a rare privilege for our officers to be trained through sponsorship by your organization considering that it was your first time to move out of Nairobi . I want to assure you that your decision to move out of Nairobi and in particular coming to Western was not in vain.

A total of 310 officers were trained from all the seven stations in the province from October to December 2010. I have been receiving feedback from officers in charge of stations in the province about a marked improvement in the work performance of the officers.

The following are some of the changes reported:-

- Reduced stress and hence improved efficiency.
- Reduced aggression towards prisoners.
- The officers are now handling clients, visitors and members of public with courtesy.
- Reduced cases of absentism and officers reporting for duties under the influence of alcohol.
- Better management of personal finances, time and other resources at the disposal of the officers.
- Improved communication and family relations.

Once again thank you for your kind gesture. I recommend that you consider conducting the training in other provinces also.

A.K.
A.K. MISIK, OGW (SACP)
PROVINCIAL PRISONS COMMANDER
WESTERN PROVINCE

C.C

The Commissioner of Prisons
Prisons Headquarters
P. O Box 30175
NAIROBI

ADMINISTRATION AND MANAGEMENT

Board of Trustees

The year 2010 has seen quite some change in Faraja's governing body, the Board of Trustees. After 10 years, Faraja's founder and spiritual leader, Fr. Peter Meienberg, has stepped down as the Chairman of the Board. This is not to say that he has retired – he is still a Trustee and also, he is fully involved in Faraja's but also his personal spiritual and humanitarian work – but, he has handed over his administrative responsibilities to a younger person. The new Chairman of Faraja Trust is Peter Muthee, a 35-year-old Kenyan citizen who has known Fr. Peter Meienberg for all his life. Peter Muthee is trained in agricultural and education and is currently working as a manager with Frigoken Kenya Ltd., an export company working with small farmers. The Board of Trustees is convinced that Peter Muthee is the right person to follow Fr. Peter Meienberg as the Chairman of Faraja and congratulates him to this new position.

In addition to this, the Board of Trustees has been extended to seven members. Based on a request of Fr. Peter's family, the Trustees have elected Fr. Peter's nephew, Christoph Meienberg, as a new Board Member. This will ensure that Fr. Peter's family is represented in the Board even in the long run. The second new Trustee is Fabian Waldmeier, Faraja's former Coordinator, who has continuously supported the Trust even after the expiration of his contract. Now, he will continue to do so as a full Member of the Board. The existing Trustees, Fr. Peter Meienberg, Njambi Kiritu, Urs Boehlen, Peter Muthee and Rudolf Senn welcome their new colleagues to the Board and are looking forward to a fruitful cooperation.

Organizational Structure

In the course of the year 2010, the strategy and organizational structure of Faraja Trust have been reviewed. Thereby, it became apparent that the continued

growth of the organization over the past few years and in specific, the coming into operation of the Faraja Latia Farm project, have brought the organizational capacity of Faraja Trust to a limit. As a consequence but also in order to deepen Faraja's commitment in the different areas of work, capacities have to be strengthened on a divisional level. Therefore, the Trustees have agreed to first and foremost give the Faraja Latia Farm project more autonomy by having its own management and financial resources. For this reason, the project shall – in the course of the year 2011 – actually be transformed into an autonomous legal entity which is, however, fully owned by Faraja Trust. This new entity will basically provide agricultural education and community development services and will trade under the name "Faraja Latia Resource Center".

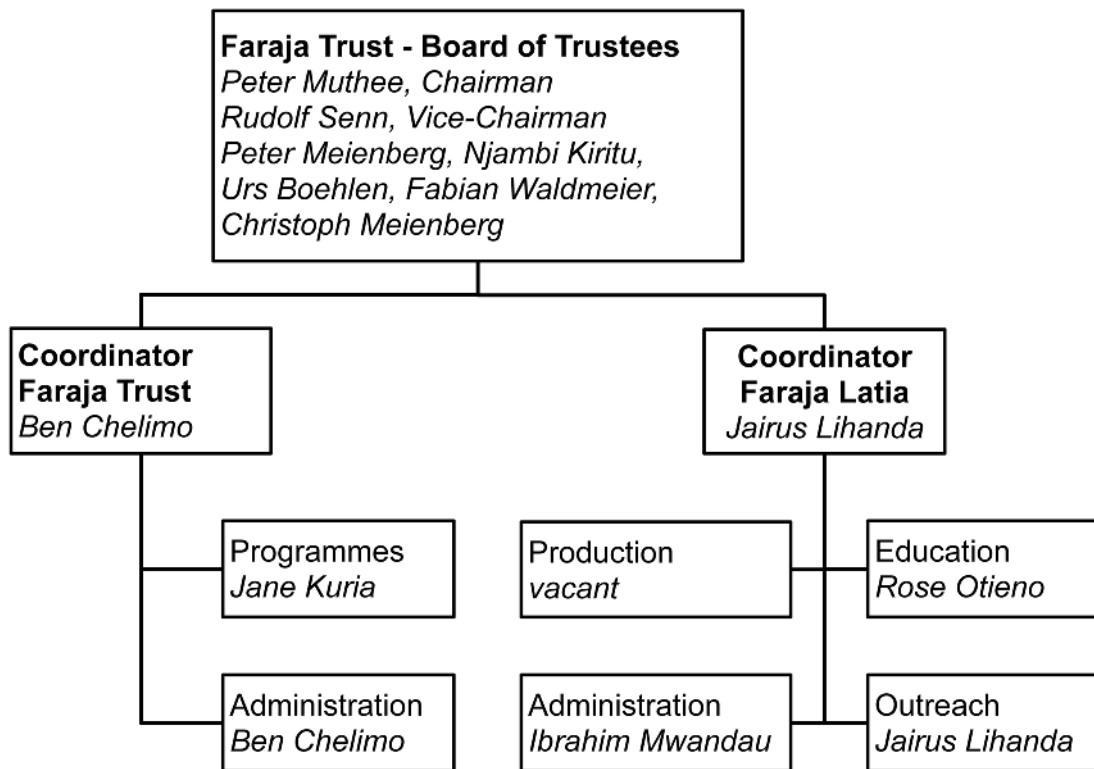
Management

In the management of Faraja Trust, there has also been a major change. While Matthias Fettback has managed the entire organization for the whole of 2010, he and Faraja have agreed not to continue their cooperation in the new structure. Therefore, Matthias Fettback has resigned from his duties by the end of the year 2010. Faraja wishes to thank Matthias Fettback for his valuable contribution in the past year towards the further development of the Faraja Latia Farm project but also the Trust's social programmes in and outside of prisons. His immediate successor in the overall coordination of Faraja Trust is Ben Chelimo, the current Head of Administration, whereas the management of the new Faraja Latia Resource Center has been entrusted to Jairus Lihanda who has been the Coordinator of the Community Outreach Programme. Both managers are Kenyan citizens, which means that the operating management of Faraja now lies entirely in the hands of local professionals.

Auditors

After having worked for five years with our auditors Mathenge & Associates, the Board of Trustees has deemed it a good procedure to change auditors after every five years. Therefore, Faraja has invited audit firms to submit their proposals and the Trustees then agreed to engage Erastus & Company for audit servi-

ces, which will be done semi-annually in future. The main reason to choose Erastus & Co. was their vast experience in auditing non-profit organizations which is their field of specialization. The Trustees are therefore convinced that in Erastus & Co., Faraja has a competent and credible partner to verify the proper use of the Trust's finances.



Faraja Trust Organization Chart as per 31st December 2010

FINANCIAL REPORT

Accounts 2010

Financially, the year 2010 has been a bit challenging. In specific, the project costs for the Faraja Latia Resource Center project have put serious pressure on the overall finances of the Trust. On the side of income, the drop in both donations but also property income could be partly compensated by an extraordinary gain on the disposal of properties and related other income, which results from the liquidation of a medium-term investment, that went on over the past two years.

The considerable drop in donations income is owed to the fact that in 2009, many donations were on one side specific to certain investment projects and on the other side, some of these donations were actually meant for project costs incurred in 2010. The drop in property income is due to several factors the most important being the renovation works that were carried out in 2010 as well as a provision for an impairment of a disputed title for undeveloped land. Apart from that, the results were negatively affected by a drop in the occupancy rate as well as by increased operating costs especially on utilities but also because of increased staff costs.

The reduction in both expenses for prisons and welfare & scholarships have a lot to do with the long absence of Fr. Peter Meienberg in the second half of the year 2010. The main effect of that absence was that there were fewer projects going on in prisons. Apart from that, the reduction in costs – especially on scholarships – is a result of a slight re-focusing of the programmes activities as outlined earlier in this report: there were fewer students for scholarships and humanitarian aid beneficiaries were supported for a shorter time.

The main driver behind the increased costs for the Faraja Latia Resource Center project was the outreach project, which supported 100 neighbouring farmers by setting- up water tanks and providing agricultural

training. Another factor was the number of permanent students, which increased by 50 %. However, the project also faced some unforeseen challenges. There were major floods early in the year, which affected both the farming results but also the repairs and maintenance costs in a negative way. Furthermore, the farm was facing increased competition which resulted in a price drop for some of the most important cash crops.

Whereas the administrative costs stayed more or less at the level of the year 2009, the operating investments went down by almost 50 %. The main reason behind this development is that the Faraja Latia Resource Center project is near completion. In 2010, there was namely one investment into a computer lab at the Latia College and another one into more elaborate storage facilities. In addition to this, there were some minor investments into curtains, linen and bed sheets at Tipuana apartments. The financial investments, which are actually a de-vestment, represent the liquidation of a medium-term asset as mentioned above.

In the balance sheet, the extremely high cash and cash equivalents reflected a special grant of 55 Mio. KSH. The condition of this grant was that the equivalent of the same must be accumulated in a special account to be used for future investments into income generating projects. This accumulation of funds has been completed in 2010.

The value of the non-current assets is also quite substantial. This reflects the sustainability of Faraja's projects. On one side, there has been considerable spending for the set-up of the agricultural training institute Faraja Latia Farm. On the other side, there are the investments into income-generating activities. Both elements are meant to ensure the long-term running and financing of the Trust's charitable projects. What is important is the fact that none of these investments were done on externally borrowed funds.

AUDIT REPORT

**REPORT OF THE INDEPENDENT AUDITOR
FARAJA TRUST
YEAR ENDED 31 DECEMBER, 2010**

Report on the Financial Statements

We have audited the accompanying financial statements set out on pages 6 to 17 of Faraja Trust which comprise the statement of financial position as at 31 December, 2010 and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

Responsibility for the Financial Statements

As stated on page 3, the Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor


Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, proper books of account have been kept and the accompanying financial statements, give a true and fair view of the financial position of Faraja Trust as at 31 December, 2010 and of its financial performance and its cash flows for the year then ended in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards.


ERASTUS & Co.
Certified Public Accountants
Erastus K. Omolo



Nairobi 3/10, 2011

BANK DETAILS

Faraja Trust, Nairobi

CBA (Commercial Bank of Africa), Westlands Branch, Account No. 6431220025

Faraja Trust, Gönnerverein (Support Group), Switzerland

Credit Suisse, Solothurn, Account No. 0544-44213-11 (CHF) or Account No. 0544-44213-12 (EUR)

Faraja Trust

P. O. Box 3302, 00506 Nairobi, Kenya | +254 (0)20 550 793 | info@faraja.net | www.faraja.net

Gönnerverein der Faraja-Stiftung

Mattenhof 6, 4535 Kammersrohr, Schweiz | info@faraja.ch | www.faraja.ch