

REPUBLIC OF KENYA



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**REPORT**

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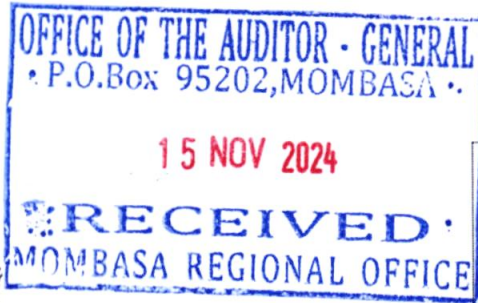
**THE AUDITOR-GENERAL**

**ON**

**TAITA TAVETA INVESTMENT AND  
DEVELOPMENT CORPORATION**

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

PAPERS LAID	
DATE	25/2/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Maalim



Issued 30<sup>th</sup> June 2024



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**TAITA TAVETA INVESTMENT AND DEVELOPMENT CORPORATION**  
**TAITA TAVETA COUNTY GOVERNMENT**  
**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 Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

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**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**1. Acronyms and Definition of Key Terms**

**a) Acronyms**

CEO	Chief Executive Officer
CECM	County Executive Committee Member
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
CT	County Treasury
CIDP	County Integrated Development Plan
CA	County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPPs	Public Private Partnerships
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank

**b) Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation.

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**2. Key Entity Information and Management**

**a) Background information**

Taita Taveta Investment and Development Corporation was established by Taita Taveta County Government and derives its authority and accountability from Taita Taveta County Investment and Development Act 2022.

The Corporation is a body corporate with perpetual succession and a common seal and must, in its corporate name, be capable of: -

- i) Taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
- ii) Borrowing money or making investments
- iii) Entering into contracts.
- iv) Doing or performing all other acts or things for the proper performance of its functions under this Act 2022 which may lawfully be done or performed by a body corporate

**b) Principal Activities**

The principal mandate of the Entity is to:-

- i) Hold properties and assets on behalf of the county for the purposes of investments and development
- ii) Undertake any investment on behalf of the county for the purposes of generating revenue for the county government.
- iii) Undertake business ventures for the benefit of the county;
- iv) Promote local economic development and job creation
- v) Advising and facilitating the county government and county residents on investment opportunities within and outside the county
- vi) Acting as the focal agency for investment promotion and facilitation in the county
- vii) Consider and register investment proposals from investors and provide necessary assistance for implementation of projects
- viii) Provide support services to investors including assistance to procure authorizations, permits and licenses required for establishment and operation of investments
- ix) Identify specific projects and invite interested investors for participation in those projects;
- x) Initiate, organize and participate in all activities such as exhibitions, conferences and seminars for stimulation of investments
- xi) Provide and disseminate up-to-date information on incentives available to investors
- xii) Advising Executive Member and the county executive committee on necessary policies, programs and plans to be adopted in order to attract investments in the county
- xiii) Carry out such other roles necessary for the implementation of the objects and purpose of this Bill and perform such other functions as May, from time to time, be assigned by be assigned by the Governor.

**Taita Taveta Investment and Development Corporation**  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

**c) Board of Trustees**

No.	Designation	Name
1	Chairperson	Dr. Adam Mwamburi
2	Vice Chairperson	Mrs. Joshipne Mbela
3	Member	Eng Valid Mwakima
4	Member	Mr Johnson Kilangi
5	Member	Mrs. Catherine Kilelu
6	Member	Mr Paul Sindeu
7	Member	Mr Nashon Nyali
8.	Member	Mr. Micar Mwazighe
9.	CEO/ Secretary	Mr. Richard Kibengo

**e) Key Management team**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	Richard Kibengo
2	Head of Finance	Nashon Nyali
3.	Head of Procurement	Amos N Mwangala
4.	Head of Audit	Andrew Soghia

**f) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	Ag. Director CPA Soghia

**g) Registered Offices**

P.O. Box 1066-80304  
Mwatate  
Taita Taveta, Kenya

**h) Fund Contacts**

Telephone :( 254) 726602525

**i) Fund Bankers**

1. Kenya Commercial Bank  
Voi Branch  
P. O Box 1067-80304  
Kenya.
2. ABASA BANK K LTD  
P.O. Box 30120-00100  
Voi

**Taita Taveta Investment and Development Corporation**  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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**Key Entity and Management (Continued)**

**j) Independent Auditors**

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

**k) Principal Legal Adviser**






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

**l) County Attorney**




County Government of Taita Taveta  
P.O Box 1066  
Wundanyi

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**3. The Board of Directors**




 Dr. Adam Mwamburi	<p>Doc Adam is a holds PHD in Social Science at International Islamic University Malaysia. has and experience working in Education and Administration for 15yrs currently working as a lecture at Umma University in Kajiado School of Education. He is an independent Director</p>
 Josephine Mbela	<p>Josephine is trained in Strategic Leadership , corporate branding, gender and development, public Procurement and digital marketing. She holds a Bachelor’s Degree in Business Administration, a Master’s Degree in Business Administration and is currently pursuing a Doctor of Philosophy degree.</p>
 Catherine Kilelu	<p>Catherine was born in 22<sup>nd</sup> Feb 1972 holds a PhD (Social Science) with a focus on Knowledge, Innovation and Technology in Agriculture from Wageningen University in the Netherlands. She has expertise and extensive (20yrs) experience in agri-food systems. She is an independent Director at Taita Taveta Investment and Development Corporation.</p>
 Eng Valid Mwakima	<p>Eng. Valid was born in 16<sup>th</sup> Oct 1961, holds Bsc Degree in Mechanical Engineering from Nairobi University. Registered by Engineer Registration Board of Kenya has an Experience of 31yrs with Private Sector Industrial His home resident is Nairobi. Member of Institution of Engineers of Kenya          He, Is an Independence Director in Taita Taveta.</p>
 Johnson Kilangi	<p>Johnson is a Certified Public Accountant and member of the ICPAK. He is a Steering Committee Member and Chair of the Finance Chapter of the World Association of PPP Units. He is Kenya’s PPP act Global Alliance Ambassador, championing the attainment of the Sustainable Development Goals through PPPs. (PPP) consultant over 15 years of experience in the infrastructure sector and an Independent Director in Taita Taveta Investment and Development Corporation.</p>

**Taita Taveta Investment and Development Corporation**  
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<p>Nashon Nyali</p> 	<p>Nashon is a Certified Public Accountant and Member of ICPAK. He has vast experience in Financing and Accounting</p>
<p>Nashon Nyali</p> 	<p>Paul is a holds Business Administration (HONS) Moi University</p>
<p>Paul Sideu</p> 	<p>Richard holds Business degree in Commerce Marketing Option .and Masters of Business (Marketing from Jomo Kenyatta University of Agriculture currently undertaking Masters in Natural Resources Management from Taita Taveta University.</p>

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**4. Key Management Team**

	<p>Richard holds Business degree in Commerce Marketing Option .and Masters of Business (Marketing from Jomo Kenyatta University of Agriculture currently undertaking Masters in Natural Resources Management from Taita Taveta University.</p>
	<p>Catherine is an accountant by profession and is the Accountant, holds a Bachelor’s degree in Commerce finance Option from Moi University and Currently pursuing in CPA. Has worked with Taita Taveta County Executive since 2021 experience of 10yrs.</p>
	<p>Jerusha holds a Bachelors of Art at JKUAT University.</p>
<p>Richard W. Kibengo</p>	
<p>Catherine W. Kambucha</p>	
<p>Jerusha S. Mwangombe</p>	

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**5. Chairman's Statement**

Taita Taveta County Investment and Development Corporation (TTIDC) was formed in 2022 through an Act of the County Assembly of Taita Taveta to provide for the establishment of legal and institutional framework for investment and development management and for connected purposes. The Corporation has been able to vet several investors that have come to Taita Taveta with the plan to invest.

The Board of Directors has been able to prepare a tool that can be used to vet the investors setting foot in Taita Taveta County. The corporation has been to set up a management team of qualified officers that

Handles the day-to-day operations. The corporation has established a staff organogram and staff establishment. The management team is currently working on the establishment of offices and a fully operational secretariat.

The corporation is currently working on the operationalisation of a rice plant in Taveta. The plant is expected to create employment and improve the livelihoods of the residents of the farmers and the residents of Taita Taveta by creating employment both directly and indirectly. The corporation intends to attract further investment in other value chains like livestock, mining and agriculture. The corporation is currently negotiating with Development partners with keen interest in these value chains. The other sectors that are being considered for investment include health, education, and water.

**Challenges:**

However, notwithstanding our stated achievements we have some key challenges to address even as we plan for the future of the corporation. These include:

1. Lack of adequate budgetary allocation
2. Late disbursement of funds from the exchequer.
3. Lack of office space
4. Lack of adequate qualified staff.
5. High of operation cost.

**Way forward**

The corporation is creating incentives that will attract investors to invest in Taita Taveta County. The corporation is working closely with other partners and government institutions to help strengthen the corporation. The corporation has since developed a working relationship with Ken Invest and Kenya Association of Manufacturers. This collaboration is expected to create a platform to attract investors.

The corporation is planning to create platform for investors to visit Taita Taveta and give an opportunity for them to invest in Taita Taveta. The corporation intends to host Investment forums that will attract government and private investors to the county.



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**Dr. Adam Mwamburi**  
**Fund Board Chairperson**  
**Taita Taveta Investment and Development Corporation**

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**6. Report of the Chief Executive Officer**

It is my pleasure to present, on behalf of the special Taita Taveta Investment and Development Corporation financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the fund over the past year.

**Sustainability**

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the fund's going concern is secured.

The fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long-term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

**Board and Management Changes**

The board is Composed of Nine (9) members as stipulated in the Taita Taveta County Investment and Development Corporation Act 2022 Section Six.

**Expenditures**

The total expenditures during the period amounted to Kshs 2,146,880/= representing an absorption rate of 40%. Activities was spent on recurrent.

**Future outlook**

The Taita Taveta Investment and Development Corporation focus, looks to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the county government and development partners to the realization of its mandate.

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the county government, development partners, stakeholders, management staff and fellow Board Members for their continued support which made us achieve these results.

I look forward to your continued support in the year 2024/2025

Signed: \_\_\_\_\_



**Richard W. Kibengo**  
**Ag. Chief Executive Officer**  
**Taita Taveta Investment and Development Corporation**

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**  
**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, The accounting officer shall include in the financial statement a Statement of the County Government Entity's performance against predetermined activities.

The key development objectives of the Taita Taveta Investment and Development Corporation Are to: -

- (a) Enhance financial and economic prudence in county government investments
- (b) Establish an efficient and effective instrument for managing county government investments
- (c) Enhance competitiveness of county government investments
- (d) Promote local economic development.
- (e) Enhance county revenue base.
- (f) Provide for mobilization of funds for investment.
- (g) Provide for investment in socially beneficial projects.
- (f) Co-ordinate and facilitate investments in the County
- (I) enable the County Government to undertake public private partnerships and joint ventures in areas That are beneficial to the County.

Program	Objective	Outcome	Indicator	Performance
Undertake strategic investment opportunities in the County.	To identify strategic investment opportunities for the benefit of the county.	Number of strategic investment opportunities	Number of investments set up in the County.	During the period the Corporation was able to attract two strategic investment partners.
Undertaking any investment on behalf of County for the purpose of generating revenue for the County.	To identify investment to be undertaken on behalf of the County Government.	Amount of revenue generated from the investment that has been undertaken on behalf of the County Government.	Revenue generated from the investment	During the period the Taveta rice processing plant was handed over to the corporation for operationalisation.

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**8. Corporate Governance Statement**

**Board Meetings**

The Taita Taveta Investment and Development Cooperation board holds a minimum of four sittings every financial year as required in order to monitor the implementation of the fund's strategic plan and achievement of the targets as outlined in the charter. The board also plays an oversight role over all other financial and operational issues.

<b>Members</b>	<b>27/09/2023</b>	<b>28/10/2023</b>	<b>02/03/2024</b>	<b>10/02/2024</b>	<b>13/04/2024</b>	<b>28/06/2024</b>
Adam Mwamburi	✓	✓	✓	✓	✓	✓
Josephine Mbela	✓	✓	✓	✓	✓	✓
Catherine Kilelu	✓	✓	✓	✓	✓	✓
Eng Valid Mwakima	✓	✓	✓	✓	✓	✓
Paul Sindeu	✓	✓	✓	✓	✓	✓
Nashon Nyali	✓	✓	✓	✓	✓	✓
Johnson Kilangi		✓	✓	✓	✓	✓

**Succession Plan**

The members of the Board shall hold office for a period of 3 years and may be eligible for re-appointment for one more term of three years.

**Appointment of Board Members**

The management of the Corporation vests in the Board of Directors which consists of:-

- (a) A chairperson appointed by the Governor with the approval of the County Assembly
- (b) A vice-chairperson appointed by the Governor with the approval of the County Assembly
- (c) Chief Officer for the time being responsible for finance
- (d) Chief Officer for the time being responsible for trade
- (e) Four persons who are professionals qualified in economics, investment management, Finance and accounting and law appointed by the Governor with the approval of the County Assembly
- (f) The Managing Director who must be an ex-officio member and secretary to the Board

**Remuneration of Board Members**

The Board members do not receive a salary. However, they are paid a sitting allowance for board Meetings at the rate of KSh 12,000 for the Chairperson, KShs 10,000 for Vice Chairperson, and KShs, 8,000 for the other Directors Commission circular SRC/TS/CG/TT/3/61/39(47).

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**9. Management Discussion and Analysis**

Operational and Financial performance

The Taita Taveta Investment and Development Corporation Fund Board budget allocation has not matched the actual funding. The only source of funding is the County government since its inception.

YEAR	BUDGETED	EXCHEQUER ISSUE
2023/2024	8,000,000	2,200,000.00

It is important to note that adequate financing for the fund can be achieved through increased Allocation from the County.

Taita Taveta Investment and Development Corporation can increase County revenue by undertaking investments on behalf of the County as well as, undertaking business ventures for the benefit of the County.

## **10. Environmental and Sustainability Reporting**

The Taita Taveta Investment and Development Corporation to transform lives. This is our purpose; Enhance financial and economic prudence in the County Government, Establish an efficient and effective instrument for managing County Government Investment and Enhance competitive of County Government Investment.

### **Sustainability strategy and profile –**

The Fund through its management has continued to structure its programs towards development projects and activities that depicts high sense of value for money and goes a long way in alleviating the residents suffering and improving their ease of doing business.

#### **1. Environmental performance**

To promote sustainable land use and environmental conservation the Fund through County Government undertook various capacity building and provision of materials geared towards environmental protection and sustainable land use.

#### **2. Employee welfare**

The County Government revamped its efforts in improving the County Revenue.

#### **3. Market place practices-**

To entrench the spirit of competition in its activities, the Fund through County Government during the year under review embraced E-Procurement when sourcing of goods and services. The system enhances openness and transparency as tenders were advertised on the local dailies and also posted on the IFMIS portal hosted at The National Treasury. The same were opened, evaluated, awarded, inspected and received through the system hence sealing loopholes of any collusion that could have occurred.

The organisation should outline its efforts to:

#### **4. Corporate Social Responsibility / Community Engagements**

The County Government through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improved people's living standards.

**11. Report of the Directors**  
**Principal activities**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Taita Taveta Investment and Development Corporation affairs.

**Results**

The results of the Fund for the year ended 30<sup>th</sup> June 2024 are set out on page 1

**Board of Directors**

The members of the Board of management who served during the period are shown on page (vii).

**Auditors**

12. The Auditor General is responsible for the statutory audit of the Taita Taveta Investment and Development Corporation in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Name **Mr. Richard W. Kibengo** .....  
**Corporation Secretary/Secretary to the Board**  
**Date 30.06.2024**



## **12. Statement of Directors Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and The Taita Taveta Investment and Development Corporation Act, 2022 require the Directors to prepare financial statements in respect of that Taita Taveta Investment and Development Corporation, which give a true and fair view of the state of affairs of Taita Taveta Investment and Development Corporation at the end of the financial year/period and the operating results of the Taita Taveta Investment and Development Corporation for that year/period. The Directors are also required to ensure that the Taita Taveta Investment and Development Corporation keeps proper accounting records which disclose with reasonable accuracy the financial position of the Taita Taveta Investment and Development Corporation. The Directors are also responsible for safeguarding the assets of the Taita Taveta Investment and Development Corporation

The Directors are responsible for the preparation and presentation of The Taita Taveta Investment and Development Corporation financial statements, which give a true and fair view of the state of affairs of the Taita Taveta Investment and Development Corporation Taita Taveta Investment and Development Corporation for and as at the end of the financial year ended on June 30, 2024. 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 Taita Taveta Investment and Development Corporation; (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 Taita Taveta Investment and Development Corporation; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Taita Taveta Investment and Development Corporation financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Taita Taveta Investment and Development Corporation Act 2022. The Directors are of the opinion that the Taita Taveta Investment and Development Corporation financial statements give a true and fair view of the state of Taita Taveta Investment and Development Corporation transactions during the financial year ended June 30, 2024, and of the Taita Taveta Investment and Development Corporation financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Taita Taveta Investment and Development Corporation, which have been relied upon in the preparation of the Taita Taveta Investment and Development Corporation financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Taita Taveta Investment and Development Corporation ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Taita Taveta Investment and Development Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

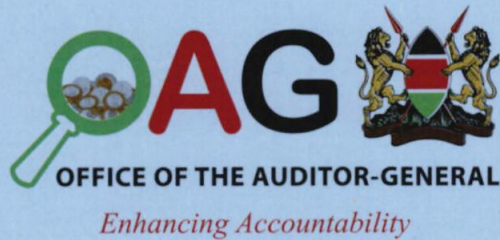
The Fund's financial statements were approved by the Board on 30.06. 2024 and signed on its behalf by:



**Name: Dr Adam Mwamburi**  
**Chairperson of the board**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: 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 TAITA TAVETA INVESTMENT AND DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30 JUNE, 2024**

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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 Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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 the 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of Taita Taveta Investment and Development Corporation set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance,

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*Report of the Auditor-General on Taita Taveta Investment and Development Corporation for the year ended 30 June, 2024*

statement of changes in net assets, 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 Taita Taveta Investment and Development Corporation 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 (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Taita Taveta Investment and Development Corporation 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects revenue final budget and actual amounts on comparable basis of Kshs.5,500,000 and Kshs.2,200,000 respectively, resulting to under-funding of Kshs.3,300,000, or 60% of the budget. Similarly, the Corporation spent a balance of Kshs.2,146,880 against actual receipts of Kshs.5,500,000 resulting to an under-utilization of Kshs.3,353,120, or 61% of the budget.

The under-funding and under-utilization may have impacted negatively on the Corporation's activities.

My opinion is not modified in respect of this matter.

### **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 Information**

Management is responsible for the other information set out on page iii to xvi which comprise of Key Entity Information and Management, Board of Directors, Key Management Team, Chairman's Statement, Chairperson's Report, Report of the Chief

Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Taita Taveta Investment and Development Corporation 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 and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## 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 for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 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 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.



## **Basis for Conclusion**

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

## **Responsibilities of Management and Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Corporation'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.

The Board of Directors is responsible for overseeing the Corporation'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 IFPP 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**

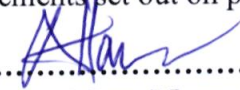
**24 December, 2024**

**Taita Taveta Investment and Development Corporation**  
**Taita Taveta County Government**  
**Annual Report and Financial Statements for the year ended June 30, 2024**


**14. Statement of Financial Performance for the year ended 30 June 2024**


	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government entities	6	2,200,000	
Transfers in Kind	7	-	
Public contributions and donations	9	-	
Licenses, Fees, and Permits	10	-	
<b>Revenue from exchange transactions</b>			
Rendering of services	11	-	
Sale of goods	12	-	
Rental revenue from facilities and equipment	13	-	
Finance income	14	-	
Other income	15	-	
<b>Total revenue</b>		<b>2,200,000</b>	
<b>Expenses</b>			
Use of goods and services	16	691,680	
Employee costs	17	-	
Board Expenses	18	1,455,200	
Depreciation and amortization expense	19	-	
Repairs and maintenance	20	-	
Contracted services	21	-	
Grants and subsidies	22	-	
Finance costs	23	-	
<b>Total expenses</b>		<b>2,146,880</b>	
<b>Other gains/(losses)</b>		<b>53,120</b>	
<b>Surplus/ (deficit) before tax</b>		<b>53,120</b>	
Taxation	28	-	
<b>Surplus/(deficit) for the period/year</b>		<b>53,120</b>	
<b>Net Surplus for the year</b>		<b>53,120</b>	


The notes set out on pages 6 to 41 an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

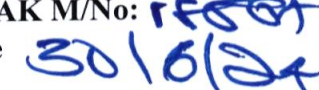
  
 Name: Adam Mwamburi  
 Chairman of the Board

Date  30/06/24

  
 Richard W. Kibengo  
 Ag CEO

Date  30/06/2024

  
 Laban Mbelenga Kinyai  
 Head of Finance

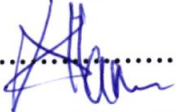
ICPAK M/No: 15501  
 Date  30/06/24


**Taita Taveta Investment and Development Corporation**  
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**15. Statement of Financial Position as at 30 June 2024**

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	29	53,120	-
Receivables from Exchange Transactions	30	-	-
Investments in financial assets	33	-	-
Prepayments	34	-	-
<b>Total Current Assets</b>		<b>53,120</b>	-
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	30	-	-
Intangible Assets	36	-	-
<b>Total Non- Current Assets</b>		-	-
<b>Total Assets (A)</b>		<b>53,120</b>	-
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	38	-	-
Taxation	48	-	-
<b>Total Current Liabilities</b>		-	-
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligation	43	-	-
Deferred Tax Liabilities	49	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>53,120</b>	-
<b>Represented By:</b>			
Ordinary share capital		-	-
Revaluation reserve		-	-
Accumulated Surplus		53,120	-
Capital fund		-	-
<b>Net Assets</b>		<b>53,120</b>	-

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

.....  
  
**Name: Adam Mwamburi**  
**Chairman of the Board**

.....  
  
**Richard W. Kibengo**  
**Ag CEO**

.....  
  
**Laban Mbelenga Kinyai**  
**Head of Finance**  
**ICPAK M/No: 18508**

Date 30.6.2024

Date 30/06/2024

Date 30/06/24

16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Accumulated Surplus	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1,2022	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-		-	-	
As at June 30, (2023)	-	-	-	-	-	-	-
As at July 1 2023	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	53,120	-	-	-
As at June 30, (2024)	-	-	-	53,120	-	-	53,120

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17. Statement of Cash Flows for the year ended 30 June 2024

	Note	FY 2023/24	FY 2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government entities	6	2,200,000	-
Levies, Fines, and penalties	8	-	-
Other income	15	-	-
<b>Total receipts</b>		<b>2,200,000</b>	<b>-</b>
<b>Payments</b>			
Use of goods and services	16	691,680	-
Employee costs	17	-	-
Board Expenses	18	1,455,200	-
Repairs and maintenance	20	-	-
Contracted services	21	-	-
Grants and subsidies	22	-	-
Finance costs	23	-	-
<b>Total payments</b>		<b>2,146,880</b>	<b>-</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>53,120</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE	35	-	-
Purchase of Intangible assets	36	-	-
Purchase of investments			
<b>Net cash flows from/(used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Remission to County Treasury			
<b>Net cash flows from financing Activities</b>			
<b>Net increase/(decrease) - cash &amp; Cash equivalents</b>		<b>53,120</b>	<b>-</b>
<b>Cash &amp; cash equivalents at the year Start</b>	29	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the year End</b>	29	<b>53,120</b>	<b>-</b>

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from the County Government entities	8,000,000	-2,500,000	5,500,000	2,200,000	3,300,000	40%
Public contributions and donations	-	-	-	-	-	0%
<b>Total Income</b>	<b>8,000,000</b>	<b>(2,500,000)</b>	<b>5,500,000</b>	<b>2,200,000</b>	<b>3,300,000</b>	<b>40%</b>
<b>Expenses</b>					-	0%
Use of goods and services	6,000,000	-2,000,000	4,000,000	691,680	3,308,320	17%
Employee costs			-	-	-	0%
Board Expenses	2,000,000	-500,000	1,500,000	1,455,200	44,800.00	97%
Repairs and maintenance	-		-	-	-	0%
<b>Total Expenditure</b>	<b>8,000,000</b>	<b>(2,500,000.00)</b>	<b>5,500,000</b>	<b>2,146,880</b>	<b>3,353,120</b>	<b>39%</b>
<b>Surplus/Deficit for the period</b>				<b>53,120.00</b>	<b>(53,120.00)</b>	
<b>Capital Expenditure</b>						

**Taita Taveta Investment and Development and Corporation**  
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**19. Notes to the Financial Statements**

**1. General Information**

Taita Taveta Investment and Development Corporation is established by and derives its authority Taita Taveta Investment and Development Corporation Act 2022 Act. The Taita Taveta Investment and Development Corporation is wholly owned by the County Government of Taita Taveta Investment and Corporation and is domiciled in Kenya. The Entity's principal activity is to hold properties and assets on behalf of the county for the purposes of investments and development

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Taita Taveta Investment and Development Corporation accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Taita Taveta Investment and Development Corporation. The financial statements have been prepared in accordance with the PFM Act, 2012 Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**  
There were no new and amended standards issued in the financial year.
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held	<b>Applicable 1<sup>st</sup> January 2025</b>

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Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of</p>

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Standard	Effective date and impact:
	financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**iii. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year.

**4 Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset cash, goods, services and property if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Taita Taveta Investment and Development Corporation and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance upon fulfilling the conditions set.

**Levies, Fines, and penalties**

The Taita Taveta Investment and Development and Corporation recognizes revenues from Levies, Fines, and penalties when the event occurs and the asset recognition criteria are met.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Taita Taveta Investment and Development and Corporation

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**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Taita Taveta Investment and Development right to receive payments is established.

**Rental income**

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

**b) Budget information**

The original budget for the FY 2023/2024 was approved by the County Assembly on 25<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Taita Taveta Investment and Development Corporation upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Taita Taveta Investment and Development Corporation recorded reduction appropriations of Ksh 3,300,000 25<sup>th</sup> April 2024 budget following the governing body's approval. The Taita Taveta Investment and Development Corporation budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Taita Taveta Investment and Development Corporation operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled

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entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Taita Taveta Investment and Development Corporation and the same taxation authority Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

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

**e) Property, plant and equipment**

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

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

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Taita Taveta Investment and Development Corporation. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Taita Taveta Investment and Development Corporation also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Taita Taveta Investment and Development Corporation will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Taita Taveta Investment and Development Corporation. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

The Taita Taveta Investment and Development Corporation expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Taita Taveta Investments and Development Corporation can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**i) Financial instruments**

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

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

**ii. Financial liabilities**

**Classification**

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

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

**k) Provisions**

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

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**l) Contingent liabilities**

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

**m) 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 Taita Taveta Investment and Development Corporation 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.

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

The Taita Taveta Investment and Development Corporation provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity Taita Taveta Investment and Development Corporation and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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**r) Related parties**

The Taita Taveta Investment and Development Corporation regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Taita Taveta Investment and Development Corporation or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**s) Service concession arrangements**

Taita Taveta Investments and Development Corporation analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Taita Taveta Investments and Development Corporation recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Taita Taveta Investment and Development Corporation also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year

**u) Comparative figures**

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

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

**5 Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Taita Taveta Investment and Development Corporation based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Taita Taveta County.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note .Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Transfers from County Government entities**

Description	FY2023/2024	FY.2022/2023
	KShs	KShs
<b>Unconditional Grants</b>	-	-
Operational Grant	2,200,000	-
Unconditional development grants	-	-
Other Grants	-	-
<b>Total Unconditional Grants</b>	<b>2,200,000</b>	<b>-</b>

**a) Transfers from County Departments**

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers FY 2023/2024	Insert Comparative FY 2022/2023
	KShs	KShs	KShs	KShs	KShs
County Department	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7. Transfers in Kind**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Electricity	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**8. Levies, Fines and Penalties**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Penalties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. Public Contributions and Donations**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Health Donations	-	-
<b>Total Transfers and Sponsorships</b>	<b>-</b>	<b>-</b>
Conditions to be met - remain liabilities	-	-

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**10. Licenses, Fees and Permits**

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Licenses	-	-
Permits	-	-
<b>Total</b>	-	-

**11. Rendering of Services**

	FY 2023/2024	FY 2022/2023
	KShs	KShs
Agency income	-	-
<b>Total Revenue from the Rendering of services</b>	-	-

**12 Sale of Goods**

	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Sale of textiles	-	-
<b>Total revenue from the sale of goods</b>	-	-

**13. Rental revenue from facilities and equipment**

Description	FY 2023/2024	FY 2022/2023
Hire of equipment	-	-
Staff houses	-	-
Others (Specify)	-	-
<b>Total Rentals</b>	-	-

**14. Finance Income**

Description	FY 2023/2024	FY 20122/2023
	Kshs	Kshs
Interest income on bank deposits	-	-
<b>Total finance income</b>	-	-

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**15. Other Income**

	FY 2023/2024	FY 2022/2023
		Kshs
Insurance recoveries	-	-
Services concession income	-	-
<b>Total Other income</b>	-	-

**16. Use of Goods and Services-**

Description	FY 20123/2024	FY 20122/2023
	Kshs	Kshs
Electricity	-	-
Water	-	-
Subscriptions	-	-
Audit Fees	0	-
Conferences and delegations	219,550	-
Fuel and oil	-	-
Training costs	-	-
Travel, accommodation subsistence and other Allowances	470,460	-
Bank charges	1,670	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>691,680</b>	-

**17. Employee Costs**

Description	FY 20123/2024	FY 20122/2023
	Kshs	Kshs
Salaries for permanent employees	-	-
<b>Total employee costs</b>	-	-

**18. Board Expenses**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Sitting Allowances	326,200	-
Travel and accommodation	1,129,000	-
<b>Total</b>	<b>1,455,200</b>	-

**19. Depreciation and Amortization Expenses**

Description	FY 2023/2024	FY 2022/2023
	Property, plant and equipment	-
<b>Total depreciation and amortization</b>	-	-

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**20. Repairs and Maintenance**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
Property and equipment	-	-
Vehicles	-	-
Furniture and Fittings	-	-
<b>Total Repairs and Maintenance</b>	-	-

**21. Contracted Services**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
Actuarial valuations	-	-
Property valuations	-	-
<b>Total Contracted Services</b>	-	-

**22. Grants and Subsidies**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
Community Development	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Grants and Subsidies</b>	-	-

**23. Finance Costs**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
<b>Total finance costs</b>	-	-

**24. Gain on Sale of Assets**

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Description	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Property, plant and equipment	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	-	-

**25 Gain/Loss on foreign exchange transactions**

Description	FY 2023/2024	FY 2022/2023
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
<b>Total Gain/Loss</b>	-	-

**26. Gain/ Loss on fair Value Investment**

Description	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Investments at Fair Value- Equity investments	-	-
<b>Total Gain</b>	-	-

**27. Impairment Loss**

Description	FY 2023/2024	FY 2022/2023
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	-	-

**28. Taxation**

Description	FY2023/2024	FY2023/2024
	Kshs	
Current income tax charge	-	-
Original and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

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**29. Cash and Cash Equivalents**

Description	FY2023/2024	FY2022/2023
	Kshs	
Current Account KCB ACCOUNT 1324207264	53,120	-
ABASA ACCOUNT 2050409840	-	-
On – Call Deposit	-	-
Fixed Deposits Account	-	-
<b>Total Cash and cash equivalents</b>	<b>53,120</b>	<b>-</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	FY/2023/2024	FY 2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
KCB Bank	1324207264	53120	-
ABSA BANK	2050409840	-	-
<b>Sub- Total</b>		<b>53,120</b>	<b>-</b>
<b>Grand Total</b>		<b>53,120</b>	<b>-</b>

**30. Receivables from exchange transactions**

Description	FY2023/2024	FY2023/2024
	Kshs	Kshs
Trade debtors	-	-
<b>Total receivables</b>	<b>-</b>	<b>-</b>
Non-current Receivables	-	-
<b>Total receivables</b>	<b>-</b>	<b>-</b>

**a) Ageing analysis for Receivables from exchange transactions**

Description	FY 2023/2024		Insert FY 2022/2023	
	Kshs		Kshs	
	FY 2023/2024	% of the total	FY/2022/2023 FY	% of the total
Less than 1 year	-	-	-	%
Over 2 years	-	-	-	%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>%</b>

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**b) Reconciliation for impairment allowance on receivables from exchange transactions**

Impairment allowance/ Provision	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**31. Receivables from Non-Exchange Transactions**

Description	FY 2023/2024		Insert FY 2022/2023	
	Kshs		Kshs	
Levies, fines, and penalties	-		-	
Less: impairment allowance	-		-	
<b>Total receivables from non- exchange transactions</b>	-		-	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>FY 2023/2024</b>	<b>% of the total</b>	<b>FY 2022/2023</b>	<b>% of the total</b>
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 2 years	-	%	-	%
<b>Total</b>	-	%	-	%

**Reconciliation For Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Recovered during the year	-	-
Written off during the year	-	-

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**32 Inventories**

	FY	FY 2022/2023
	2023/2024	Kshs
Consumable stores	-	-
Spare parts and meters	-	-
Less: allowance for impairment	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

**33. Investments in financial assets**

Description	FY	FY 2022/2023
	2023/2024	Kshs
	Kshs	Kshs
<b>a) Investment in Treasury bills</b>		
Financial institution	-	-
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>Investment in Treasury bonds</b>	-	-
Financial institution	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>	-	-
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>	-	-
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
<b>Grand total</b>	-	-
<b>Analysed as:</b>	-	-
<b>Current</b>	-	-
<b>Non-current</b>	-	-

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**d) Movement of Equity Investments**

Impairment allowance/ provision	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

**e) Shareholding in other entities**

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		FY 2023/2024	FY 2022/2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**34 Prepayments**

	FY/2023/2024	FY 2022/2023
	Kshs	Kshs
Insurance	-	-
Subscriptions	-	-
Rent	-	-
Electricity	-	-
	-	-

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**35. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
<b>Depreciation Rate</b>		x%	x%	x%	x%	x%		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As At 1<sup>st</sup> July 2022</b>	-			-	-	-	-	
Additions	-			-	-	-	-	
Disposals	-			-	-	-	-	
Transfers/Adjustments	-			-	-	-	-	
<b>As at 30<sup>th</sup> June 2023</b>	-			-	-	-	-	
<b>As At 1<sup>st</sup> July 2023</b>								
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-		-	-	-	-
<b>At 1 July 2022</b>	-	-	-		-	-	-	-
Transfers/ Adjustments	-	-	-		-	-	-	-
<b>As At 30<sup>th</sup> 2023</b>	-	-	-		-	-	-	-
<b>At 1<sup>st</sup> July 2023</b>								
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	-	-	-	-	-
<b>Net Book Values</b>								
<b>As at 30<sup>th</sup> June 2023</b>	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	-	-	-	-	-

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**35 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
<b>Total</b>	-	-	-

Property plant and equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and machinery	-	-
Office equipment, furniture and fittings	-	-
<b>Total</b>	-	-

**36. Intangible Assets**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Cost	-	-
At beginning of the year	-	-
At end of the year	-	-
NBV	-	-

**37. Investment Property**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
At end of the year	-	-

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**38. Trade and Other Payables**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Trade payables	-	-
Employee payables	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**39. Refundable Deposits from Customers**

Description	FY2023/2024		FY2022/2023	
	Kshs			
Customer deposits	-		-	
Other deposits	-		-	
<b>Total deposits</b>	-		-	
<b>Ageing analysis: (Refundable deposits)</b>	<b>FY2023/2024</b>	<b>% of the Total</b>	<b>FY2022/2023</b>	<b>% of the Total</b>
<b>Under one year</b>	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

**40. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-
<b>Total provisions at the end year</b>	-	-	-	-
<b>Analysed as:</b>				
Non-Current Provisions	-	-	-	-

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**41. Finance Lease Obligation**

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	FY2023/2024	FY2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-	-

Description	FY2023/2024	FY2023/2024
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**42. Deferred Income**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
National Government	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

**43. Employee Benefit Obligations**

**Retirement benefit Asset/ Liability**

The Taita Taveta Investment and Development Corporation operates secondment employees.

Description	FY2023/2024	FY2022/2023
Discount Rates	-	-
Future Pension Increases	-%	-%
Retirement	-years	-years

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**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	FY2023/2024	FY2022/2023	
	Kshs	Kshs	
The return on defined plan assets	-	-	
Actuarial gains and losses arising from experience adjustments	-	-	
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-	

b) Amounts recognised in the Statement of Financial Position

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Net asset or liability arising from defined benefit obligation	-	-

**44. Payments received in advance.**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Rent	-	-
Others ( <i>Specify</i> )	-	-
Total	-	-

**45. Borrowings**

Description	FY2023/2024	FY2023/2024
	Kshs	Kshs
Domestic borrowings	-	-
Balance at end of the year	-	-

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**46. Service Concession Arrangements**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Fair value of service concession	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-

**47. Surplus Remission for category 3 entities**

In accordance with Section 206 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into County Revenue Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Surplus remission has been computed as follows:

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by County Treasury	-	-
90% Computation (Included in Statement of Financial Performance)	-	-

**Surplus Remission Payable**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
<b>Payable at end of the year</b>	-	-

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**48. Taxation**

Description	FY2023/2024	Insert FY2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 28)	-	-
At end of the year	-	-

**49. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Accelerated capital allowances	-	-
<b>Net deferred tax liability/(asset)</b>	-	-
<b>Balance at beginning of the year</b>	-	-
Income statement charge/(credit)	-	-
<b>Balance at end of the year</b>	-	-

**50. Cash Generated from Operations**

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Surplus for the year before tax</b>	-	-
<b>Adjusted for:</b>		
Non-cash grants received	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

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**51. Financial Risk Management**

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

**i) Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2023</b>				
Receivables from exchange transactions	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June FY 2024</b>				
Bank balances	-	-	-	-

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**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Taita Taveta Investments and Development Corporation has significant concentration of credit risk on amounts due from xxx. The Board of Directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's Directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Taita Taveta Investment and Development Corporation under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1	Between 1-	Over 5	Total
	month	3 months	months	
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June FY 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-

**Financial Risk Management**

**iii) Market risk**

The Taita Taveta Investment and Development Corporation has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign

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exchange rates which will affect the Taita Taveta Investment and Development Corporation income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Taita Taveta Investment and Development and Corporation has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Taita Taveta Investment Corporation Development manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**Financial Risk Management**

The carrying amount of the Taita Taveta Investments and Development Corporation foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow

**FY 2023/2024**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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**Foreign currency sensitivity analysis**

**FY 2023/2024**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of FY2023/2024 a rate increase/decrease of five percent would result in a decrease/increase in surplus before tax.

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**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Taita Taveta Investment and Development Corporation considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Land and Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

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There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

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

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation Reserve	-	-
Accumulated surplus	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess cash and cash Equivalents)	-	-

**52. Related Party Disclosures**

**a) Nature of related party relationships**

Entities and other parties related Corporation include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**b) County Government of Taita Taveta**

The county Government of Taita Taveta is the principal shareholder of the Taita Taveta Investment and Development Corporation, holding 100% of the Taita Taveta Investment and Development Corporation equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

**c) Other related parties include:**

- i) The Parent Department.
- ii) County Governments
- iii) Other County Corporations
- iv) Key management.
- v) Board of Directors.

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**d) Transactions with related parties**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>a) Sales to related parties</b>	-	-
Water sales to govt. agencies	-	-
<b>Total</b>	-	-
<b>B) purchases from related parties</b>	-	-
<b>Total</b>	-	-
<b>b) Grants /transfers from the government</b>	-	-
Grants from county government	-	-
Grants from other levels of Government	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**53. Segment Information**

Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Taita Taveta Investment and Development Corporation performance and allocation of resources to different segments

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**54. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Receivables from other government entities	-	-
<b>Total</b>	-	-

**Contingent Liabilities**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court case xx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>		

**55. Capital Commitments**

Capital Commitments	Insert C	
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

B: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the Board but at the end of the year had not been contracted or those already contracted for and ongoing.

**56. Events after the Reporting Period**

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

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**57. Ultimate And Holding Entity**

The Entity is a County Corporation under the Governor's Department. Its ultimate parent is the County Government of Taita Taveta.

**58. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor General's Recommendations**

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

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

Richard W. Kibengo .....  


Ag. CEO

Date: 30.06.2024

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**Appendix II: Projects implemented by Taita Taveta Investment and Development Corporation**

Corporation

Projects implemented by the County Corporation and funded by development partners and/ or the County Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)

**Status of Projects Completion**

Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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**Appendix IV: Transfers from Other Government Entities**

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded	
					Capital Fund	Defer Incom
Taita Taveta County dept	-	Recurrent	-	-	-	
	-	Development	-	-	-	
USAID	-	Donor Fund	-	-	-	
	-	Direct Payment	-	-	-	
<b>Total</b>	-		-	-	-	

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**Appendix V- Inter-Entity Confirmation Letter**

*[Insert your Letterhead]*

*[Insert name of beneficiary Entity]*

*[Insert Address]*

Taita Taveta Investment and Development Corporation wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (KShs) as at 30th June 2024				Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Department (C)	Total (D)=(A+B+C)		
Total							
In confirm that the amounts shown above are correct as of the date indicated.							
<b>Head of Finance department of beneficiary Entity:</b>							
Name ..... Sign .....Date .....							

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**Appendix VI: Reporting of Climate Relevant Expenditures**

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

**Appendix VII: Reporting on Disaster Management Expenditure**

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