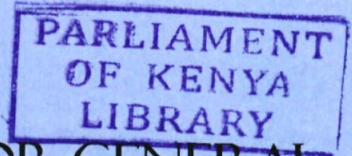
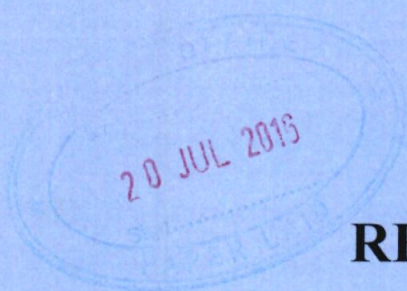


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*Paper laid by the
Majority Whip on
20/7/2016 (pm) [Signature]*

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA INVESTMENT AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE 2015**



KENYA INVESTMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015**

**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

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I. KEY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Investment Authority (KenInvest) is a statutory body established in 2004 through an Act of Parliament (Investment Promotion Act No. 6 of 2004) and mandated to promote and facilitate both domestic and foreign investments in Kenya.

(b) Principal Activities

The Authority is responsible for facilitating the implementation of new investment projects, providing after care services for new and existing investments, as well as organizing investment promotion activities both locally and internationally.

(c) Key Management

The Authority's day to day management is under the following key departments:

- i. Investment Promotion
- ii. Investor Services
- iii. Research, Policy Advocacy and Planning
- iv. Legal and Corporate Affairs
- v. Finance and Administration

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Managing Director	Moses Ikiara, PhD, MBS
2.	General Manager-Investor Services	Mwalimu Musee
3.	Ag. General Manager-Investment Promotion	Pius Rotich
4.	Ag. General Manager-Research, Policy Advocacy & Planning	Robert Bwire
5.	Ag. General Manager-Finance and Administration	Donna Atieno

(e) Fiduciary Oversight Arrangements

The Authority has put in place key fiduciary oversight arrangements covering:

- Board Committees i.e. Audit & Governance Committee; Finance, Human Resources & Administration Committee; Strategy & Investment Committee.
- Internal Audit.
- Transparency and Accountability Governance Structures.

(f) Kenya Investment Authority Contacts

Kenya Investment Authority (Headquarters)
Kenya Railways Block D, 4th Floor
P. O. Box 55704 - 00200 Nairobi
Tel: (254) (730) 104200
Email: info@investmentkenya.com
Website: www.investmentkenya.com

Branches

Regional Office, Kisumu
Jubilee House, 1st Floor, Angawa Avenue
P. O. Box 1458-40100 Kisumu
Tel: 057-2020746, Wireless: 020-2393923
Fax: 057-2021040
E-mail: ksm@investmentkenya.com

Regional Office, Mombasa
Mombasa Trade Center
6th Floor, South Tower
Tel: 041-2013554/5, Wireless: 020-2121100
E-mail: msa@investmentkenya.com

Regional Office, Eldoret
National Bank Building
2nd Floor, Oloo Street
P. O. Box 4638- 30100 Eldoret
Tel: 053-2060746, 2060774, 2060793
E-mail: eld@investmentkenya.com

(g) Kenya Investment Authority Bankers

Co-operative Bank of Kenya,
Parliament Road Branch, Nairobi
Nairobi, Kenya

(h) Independent Auditors




Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi, Kenya

II. THE BOARD OF DIRECTORS

DIRECTOR	DIRECTOR PROFILE
<p>1. Mrs. Ann Wangari Kirima - Muchoki – Chairperson</p>  <ul style="list-style-type: none"> • MBA (Masters in Business Administration) • BA (Hons) Politics & Economics • MSc Commercial Property Management • ARICS (Associate Member of the Royal Institute of Chartered Surveyors) • Registered Estate Agent. 	<p>Date of Birth: 24th February, 1968</p> <p>2013- to date: Chairperson 2009 – to date: Director, KCB Rwanda 2010 – to date: Director, Migaa 2012 – to date: Director, Mambui Golf Resort 2004 – to date: Director, Added Value Group Ltd 2000 – to date: Director, A Chartered Touch 1994 - 2000: Managing Director, Regent Management Ltd</p>
<p>2. Dr. Gachao Kiuna – Board Member</p>  <ul style="list-style-type: none"> • PhD in Biotechnology • BSC degree (Hons) 	<p>Date of Birth: 22nd December, 1977</p> <p>CEO of Trans-Century Group</p> <p>Previously worked as:</p> <ul style="list-style-type: none"> • Associate Principal in McKinsey's Sub-Saharan Africa office • Engagement Manager from McKinsey that led the development of the Vision 2030 strategy together with the Government of Kenya, private sector, local and international agencies and many other key stakeholders in the Country
<p>3. Judith Wanjiku Kibaki, MBS, EBS, CBS – Board Member</p>  <ul style="list-style-type: none"> • B.Sc (Economics) 	<p>Date of Birth: 11th June, 1962</p> <p>Jan 1998 to date: Marketing Consultant – Alpha Dimensions</p> <p>2003- 2011 Vice Chair – Street Families Rehabilitation Trust Fund</p> <p>2012 – 2015 – Board Member – Brand Kenya Board</p> <p>2006-2012 Board Member – Export Promotion Council</p> <p>April 1994 – Nov 1997 – Manager, Research Division – MCL Saatchi & Saatchi</p>

DIRECTOR	DIRECTOR PROFILE
<p>4. Sanda Ojiambo – Board Member</p>  <ul style="list-style-type: none"> • M.A. Public Policy and Development Economics • B.A. Economics and International Development 	<p>Date of Birth: 15th September, 1972</p> <p>Policy Analyst and Economist by training.</p> <p>Currently works as Head of Corporate Responsibility at Safaricom</p> <p>Has 12 years' experience in Development issues in various sectors.</p>
<p>5. Esther Bungei – Board Member</p>  <ul style="list-style-type: none"> • B. Ed – University of Nairobi • Leadership Courses – K.I.E, T.S.C, G.I. Admis 	<p>Date of Birth: 3rd October, 1953</p> <p>Chairperson - Aldai Technical Institute</p> <p>Member of locational and SubCounty Development Committee, Aldai Girls Boarding and Kapoleo High School, Savani Secondary School and St. PAuul Theological College.</p> <p>Treasurer St. Stephen's ACK Ibanja Parish</p> <p>County Taskforce on Agri. Institutions - Nandi</p>
<p>6. Peter Njoka - Board Member</p>  <ul style="list-style-type: none"> • Bachelor of Science (Hons.) <p>1999: Private Equity Course, Module 1- Deal Structuring</p> <p>2000: Private Equity Course, Module 2 - Negotiation Techniques</p> <p>2000: Anti-Money Laundering Workshop</p> <p>2000: Private Equity Course, Module 3- Legal Documentation and Portfolio Management.</p>	<p>Date of Birth: 16th June, 1970</p> <p>January 2006- Present: Managing Director - The Abraaj Group (Aureos Kenya Managers Ltd.)</p> <p>April 1999- December 2005: Associate - Corporate Capital Advisors Ltd.</p> <p>February 1997- March 1999: Financial Analyst/Account Executive</p>

DIRECTOR	DIRECTOR PROFILE
<p>7. Taib. A. Taib - Board Member</p>  <ul style="list-style-type: none"> • Advocate of the High Court of Kenya • University of Nairobi- Bachelor of Laws (LLB), Dip. Law, Law, Honors • Nairobi School - Economics, History & English Literature 	<p>January 1993 to date - Managing Partner - Taib A Taib, Advocates</p> <p>March 1993 – June 1996 - Mayor of Mombasa - City of Mombasa</p> <p>January 1989 – December 1992 Partner - Marende, Taib & Company, Advocates</p>
<p>8. Principal Secretary, Ministry of Devolution & Planning (Alternate Member - Mr. Alfred K. M. Diru)</p>  <ul style="list-style-type: none"> • Master of Business Administration (International Business Management) • Bachelor of Commerce Degree, Finance • Diploma in Animal Husbandry 	<p>Date of Birth</p> <p>July 2013- to Date - Senior Finance Officer and Personal Assistant to the PS, Ministry of Devolution and Planning (State department for Planning)</p> <p>Aug 2010 to March 2013 - Personal Assistant to the Minister, Ministry of Youth Affairs and Sports</p> <p>June 2008 to August 2010 - Personal Assistant to the Minister, Ministry of Fisheries Development.</p> <p>March 2008- June 2008: Deputy District Livestock Production Officer</p> <p>Member, Audit and Governance Committee</p>
<p>9. Principal Secretary, Ministry of Industrialization & Enterprise Development (Alternate Member – Mr. Reuben Rotich)</p>  <ul style="list-style-type: none"> • MA -Public Administration and Development 	<p>Date of Birth - 28th March 1955</p> <p>1985 -2003 Public Administration</p> <p>2003 to date Ministry of Industrialization and Enterprise Development</p> <p>Member, Strategy and Investments Committee</p>

DIRECTOR	DIRECTOR PROFILE
<p>10. Principal Secretary, Ministry of East African Affairs, Commerce & Tourism (Alternate Member- Mrs. Margaret Byama)</p>  <ul style="list-style-type: none"> • Bachelor of Arts Degree from University of Nairobi • Certificate in Public Financial Management from Manchester University. 	<p>Date of Birth: 9th September, 1955</p> <p>Director on the Board of Centum Investment Company Limited and its subsidiaries since January 2009</p> <p>Chief Finance Officer in the Ministry of Trade with over 20 years' experience in public financial management.</p> <p>Chairperson of the Wildlife Clubs of Kenya and was the immediate former Chief Executive Officer of the National Humanitarian Fund for IDP's.</p> <p>Member, Finance Human Resource and Administration Committee</p>
<p>11. Principal Secretary, Ministry of Devolution & Planning (Alternate Member - Ms. Esther Nyaosi)</p>  <ul style="list-style-type: none"> • Master of Public Policy (Japan - GRIPS) • Bachelor of Arts, Second Class (Hons.), Upper Division) in Economics (UoN) 	<p>Date of Birth: 20th November, 1971</p> <p>March, 2015- Current, Senior Economist: Ministry of Devolution and Planning, (State Department of Devolution)</p> <p>14th Dec. 2014 - Feb. 2015: Economist 1: Ministry of Devolution and Planning, Enabler's and MDGs Unit</p> <p>14th November, 2011-13th Nov. 2013: Health Economist Fellow at the University of Nairobi Institute of Tropical and Infectious Diseases (UNITID)</p> <p>Member, Strategy and Investments Committee</p>
<p>12. Principal Secretary, National Treasury (Alternate Member - Mr. Wanyambura Mwambia)</p>  <ul style="list-style-type: none"> • Master of Arts (Development Economics) 	<p>Date of Birth: 10th January, 1956</p> <p>2010 to date: Deputy Director Economic Affairs National Treasury</p> <p>Chairman, Finance Human Resource and Administration Committee</p>

DIRECTOR	DIRECTOR PROFILE
<p>13. Principal Secretary, Ministry of Lands, Housing and Urban Development (Alternate Member- Mr. Augustine Masinde, EBS, MBS)</p>  <ul style="list-style-type: none"> • Master of Arts (Urban and Regional Planning) • Corporate Member of both the Kenya Institute of Planners and Architectural Association of Kenya(Town Planners Chapter) • Member of the International Society for City and Regional Planners (ISOCARP). • Registered Physical Planner 	<p>Date of Birth - 1962</p> <p>Chief Government Adviser on Physical Planning</p> <p>Chairman of the Physical Planners Registration Board</p> <p>National Director of Physical Planning</p> <p>Chairman, Audit and Governance Committee</p>
<p>14. Principal Secretary, Ministry of Devolution & Planning (Alternate Member – Mr. Moturi P. Asati)</p>  <ul style="list-style-type: none"> • BA Architecture (hons) University of Nairobi • Student of Master in science in Disaster Preparedness and Management 	<p>DOB - 5th July 1956</p> <p>Member of the steering committee of the collapsing houses in Nairobi.</p> <p>Member, Strategy and Investments Committee</p>
<p>15. Principal Secretary, Office of the President (Alternate Member- Mr. William K. Mahinda)</p>  <ul style="list-style-type: none"> • Master of Arts (Economics) • B.A (Economics) 	<p>Date of Birth: - 22nd May 1960</p> <p>2005 to date – Secretary/ Policy Cabinet office.</p> <p>Director Commission of Higher Education, KIPPRA, KenInvest, LAPPSET</p> <p>2001-2005 – Provincial Coordinator – NACC</p> <p>1997 – 2001 Provincial Plan Office.</p> <p>Member, Finance Human Resource and Administration Committee</p>

DIRECTOR	DIRECTOR PROFILE
<p>16. Mr. Fanuel Kidenda– Chief Executive, Export Processing Zones Authority (EPZA)</p>  <ul style="list-style-type: none"> • MBA (Strategic Management) • B. Com (Marketing) • Computer Programming 	<p>Date of Birth - 8th April 1974</p> <p>2015 – Chief Executive Officer, EPZA</p> <p>2013 – 2015 General Manager, Operations and Investor Support, EPZA</p> <p>2013 – Resource Mobilization Manager/ Personal Assistant to CEO</p> <p>2001 – 2012 Promotions Executive, EPZA</p> <p>Member, Audit and Governance Committee</p>
<p>17. Ms. Ruth Mwaniki - Chief Executive, Export Promotion Council (EPC)</p>  <ul style="list-style-type: none"> • MPPA and LLB • Development Lawyers Course (International Development Law Institute, Rome) • Academy of American and International law (International and Comparative Law Centre, Texas) • Diploma in Law (Kenya School of Law) 	<p>Date of Birth - 1966</p> <p>Chief Executive Officer, Export Promotion Council</p> <p>Managing Director/Company Secretary, KPCU</p> <p>Senior Legal Officer, Kenya Posts & Telecommunications Corporation</p> <p>Legal Officer, National Housing Corporation</p> <p>Member, Finance Human Resource and Administration Committee</p>
<p>18. Dr. Moses Ikiara - Managing Director, Kenya Investment Authority</p>  <ul style="list-style-type: none"> • PhD (Environmental and Natural Resource Economics) • Master of Arts (Economics) • B. Sc (Agriculture) 	<p>Date of Birth: - 3rd September, 1965</p> <p>2013 to date - Managing Director, KenInvest</p> <p>2006 – 2012 - Executive Director, (KIPPRA)</p> <p>2005 – 2006 - Ag. Executive Director, KIPPRA</p> <p>2003 – 2005- Senior Analyst & Programme Coordinator, KIPPRA</p> <p>2000 – 2003-Policy Analyst, KIPPRA</p>

III. MANAGEMENT TEAM

1. Dr. Moses Ikiara



- PhD (Environmental and Natural Resource Economics)
- Master of Arts (Economics)
- Bachelor of Science (Agriculture)

Managing Director

2. Mwalimu Musee



- Bachelor of Arts (3.1.1)(Economics)

General Manager, Investor Services

3. Pius Rotich



- Master of Business Administration (International Marketing)
- Bachelor of Education
- Marketing Society of Kenya (MSK) member

Ag. General Manager-Investment Promotion

4. Robert Bwire



- Master of Industrial Relations and Personnel Management
- B. Com (Accounting)
- Member of Institute of Economic Affairs
- Diploma in PC Programming

Ag. General Manager- Research, Policy Advocacy and Planning

5. Donna Atieno



- Master of Business Administration (Finance)
- Certified Public Accountant of Kenya
- Bachelor of Business Management (Accounting)
- Institute of Certified Public Accountants of Kenya (ICPAK) member

Ag. General Manager, Finance and Administration.

IV. CHAIRPERSON'S STATEMENT

On behalf of the KenInvest Board of Directors, I am pleased to present to you KenInvest's annual report for the financial year 2014-2015. We have made significant progress during the year, as reflected in our improved performance contracting (PC) 2014/15 evaluation score of 2.15, which is a rating of very good.

During the review period, the Authority experienced significant challenges. The proposed merger of state corporations including KenInvest, contributed to high staff turnover as a result of apprehension and uncertainty. In addition, the Authority did not receive any development funds from the exchequer to support implementation of her core activities in the review period. However, the positive side Management through the effective stewardship of the Managing Director, Dr. Moses Ikiara managed to deliver on key activities through partnership and ad hoc grants stakeholders such as development partners, ministries, agencies and departments (MDAs) of government.

In spite of the challenges, the Authority continued to focus on promotion and facilitation of both local and foreign investments. I wish to thank the management for up scaling cooperation and partnership with all relevant stakeholders; and in particular, county governments as most investment opportunities are domiciled in counties. I wish to point out as well that, KenInvest received good publicity during the inaugural Kenya International Investment Conference (KIICO) held in November, 2014. I look forward to even a greater and more impactful KIICO 2015.

KenInvest is committed to achieving her strategic objectives as spelt out in the strategic plan 2013-17. I note with appreciation that in spite of the uncertainties pointed out earlier, the Authority managed to attract new investments worth over KShs 191 billion thereby exceeding the set target of KShs 160 billion for the year.

Under my leadership, the Board will in the coming days commit to address itself to organisational needs that require intervention to make the agency more competitive and an enviable place to work in.

My message to fellow Board members and KenInvest staff is to remain committed to the execution of our mandate of promoting and facilitating investments in Kenya, in order to propel this country towards new heights of socio-economic development under Kenya Vision 2030.



Mrs. Anne W. Kirima-Muchoki

**CHAIRPERSON,
BOARD OF DIRECTORS**

V. REPORT OF THE MANAGING DIRECTOR

The Kenya Investment Authority strategic plan 2013- 2017 overarching vision is to make Kenya a global leader in investment attraction and retention. The Authority's strategic focus is to be a key player in the realization of Kenya's Vision 2030, by ensuring strategic partnership and cooperation with national and county governments; as well as other relevant stakeholders. The key strategic areas of focus include:

1. Investment generation and Investor Focus
2. Influence
3. Investment climate
4. Institutional Strengthening & Capacity Development.
5. Partnership & Collaboration

Performance Overview

The implementation of the 2014/15 Work Plan and Performance Contract (PC) went on very well. The Authority was evaluated as having achieved very good results in spite of lack of funds to implement major programmes and activities.

Investment Generation

In the FY 2014/15; the second year of implementation of the Strategic Plan (SP), the Authority registered projects worth KShs 191.2 billion both new investment and re-investment. This exceeded the annual target of KShs 160 billion. Of the total KShs 178.8 billion was FDI. The new investments created employment opportunities to over 11,000 Kenyans.

China, United Kingdom, United States, India, South Korea and South Africa were the six main sources of FDI in that order. The leading sectors in receiving the investment in the period under review were construction, service, energy and manufacturing. Two of the largest investments, both in the Construction sector, brought in KShs 17.8 billion and KShs 12.5 billion respectively.

One Stop Centre (OSC)

KenInvest has continued implementing the OSC. Currently, there are officers from National Environment Management Authority (NEMA), Kenya Power and Immigration department attached to KenInvest. During the year new premises and funding for establishment of the state of the art OSC were secured.

Investment Promotion

As part of continued effort to encourage more investors to choose Kenya, the Authority organised/ participated in Investment promotion forums and missions to present opportunities to investors. The key among the many forums was organising the inaugural Kenya International Investment Conference

(KIICO) held from 19th – 21st November, 2014. The KIICO attracted more than 1,400 investors from 17 different countries. Other forums were;

- US-Africa leaders and business forums in the United States, Washington DC in the month of August 2014;
- The Kenya Nigeria agribusiness forum in Nairobi;
- The China International Fair on Trade and Investment in the month of September, 2014;
- The African Investment Promotion Forum (AIPF) in Japan; and
- The Diaspora Investment conference, in March 2015.

Incoming Investor Delegations

During the review period, KenInvest facilitated high profile incoming investor delegations seeking business and investment opportunities in Kenya. These included delegations from the EU and Japan in infrastructure sector, Germany in Food processing and packaging and South Africa in Manufacturing.

Enhancing Regional Integration

The Authority was involved in key regional integration activities in COMESA and EAC that support the growth of trade and investment. Of importance is to note that KenInvest received funding from COMESA through the National Treasury amounting to KShs 12.8 million to support activities and programmes that contribute in deepening trade and investment in the region.

Enhancing Devolution

The Authority continued to participate in the devolution process through various initiatives and partnerships. KenInvest participated in the Kenya Urbanization Review (KUR) project on analysis of County competitiveness. The Authority continued to support counties in not only organising County investment conferences but also speaking roles. The Authority supported Busia, Nandi, Kericho, Meru and Kwale counties.

Investor Facilitation

The Authority undertook post-establishment services to investors where a total of 295 projects were offered aftercare services through visits, email and telephone. The major policy and/or administrative issues raised were escalated to the relevant Ministries, Departments and Agencies (MDAs) for intervention. KenInvest partnered with UNCTAD on an Investment Facilitation Project (IFP) dubbed e-regulations platform. The project is ongoing and is expected to be completed by June, 2016. Once finalized, it will enhance and expand KenInvest capacity to provide online support services for investors. The platform will provide step by step guide on investment related procedures and strengthen investment opportunities databases.

Challenges

Some of the obstacles that stood in the way of better performance for the Authority, and which continue to pose challenges in the new financial year include:

- i. HR challenges such as high staff turnover, inadequate staff establishment, lack of training and capacity building opportunities due to low funding, rigidity in structures, and uncertainty associated with parastatal reforms;
- ii. Information gaps and capacity constraints such as challenges in capturing and processing data. This is proposed for improvement through knowledge assembly and management system as well as staff training.
- iii. Low budgetary allocation by the exchequer and weak internal capacity to fundraise.

Nevertheless, our Parent Ministry (Ministry of East African Affairs, Commerce and Tourism) has been very supportive; and on a number of occasions injected funding for key activities.

We also look forward to the continued support by stakeholders as we implement our mandate of attracting and facilitating investments in Kenya; and pursue contribution in the implementation of Kenya Vision 2030.



Dr. Moses Ikiara, PhD, MBS
Managing Director

VI. CORPORATE GOVERNANCE STATEMENT

Introduction

KenInvest has adopted high standards and applies strict of conduct, based on the best corporate practices and the Mwongozo code. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles:

- i. To observe high standard of ethical and moral behaviour;
- ii. To act in the best interests of the organization;
- iii. To remunerate and promote fairly and responsibly;
- iv. To recognize the legitimate interests of all stakeholders; and
- v. To ensure that the organization acts as good corporate citizen.

In general, Board members act in the best interest of the organization and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the organization over other interests. They act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency.

In line with Section 13 of the Leadership and Integrity Act No. 19 of 2012 of the Laws of Kenya, the Board of Directors respect the values, principles and the requirements of the Constitution including:

- i. The national values provided for under Article 10 of the Constitution;
- ii. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
- iii. The responsibilities of leadership provided for under Article 73 of the Constitution;
- iv. The principles governing the conduct of State officers provided for under Article 75 of the Constitution;
- v. The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution; and
- vi. The values and principles of Public Service provided for under Article 232 of the Constitution.

The Board of Directors

The members of the Board of Directors are shown in this report.

The Investment Promotion Act, 2004 Section 16(i) gives the Board of Directors the overall responsibility over the Authority with the Chairman being a Presidential appointee for a period of three years. Other members are representatives of the Government in their various capacities and the Managing Director who is the Secretary to the Board.

In its governance, the Board established three Committees as per section 4(1), of the Third Schedule of the Act. These Committees are described below:

1. Strategy and Investments Committee

This Committee is chaired by a non-executive member and meets on a quarterly basis. The Committee has the overall mandate to ensure that all investment issues and the core function of KenInvest are maintained at all times. This includes investment promotion, investment facilitation, after-care services and Policy Advocacy. The Committee's important task is to ensure the relevance of the strategic plan, performance contract and work plan to ensure sustained achievements of the set goals.

2. Finance, Human Resource & Administration Committee

This Committee is chaired by a non-executive member and meets on a quarterly basis. The Committee has the overall mandate to ensure that the budget is justified and adhered to, and that all expenditures are accounted for. It also has the mandate to ensure that all quarterly reports are presented in a timely fashion to the Board prior to the same being submitted to the Parent Ministry. All financial policies are discussed in this Committee.

This Committee also is tasked with ensuring that KenInvest maintains and attracts high calibre of human resources. The Committee handles recruitment, maintenance of the organization's practices, attitudes, and staff motivation.

3. Audit & Governance Committee

This Committee is chaired by a non-executive member and meets on a quarterly basis. The Committee has the responsibility of assisting the Board of Directors perform its oversight role in:

- Integrity of quarterly, half-yearly and year-end financial statements including reviewing the accounting policies and practices adopted in the preparation of financial information;
- Effectiveness of the internal control environment;
- Compliance with applicable laws, regulations, accounting & auditing standards, good corporate governance principles and other ethical issues.

The Board is required to meet at least four times in every financial year and not more than four months shall elapse between one meeting and the next meeting to discuss the overall performance of KenInvest. All full board meetings are convened by the Secretary to the Board upon instructions from the Chairman or upon the requisition of at least five members of the Board. All decisions are passed by a majority of present members voting with the Chairperson having the decisive vote in the event of a tie.

Board Members are required to enter into a Performance Contract every financial year with the government to evaluate its Performance against set targets. The Board completes an annual performance evaluation both self and independent of the Board and individual Directors of the Board and assesses the performance of the Board and individual Directors of the Board against the requirements of the Board Charter, KenInvest's Strategic Plan, the Annual Performance Contract and Investment Promotion Act 2004. The Annual Evaluation reviews the effectiveness of the Board,

individual and collective roles of Board Directors and the duties and responsibilities of the Board Directors.

VII. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2015 which show the state of the Authority's affairs.

Principal activities

The principal activities of the Authority are to promote and facilitate investments in Kenya for both domestic and foreign investors.

Results

The results of the Kenya Investment Authority for the year ended June 30, 2015 are set out on page 1.

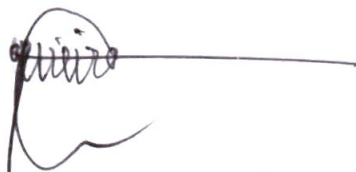
Directors

The members of the Board of Directors who served during the year are shown on page iii to v in accordance with the Investment Promotion Act, 2004.

Auditors

The Auditor General is responsible for the statutory audit of the Authority's financial statement in accordance with the Public Finance Management (PFM) Act, 2012.

By Order of the Board

A handwritten signature in black ink, appearing to be 'Moses Ikiara', with a long horizontal line extending to the right.

Dr. Moses Ikiara, PhD, MBS

Managing Director/ Secretary to the Board.

VIII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 (3) of the Public Finance Management Act, 2012 and the State Corporations Act, require the Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of each financial year and the operating results of the Authority for the same period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.


The responsibility over the preparation and presentation of the Authority's financial statements includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements for the period ending June 30, 2015, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAs), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of the Authority's transactions during the financial year ended June 30, 2014, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

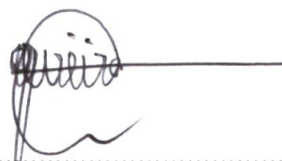
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kenya Investment Authority's financial statements were approved by the Board on 12th October, 2015 and signed on its behalf by:



.....
Mrs. Ann W. Kirima- Muchoki
Chairperson



.....
Dr. Moses M. Ikiara, PhD, MBS
Managing Director

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA INVESTMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Investment Authority set out on page 1 to 15, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission signed financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

Kenya Investment Authority - Annual Report and Financial Statements for the year ended 30 June 2015

assessments, the auditor considers internal control 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 Authority's internal control. 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Payment to a Consulting Firm

During the year under review, the Authority paid a total of Kshs.6,671,718 being accrued interest and legal fees in respect of an invoice of Kshs.217,152 for a consultancy service for the development of an investment policy framework by a local consultancy firm. The amount was due on or before 8 January 2011 failure to which interest was to be charged at the rate of 3% per month on the outstanding balance according to the signed contract. The supplier took the matter to court and was awarded an amount of Kshs.6,316,581 which attracted interest of Kshs.55,137 on 10 May 2015, Kshs.300,000 billed in respect of auctioneers and further Kshs.2,884,259 paid as final settlement of the case all totaling Kshs.9,200,840 which exclude Kshs.696,000 legal fees by the Authority's contracted lawyers (which is still in dispute). Further, there was delay on the part of the Authority in issuing instructions to its lawyers on the next cause of action even after being reminded that the interest was accruing hence total bill escalated to Kshs.10,251,977. The Authority also failed to heed to the advice from its lawyers that an appeal on the case was bound to fail on 28 June 2013 and a further advice from Attorney General Office on 11 October 2013 that the Authority should seek an out of court settlement since the chances of getting a favorable judgement was next to nil. From the foregoing, the Authority was negligent in signing a contract that had a detrimental clause to it.

Consequently, due to failure to properly manage the contract, the Authority lost Kshs.10,251,977 excluding undetermined legal fees to the Authority's lawyers as at 30 June 2015.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya Investment Authority as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with


International Public Sector Accounting Standards and comply with the Investment Promotion Act, No.6 of 2004.

Other Matter

Accounts Receivables from Exchange Transactions

The statement of financial position reflect accounts receivables from exchange transactions of Kshs.12,355,183 as at 30 June 2015. However, the amount includes unsurrender of Kshs.1,143,704 relating to Milan expo that was held between May and October 2015.

My opinion is not qualified in respect of this matter.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

29 June 2016

IX. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2015

	Note	2014/2015	2013/2014
Revenue from non-exchange transactions			
GoK Grants - Recurrent	3 (a)	256,000,000	225,000,000
GoK Grants -Development	3 (a)	-	47,500,000
Other Grants - Regional Investment Integration Programme (RIIP)	3 (b)	12,832,386	-
		268,832,386	272,500,000
Revenue from exchange transactions			
Other income	3 (c)	17,143,064	1,367,864
		17,143,064	1,367,864
Total revenue		285,975,450	273,867,864
Expenses			
Employee costs	4	155,962,839	167,892,532
Board Expenses	5	3,537,534	3,941,312
Repairs and maintenance	6	1,559,906	1,342,595
Depreciation expense	7	13,994,356	11,272,913
General expenses	8	65,557,532	41,098,047
Programme Costs	9	43,734,486	43,227,971
Total expenses		284,346,653	268,775,370
Surplus for the period		1,628,797	5,092,494
Surplus attributable to:			
Owners of the controlling entity		1,628,797	5,092,494

The notes set out on pages 6 to 15 form an integral part of the Financial Statements

X. STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

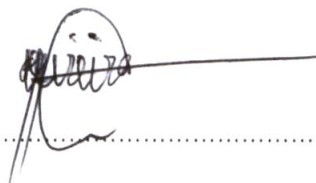
		2014/2015	2013/2014
Assets			
Current assets			
Cash and cash equivalents	10	34,676,338	31,233,940
Receivables from exchange transactions	11	12,355,183	26,933,628
Receivables from non-exchange transactions	12	105,000,000	23,750,000
Deposits		560,000	560,000
		152,591,521	82,477,568
Non-current assets			
Property, plant and equipment	13	82,631,707	96,626,063
		82,631,707	96,626,063
Total assets		235,223,228	179,103,631
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	14	5,310,515	20,819,715
Deferred Income		70,000,000	-
Total liabilities		75,310,515	20,819,715
Reserves		158,283,916	153,191,422
Accumulated surplus		1,628,797	5,092,494
Net assets/ Equity		159,912,713	158,283,916
Total net assets and liabilities		235,223,228	179,103,631

Mrs. Ann W. Kirima- Muchoki
Chairperson



Date 03/02/2016

Dr. Moses M. Ikiara, PhD, MBS
Managing Director



Date 02/02/2016

XI. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2015

	Self - insurance reserve	Capital replacement development reserve	Housing reserve	Accumulated surplus	Minority interest	Total
	KShs	KShs	KShs	KShs	KShs	KShs
Balance as at 30 JUNE 2013	-	-	-	153,191,422	-	153,191,422
Surplus/(deficit) for the period	-	-	-	5,092,494	-	5,092,494
Transfers to/from accumulated surplus	-	-	-	-	-	-
Balance as at 30 JUNE 2014	-	-	-	158,283,916	-	158,283,916
Surplus for the period	-	-	-	1,628,797	-	1,628,797
Transfers to/from accumulated surplus	-	-	-	-	-	-
Balance as at 30 JUNE 2015	-	-	-	159,912,713	-	159,912,713

XII. STATEMENT OF CASH FLOWS

	Note	2014/2015 KSHS	2013/2014 KSHS
<u>Cash flow From Operating Activities:</u>			
Net (Deficit)/ Surplus from Operations		1,628,797	5,092,494
Adjustments:			
Depreciation	6	13,994,356	11,272,913
Operating (Deficit)/Surplus before working capital changes		15,623,153	15,623,153
Decrease/(increase) in Receivables and Prepayments	11/12	(66,671,555)	(43,636,384)
(Decrease)/ Increase in Creditors	14	54,490,800	9,588,627
Net Cash flow from Operating Activities		3,442,398	(17,682,350)
<u>Investing Activities:</u>			
Purchase of Fixed Assets		-	(15,627,340)
Net Cash flow from Investing Activities		-	(15,627,340)
Net (Decrease)/ Increase in Cash & Cash equivalents		3,442,398	(33,309,690)
Cash & Cash Equivalents at the beginning of the Period		31,233,940	64,543,630
Cash & Cash Equivalents at the end of the Period	10	34,676,338	31,233,940

XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
GoK Grants - Recurrent	180,000,000	76,000,000	256,000,000	256,000,000	-
GoK Grants - RIIP	-	12,832,386	12,832,386	12,832,386	-
Other Income	-	17,099,348	17,099,348	17,143,064	43,716
Total income	180,000,000	105,931,734	285,931,734	285,975,450	43,716
Expenses					
Employee costs	161,500,000	-	161,500,000	155,962,839	5,537,161
Board Expenses	2,000,000	2,500,000	4,500,000	3,537,534	962,466
Depreciation expense	-	-	-	13,994,356	(13,994,356)
Repairs and Maintenance	650,000	950,000	1,600,000	1,559,906	40,094
General expenses	15,850,000	52,550,000	68,400,000	65,557,532	2,842,468
Programme Costs	-	49,931,734	49,931,734	43,734,486	6,197,248
Total expenditure	180,000,000	105,931,734	285,931,734	284,346,653	1,585,082
Surplus for the period				1,628,797	

XIV. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The Authority's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

Revenue from non-exchange transactions - Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably.

Revenue from exchange transactions

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

The Authority charges a 3% commission for the check off system it runs with various insurance agencies for deductions from employee salaries.

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Authority differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The Authority uses the reducing balance method of depreciation at the following rates:

- Motor Vehicles – 25%
- Furniture & Fittings – 10%
- Computer and Accessories – 30%

d) **Financial instruments**

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the

financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i. The debtors or an entity of debtors are experiencing significant financial difficulty
- ii. Default or delinquency in interest or principal payments
- iii. The probability that debtors will enter bankruptcy or other financial reorganization
- iv. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

e) Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i. The condition of the asset based on the assessment of experts employed by the Entity
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii. the nature of the processes in which the asset is deployed
- iv. Availability of funding to replace the asset
- v. Changes in the market in relation to the asset

f) Provisions

Contingent liabilities

The Authority does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

g) Changes in accounting policies and estimates

The Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions to CFC Life Insurance Company, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

i) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Managing Director and General Managers.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Authority's bankers.

k) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

3. Revenue

a. GoK Grants

During the year, the Authority received the following GoK Grants;

- **Recurrent Grants**

	2015	2014
	KShs	KShs
Printed Estimates	180,000,000	225,000,000
Supplementary I	41,000,000	-
Supplementary II	40,000,000	-
Total Grants Received	261,000,000	225,000,000
Deferred income (Balance c/f)	(5,000,000)	
Amortized to Income Statement	256,000,000	225,000,000

KShs 5 million was deferred during the year as the income was earmarked for use in July 2015 during the Investment Month at the Milan Expo, 2015.

- **Development Grants**

	2015	2014
	KShs	KShs
Printed Estimates		47,500,000
Supplementary I	-	
Supplementary II	65,000,000	
Total Grants Received	65,000,000	47,500,000
Balance c/f (Deferred Income)	(65,000,000)	-
Amortized to Income Statement	-	47,500,000

b. Other Grants - Regional integration implementation programme (RIIP)

The Regional integration implementation programme (RIIP) is the country specific programme meant to implement regional integration commitments under the COMESA Adjustment Facility's Regional Integration Support Mechanism (RISM). The overall objective of the RIIP is to assist eligible Member States implement prioritized programmes that contribute to regional integration. These include the requisite policy reforms to improve the efficiency of the domestic market and competitiveness. Other areas of interest relate to capacity building in skills development, effective participation in regional integration negotiations and institutional strengthening. KenInvest is in charge of indicator 14 of the RIIP; Signing and ratification of the investment agreement COMESA Common Investment Area (CCIA)

During the year, KenInvest received an allocation of KShs 12,832,386 for the programme.

c. Other Income

The Authority also received other income as follows:

	2015	2014
	KShs	KShs
KIICO Sponsorship	10,750,000	-
KIICO Miscellaneous Income	6,349,348	-
Commission Income	43,716	49,364
WWF Sponsorship	-	1,300,500
Sale of Tender	-	18,000
Total	17,143,064	1,367,864

4. Employee costs

	2015	2014
	KShs	KShs
Basic Salaries	81,081,568	85,375,017
House Allowance	24,184,000	27,120,000
Other Personal Emoluments	14,492,718	14,409,547
Leave Allowance	1,805,000	1,975,000
Other Cash Allowances	7,235,523	10,424,886
Pension Contribution	15,216,914	16,434,103
Medical	11,947,116	11,228,925
Recruitment Cost	-	925,054
Total	155,962,839	167,892,532

5. Board expenses

	2015	2014
	KShs	KShs
Chairman's Honoraria	1,044,000	1,044,000
Sitting Allowances	1,994,000	1,800,000
Seminars and Workshops	243,245	383,218
Travel Costs and Subsistence Allowances	119,727	471,170
Other Costs	136,562	242,924
Total	3,537,534	3,941,312

6. Repairs and maintenance

	2015	2014
	KShs	KShs
Furniture and Fittings	468,899	356,948
Motor Vehicles	1,091,007	985,647
Total	1,559,906	1,342,595

7. Depreciation expense

	2015	2014
	KShs	KShs
Motor Vehicle	1,477,683	1,970,244
Computer and Equipment	5,167,710	1,137,154
Furniture and Fittings	7,348,963	8,165,515
Total	13,994,356	11,272,913

8. General expenses

	2015	2014
	KShs	KShs
Rent Expenses	28,816,770	23,537,611
Utilities Expenses	1,466,106	1,681,560
Printing and Advertising Expenses	1,819,742	1,004,099
Newspaper Subscriptions	327,851	433,694
Sale of Tender	-	15,475
Hospitality, Supplies and Services	655,519	876,926
Office and General Supplies	1,967,200	1,000,528
Bank Charges & Commissions	182,101	161,006
Subscriptions	349,738	184,603
Audit Fees	350,000	290,000
Legal Fees	9,574,318	110,710
Cleaning	1,854,595	1,876,961
Security	740,793	529,700
Water Expenses	378,316	217,015
Staff Tea	692,327	630,021
Sponsorship Expenses	-	1,206,699
Fuel oils and Lubricants	1,691,721	1,521,795
Travel-Local	3,989,776	325,955
Travel-Internal	-	96,000
Travel-Foreign	4,462,487	-
Training	2,159,241	1,479,955
ISO Related Expenses	-	661,600
Communication Expenses	3,095,040	1,506,124
Insurance Costs	983,891	1,750,011
Total	65,557,532	41,098,048

9. Programme Costs

	2015	2014
	KShs	KShs
Kenya International Investment Conference (KIICO)	36,935,145	-
Regional Intergration Investment Programme (RIIP)	6,799,341	-
ICT Services	-	2,989,594
Research & feasibility studies	-	4,941,019
Policy Advocacy	-	4,659,077
Investment Product Development	-	2,181,755
International Marketing	-	15,790,520
Business Development Services	-	495,327
Investor Services	-	9,031,803
Corporate Branding	-	3,138,875
Total	43,734,486	43,227,970

10. Cash and Cash Equivalents

	2015	2014
	KShs	KShs
Petty Cash -HQS	89,670	69,974
Petty Cash-Eldoret Office	-	632
Petty Cash- Mombasa Office	-	2,187
Petty Cash-Kisumu office	1,270	4,280
Co-operative Bank - HQS	34,585,398	31,156,867
Total	34,676,338	31,233,940

11. Receivables from Exchange Transactions

	2015	2014
	KShs	KShs
Staff Imprests	5,143,704	2,744,143
Prepayments	7,211,479	24,189,485
Total	12,355,183	26,933,628

12. Receivables from non- exchange transactions

	2015	2014
	KShs	KShs
GOK Grants	105,000,000	23,750,000
Total	105,000,000	23,750,000

13. Property, Plant and Equipment

	Motor Vehicles	Computers & Equipment	Furniture & Fittings	Total
	KShs	KShs	KShs	KShs
Cost				
At 1st July, 2013	29,629,900	13,004,353	115,486,392	158,120,645
Additions	-	15,627,340	-	15,627,340
At 30th June, 2014	29,629,900	28,631,693	115,486,392	173,747,985
At 1st July, 2014	29,629,900	28,631,693	115,486,392	173,747,985
Additions	-	-	-	-
At 30th June, 2015	29,629,900	28,631,693	115,486,392	173,747,985
Depreciation				
At 1st July, 2013	21,748,924	10,268,841	33,831,244	65,849,009
Depreciation	1,970,244	1,137,154	8,165,515	11,272,913
At 30th June, 2014	23,719,168	11,405,995	41,996,759	77,121,922
At 1st July, 2014	23,719,168	11,405,995	41,996,759	77,121,922
Depreciation	1,477,683	5,167,709	7,348,963	13,994,356
At 30th June, 2015	25,196,851	16,573,704	49,345,722	91,116,278
Net Book Values:				
At 30th, June 2015	4,433,049	12,057,989	66,140,670	82,631,707
At 30th, June 2014	5,910,732	17,225,698	73,489,633	96,626,063

14. Trade and other payables from exchange transactions

	2015	2014
	KShs	KShs
Trade payables	4,678,430	11,676,055
Board Expenses	120,000	330,287
Audit Fees	350,000	290,000
Staff claims	162,085	3,630,553
Creditors b/f	-	4,892,820
Total	5,310,515	20,819,715

15. Contingent Liability

The Authority had an ongoing legal dispute with a former supplier- M.A. Consulting. The court issued a judgement against KenInvest for KShs. 6,371,718. This amount was settled during the year. However, the lawyers still continue to charge interest and the Authority is in negotiations to reduce the final amount due to them to conclude the matter.