

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 05 DEC 2024

DAY:  
Thursday

OF

Hon. Kimani Ichung'uah  
(Leader of the Majority Party)  
Anestacia

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KENYA MARINE FISHERIES AND SOCIO-  
ECONOMIC DEVELOPMENT PROJECT  
(CREDIT NO. 6540-KE)**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**STATE DEPARTMENT FOR BLUE  
ECONOMY AND FISHERIES**

Revised Template 30/6/2024



**KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT PROJECT**

**MINISTRY OF MINING, BLUE ECONOMY AND MARITIME AFFAIRS**

**PROJECT CREDIT NUMBER 6540-KE**

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**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> JUNE 2024**

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

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

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***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

<b>Table Contents</b>	<b>Page</b>
1. ACRONYMS AND DEFINITION OF TERMS	ii
2. PROJECT INFORMATION AND OVERALL PERFORMANCE	iv
3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES	xii
5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	XIII
6. REPORT OF THE INDEPENDENT AUDITOR ON FINANCIAL STATEMENTS FOR 30 <sup>TH</sup> JUNE 2024 ( <i>THE PROJECT</i> )	xv
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2024	1
8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 <sup>TH</sup> JUNE 2024	2
9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2024	3
10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2024	5
11. SIGNIFICANT ACCOUNTING POLICIES	6
12. NOTES TO THE FINANCIAL STATEMENTS	14
13. ANNEXES	24

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

**1. Acronyms and Definition of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CTA	County Technical Assistant
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
KEMFSED	Kenya Marine Fisheries and Socio -Economic Development
IDA	International Development Association
CPIU	County project implementation unit
NPC	national Project Coordinator
CDP	County Development Plan
CIDP	County Integrated Development Plan
CIG	Common Interest Group
CPSC	County Project Steering Committee

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name**

The project's official name is **KENYA MARINE FISHERIES AND SOCIO ECONOMIC DEVELOPMENT PROJECT,**

**Objective**

The key objective of the project is to improve management of priority fisheries and mariculture and increase access to complementary livelihood activities in coastal communities.

**Address**

The project headquarters offices are Nairobi (city), Nairobi County, Kenya.

The address of its registered office is:

State Department for Blue Economy and Fisheries.  
P O Box 58187 – 00200  
NAIROBI.

The project also has offices/branches as follows:

- National Project Coordination Unit – Nairobi
- National Project Coordination Unit – Satellite office Mombasa
- Kwale County Project Implementation Unit
- Mombasa County Project Implementation Unit
- Kilifi County Project Implementation Unit
- Lamu County Project Implementation Unit
- Tana River County Project Implementation Unit

**Contacts:** The following are the project contacts

Telephone: (254) 2716103/85

E-mail: [kemfsed@kilimo.go.ke](mailto:kemfsed@kilimo.go.ke)

Website: [kemfsed.go.ke](http://kemfsed.go.ke)

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**  
**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.2 Project Information**

<b>Project Start Date:</b>	10 <sup>th</sup> August 2020
<b>Project End Date:</b>	31 <sup>st</sup> March 2025
<b>Project Manager:</b>	Mr.Patrick Kiara
<b>Project Sponsor:</b>	The World Bank

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Mining, Blue Economy and Maritime Affairs.
Project number	P163980
Project Credit Number	6540-KE
Project Preparation Advance Number	V1310KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) Improve Governance and Management of Marine Fisheries. (ii) Enhance Coastal Community Empowerment and Livelihoods. (iii) Efficient and effective Project Management.
Summary of project strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Ensuring coordinated and timely execution of project activities.
Other important background information of the project	The project has three components: <ul style="list-style-type: none"> <li>• <b>Component 1: Governance and Management of Marine Fisheries.</b> The component will contribute to the PDO by supporting improvement of management of marine fisheries in</li> </ul>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**

**Annual Report and Financial Statements**

For the year ended 30<sup>th</sup> June, 2024

	<p>Kenyan waters. Fisheries governance related interventions will be promoted through strengthened co-management of near shore fisheries and infrastructure development in relation to fisheries management at national and county levels.</p> <ul style="list-style-type: none"> <li>• <b>Component 2: Coastal Community Empowerment and Livelihoods.</b> The component will contribute to the PDO by strengthening livelihoods in coastal communities through a combination of technical and financial support for the implementation of livelihood, social welfare, and environmental subprojects; provision of scholarship grants and complementary capacity-building and mentoring of beneficiaries.</li> <li>• <b>Component 3: Project Management.</b> The component will finance support for project management at both national and county levels to ensure coordinated and timely execution of project activities.</li> </ul>
<p>Arrears that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <p>(i) Kenya’s fisheries sector plays a significant role in contributing to the country’s economic development in terms of employment, income generation, foreign exchange and food and nutrition security among others. The project is expected to result in sustainable management of fisheries and make a substantial contribution the development of Kenya’s blue economy.</p> <p>(ii) Noting that it will be implemented in a sector that is devolved, participating counties will play a key role in the execution of specific activities. The project is designed in a manner that is consistent with the principles of devolution a t both levels of government and this will strengthen the fisheries</p>

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

	<p>sector management and development.</p> <p>(iii) Recognises that overfishing is an issue where several species are either at vulnerable levels or overfished. While it will be difficult for poor fishers to voluntarily reduce fishing efforts, the project will provide technical and financial incentives for complementary livelihoods and diversification of income sources, as well as capacity building and support to earn more value from existing artisanal fisheries</p>
Project duration	The project started on 10 <sup>th</sup> August 2020 and is expected to run until 30 March 2025 (5 years)

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.4 Bankers**

The following are the bankers for the current year:

	ACCOUNT NAME	ACCOUNT NUMBER
(i)	Central Bank of Kenya (NPCU)	1000392142
(ii)	Kenya Commercial Bank (NPCU)	1286647584
(iii)	Kenya Commercial Bank (MSA CPIU)	1280053283
(iv)	Kenya Commercial Bank (KWALE CPIU)	1280741570
(v)	Kenya Commercial Bank (KILIFI CPIU)	1280096039
(vi)	Kenya Commercial Bank (LAMU CPIU)	1280145323
(vii)	Kenya Commercial Bank (TANA RIVER CPIU)	1280139269
(viii)	Kenya Commercial Bank (MSA NPCU)	1283480573

**1.5 Auditors**

The project is audited by the Office of the Auditor General

**1.6 Roles and Responsibilities**

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Betsy Muthoni Njagi	Permanent Secretary	MA	Accounting Officer
Patrick Kiara	Project Coordinator	MBA	Overall supervision of project activities.
Robert Korir	Project Accountant	MBA,CPA	Maintaining books of account and preparation of financial reports.

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

**1.7 Funding summary**

The Project is for duration of five years from 2020 to 2025 with an approved budget of US\$ 100,000,000 (use donor currency) equivalent to KShs10, 000,000,000 as highlighted in the table below:

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
*Annual Report and Financial Statements*  
 For the year ended 30<sup>th</sup> June, 2024

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 <sup>th</sup> June 2024)		Undrawn balance to date	
					(30 <sup>th</sup> June 2024)	
	<i>Donor currency USD</i>	<i>KShs</i>	<i>Donor currency (USD)</i>	<i>KShs</i>	<i>Donor currency (USD)</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>LOAN SUMMARY</b>						
World Bank Loan	100,000,000	10,000,000,000	33,593,472	4,703,086,032	37,835,100	5,296,913,968
<b>Total Loans</b>	<b>100,000,000</b>	<b>10,000,000,000</b>	<b>33,593,472</b>	<b>4,703,086,032</b>	<b>37,835,100</b>	<b>5,296,913,968</b>
<b>Counter Part funds</b>						
Counter Part funds Government of Kenya	15,000,000	1,500,000,000	5,761,132	806,558,482	4,953,154	693,441,518
<b>Total counterpart funding</b>	<b>15,000,000</b>	<b>1,500,000,000</b>	<b>5,761,132</b>	<b>806,558,482</b>	<b>4,406,588</b>	<b>693,441,518</b>
<b>Total Funding Summary</b>	<b>115,000,000</b>	<b>11,500,000,000</b>	<b>35,025,031</b>	<b>5,509,644,514</b>	<b>42,788,254</b>	<b>5,990,355,486</b>

KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT PROJECT

Annual Report and Financial Statements

For the year ended 30<sup>th</sup> June, 2024

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date (30 <sup>th</sup> June 2024)		Cumulative Amount paid to date (30 <sup>th</sup> June 2024)	Unutilized balance to date ((30 <sup>th</sup> June 2024)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B)	(A)-(B)	(A')-(B')
(i) Loan					
World Bank	33,593,472	4,703,086,032	3,975,144,967	5,199,579	727,941,065
(ii) Counterpart funds					
Government of Kenya	5,761,132	806,558,482	806,558,482	-	-
Total	39,354,604	5,509,644,514	4,781,703,449	5,199,579	727,941,065

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.8 Summary of Overall Project Performance:**

- i) The project has an absorption rate of 98% being the budget performance against actual amounts for current year and for cumulative to-date.
- ii) The project commenced with an effective date of 10<sup>th</sup> august 2020 and project launch took place on 26<sup>th</sup> June 2021 by the president, the output and outcomes are on course and shall be report in the subsequent financial years.
- iii) Value-for-money has been achieved through compliance to project implementation documents, the Financing Agreement, the Project Appraisal document, the Disbursement and Financial Information Letter and the Project Implementation Manual.
- iv) The project has an overall absorption of 98% during the year ended 30<sup>th</sup> June 2024year.
- v) The major implementation challenges are exchequer processes and budget reviews. The recommended way forward would be that the National treasury involve stakeholder before budget reviews and at the same time provide information early in time.

**1.9 Summary of Project Compliance:**

- i) There are no significant cases of non-compliance with the project.
- ii) The project conducts at least two review missions in a financial year, where by all critical project covenants and compliance arrangements are discussed and mitigated in aide memoire.

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The *Principal Secretary* for the State department for Blue Economy and Fisheries and the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on 30<sup>th</sup> June 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the project; (v) Selecting and applying appropriate accounting policies; and (v) Making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for the State department for Blue Economy and Fisheries and the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the State department for Blue Economy and Fisheries and the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30<sup>th</sup> 2024 and of the Project's financial position as at that date. The *Principal Secretary* for the State department for Blue Economy and Fisheries the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

The *Principal Secretary* for the State department for Blue Economy and Fisheries and the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

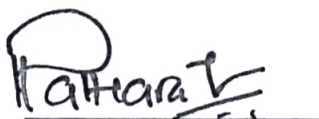
**Approval of the Project financial statements**

The Project financial statements were approved by **The *Principal Secretary*** for the State department for Blue Economy and Fisheries and the *Project Coordinator* for *Kenya Marine Fisheries and Socio-Economic Development project* (KEMFSED) on 7-11- 2024 and signed by them.



Betsy Muthoni Njagi  
Principal Secretary

Date:



Patrick Kiara  
Project Coordinator

Date:



Robert Korir  
Project Accountant  
ICPAK Number: 20645

Date:

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT PROJECT (CREDIT NO. 6540-KE) FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES

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### 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 the 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 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

#### Opinion

I have audited the accompanying financial statements of Kenya Marine Fisheries and Socio-Economic Development Project set out on pages 1 to 20, which comprise of the

statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of financial assets and financial liabilities, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 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, the financial statements present fairly, in all material respects, the financial position of the Kenya Marine Fisheries and Socio-Economic Development Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Kenya Marine Fisheries and Social - Economic Development Project agreement IDA Credit No.6540-KE dated 2 June, 2021, and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Marine Fisheries and Social - Economic Development Project 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 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.

### **Other Matter**

#### **Slow Absorption of Project Funds**

As disclosed under Paragraph 1.7 of the Project information, the Project was earmarked to close on 31 March, 2025. Further, the Funding Summary indicates that the Donor had made commitment USD.100,000,000 equivalent to Kshs.10,000,000,000. However, actual drawdowns as at 30 June, 2024 amounted to USD.33,593,472 equivalent to Kshs.4,703,086,032 leaving out Kshs.5,296,913,968 or 53% undrawn.

The credit was set to lapse on 31 March, 2025 which was 9 months away implying that the Project's planned activities earmarked for implementation may not be completed within the remaining period denying the beneficiaries the expected benefits from the Project.

## **Other Information**

Management is responsible for the other information set out on pages iv to xiv which comprise of Project Information and Overall Performance, Statement of Performance Against Project Predetermined Objectives and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact.

## **REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources Section of my report, I confirm that nothing else 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**

#### **Delay in Completion of Uvuvi House Office Block**

During the year under review, Management engaged a local firm to undertake construction of Uvuvi House Office Block in Nairobi for a contract sum of Kshs.1,027,891,776 funded by the Project. The construction work commenced on 3 September, 2023 and was expected to be completed on 25 September, 2025. However, the completion period was beyond the grant expiry date of 31 March, 2025. Management did not indicate how the works were to be funded after expiry of the project implementation period. This was contrary to Section 53(8) of the Public Procurement and Assets Disposal Act, 2015 which requires an Accounting Officer not to commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in approved budget estimates.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, 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 ISSAI 2315 and ISSAI 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 Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as 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, Management is responsible for assessing the Project 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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, 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.

Those charged with governance are responsible for overseeing the Project'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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

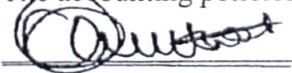
**21 November, 2024**

**KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

5. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2024

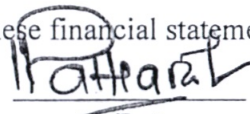
	Note	Period Ended 30 <sup>th</sup> June 2024			Period Ended 30 <sup>th</sup> June 2023			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	TOTAL	Receipts and payments controlled by the entity	Payments made by third parties	TOTAL	
		Kshs	Kshs		Kshs		Kshs	
<b>RECEIPTS</b>								
Receipts from Government of Kenya	1	477,000,000	-	477,000,000	133,600,000	-	133,600,000	
Loan from External Development Partners	2	1,997,974,341	-	1,997,974,341	1,489,123,001	-	1,489,123,001	
<b>TOTAL RECEIPTS</b>		<b>2,474,974,341</b>	<b>-</b>	<b>2,474,974,341</b>	<b>1,622,723,001</b>	<b>-</b>	<b>1,622,723,001</b>	
<b>PAYMENTS</b>								
Purchase of goods and services	3	1,203,927,992	-	1,203,927,992	605,806,352	-	605,806,352	
Acquisition of Non-financial Assets	4	15,000,000	-	15,000,000	101,871,736	-	101,871,736	
Other grants and transfers and payments	5	1,222,785,855	-	1,222,785,855	500,559,109	-	500,559,109	
<b>TOTAL PAYMENTS</b>		<b>2,441,713,847</b>	<b>-</b>	<b>2,441,713,847</b>	<b>1,208,237,197</b>	<b>-</b>	<b>1,208,237,197</b>	
<b>SURPLUS/DEFICIT</b>		<b>33,260,494</b>	<b>-</b>	<b>33,260,494</b>	<b>414,485,804</b>	<b>-</b>	<b>414,485,804</b>	

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements



Betsy Muthoni Njagi

Principal Secretary



Patrick Kiara

Project Coordinator




Robert Korir

Project Accountant

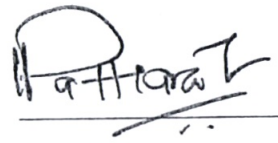
6. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024.

	Note	Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June 2023
		Kshs	Kshs
Bank Balances	6A	711,184,716	694,684,252
Total Cash and Cash equivalents		711,184,716	694,684,252
Imprest and advances		36,989,650	20,229,620
<b>TOTAL FINANCIAL ASSETS</b>		<b>748,174,366</b>	<b>714,913,872</b>
Represented by			
Fund balance b/fwd		714,913,872	300,428,068
Reserves			
Surplus / (deficit) for the year		33,260,494	414,485,804
<b>NET FINANCIAL POSITION</b>		<b>748,174,366</b>	<b>714,913,872</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_ 2024 and signed by:



Betsy Muthoni Njagi  
Principal Secretary



Patrick Kiara  
Project Coordinator



Robert Korir

Project Accountant:

ICPAK Number: 20645

*KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT*  
*Annual Report and Financial Statements*  
*For the year ended 30<sup>th</sup> June, 2024*

4. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

Description	Note	Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June 2023
Cashflow from operating activities		Kshs	Kshs
Receipts			
Description	Note	2023/2024	2022/2023
Transfer from government entities	1	477,000,000	133,600,000
<b>Total receipts</b>		<b>477,000,000</b>	<b>133,600,000</b>
Payments			
Purchase of goods and services	3	1,203,927,992	605,806,352
Transfers to other government entities	5	1,222,785,855	500,599,109
<b>Total Payments</b>		<b>2,426,713,847</b>	<b>1,106,405,461</b>
<b>Net receipts/(payments)</b>		<b>-1,949,713,847</b>	<b>-972,805,461</b>
Adjustments during the year			
Prior year adjustments(understatement of expenditure)		-	40,000
Decrease/(increase) in accounts receivable	8	-16,760,030	8,518,761
Increase/(decrease) in accounts payable:		-	-
<b>Net cash flow from operating activities</b>		<b>-1,966,473,877</b>	<b>-964,246,700</b>
Cash flow from investing activities			
Acquisition of non-financial assets	4	-15,000,000	-101,871,736
<b>Net cash flows from investing activities</b>		<b>-15,000,000</b>	<b>-101,871,736</b>
Cash flow from financing activities			

Annual Report and Financial Statements

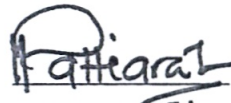
For the year ended 30<sup>th</sup> June, 2024

Proceeds from foreign borrowings	2	1,997,974,341	1,489,123,001
Net cash flow from financing activities		1,997,974,341	1,489,123,001
Net increase in cash and cash equivalents		16,500,264	423,004,565
Cash & cash equivalent at beginning of the year	6	694,684,252	271,679,687
Cash and cash equivalent at end of the year	6	711,184,726	" 694,684,252

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 7-11-2024 and signed by:



Betsy Muthoni Njagi  
Principal Secretary



Patrick Kiara  
Project Coordinator



Robert Korir  
Project Accountant:  
ICPAK Number: 20645

## **6. SIGNIFICANT ACCOUNTING POLICIES**

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

### **7.1 Basis of Preparation**

### **7.2 Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the periods presented.

### **7.3 Reporting entity**

The financial statements are for the Project Kenya Marine Fisheries and Socio-Economic Development project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

### **7.4 Reporting currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

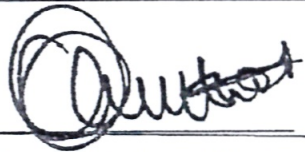
**KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT PROJECT**

**Annual Report and Financial Statements**

**For the year ended 30<sup>th</sup> June, 2024**

**5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

Consolidated	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilization Variance	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts/Payments Item						
Receipts from Government of Kenya	304,000,000	173,000,000	477,000,000	477,000,000	0	
Loan from External Development Partners	3,231,340,000	-1,231,340,000	2,000,000,000	1,997,974,341	2,025,659	99%
<b>Total Receipts</b>	<b>3,535,340,000</b>	<b>-1,058,340,000</b>	<b>2,477,000,000</b>	<b>2,474,974,341</b>	<b>2,025,659</b>	<b>100%</b>
Payments						
Use of goods and services	1,485,340,000	-246,125,855	1,239,214,145	1,203,927,992	35,286,153	94%
Acquisition of Non-financial Assets	50,000,000	-35,000,000	15,000,000	15,000,000	0	
Other Grants and Other Payments	2,000,000,000	777,214,145	1,222,785,855	1,222,785,855	0	-
<b>Total Payments</b>	<b>3,535,340,000</b>	<b>-1,058,340,000</b>	<b>2,477,000,000</b>	<b>2,441,713,847</b>	<b>35,286,153</b>	
Surplus /deficit	0			33,260,494	33,260,494	



Betsy Muthoni Njagi  
Principal Secretary



Patrick Kiara  
Project Coordinator



Robert Korir  
Project Accountant:  
ICPAK Number: 20645

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

**7.5 Significant Accounting Policies**

**a) Recognition of receipts**

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

**i) Transfers from the Exchequer**

Transfer from Exchequer is to be recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**ii) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

**iii) Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

**Significant Accounting Policies (Continued)**

**c) Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the period they were received.

**d) Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

**e) Recognition of payments**

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

**i) Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

**ii) Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**Significant Accounting Policies (Continued)**

**iii) Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**iv) Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

**v) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**f) In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***

**Significant Accounting Policies (Continued)**

**g) 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 reporting period. 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 reporting period.

**Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

**h) Accounts receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the reporting period is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**Significant Accounting Policies (Continued)**

**i)Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

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.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the reporting period, including payments made in respect of loan write-offs or waiver of interest on loans

**j) 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.

***KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT***  
***Annual Report and Financial Statements***  
***For the year ended 30<sup>th</sup> June, 2024***  
**Significant Accounting Policies (Continued)**

**k) Pending bills**

Pending bills consist of unpaid liabilities at the end of the reporting period arising from contracted goods or services during the period or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the period. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the period in which the payments are made.

**l) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**m) Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

During the period Kshs 611,236,941 being loan disbursements were received in form of direct payments from third parties.

**Significant Accounting Policies (Continued)**

**n) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

**o) Comparative figures**

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

**p) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**7. NOTES TO THE FINANCIAL STATEMENTS**

**1. RECEIPTS FROM GOVERNMENT OF KENYA**

These represent counterpart funding and other receipts from government as follows:

Description	Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June 2023
	KShs	KShs
		-
<i>Counterpart funding through State Department for Blue Economy &amp; Fisheries.</i>		-
Counterpart funds Quarter 1	152,000,000	62,800,000
Counterpart funds Quarter 2	152,000,000	
Counterpart funds Quarter 3		
Counterpart funds Quarter 4	173,000,000	70,800,000
	<b>477,000,000</b>	<b>133,600,000</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**

*Annual Report and Financial Statements*

*For the year ended 30<sup>th</sup> June, 2024*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2. LOANS FROM EXTERNAL DEVELOPMENT PARTNERS**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
					Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June, 2023
			KShs	KShs	KShs	KShs
<b>Loans Received from Multilateral Donors (International Organizations)</b>						
WORLD BANK	11-2-2022	-	-	-	-	300,000,000
	21-10-2022		-	-	-	141,250,000
	21-10-2022		-	-	-	62,800,000
	21-10-2022		-	-	-	42,400,228
	03-03-2023		-	-	-	435,371,693
	26-05-2023		-	-	-	507,301,080
	8-8-2023		250,144,018	266,215,988	510,360,006	-
	7-11-2023		910,203,932	-	910,203,932	-
	2-2-2024		666,794,991	117,438,560	784,233,551	-
	26-5-2024		170,831,400	227,582,393	398,413,793	-
<b>Total</b>		-	<b>1,997,974,341</b>	<b>611,236,941</b>	<b>2,609,211,282</b>	<b>1,489,123,001</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**3. PURCHASE OF GOODS AND SERVICES**

Description	Year Ended 30 <sup>th</sup> June, 2024			Year Ended 30 <sup>th</sup> June, 2023
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments
	KS hs	Shs	K Shs	KS hs
Fuel, Oil and Lubricants	27,220,816	-	27,220,816	26,681,593
Communication, supplies and services	7,664,516	-	7,664,516	3,897,172
Domestic travel and subsistence	824,677,135	-	824,677,135	360,390,233
Printing advertising and information services	5,395,465	-	5,395,465	7,242,475
Rentals of produced assets	6,054,360	-	6,054,360	6,650,627
Training expenses		-		-
Hospitality supplies and services	21,408,750	-	21,408,750	51,242,839
Office and general supplies and services	106,034,395	-	106,034,395	4,892,940
Interns and consultancy services	139,750,778	-	139,750,778	-
Other operating expenses	16,256,022	-	16,256,022	133,681,059
Routine maintenance – vehicles and other transport equipment	1,983,585	-	1,983,585	5,378,164
Routine maintenance – other assets				5,650,350
Conference facilities	47,482,170	-	47,482,170	-
Specialized materials and services				98,900
<b>Total</b>	<b>1,203,927,992</b>		<b>1,203,927,992</b>	<b>605,806,352</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**  
**4. Acquisition of Non-Financial Assets**

Description	2023-2024			2022-2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of vehicles & other transport equipment	15,000,000	-	15,000,000	86,706,000	151,054,000
Purchase of office furniture & general equipment	-	-	-	8,278,500	43,688,547
Purchase of ICT, equipment	-	-	-	6,887,236	42,770,499
<b>Total</b>	<b>15,000,000</b>	<b>-</b>	<b>15,000,000</b>	<b>101,871,736</b>	<b>237,513,046</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. OTHER GRANTS AND OTHER PAYMENTS**

	Year Ended 30 <sup>th</sup> June 2024			Year Ended 30 <sup>th</sup> June 2023
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments
	KShs	KShs	KShs	KShs
<b>Transfers to strategic partners</b>				
Kilifi Moringa Estate	7,205,400	-	7,205,400	-
Equator Kenya ltd	7,355,250	-	7,355,250	-
Crabs Alive ltd	-	-	-	-
Kutoka Arthini ltd	-	-	-	-
Sub total	<b>14,560,650</b>	-	<b>14,560,650</b>	-
<b>Transfers to CPIUs</b>				
Kilifi CPIU	223,409,131	-	223,409,131	85,439,956
Lamu CPIU	141,021,468	-	141,021,468	49,315,327
Tana River CPIU	255,479,567	-	255,479,567	40,113,635
Kwale CPIU	282,245,696	-	282,245,696	71,751,712
Mombasa CPIU	306,069,343	-	306,069,343	91,669,012
<b>Sub-Total</b>	<b>1,208,225,205</b>	-	<b>1,208,225,205</b>	<b>338,289,643</b>
<b>Transfers to CIGs/CBOs</b>				
Kilifi CPIU CIGs/CBOs	-	-	-	77,509,483
Lamu CPIU CIGs/CBOs	-	-	-	-
Tana River CPIU CIGs/CBOs	-	-	-	-
Kwale CPIU CIGs/CBOs	-	-	-	77,346,300
Mombasa CPIU CIGs/CBOs	-	-	-	7,413,683
<b>Sub-Total</b>	-	-	-	<b><u>162,269,466</u></b>
<b>Grand Total</b>	<b>1,222,785,855</b>	-	<b>1,222,785,855</b>	<b>500,559,109</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**  
**6. CASH AND CASH EQUIVALENTS**

CASH AND CASH EQUIVALENTS C/FWD	Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June 2023
	KShs	KShs
Bank accounts (Note 5A)	749,431,393	694,684,252
<b>Total</b>	<b>749,431,393</b>	<b>694,684,252</b>

The project has 12 number of project accounts spread within the project implementation area and 1 number of foreign currency designated accounts managed by the National Treasury as listed below:

**6. A. Bank Accounts**

**Project Bank Accounts**

5A Bank Accounts	Year Ended 30 <sup>th</sup> June 2024	Year Ended 30 <sup>th</sup> June 2023
	KShs	KShs
<b>Foreign Currency Accounts</b>		
<b>Local Currency Accounts</b>		
Central Bank of Kenya [A/c No1000392142]	170,477	170,477
Kenya Commercial Bank [A/c No: 1286647584]-NPCU	112, 272,306	38,246,667
Sub total	<b>112,272,306</b>	<b>38,417,144</b>
Kenya Commercial Bank [A/c No: 1280053283]-MSA CPIU	8,923,288	4,521,645
Kenya Commercial Bank [A/c No: 1280741570] KWALE CPIU	5,736,285	539,402
Kenya Commercial Bank [A/c No: 1280096039]-KILIFI CPIU	55,123,993	190,767,291
Kenya Commercial Bank [A/c No: 1280145323] LAMU CPIU	10,027,836	1,361,277
Kenya Commercial Bank [A/c No: 1280139629]- TANA RIVER CPIU	34,491,747	478,660
<b>Sub-Total</b>	<b>226,746,002</b>	<b>197,668,271</b>
Kenya Commercial Bank MSA CPIU CIGs/CBOs	137,115,853	175,720,541
Kenya Commercial Bank KWALE CPIU CIGs/CBOs	105,217,196	114,871,200
Kenya Commercial Bank KILIFI CPIU CIGs/CBOs	104,672,162	
Kenya Commercial Bank LAMU CPIU CIGs/CBOs	56,144,138	107,729,141
Kenya Commercial Bank TANA RIVER CPIU CIGs/CBOs	81,289,375	60,277,941
<b>Sub-Total</b>	<b>484,438,724</b>	<b>458,598,831</b>
<b>Grant Total</b>	<b>711,184,726</b>	<b>694,684,252</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**7. FUND BALANCE BROUGHT FORWARD**

CASH AND CASH EQUIVALENTS B/FWD	2023-2024	2022-2023
	KShs	KShs
Bank accounts	694,684,252	271,679,687
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Imprests and advances	20,229,620	28,748,381
<b>Total</b>	<b>714,913,872</b>	<b>300,428,068</b>

**8. CHANGES IN IMPREST AND ADVANCES**

DESCRIPTION	2023/2024	2022/2023
	KShs	KShs
Opening account receivable as at 1 <sup>st</sup> July 2023	20,229,620	28,748,381
Opening account receivable as at 30 <sup>th</sup> June 2024	36,989,650	20,229,620
<b>Total</b>	<b>(16,760,030)</b>	<b>8,518,761</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Reports and Financial Statements**  
**For the financial for the year ended 30<sup>th</sup> June, 2024**

ANNEXES

**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

<b>Consolidated</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Utilization Variance</b>	<b>% of Utilization</b>
	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
<b>Receipts/Payments Item</b>				
<b>Receipts</b>				
Receipts from Government of Kenya	477,000,000	477,000,000		
Loan from External Development Partners	2,000,000,000	1,997,974,341	2,025,659	99.80%
<b>Total Receipts</b>	<b>2,515,246,667</b>	<b>2,513,221,018</b>	<b>2,025,659</b>	<b>99.80%</b>
<b>Payments</b>				
Use of goods and services	1,277,460,812	1,203,927,992	35,286,153	99%
Acquisition of Non-financial Assets	15,000,000	15,000,000	-	100%
Other Grants and Other Payments	1,222,785,855	1,222,785,855	-	100%
<b>Total Payments</b>	<b>2,515,246,667</b>	<b>2,441,713,847</b>	<b>35,286,153</b>	<b>99%</b>
<b>Surplus/deficit</b>		<b>33,260,494</b>	<b>33,260,494</b>	

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

**ANNEX 2: STATEMENT OF RECEIPTS AND PAYMENTS PER QUARTER**

	JUNE 24	Cumulative to date	Comparative JUNE 2023
		Amount	period
	Kshs	Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	477,000,000	806,558,482	133,600,000
Loan from external Development Partners	1,997,974,341	4,703,086,032	1,489,122,773
<b>TOTAL RECEIPTS</b>	<b>2,474,974,341</b>	<b>5,509,644,514</b>	<b>1,622,722,773</b>
		-	
<b>PAYMENTS</b>		-	
Use of goods and services	1,203,927,992	3,543,917,594	605,806,352
Acquisition of Non-financial Assets	15,000,000	15,000,000	101,871,736
Other grants and transfers	1,222,785,855	1,222,785,855	500,559,109
<b>TOTAL PAYMENTS</b>	<b>2,441,713,847</b>	<b>4,781,703,449</b>	<b>1,208,237,197</b>
<b>SURPLUS/DEFICIT</b>	<b>33,260,494</b>	<b>727,941,065</b>	<b>414,485,804</b>

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**  
**ANNEX 3: RECONCILIATION OF INTER-ENTITY TRANSFERS**

Kenya marine Fisheries and Socio- Economic Development Project				
Break down of Transfers from the State Department of Fisheries, Aquaculture and the Blue Economy				
<b>a.</b>	<b>Government Counterpart Funding</b>			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		3/9/2023	152,000,000	2023/2024
		3/10/2023	152,000,000	2023/2024
			173,000,000	2023/2024
		<b>Total</b>	<b>477,000,000</b>	
<b>b.</b>	<b>Direct Payments</b>			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
<b>SNo.</b>	<b>PAYEE</b>		<b>ACTUAL AMOUNT</b>	
1	Landmark Holdings Limited		205,578,335	2023/2024
2	Comred Coastal Consulting		13,121,086	2023/2024
3	AESA East Africa Ltd		11,244,185	2023/2024
4	Captain Andys		36,272,381	2023/2024
5	Landmark Holdings Limited		61,351,552	2023/2024
6	Arprim Consultants		15,765,630	2023/2024
7	Innovate Enterprises		9,387,706	2023/2024
8	Envasses Environmental Consultants		30,933,672	2023/2024
9	Comred Coastal Consulting		17,494,781	2023/2024
10	Geodev (K) Limited		16,067,929	2023/2024
11	Arprim Consultants		23,621,445	2023/2024
12	AESA East Africa Ltd		14,992,247	2023/2024
13	Landmark Holdings Limited		81,968,392	2023/2024
14	Innovate Enterprises		11,632,083	2023/2024
15	Landmark Holdings Limited		61,805,516	2023/2024
		<b>Total</b>	<b>611,236,941</b>	2023/2024
<b>c.</b>	<b>Others</b>			
	World Bank	08/08/2023	250,144,018	2023/24
		07/01/2024	910,203,932	2023/24
		02/02/2024	666,794,991	2023/24
		21/05/2024	170,831,400	2023/24
		<b>Total</b>	<b>1,997,974,341</b>	

**KENYA MARINE FISHERIES AND SOCIO- ECONOMIC DEVELOPMENT PROJECT**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2024**

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Patrick Kiara  
Project Coordinator  
KEMFSED PROJECT

Sign



Simon Kiriba  
Head of Accounting Unit  
SDBE&F

Sign

