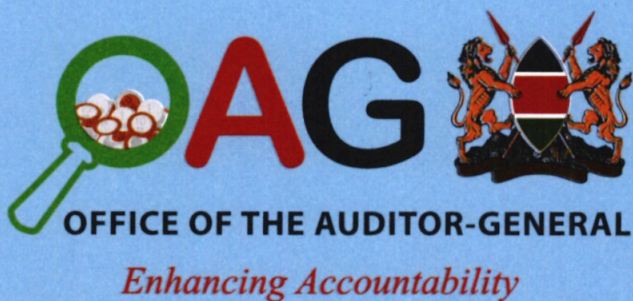


REPUBLIC OF KENYA



REPORT
OF
THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

**KIRINYAGA INVESTMENT AND
DEVELOPMENT AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
DATE	09/02/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	POLYGARP



OFFICE OF THE AUDITOR GENERAL
CENTRAL REGIONAL OFFICE
★ 30 NOV 2023 ★
RECEIVED
P. O. Box 267 - 10100, NYERI.

KIRINYAGA COUNTY GOVERNMENT

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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



1917
 1918
 1919
 1920
 1921
 1922
 1923
 1924
 1925
 1926
 1927
 1928
 1929
 1930
 1931
 1932
 1933
 1934
 1935
 1936
 1937
 1938
 1939
 1940
 1941
 1942
 1943
 1944
 1945
 1946
 1947
 1948
 1949
 1950
 1951
 1952
 1953
 1954
 1955
 1956
 1957
 1958
 1959
 1960
 1961
 1962
 1963
 1964
 1965
 1966
 1967
 1968
 1969
 1970
 1971
 1972
 1973
 1974
 1975
 1976
 1977
 1978
 1979
 1980
 1981
 1982
 1983
 1984
 1985
 1986
 1987
 1988
 1989
 1990
 1991
 1992
 1993
 1994
 1995
 1996
 1997
 1998
 1999
 2000
 2001
 2002
 2003
 2004
 2005
 2006
 2007
 2008
 2009
 2010
 2011
 2012
 2013
 2014
 2015
 2016
 2017
 2018
 2019
 2020
 2021
 2022
 2023
 2024
 2025
 2026
 2027
 2028
 2029
 2030
 2031
 2032
 2033
 2034
 2035
 2036
 2037
 2038
 2039
 2040
 2041
 2042
 2043
 2044
 2045
 2046
 2047
 2048
 2049
 2050

1917
 1918
 1919
 1920
 1921
 1922
 1923
 1924
 1925
 1926
 1927
 1928
 1929
 1930
 1931
 1932
 1933
 1934
 1935
 1936
 1937
 1938
 1939
 1940
 1941
 1942
 1943
 1944
 1945
 1946
 1947
 1948
 1949
 1950
 1951
 1952
 1953
 1954
 1955
 1956
 1957
 1958
 1959
 1960
 1961
 1962
 1963
 1964
 1965
 1966
 1967
 1968
 1969
 1970
 1971
 1972
 1973
 1974
 1975
 1976
 1977
 1978
 1979
 1980
 1981
 1982
 1983
 1984
 1985
 1986
 1987
 1988
 1989
 1990
 1991
 1992
 1993
 1994
 1995
 1996
 1997
 1998
 1999
 2000
 2001
 2002
 2003
 2004
 2005
 2006
 2007
 2008
 2009
 2010
 2011
 2012
 2013
 2014
 2015
 2016
 2017
 2018
 2019
 2020
 2021
 2022
 2023
 2024
 2025
 2026
 2027
 2028
 2029
 2030
 2031
 2032
 2033
 2034
 2035
 2036
 2037
 2038
 2039
 2040
 2041
 2042
 2043
 2044
 2045
 2046
 2047
 2048
 2049
 2050

1917
 1918
 1919
 1920
 1921
 1922
 1923
 1924
 1925
 1926
 1927
 1928
 1929
 1930
 1931
 1932
 1933
 1934
 1935
 1936
 1937
 1938
 1939
 1940
 1941
 1942
 1943
 1944
 1945
 1946
 1947
 1948
 1949
 1950
 1951
 1952
 1953
 1954
 1955
 1956
 1957
 1958
 1959
 1960
 1961
 1962
 1963
 1964
 1965
 1966
 1967
 1968
 1969
 1970
 1971
 1972
 1973
 1974
 1975
 1976
 1977
 1978
 1979
 1980
 1981
 1982
 1983
 1984
 1985
 1986
 1987
 1988
 1989
 1990
 1991
 1992
 1993
 1994
 1995
 1996
 1997
 1998
 1999
 2000
 2001
 2002
 2003
 2004
 2005
 2006
 2007
 2008
 2009
 2010
 2011
 2012
 2013
 2014
 2015
 2016
 2017
 2018
 2019
 2020
 2021
 2022
 2023
 2024
 2025
 2026
 2027
 2028
 2029
 2030
 2031
 2032
 2033
 2034
 2035
 2036
 2037
 2038
 2039
 2040
 2041
 2042
 2043
 2044
 2045
 2046
 2047
 2048
 2049
 2050

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Entity Information and Management	iv
3) MEMBERS OF THE BOARD	vii
4) Management team	ix
6) Report of The Fund Administrator	xii
7) Statement of Performance Against the County Fund's Predetermined Objectives	xiv
8)Corporate Governance Statement	xvi
9)Management Discussion and Analysis	xviii
10)Environmental and Sustainability Reporting	xix
11)Report of The Trustees	xxi
12)Statement of Management's Responsibilities	xxiii
13)Report of The Independent Auditor on the Financial Statements for 30 th June 2023 Board	xxiv
14. Statement of Financial Performance for the Year Ended 30 th June 2023	1
15 Statement of Financial Position As at 30th June 2023	2
16) Statement Of Changes in Net Assets for the year ended 30 th June 2023	4
17) Statement of Cash Flows for The Year Ended 30th June 2023	5
18) Statement Of Comparison Of Budget And Actual Amounts For The Period ended 30 th june 2023	6
19) Notes to the Financial Statements	7
20) Annexes	39

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

2. Key Entity Information and Management

A. Background Information

Kirinyaga Investment and Development Authority was established by and derives its authority and accountability from Kirinyaga Investment and Development Authority Act, 2018. Kirinyaga Investment and Development Authority Act, 2018 was assented to on 14th August 2018 and the Act was published thereafter. The Authority is domiciled under the Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development Department.

The Authority's objective is to provide for the establishment of the legal and institutional framework for the promotion and coordination of investments and development activities within the County. The Authority's principal activity is to provide for the establishment of the legal and institutional framework for investment and development activities within Kirinyaga County.

B. Principal Activities

As articulated under Section 5 of the Kirinyaga Investment and Development Authority Act 2018, the functions of the Authority are as below:

- a) holding property and assets on behalf of the County Government for the purposes of investment and development;
- b) negotiating and undertaking investments on behalf of the County Government to generate revenue;
- c) negotiating and undertaking any development initiative for the County with a business or social purpose;
- d) identifying strategic investment opportunities for the benefit of the county;
- e) undertaking business ventures solely or in partnership with other entities or persons for the benefit of the County;
- f) promoting local economic growth and job creation;
- g) promoting local content absorption, technology transfer, and value addition;
- h) advising and facilitating the County Government and County residents on investment opportunities within and outside the County;
- i) assisting and facilitating investors from within or outside the County to establish investments in the County;
- j) promoting and facilitating investment in the County;
- k) acting as the focal agency for investment promotion and facilitation in the county;
- l) advising the County Executive on necessary and strategic policies; programs and plans to be adopted to attract and retain investments in the County;
- m) promoting economic diplomacy aimed at advancing the investment and development interests of the County;
- n) advising on the long-term and medium-term strategic development plan;

- o) monitoring progress of implementation of investments and strategic development programs;
- p) Monitoring and reporting on the mountain cities development index.
- q) carrying out such other roles necessary for the implementation of the objects and purpose of this Act and perform such other functions as may, from time to time, be assigned by the County Executive.

The Authority's vision is to harness the external and internal, social investments, and human and natural resources to build a prosperous Kirinyaga.

The Authority's mission is to become the principal investment vehicle for internal and external resource development and deployment in Kirinyaga.

C. Members of the Board

Ref	Name	Position
1	Kibuga Kariithi	Chairman
2	Mary Muthoni	Vice Chairman
3	John Nyamu Karinga	Member
4	Nicosia Karani Migwi	Member
5	Johnstone Muchiri	Member
6	Eunice Wanjiru Kiriamburi	Member
7	Edward Nyaga Njagi	Member
8	Dr. Michael Ndwiga	Secretary

D. Key Management

Ref	Name	Position
1	Dr. Michael Ndwiga	Chief Executive Officer
2	Caroline Nyawira Muciri	Head of Marketing
3	Kenneth Nkanata	Head of Manufacturing
4	Patrick Kariuki Mbuimwe	Investment Analyst

E. Registered Offices

P.O. Box 260-10304 Kutus
 Kirinyaga County
 County Headquarters Building, Second floor
 Kutus, Kenya

F. Authority's Contacts

Telephone: (254) -700-236573
 E-mail: info@kida.co.ke
 Website: www.kida.co.ke

G. Authority's Bankers

Kenya Commercial Bank
P.O Box 90-10300
Kerugoya

H. Independent Auditors

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

I. Principal Legal Adviser

The County Attorney
Kirinyaga County
P.O. Box 260 -10304
Kutus

3) MEMBERS OF THE BOARD

Name	Details of qualifications and experience
 Kibuga Kariithi Chairman	<p>Academic and Work Experience</p> <p>Master of Business Administration (MBA) from the Schulich School of Business, York University, Toronto – Canada.</p> <p>He has over 22 years of work experience in leadership at the financial and investment sector.</p>
 Mary Muthoni Vice Chair	<p>Academic and Work Experience</p> <p>Master’s degree in Business Administration (MBA) in Management and Marketing.</p> <p>She has over 12 years of experience in leadership in the education sector and investment.</p>
 John Nyamu Karinga Member	<p>Academic and Work Experience</p> <p>Master’s degree in Business Psychology</p> <p>He has over 12 years of work experience in management and Leadership.</p>
 Nicasio Karani Migwi Member	<p>Academic and Work Experience</p> <p>Doctor of Philosophy (Ph.D.) in International Business from the University of Nairobi.</p> <p>He has over 12 years of work experience in the commercial microfinance banking, Governance, and financial services sector.</p>

 <p>Johnstone Muchiri Member</p>	<p>Academic and Work Experience</p> <p>Master of Science degree in Project Management. Member, Kenya Association of Project Managers (KAPF) Member, Kenya Association of Fund-Raising Professionals (KAFP), Member, Evaluation Society of Kenya (ESK)</p> <p>He has more than 12 years of work experience in project management, Monitoring and evaluation, and fundraising</p>
 <p>Eunice Wanjiru Kiriamburi</p>	<p>Academic and Work Experience</p> <p>Masters in project management Masters of Business Administration in finance Bachelor of Business Administration</p> <p>She has 6years of work experience in management, marketing and project financing. She is current Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County</p>
 <p>Edward Nyaga</p>	<p>Academic and Work Experience</p> <p>Master of Business Administration in Human resource Bachelor of commerce (cooperative Business Option) - First Class Honours.</p> <p>Certified Public Accountant (CPA – K) Member, Institute of Certified Public Accountant of Kenya (ICPAK)</p> <p>He has over 10 years of work experience in administration. He is the current Chief Officer in charge of Accounting services ,Revenue and Audit Department, County Government of Kirinyaga.</p>
 <p>Michael Ndwiga, Secretary</p>	<p>Academic and Work Experience</p> <p>Doctor of Philosophy (Ph.D.) in Economics</p> <p>He has over 11 years of work experience in Management and Leadership. He is currently the Chief Executive Officer, Kirinyaga Investment and Development Authority.</p>

4) Management team

Name	Details of Qualifications and Experience
 Dr. Michael Ndwiga	<p>Chief Executive Officer</p> <p>Academic and Work Experience</p> <p>Doctor of Philosophy (Ph.D.) in Economics</p> <p>Michael has over 11 years of experience in management, leadership, and Research.</p>
 Caroline Nyawira Muchiri	<p>Head of Marketing</p> <p>Academic and Work Experience</p> <p>Masters of Business Administration Marketing Management</p> <p>Caroline has over 17 years of experience in marketing</p>
 Kenneth Nkanata	<p>Head of Manufacturing</p> <p>Academic and Work Experience</p> <p>Masters of Business Administration (MBA) in Entrepreneurship</p> <p>Kenneth has over 32 years of experience in the manufacturing industry.</p>
 Patrick Kariuki Mbuimwe	<p>Investment Analyst</p> <p>Academic and Work Experience</p> <p>Masters of Business Administration (MBA) in Finance and Banking</p> <p>Masters of Science in Finance (Ongoing)</p> <p>Certified Investment and Financial Analyst (CIFA).</p> <p>Patrick has over 16 years of experience in the Finance and Investment sector.</p>

Board/Fund Chairperson's Report

I am pleased to present to you the annual report of Kirinyaga Investment and Development Authority (KIDA) for the financial year 2022/2023. It is my privilege to share with you the developments, achievements, and future outlook of our organization.

During the past year, KIDA experienced some notable changes in its leadership and staffing. Mr. Kibuga Kariithi, the Chairman of the KIDA board, and one of our esteemed board members, Mr. Nicasio Karani Migwi, made the decision to step down from their positions and the Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County took over as acting chairperson. We appreciate their dedicated service to KIDA and wish them success in their future endeavours.

In the 2022/2023 financial year, KIDA demonstrated its commitment to efficient financial management and effective resource utilization. We are proud to report that KIDA successfully utilized 99% of the total budget allocated for the year, reflecting our dedication to achieving our strategic goals and objectives.

Looking ahead, the future of KIDA is promising. The County Government of Kirinyaga has published the KIDA Amendment Bill, which is soon to be gazetted. This significant development will provide KIDA with a specific mandate to manage the Sagana Industrial City (SAIC). SAIC is a pivotal initiative designed to drive economic growth and development within Kirinyaga County. It will serve as a hub for industrial activities, innovation, and investment, creating numerous opportunities for our county's residents and stakeholders.

In conclusion, the future of the investment arm of Kirinyaga County is bright. KIDA is poised to play a pivotal role in unlocking investment opportunities and fostering economic growth within our county. We remain committed to upholding our core values of transparency, accountability, and excellence as we strive to create a prosperous future for all.

I extend my gratitude to our dedicated staff, valued stakeholders, and the County Government of Kirinyaga for their unwavering support. Together, we will continue to write the success story of Kirinyaga economic development.

Sincerely,

Name EUNICE W. KIRIAMBURU Signature [Handwritten Signature] Date 29/11/2023

Chief Officer (CO), Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization and Enterprise Development.

6) Report of The Fund Administrator

I am pleased to present the annual report of Kirinyaga Investment and Development Authority (KIDA) for the financial year 2022/2023. In this report, I will provide a detailed overview of our performance, budget utilization, program achievements, value-for-money outcomes, challenges, and the entity's future outlook.

In the previous financial year (2022/2023), KIDA maintained a robust budget performance. We efficiently utilized 99% of the allocated budget, reflecting our commitment to responsible financial management. Since our establishment, KIDA has consistently managed its financial resources prudently. Cumulatively, our budget utilization stands at 95%, underscoring our dedication to fiscal responsibility and program execution.

KIDA's journey since its inception has been marked by substantial progress in achieving outputs, outcomes, and impacts. Our efforts have led to tangible results, positively impacting the economic landscape of Kirinyaga County. We have witnessed growth in industrial activities, job creation, and local economic development. Our key achievement laying necessary foundation for the establishment of Sagana Industrial City (SAIC). The establishment of SAIC will contribute significantly to our mission. We have successfully facilitated the establishment of County Aggregation and Industrial Park (CAIP) and conducted various studies that are critical for the establishment of both CAIP and SAIC. Our programs align with the county's strategic development plan and have been executed with precision.


KIDA is committed to delivering value for every shilling invested. We have continuously evaluated the cost-effectiveness of our initiatives, ensuring that our stakeholders receive maximum value for their investments in our programs. While KIDA has made remarkable progress, we have encountered certain challenges in achieving our strategic objectives. These include resource constraints and regulatory hurdles. We remain steadfast in addressing these challenges and are actively seeking collaborative solutions.

The future of KIDA is promising, driven by the impending gazettelement of the KIDA Amendment Bill. This will grant us a specific mandate to manage the Sagana Industrial City (SAIC), a transformative project for Kirinyaga County. We are preparing to embark on new programs and initiatives that align with the county's strategic plan, with a focus on economic growth, job creation, and investment attraction. We anticipate receiving a budget allocation that supports our expanding role in managing SAIC and driving economic development in Kirinyaga County. To mitigate risks associated with our operations, we have implemented robust risk management strategies. These include enhancing regulatory compliance, and fostering stakeholder partnerships.

In conclusion, KIDA remains committed to its mission of being the principal investment vehicle for resource development and deployment in Kirinyaga. We express our gratitude to our

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

stakeholders, staff, and the County Government of Kirinyaga for their unwavering support. Together, we will continue to build a prosperous future for our county.

Name... Michael Ndwiye ... Signature...  ... Date... 29/11/2023

Chief Executive Officer, Kirinyaga Investment and Development Authority

7) Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government Entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives. The key development objectives of the Authority in the financial year 2022/2023 were;

- a) To facilitate the establishment of Sagana Industrial City (SAIC)
- b) To conduct various studies necessary for the establishment of the SAIC

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Establishment of SAIC	To facilitate registration of an Export Processing Zone (EPZ)	Gazettement of EPZ	Number of EPZ gazetted	Sagana EPZ has been gazetted
	To facilitate registration of a Special Economic Zone (SEZ)	Gazettement of SEZ	Number of SEZ gazetted	Sagana SEZ is in the final stage of been gazetted
	To facilitate establishment of a County Aggregation and Industrial Park (CAIP)	Establishment of CAIP	Number of CAIP established	Construction of CAIP is ongoing
Prefeasibility Studies, Strategic Environmental and Social Assessment studies	To conduct prefeasibility Studies, Strategic Environmental and Social Assessment studies for SAIC and CAIP	Meeting NEMA regulatory and other requirements	Number of studies conducted	Conducted pre-feasibility studies for; Sagana Agro-Industrial City, Avocado Oil Processing factory, Banana Products factory, Macadamia Oil Processing factory, Milk Processing

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Program	Objective	Outcome	Indicator	Performance
				factory, Non-Alcoholic Rice Wine Factory, Bamboo Products factory, Coffee and Tea Packaging factory, Dried Vegetables and Fruits factory. Marketing, Branding, Strategic Environmental and Social Assessment (SESA) for SAIC and Environmental Impact Assessment (EIA) for CAIP

8) Corporate Governance Statement

Corporate governance is the foundation of sound management and accountability within any organization, and Kirinyaga Investment and Development Authority (KIDA) is no exception. In this report, we provide an overview of KIDA's corporate governance practices, including the number of Board meetings held, succession planning, the existence of a Board charter, the appointment and removal of trustees, roles and functions of the Board, induction and training, board and member performance, conflict of interest management, board/trustee remuneration, and ethics and conduct. These elements collectively ensure transparency, accountability, and responsible decision-making within the organization.

During the reporting period, KIDA faced a challenge in conducting Board meetings due to the lack of a quorum. Unfortunately, no meetings were held, which has been a matter of concern. We acknowledge the importance of regular Board meetings and are actively addressing this issue to ensure future meetings proceed with adequate attendance. KIDA recognizes the importance of succession planning to ensure continuity of leadership and institutional knowledge. We are pleased to report that a comprehensive succession plan is already in place, outlining the process for selecting and grooming future leaders within the organization.

KIDA has developed a Board charter that outlines the roles, responsibilities, and expectations of its Board members. This charter serves as a guiding document to ensure that the Board operates in accordance with best governance practices. The process of appointing and removing trustees is clearly defined in the Kirinyaga Investment and Development Authority Act of 2018. The Act outlines the criteria for appointment and the circumstances under which trustees may be removed from their positions. This process ensures transparency and accountability in the composition of the Board.

The roles and functions of the Board are delineated in the Kirinyaga Investment and Development Authority Act of 2018. The Act specifies the Board's responsibilities, including overseeing the management and strategic direction of KIDA, promoting economic growth and investment, and advising on policies and plans for the county's development. KIDA recognizes the importance of continuous learning and development for its Board members. We have implemented induction and training programs to ensure that trustees are well-informed about their roles and responsibilities and are equipped with the knowledge and skills necessary to fulfil their duties effectively.

Performance evaluation is a vital aspect of governance. KIDA has established mechanisms to assess the performance of both the Board and individual members. These evaluations are conducted periodically to identify strengths and areas for improvement. To prevent conflicts of interest, KIDA has implemented comprehensive conflict of interest policies. Board members are required to disclose any potential conflicts, and measures are in place to manage and mitigate such conflicts transparently and ethically.

The remuneration of Board members is determined in accordance with established policies and guidelines. The process is designed to be fair, competitive, and reflective of the responsibilities and time commitment required of trustees. KIDA places a strong emphasis on ethics and conduct. Board members are expected to uphold the highest ethical standards in their roles and decision-

making processes. We promote a culture of transparency, integrity, and accountability throughout the organization.

Periodic governance audits are conducted to assess the effectiveness of our governance practices and identify areas for improvement. These audits contribute to our ongoing commitment to enhancing corporate governance within KIDA. In conclusion, KIDA is dedicated to upholding the principles of good corporate governance. We are actively addressing challenges related to Board meeting attendance and remain committed to fostering transparency, accountability, and ethical conduct. We will continue to evolve our governance practices to align with best practices and ensure the responsible stewardship of resources and the pursuit of our mission.

9) Management Discussion and Analysis

During the reporting period, Kirinyaga Investment and Development Authority (KIDA) continued its commitment to promoting investment and development within Kirinyaga County. We are pleased to provide an overview of our operational and financial performance, highlighting key projects, financial outcomes, compliance with statutory requirements, major risks, and arrears in financial obligations.

In the 2022/2023 financial year, KIDA maintained a strong financial position. We efficiently utilized 99% of the allocated budget, reflecting our dedication to responsible financial management. KIDA's strategic focus continued to revolve around attracting investments and fostering economic growth within Kirinyaga County. We successfully facilitated several key projects and investments during the reporting period, including: Sagana Industrial City (SAIC). SAIC remains a flagship project for KIDA and the County. Progress continued with infrastructure development, attracting investors, and creating a conducive environment for industrial activities. Investment Promotion: We continued to promote Kirinyaga County as an attractive investment destination, collaborating with stakeholders to identify and capitalize on investment opportunities. Compliance with Statutory Requirements: KIDA maintains a strong commitment to compliance with all statutory requirements. During the reporting period, we ensured adherence to legal and regulatory obligations, including financial reporting, tax compliance, and governance regulations. We have taken proactive steps to ensure that KIDA operates within the framework of the law and maintains the highest standards of corporate governance.

While KIDA has made substantial progress, we remain vigilant in identifying and addressing risks that could impact our operations. Key risks include: Market Volatility: Economic uncertainties and market fluctuations can affect the performance of our investments, Resource Constraints: Adequate funding is essential for KIDA's operations, and resource limitations pose a risk to our ability to execute projects effectively and Regulatory Changes: Changes in government policies and regulations can impact our investment climate and strategies.

We are pleased to report that KIDA did not incur any material arrears in statutory or financial obligations during the reporting period. We maintain a diligent approach to financial management and prioritize timely payment of our financial obligations. KIDA is actively engaged in fostering partnerships with local and international organizations to enhance our capacity to drive economic development in Kirinyaga County. We are committed to transparency, accountability, and continuous improvement in our operations.

In closing, KIDA remains steadfast in its mission to promote investment and development within Kirinyaga County. We have made significant strides in our operational and financial performance, facilitating key projects, and ensuring compliance with statutory requirements. While challenges and risks exist, we are committed to addressing them proactively and unlocking the full potential of our county. We extend our gratitude to our dedicated staff, stakeholders, and the County Government of Kirinyaga for their continued support. Together, we look forward to a future marked by sustainable economic growth and prosperity.

10) Environmental and Sustainability Reporting

At Kirinyaga Investment and Development Authority (KIDA), we recognize the importance of sustainability in our operations and its impact on the well-being of our society. Our sustainability efforts are guided by a robust strategy that aligns with international best practices and addresses key macroeconomic and political trends affecting our sustainability priorities. We are committed to achieving a balance between economic growth, environmental stewardship, and social responsibility. Implementation of an Environmental Policy that guides our efforts to reduce our environmental footprint. Active engagement in biodiversity conservation programs within Kirinyaga County Development of waste management policies to minimize our impact on the environment.

While progress has been made, challenges in waste management and resource conservation persist, and we continue to work towards more effective solutions. We acknowledge that there is room for improvement in the integration of sustainability practices across all aspects of our organization.

KIDA has implemented an Environmental Policy that emphasizes our commitment to environmental sustainability. This policy guides our operations to minimize environmental impact, conserve natural resources, and promote responsible practices. We have reduced our carbon footprint through energy-efficient initiatives within our offices. Active participation in local biodiversity conservation projects has contributed to preserving natural habitats in Kirinyaga County. Waste management programs have been developed, focusing on reducing, reusing, and recycling materials. We actively engage in initiatives to protect local biodiversity, including supporting reforestation projects and habitat preservation efforts. These actions align with our commitment to safeguarding our environment for future generations. Our waste management policies prioritize responsible disposal practices and the reduction of waste generation. We are continuously exploring innovative ways to minimize our environmental impact.

KIDA values its employees and is committed to ensuring their well-being and professional development. Our hiring policies emphasize equal opportunity, diversity, and inclusion. We consider gender ratios and stakeholder engagements in our recruitment process, promoting a fair and inclusive work environment. We invest in employee development through training and skill enhancement programs. Our appraisal and reward systems recognize and motivate employees for their contributions and achievements. KIDA complies with the Occupational Safety and Health Act of 2007 (OSHA) to maintain a safe and healthy working environment for our employees.

KIDA adheres to responsible competition practices, including anti-corruption measures, fair competition, and respectful engagement with competitors. We are committed to ethical business conduct and responsible political involvement. We maintain transparent and ethical business practices in our supply chain and supplier relations. Contracts are honoured

, and payment practices are respectful of our suppliers' needs and obligations. Our marketing and advertising practices prioritize ethics, ensuring that our communications are honest, transparent, and respectful of consumer rights. KIDA places a strong emphasis on safeguarding consumer rights and interests. We are committed to delivering products and services that meet or exceed customer expectations.

KIDA actively engages in Corporate Social Responsibility (CSR) activities to make a positive impact on society. We have undertaken charitable initiatives, including cash donations and material contributions, to support local communities. Our Corporate Social Investments (CSI) are directed toward projects that promote education, sports, healthcare, and water and sanitation initiatives within Kirinyaga County. We are dedicated to enhancing the well-being of our community and contributing to its development.

KIDA remains committed to sustainability in all aspects of our operations. Our efforts encompass environmental responsibility, employee welfare, responsible market practices, and community engagement through CSR activities. We recognize that there is always room for improvement, and we are committed to continuous progress toward a more sustainable and responsible future.

11) Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are articulated under Section 5 of the Kirinyaga Investment and Development Authority Act 2018, the functions of the Authority are as below:

- a) holding property and assets on behalf of the County Government for the purposes of investment and development;
- b) negotiating and undertaking investments on behalf of the County Government to generate revenue;
- c) negotiating and undertaking any development initiative for the County with a business or social purpose;
- d) identifying strategic investment opportunities for the benefit of the county;
- e) undertaking business ventures solely or in partnership with other entities or persons for the benefit of the County;
- f) promoting local economic growth and job creation;
- g) promoting local content absorption, technology transfer, and value addition;
- h) advising and facilitating the County Government and County residents on investment opportunities within and outside the County;
- i) assisting and facilitating investors from within or outside the County to establish investments in the County;
- j) promoting and facilitating investment in the County;
- k) acting as the focal agency for investment promotion and facilitation in the county;
- l) advising the County Executive on necessary and strategic policies; programs and plans to be adopted to attract and retain investments in the County;
- m) promoting economic diplomacy aimed at advancing the investment and development interests of the County;
- n) advising on the long-term and medium-term strategic development plan;
- o) monitoring progress of implementation of investments and strategic development programs;
- p) Monitoring and reporting on the mountain cities development index.
- q) carrying out such other roles necessary for the implementation of the objects and purpose of this Act and perform such other functions as may, from time to time, be assigned by the County Executive.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1

Trustees

The members of the Board of Trustees who served during the year are shown on page vii. During the past year, KIDA experienced some notable changes in its leadership and staffing. Mr. Kibuga Kariithi, the Chairman of the KIDA board, and one of our esteemed board members, Mr. Nicasio Karani Migwi, made the decision to step down from their positions and the Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County took over as acting chairperson. We appreciate their dedicated service to KIDA and wish them success in their future endeavours.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Chair of the Board/Fund Administration Committee

Date: 27/11/2023

12) Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Authority, shall prepare financial statements for the Authority in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board (PSASB).

The Chief Executive Officer of the Authority is responsible for the preparation and presentation of the Authority's Financial Statements, which give a true and fair view of the state of affairs of the Authority for, and as at the end of the financial year ended June 30, 2023. This responsibility 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
- vi. Making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer of the Authority accepts responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kirinyaga Investment and Development Authority Act, 2018. The Chief Executive Officer of the Authority is 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, 2023, and of the Authority's financial position at that date. The Chief Executive Officer further confirms 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.

In preparing the financial statements, the Chief Executive Officer of the Kirinyaga Investment and Development Authority has assessed the Authority's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Chief Executive Officer 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

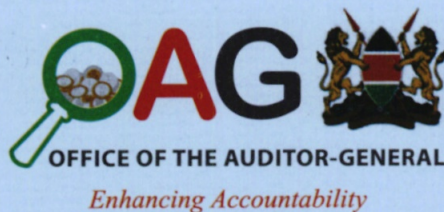
The Authority's financial statements were approved by the Board on 29/11/ 2023 and signed on its behalf by:



CHIEF EXECUTIVE OFFICE

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kirinyaga Investment and Development Authority set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on for the Kirinyaga Investment and Development Authority year ended 30 June, 2023

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 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion Section of my report the financial statements present fairly, in all material respects, the financial position of Kirinyaga Investment and Development Authority as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kirinyaga County Investment and Development Authority Act, 2018 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Uncertainty in Sustainability of Services

The financial statements submitted for audit reflects comparative balances for the financial year 2021/2022 and Nil balances for all account balances for year 2022/2023 except for the negative net Assets amount of KShs.4, 405,673. The Authority has not disclosed in its financial statements the inability to sustain its services. However, since the net assets of the Authority are negative the sustainability of services by KIDA is uncertain.

In the circumstances, the Kirinyaga Investment Development Authority sustainability of service is in doubt.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kirinyaga Investment and Development Authority Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the County Executive

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the Kirinyaga Investment and Development Authority ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The County Executive is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls which are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters which may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

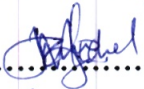
12 February, 2024

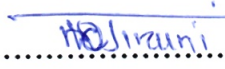
KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		
Transfers From the County Government	2	0	11,004,932
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4		
Other Income	5		
Total Revenue		0	11,004,932
Expenses			
Employee Costs	6	0	12,756,932
Use of goods and services	7		
Depreciation and Amortization Expense	8		
Finance Costs	9		
Total Expenses			
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		
Surplus/(Deficit) for the Period		0	(1,752,000)

(The notes set out on pages 20 to 39 form an integral part of these Financial Statements)

.....

Name: Michael Ndumu
Administrator of the Fund

.....

Name: CATHERINE NANYIKU KARITHI
Fund Accountant
ICPAK Member Number: 18631


15 Statement of Financial Position as at 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12		
Current Portion of Long- Term Receivables From Exchange Transactions	13		
Prepayments	14		
Inventories	15		
Investments in financial assets	16		
Total current assets			
Non-Current Assets			
Property, Plant and Equipment	17		
Intangible Assets	18		
Long Term Receivables from Exchange Transactions	13		
Investment Property	19		
Total non- current assets			
Total Assets			
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20		
Current Portion of Borrowings	22		
Employee Benefit Obligations	23	0	3,670,673
Social benefit liabilities	24		
Total current liabilities		0	3,670,673
Non-Current Liabilities			
Long Term Portion of Borrowings	21		
Non-Current Employee Benefit Obligation	22		
Social benefit liabilities	23		
Total Liabilities		0	3,670,673

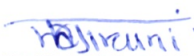
KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Net Assets			
Revolving Fund			
Reserves			
Accumulated Surplus/Deficit		0	
Total Net Assets and Liabilities		0	(3,670,673)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/11/2023 and signed by:



Name: Michael Ndwiga
Administrator of the Fund



Name: CATHERINE NANTJIKU KARITHI
Fund Accountant
ICPAK Member Number: 18631

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

16) Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021			(2,653,673)	(2,653,673)
Surplus/(Deficit) For the Period			(1,752,000)	(1,752,000)
Funds Received During the Year				
Transfers				
Revaluation Gain				
Balance As At 30 June 2022				(4,405,673)
Balance As At 1 July 2022			(4,405,673)	(4,405,673)
Surplus/(Deficit) For the Period			0	0
Funds Received During the Year			0	0
Transfers				
Revaluation Gain				
Balance As At 30 June 2023				(4,405,673)

(Provide details on the nature and purpose of reserves)

17) Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government		0	11,004,932
Interest received			
Receipts from other operating activities			
Total receipts		0	11,004,932
Payments			
Fund administration expenses			
Staff /Boards		0	11,004,932
Finance cost			
Other payments			
TOTAL PAYMENT		0	(11,004,932)
Net cash flows from operating activities	24	0	0
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents			
Cash and cash equivalents at 1 July			
Cash and cash equivalents at 30 June			

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

18) Statement Of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget 2023	Adjustments 2023	Final budget 2023	Actual on comparable basis 2023	Performance difference 2023	% Utilization 2023
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	8,000,000	0	8,000,000			
Interest Income						
Other Income	-	-	-			
Total Income	8,000,000	0	8,000,000			
Expenses	8,000,000	0	8,000,000			
Fund Administration Expenses	8,000,000	0	8,000,000			
General Expenses						
Finance Cost						
Total Expenditure						
Surplus For the Period						
Capital expenditure						

Budget notes

During the financial year 2022/2023 the fund utilized 0% of the budget.

19) Notes to the Financial Statements

1. General Information

Kirinyaga Investment and Development Authority entity is established by and derives its authority and accountability from Kirinyaga Investment and Development Authority Act of 2018. The entity is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya. The entity's principal activity is investment promotion and trade facilitation.

2. Statement of compliance and basis of preparation

The Fund'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 Fund. 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 direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p>

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

1. Significant Accounting Policies

a) Revenue recognition

i. 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 entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 18th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of kshs - on the FY 2022/2023 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

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 entity 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 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.

d) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Entity 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.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) 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.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) 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 directors, the CEO and senior managers.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. 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.

State all judgements, estimates and assumptions made e.g.

a) 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. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) 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:

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

6. Notes To The Financial Statements

1. Public contributions and donations

Description	2022/2023	2021/2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

No contributions or donation were recorded

2. Transfers from County Government

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations		
Payments By County On Behalf Of The Entity	0	11,004,932
Unconditional Development grants		
Total	0	11,004,932

No transfers received from county government

3. Fines, penalties and other levies

Description	2022/2023	2021/2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2022/2023	2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

Notes to the Financial Statements Continued

5. Other income

Description	2022/2023	2021/2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries And Wages	0	11,004,932
Staff Gratuity		
Staff Training Expenses		
Social Security Contribution		
Other- <i>Board Expenses</i>	0	1,017,000
Total	0	12,021,932

7. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022/2023	2021/2022
	Kshs	ksh
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Description	2022/2023	2021/2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Xxx Car Loan Account	-	-
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
a) Kida operations account			
Kenya Commercial Bank	1266208798	0	0
Sub- Total		0	0
b) Kida approval factory			
Kenya Commercial Bank	1266208941	0	0
Sub- Total		0	0
c) Kida kiaga animal feed			
Kenya Commercial Bank	1266209077	0	0
Sub- Total		0	0
Grand Total		0	0

13. Receivables from exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Receivables	-	-
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-
Non-Current Receivables	-	-
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions		

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	2022/2023	2021/2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2022/2023	2021/2022
	Kshs	Kshs
Consumable Stores	N/A	N/A
Spare Parts And Meters	N/A	N/A
Catering	N/A	N/A
Other Inventories (<i>Specify</i>)	N/A	N/A
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2022/2023	2021/2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds	-	
Financial institution	-	
CBK	-	
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks	-	-
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)	-	-
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year		-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No. of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year	Prior year
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June 2020	-	-	-	-	-
At 1st July 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June 2021	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2021	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2022	-	-	-	-	-
At 1st July 2022	-	-	-	-	-
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30th June 2023	-	-	-	-	-
Net Book Values					
At 30 th June 2022	-	-	-	-	-
At 30 th June 2023	-	-	-	-	-

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Cost	-	-
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment	-	-
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	2022/2023	2021/2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning 1-07-2022	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End 30-JUNE-2023	-	-	-	-

Notes To The Financial Statements (Continued) Insert Comparative

22. Borrowings

Description	2022/2023	2021/2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	2022/2023	2021/2022
	Kshs	Kshs
External Borrowings	-	-
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2022/2023	2021/2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employe at medical benefits	Other Provisions	2022/2023	2021/2022
	Kshs	Kshs	Kshs	Kshs	KSH
Current Benefit Obligation				3,670,673	3,670,673
Non-Current Benefit Obligation					
Total	-	-	-	3,670,673	3,670,673

The amount includes board members allowance that have accrued since 2021/2022 that has been unpaid since no funds have been received.

24. Social Benefit Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme		
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total		
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2022/2023	2021/2022
	Kshs	
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2022/2023	2021/2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2022/2023	2021/2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	2022/2023	2021/2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	2022/2023	2021/2022
	Kshs	Kshs
Court Case - Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

Notes To The Financial Statements (Continued)

28. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from - x

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	3,670,673	3,670,673
Total	-	-		3,670,673
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	3,670,673	3,670,673
Total	-	-		3,670,673

Notes To The Financial Statements (Continued)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2023		-	-
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities		-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
30TH JUNE 2023			
Euro	10%	-	-
USD	10%	-	-
30TH JUNE 2022			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2023: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2022 - Kshs -).

Notes To The Financial Statements (Continued)

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Kshs	Kshs
	Revaluation reserve	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

29. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

30. Ultimate and Holding Entity

The entity is a County Corporation established by Kirinyaga Investment and Development Authority Act of 2018 under the department of Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization and Enterprise Development of the County Government of Kirinyaga. Its ultimate parent is the County Government of Kirinyaga.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs).

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY (KIDA)
Annual Report and Financial Statements for the year ended June 30, 2023

20) Annexes

Annex I: Progress on Follow Up of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	No observation made.	No response received from auditor.		

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....29/11/2023.....

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Fund]
[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary Fund]</i> as at 30 th June 2023							
		Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (Kshs) as at 30 th June 2023				Amount Received by <i>[beneficiary Fund]</i> (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							
In confirm that the amounts shown above are correct as of the date indicated.							
Head of Accountants department of beneficiary Fund:							
Name <i>Catherine Karimi</i> Sign <i>[Signature]</i> Date <i>29/11/2023</i>							

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments