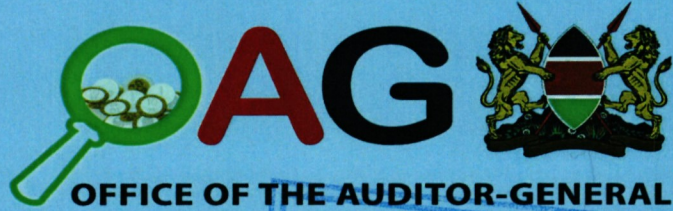


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 JUN 2021 DAY:

BY:

CLERK-AT THE-TABLE:

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**BUSINESS REGISTRATION
SERVICE – OFFICIAL RECEIVER**

**FOR THE YEAR ENDED
30 JUNE, 2020**



Office of The Attorney General and Department of Justice
BUSINESS REGISTRATION SERVICE
Ease of Doing Business

OFFICIAL RECEIVER

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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


 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 JUN 2021	
DAY: Wednesday	
TABLED BY:	Lom (Amos) Kimani
CLERK AT RE-TABLE:	Habiba Ahmed

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Official Receiver in Insolvency is a department within in the Business Registration Service, a Semi-Autonomous Government Agency under the Office of the Attorney General & Department of Justice. The Official Receiver is established and governed under the Insolvency Act, 2015 and its Regulations. The office deals with matters relating to insolvency i.e. Bankruptcy of natural persons (individuals) and winding-up of incorporated and unincorporated bodies.

(b) Principal Activities

The Official Receiver derives its core function of the implementation and administration of the Insolvency regime in Kenya from Part XII (Administration of this Act) of the Insolvency Act and other provisions therein.

The functions/mandate of the Official Receiver includes:

- Regulate Insolvency Practice in Kenya.
- Offer a continuity mechanism for business.
- Regulate the economy by facilitating the ease of doing business.
- Manage affairs of Bankrupts' estates (Bankruptcy Trustee).
- Ensure there is a fair settlement of claims to creditors through an equitable distribution of assets.
- Act as a bankruptcy trustee, liquidator, supervisor or administrator.
- Investigate into the conduct of any person or company subject to the Insolvency Act.
- Act as officers of the Court.
- Investigate offences under the Insolvency Act.

(i) VISION

To be the best institution in the region in provision of public legal services and promotion of a just, democratic and corruption-free nation.

BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

(ii) MISSION

To facilitate the realization of good governance and respect for the rule of law through the provision of public legal services, protection and promotion of human rights and upholding of ethics and integrity.

(iii) MANDATE

The mandate of the Business Registration Service includes: the general implementation of policies, laws and other matters relating to the registration of companies, partnership and firms, individuals and corporations carrying on business under a business name, bankruptcy, hire purchase and security interests.

(iv) STRATEGIC FOCUS

Business Registration Service:

- (a) Carries out all registrations required under the Business Registration Service Act.
- (b) Maintains registers, data and records on registrations carried out by the Service.
- (c) Implements relevant policies and guidelines and provide the Attorney General with the necessary information to guide the formulation of policy and amendment of existing policy and guidelines.
- (d) Carries out research and disseminate research findings in the fields covered by the relevant laws through seminars, workshops, publications or other means and to recommend to the Government any improvements in the relevant laws.
- (e) Collaborates with other state agencies for the effective discharge of its functions.
- (f) Charges fees for any service performed by the Service.
- (g) Performs such other functions as may be necessary under the Business Registration Service Act.

(c) Key Management

The Official Receiver's day-to-day management is under the following key organs:

No	Designation	Name
1.	Official Receiver	Mr. Mark Gakuru
2.	Director General BRS	Mr. Kenneth Gathuma
3.	Head of Section –Legal	Miss Judy Mugo
4.	Head of Section –Accounts and Investment	Mr. Erastus K. Mbalu

**BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
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The section is divided into three sections; the Official Receiver (Legal), Official Receiver (Accounts and Investment) and Official Receiver (Financial Institutions).

The legal section deals with the implementation of the legal issues as per the functions and mandate. The Official Receiver also operates offices in Kisumu and Mombasa.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility

	Designation	Name
1	Official Receiver	Mr. Mark Gakuru
2	Director General BRS	Mr. Kenneth Gathuma
3	Head of Section –Legal	Miss Judy Mugo
4	Head of Section –Accounts and Investment	Mr. Erastus K. Mbalu

(e) Official Receiver Headquarters

P.O. Box 30031 - 00100
Sheria House
Harambee Avenue
Nairobi, KENYA

(f) Official Receiver Contacts

Telephone: +254 202227461/2251355/07119445555/0732529995
E-mail: eo@brs.go.ke
Website: www.brs.go.ke

(g) Official Receiver Bankers

1. National Bank of Kenya
Harambee Avenue
P.O. Box 41862 - 00100
Nairobi, Kenya
2. Central Bank of Kenya
Headquarters
P O Box 60000 - 00200
Nairobi, Kenya

BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
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(h) Independent Auditors

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

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

STATEMENT OF OFFICIAL RECEIVER RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Official Receiver in charge of the Office is responsible for the preparation and presentation of the Official Receiver's financial statements, which give a true and fair view of the state of affairs of the Official Receiver for and as at the end of the financial year (period) ended on June 30, 2020. 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 Official Receiver; (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 Official Receiver; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Official Receiver in charge of the Office accepts responsibility for the Official Receiver'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 (IPSAS) and relevant legal framework of the Government of Kenya. The Official Receiver is of the opinion that the Official Receiver's financial statements give a true and fair view of the state of Official Receiver's transactions during the financial year ended June 30, 2020, and of the Official Receiver's financial position as at that date. The Official Receiver further confirms the completeness of the accounting records maintained for the Official Receiver, which have been relied upon in the preparation of the Official Receiver's financial statements as well as the adequacy of the systems of internal financial control.

The Official Receiver confirms that the office has complied fully with applicable Government Regulations and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Official Receiver confirms that the Official Receiver's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Approval of the financial statements

The Official Receiver's financial statements were approved and signed on 9th April 2021.



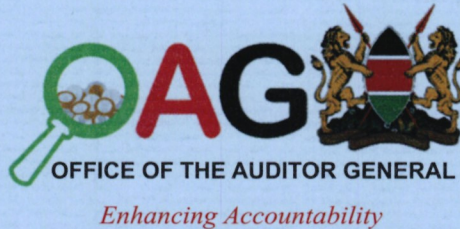
Mark Gakuru
Official Receiver



Erastus Mbalu
Deputy Director Finance &Accounts
ICPAK NO. 6469

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 BUSINESS REGISTRATION SERVICE - OFFICIAL RECEIVER FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Business Registration Service - Official Receiver set out on pages 8 to 18, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of Business Registration Service - Official Receiver as at 30 June, 2020, 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Short-Term Deposits

The statement of assets and liabilities as at 30 June, 2020 reflects a nil balance under short term deposits. However, as reported in the previous year, Management did not avail bank confirmation certificates for the closing balance of Kshs.185,273,300 as at 30 June, 2019, held in seventeen (17) bank accounts as disclosed in Note 7(a) to the financial statements for 2018/2019.

In the circumstances, the accuracy and validity of the nil balance for short-term deposits as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Business Registration Service - Official Receiver Management in accordance with ISSAI 130 on 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 judgment, 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, 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 of 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 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 overall 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 control, 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing Official Receiver's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Official Receiver or 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 are in compliance 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 Official Receiver's financial reporting process, reviewing the effectiveness of how the entity 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 that 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 that 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 control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that 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 control 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 that 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 that may cast significant doubt on the Official Receiver'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 Official Receiver 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 that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Official Receiver to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL


Nairobi

24 May, 2021

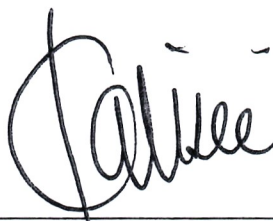
BUSINESS REGISTRATION SERVICE
 OFFICIAL RECEIVER
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF RECEIPTS AND PAYMENTS			
For the year ended June 30,2020			
	Note	2019-2020	2018-2019
		Kshs.	Kshs.
RECEIPTS			
Other Revenues	5	<u>97,745,803</u>	<u>72,102,161</u>
TOTAL REVENUES			
PAYMENTS			
Compensation of Employees	6	4,660,942	4,270,829
Use of goods and services	7	24,387,595	42,899,249
Transfer to other Government Units/CBK	8	2,757,398	3,136,443
Other payments	9	2,104,095	2,304,433
Acquisition of assets-Non-Financial assets	10	3,751,000	<u>1,380,992</u>
TOTAL PAYMENTS		<u>37,661,030</u>	<u>53,991,946</u>
SUPPLUS/DEFICIT		<u>60,084,773</u>	<u>18,110,215</u>

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 9th April 2021 and signed by;



Mark Gakuru
 Official Receiver



Erastus Mbalu
 Deputy Director Finance &Accounts
 ICPAK NO. 6469

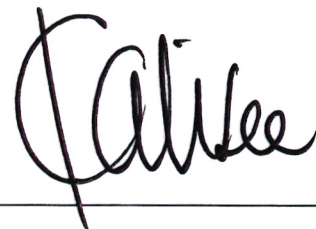
BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF ASSETS AND LIABILITIES			
As at June 30,2020			
	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and cash Equivalents			
Bank Balances	11	265,758,687	3,250,173
Short term deposits	12	0	185,273,300
Treasury Bills	13	137,262,551	154,412,992
Total		<u>403,021,238</u>	<u>342,936,465</u>
Current Assets			
Receivables	14	<u>127,726,843</u>	<u>127,726,843</u>
TOTAL FINANCIAL ASSETS		530,748,081	470,663,308
NET FINANCIAL ASSETS		530,748,081	470,663,308
REPRESENTED BY			
Fund balance	15	470,663,308	452,553,093
Surplus/Deficit for the year		60,084,773	18,110,215
NET FINANCIAL POSITION		<u>530,748,081</u>	<u>470,663,308</u>

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 9th April 2021 and signed by;



Mark Gakuru
Official Receiver

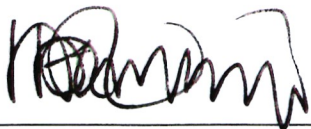


Erastus Mbalu
Deputy Director Finance &Accounts
ICPAK NO. 6469

BUSINESS REGISTRATION SERVICE
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REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF CASH FLOW			
For the year ended June30,2020			
	Note	2019-2020	2018-2019
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Other Revenues	5	97,745,803	72,102,161
		<u>97,745,803</u>	<u>72,102,161</u>
Payments for operating expenses			
Compensation of Employees	6	4,660,942	4,270,829
Use of goods and services	7	24,387,595	42,899,249
Transfer to other Government Units	8	2,757,398	3,136,443
Other expenses	9	2,104,095	2,304,433
Acquisition of Assets-Non-Financial assets	10	3,751,000	1,380,992
		<u>37,661,030</u>	<u>53,991,946</u>
Adjusted for:			
Net Cash flow from operating activities		60,084,773	18,110,215
NET DECREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at the beginning of the year		342,936,465	452,553,093
Prior year Adjustment	16		(127,726,843)
Cash and cash equivalent at the end of the year		403,021,238	342,936,465

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 9th April 2021 and signed by;



Mark Gakuru
Official Receiver



Erastus Mbalu
Deputy Director Finance &Accounts
ICPAK NO. 6469

**BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
SIGNIFICANT ACCOUNTING POLICIES**

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the official receiver.

2. Recognition of revenue and expenses

The Official Receiver recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the entity. In addition, the entity recognises all expenses when the event occurs and the related cash has actually been paid out by the Official Receiver.

3. 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, 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.

BUSINESS REGISTRATION SERVICE
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FOR THE YEAR ENDED JUNE 30, 2020

4. Subsequent events

Due to COVID-19 pandemic, many ongoing bankruptcy and liquidation cases have not been concluded because of minimal court operations. There have been no other events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

		2019-2020	2018-2019
		Kshs	Kshs
5.	Other revenues/receipts		
	Interest received	18,489,420	13,502,024
	Dividends	65,000	67,143
	Other receipts/Deposits	<u>79,191,383</u>	<u>58,532,994</u>
		<u>97,745,803</u>	<u>72,102,161</u>

Other Revenues /receipts for FY 2019/2020 increased compared to FY 2018/2019 due to sound Investment decisions leading to increased interest earned and there were increased deposits from debtors.

6.	Compensation of employees		
	Basic salaries	4,293,142	3,903,029
	Pension benefits	-	-
	NSSF	259,200	259,200
	NHIF	<u>108,600</u>	<u>108,600</u>
		4,660,942	4,270,829

7.	Use of Goods and Services		
	Utilities, Supplies & Services	219,760	-
	Communication, Supplies & Services	6,000	-
	Domestic travel & Subsistence	3,273,000	14,495,932
	Foreign travel & Subsistence	196,456	-
	Printing, advertising & Information services	2,844,860	83,520

**BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
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FOR THE YEAR ENDED JUNE 30, 2020**

	Training	480,000	-
	Hospitality Supplies & Services	974,300	346,500
	Insurance costs	54,243	54,243
	Specialized services/Security services	5,528,425	2,253,619
	Office and General Supplies	1,596,000	187,200
	Other Operating Expenses	541,008	560,976
	Postal Services	18,900	-
	Discharged Files	8,410,599	24,824,257
	Maintenance of Motor Vehicles	244,044	93,002
		24,387,595	42,899,249

Use of goods and services decreased in FY 2019/2020 due to decreased expenditure on domestic travel and subsistence allowance as well as reduced amount realized from the closure of discharged files in official Receiver out stations

Refurbishment which was part of the use of goods and services in the prior year has been categorised under the Acquisition of Asset (Partitioning) in FY 2019/2020 as per the revised Financial Reporting Templates hence we have restated the Prior year balance to Kshs.42,899,249 from Kshs.44,280,241.

8.	Transfer to other government units		
	CBK Revenue Account	2,757,398	3,136,443
		2,757,398	3,136,443

9.	Other payments		
	Creditors	1,168,939	196,800
	Tax paid	865,926	2,027,642
	Bank charges	<u>69,230</u>	<u>79,991</u>
		2,104,095	2,304,433

10.	Acquisition of assets (Non-financial assets)		
	Purchase of Cabinets	2,301,000	=
	Partitioning	1,450,000	1,380,992
		3,751,000	1,380,992

**BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

In the FY 2019/2020, official receiver purchased cabinets for storing documents related to Discount Securities (under liquidation) hence increasing expenditure on acquisition of Assets.

11. Bank Accounts

NO.	ACCOUNT NAME	2019/2020	2018/2019
i.	Bankruptcy Estate Fund	169,145,503	951,603
ii.	Bankruptcy Contingency Fund	514,553	437,565
iii.	Bankruptcy Investment Income Fund	0	0
iv.	Companies Liquidation	23,111,149	239,232
v.	Companies Contingency Fund	2,118,609	264,355
vi.	Companies Investment Income Fund	43,479	47,122
vii.	Rural Urban Credit Finance	2,727,616	415,558
viii.	Continental Credit Finance Ltd	6,587,496	120,629
ix.	Capital Finance Ltd	84,950	6,907
x.	Pioneer Building Society	86,228	2,211
xi.	Matatu Vehicles Owners Association	1,692,782	9,823
xii.	Kenya National Assurance Co. Ltd	1,774,401	2,387
xiii.	E.A Bag & Cordage	1,460,372	5,765
xiv.	Kenya Project & Investment Ltd	805,153	10,948
xv.	Tropical Building society	1,112,565	6,285
xvi.	Ken-Ren Chemicals Fertilizers	52,046,914	11,563
xvii.	Nyakio Investments Ltd	8,716	8,716
xviii.	Bankruptcy Estate Fund(M)	507,186	314,445
xix.	Bankruptcy Estate Fund (K)	9,067	387,055
xx.	Company Liquidation (M)	1,921,948	8,004
	TOTAL	265,758,687	3,250,173

In FY 2019/2020, the amount of bank balances was higher than the FY 2018/2019 because many fixed deposits investments as well as treasury bills had matured in the month of June 2020

12. Cash Equivalents (Short-Term Deposits)

NO	ACCOUNT NAME	2019/2020	2018/2019
i.	Bankruptcy Estate Fund	0	13,000,000
ii.	Bankruptcy Contingency Fund	0	15,000,000
iii.	Bankruptcy Investment Income Fund	0	0

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ii.	Bankruptcy Contingency Fund	0	15,000,000
iii.	Bankruptcy Investment Income Fund	0	0
iv.	Companies Liquidation	0	82,894,300
v.	Companies Contingency Fund	0	3,420,000
vi.	Companies Investment Income Fund	0	0
vii.	Rural Urban Credit Finance	0	1,400,000
viii.	Continental Credit Finance Ltd	0	4,643,000
ix.	Capital Finance Ltd	0	80,000
x.	Pioneer Building Society	0	100,000
xi.	Matatu Vehicles Owners Association	0	1,620,000
xii.	Kenya National Assurance Co. Ltd	0	1,500,000
xiii.	E.A Bag & Cordage	0	1,400,000
xiv.	Kenya Project & Investment Ltd	0	780,000
xv.	Tropical Building society	0	1,070,000
xvi.	Ken-Ren Chemicals & Fertilizers	0	46,500,000
xvii.	Nyakio Investments Ltd	0	0
xviii.	Bankruptcy Estate Fund (M)	0	656,000
xix.	Bankruptcy Estate Fund (K)	0	9,000,000
xx.	Company Liquidation (M)	0	2,210,000
	TOTAL	0	185,273,300

At the end of FY 2019/2020, the fixed deposits had all matured as at 30th June 2020 hence zero balance on the short term investments of the year.

13. Treasury Bills

NO	ACCOUNT NAME	2019/2020	2018/2019
	Bankruptcy Estate Fund	91,825,794	81,951,772
	Continental Credit Finance Ltd	0	72,461,220
	Ken-Ren Chemicals & Fertilizers	45,436,757	0
	Total	137,262,551	154,412,992

Official Receiver investment on treasury bills stood at Kshs. 137,262,551 in FY 2019/2020 compared to Kshs 154,412,992 in FY 2018/2019.

14. Receivables		2019/2020	2018/2019
	Consolidated bank (Shares)	86,644,260	86,644,260

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	Deposit Protection Board	41,082,583	41,082,583
	Total	<u>127,726,843</u>	<u>127,726,843</u>

15. Fund Balance			
		2019/2020	2018/2019
	Bank accounts	265,758,687	3,250,173
	Cash equivalent	137,262,551	339,686,292
	Receivables	<u>127,726,843</u>	<u>127,726,843</u>
		<u><u>530,748,081</u></u>	<u><u>470,663,308</u></u>

16. Prior Year Adjustment

The Receivables amounting to Kshs.127, 726,843 is excluded from cash and cash equivalents as per the adjustment.

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS


The following is the summary of issues raised by the External Auditor and Management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal point person to resolve the issue (Name and Designation)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unsupported receivables	Receivables of Kshs.127,726,643 which includes Kshs.41,082,583 due from Deposit protection Board was not analyzed	A revised and analyzed copy of the financial statement and a copy of confirmation of KDIC attached for auditor's verification.	Erastus Mbalu Deputy Director Finance and Accounts	Resolved	
Other Revenues	A balance of Kshs.4,874,715 was unsupported	The correct schedule supporting receipts not classified elsewhere of Kshs.58, 532,994 was attached for auditor's verification.	Erastus Mbalu Deputy Director Finance and Accounts	Resolved	
Unconfirmed Short –Term Deposits and Treasury Bills	The accuracy and validity of the Short-term deposits and treasury bills balance of Kshs.339, 686,292 as at 30 th June,2019 could	Treasury bills confirmation certificate were availed however National Bank Of Kenya	Erastus Mbalu Deputy Director Finance and Accounts	Unresolved	Awaiting to appear in Parliament

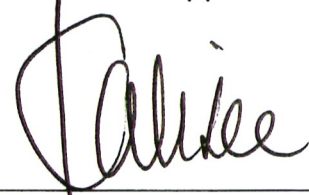
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	not be confirmed.	confirmation certificates were not availed but instead bank statement during investment and at maturity date were availed to the auditor for verification.			
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial Statements. The entity financial statements were approved on 9th April 2021 and signed by;



Mark Gakuru
Official Receiver



Erastus Mbalu
Deputy Director Finance &Accounts
ICPAK NO. 6469