


REPUBLIC OF KENYA



Enhancing Accountability



REPORT
OF
THE AUDITOR-GENERAL
ON
KENYA AFRICAN DEMOCRATIC
UNION-ASILI (KADU-ASILI)
FOR THE YEAR ENDED
30 JUNE, 2023

 THE NATIONAL ASSEMBLY PAPERS & AID	
DATE: 10 SEP 2024	
DAY: Wednesday	
TABLED BY:	Hon. Owen Baya, MP Deputy Majority party
CLERK-AT THE-TABLE:	Finlay Munuki

OFFICE OF THE AUDITOR GENERAL
P. O. Box 20084, 00100, NAIROBI
REGISTRY
29 APR 2024
RECEIVED

Revised 30th June 2023



KADU ASILI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

(KADUASILI)
Annual Report and Financial Statements
for the year ended June 30, 20xx.

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
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
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

The *Entity* was incorporated/ established under the political parties Act on 27th April, 2012. The *Entity* is domiciled in Kenya and has branches in all twenty-four counties (24) in Kenya.

(b) Principal Activities

The principal activity/mission/ mandate of the Entity is to enhance political activities.

VISION- is be the leading political party of choice to all Kenyans.

MISSION- to form an all-inclusive government that respects Human Rights, promotes Gender Equality, Justice, Freedoms and Liberty, while improving social and economic conditions of all Kenyans.

CORE OBJECTIVES-to respect Human Rights, Family Values based on positive religion and Culture, to encourage and promote Coalition among Political Parties pursuing similar objectives in Kenya, to enhance National and Ethnic Integration, Cohesion, Reconciliation, Peace and Unity of all Kenyans etc.

(c) Key Management

The *Entity's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors/ Council/ Management etc;	GOVERNANCE BODY
2.	Accounting officer/ CEO/MD/VC etc	CEO JIMMY NGALA
3.	Manager 1	N/A
4.	Manager 2	N/A

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO, MD, VC, DG	CEO JIMMY NGALA
2.	Head of Corporate Services	N/A
3.	Treasurer	Hannah Lynet Gwiyo

No.	Designation	Name
4.	Head of Procurement	N/A
5.		
6.		

(Include positions regarded as top management in your organisation as per your organisational structure).

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *National Executive Committee*
- *Disciplinary (sub) Committee*
- *Finance (sub) Committee*
- *Parliamentary Oversight Committees*
- *National Elections Board*

(f) Party Headquarters

P.O. Box 83229-80100
Dockworkers union Building
Kenyatta Avenue
Mombasa, KENYA

(g) Entity Contacts

Telephone: (254) 0729686106/0722829313
E-mail: kaduasili@yahoo.com
Website:www.kaduasili.co.ke

(h) Entity Bankers

Co-operative Bank of Kenya
Makupa Branch Mombasa
Kenyatta Avaneue

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Key Entity Information and Management (continued)

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. The Board of Directors/Council



Joshua Kombora
National Chairman



Jimmy Ngala
Secretary General



Said Mwanyoha
*National Organizing
Secretary*



Keziah Adhiambo
Secretary for Women Affairs



Sophie Burns Chokwe
2nd Organizing Secretary



Nuru Mselem
1st Deputy Treasurer



Ronald Ngala Amani
ICT

4. Key Management Team

	Management	Details
1.	Insert each key manager's passport-size photo and name, and key profession/academic qualifications	Indicate the main area of responsibility – without details
2.	Manager 2	
3.	Manager 3	
4.	Manager 4	
	<i>Note: The CEO and the Entity Secretary will feature both under the 'Board' and 'Management'.</i>	

5. Chairman's Statement

(One – two pages.)

Vision- to be the leading political party of choice to all Kenyans.

Mission- to form an all-inclusive government that Respect Human Rights, Promote Gender Equality, Justice, Freedoms and Liberty, while improving social and economic conditions of all Kenyans.

Core Objectives- to Respect Human Rights, Family Values Based on positive religion and culture, to enhance National and Ethnic Integration, Cohesion, Reconciliation, Peace and Unity of all Kenyans.

Party history/background KADU ASILI was registered in April 2012 under the Political Parties Act 2011 Registration Number 030. The party has its Headquarters in Mombasa at the Dockworkers

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Union Building along Kenyatta Avenue. The Party has an estimated Total Membership amounting 87,534 during the 2022/2023 period across the Country.

During the 2022 General-Election KADU-ASILI did not perform well because of very many challenges and only managed to get one Elected MCAs from Kwale County Tiwi ward. In spite of having fielded many Candidates for the various Positions that were ranging from MCAs, Member of Parliament, Women Rep. Senator, Governor the party did not field the Presidential Candidate.

The main challenges faced, amongst others, was the lack of resources (funds) to support our party candidates. This resulted into many of our potential aspirants being bought by other Parties that could afford to sponsor them.

During this same period, the party also lost its party leader who went to join the United Democratic Alliance (U.D.A.) Party. The created a big Vacuum, as he was an important contributor and link to the Party.

The main successes during the year were the increase in the number of Youth/s and PWDs who volunteered to contest various positions, mainly at the County levels.

WAY FORWARD

The Party has deliberate intentions of pursuing well-wishers and/or donors to assist in finding the Party activities.

The Party is rolling out an extensive Membership recruitment drive to register many members who can boost the party funds, mostly the Recruitment of more Life members who pay more to the Party kitty.

Try and have many more Candidates who will pay for their Nomination fees for the different positions that are open to contestation.

To enhance civic education to the Party members to enlighten them on the need for them to actively participate in Political Parties activities with emphasize the women and youths.

SIGNATURE



JOSHUA KOMBORA
NATIONAL CHAIRMAN

6. Report of the Chief Executive Officer

BRIEF BACKGROUND

The year 2022/2023 was a busy time for the party mainly with the 2022 General Elections. The secretariat was busy preparing documentations for the party candidates and handling over these to the Party's National elections board to process the various candidates who were contesting in the different positions, which ranged from MCAs, national assembly, senate, governors, etc.

PERFORMANCE -2023

I must admit that the party's performance during the 2022 general elections was the worst since the inception of the party -in terms of the number of elected representatives. The general election of 2017 was good because the party got quite a number of elected representatives.

The party has been struggling to maintain the mandatory minimum number of counties required by law to remain compliant. The difficult party facing us is the issue of maintain the minimum number of members required in each county, which is a minimum of 1000 members. Some members keep on defecting from one party to another one every time and at any time.

The party has been struggling to keep its operations up and running despite numerous challenges. The major challenges being the very limited resources(funds), which are mainly from candidates and the elected and/or nominated representatives.

(PPF) POLITICAL PARTIES FUND

The Political Parties Fund (PPF) also assists the party in funding source of its activities, although limited in its usage. We are hoping that these funds can be improved/increased to the parties so that party activities and programmes can be further enhanced. If the parties can get reasonable funding such that they don't remain hostage'' to the high and mighty individuals that fund them, they can have proper equal playing fields. Individuals funding these parties tend to dictate/determine terms to these Parties who easily fall at these individuals' mercy.

WAY FORWARD

The party has rolled out a program towards trying to raise funds. This programme is headed by the party treasurer. This programme is aimed at reaching out to donors and well-wishers who may have the interest of KADU ASILI at heart. The team has identified various institutions, individuals etc. who have been approached towards assisting the party.

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**Annual Report and Financial Statements
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(KADU ASILI)

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

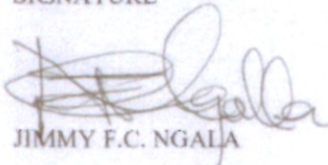
CHALLENGES

The party has been facing several challenges/shortcomings since inception. The challenges have been many but to highlight just a few, as follows: -

RESOURCES:

- I. The party needs resources, mainly funds to ensure that it fulfils its mandate, as per the constitutional requirements. The party has to maintain the statutory offices required in the counties and hire a minimum staff required to run/manage these offices. The headquarters office urgently requires to hire an executive officer/director to manage the day-to-day affairs of the party. The county offices all require at least one person to manage the daily affairs.
- II. The party needed to acquire certain essential office equipment's for proper furnishing. At least some laptops, office desks and chairs for proper operations to be done.
- III. The party needs to do civic education to its members (and even the general public) about political activities and create awareness about their participation in the Party's' activities. Sometimes the party has to arrange public rallies to sensitize members and the general public about its existence.

SIGNATURE



JIMMY F.C. NGALA

SECRETARY GENERAL

7. Statement of Performance against Predetermined Objectives for FY 2022/2023-1

(Two-to-three pages)

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Entity's performance against predetermined objectives. (This guidance statement should be removed in the final set of financial statements).

KADU-ASIL has strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022/2023-1. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1:

Pillar/theme/issue 2:

KADU-ASIL develops its Annual Work Plans based on the above pillars/Themes/Issues. Assessment of the Board's performance against its Annual Work Plan is done on a quarterly basis. The *Entity* achieved its performance targets set for the *FY 2022/2023* period for its xx strategic pillars, as indicated in the table below:

(NB: Entities can prepare this performance information as per the table below or in a more relevant format suitable for the nature of its activities)

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:				
Pillar/ theme/ issue 1:				

(Under this section therefore, the management should include performance against the strategic objectives of the organisation. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The organisation should also briefly outline how they have tied achievements to performance contracts)

10. Environmental and Sustainability Reporting

(Two-to-three pages)

i) Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

iii) Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

Outline efforts to maintain ethical marketing practices.

d) Product stewardship

Outline efforts to safeguard consumer rights and interests.

v) Corporate Social Responsibility / Community Engagements

The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the *Entity's* affairs.

i) Principal activities

The principal activities of the Entity are Political Activities

ii) Results

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

iii) Directors

The members of the Board of Directors who served during the year are shown on page xxx. During the year xxx director retired/ resigned and xxx was appointed with effect from xxx date.

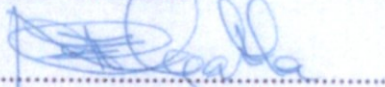
iv) Surplus remission *(if you fall under Category 3)*

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

v) Auditors

The Auditor-General is responsible for the statutory audit of the *Entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Entity* for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Name JIMMY NGALA

Corporation Secretary/Secretary to the Board

8. Corporate Governance Statement

(Two-to-three pages)

(Under this section, include the number of Board meetings held and the attendance to those meetings by members, succession plan, existence of a board charter, process of appointment and removal of directors, roles and functions of the Board, induction, training and development, board and member performance, conflict of interest, board remuneration, ethics and conduct as well as governance audit.)

9. Management Discussion and Analysis

(Two- three pages)

(Under this section, the management gives a report on the operational and financial performance of the organisation for the last three to five year period, Entity's key projects or investments decision implemented or ongoing, Entity's compliance with statutory requirements, major risks facing the organisation, material arrears in statutory and other financial obligations, review of the economy, review of the sector, future developments and any other information considered relevant to the users of the financial statements.) The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated)*) require the Directors to prepare financial statements in respect of that *Entity*, which give a true and fair view of the state of affairs of the *Entity* at the end of the financial year/period and the operating results of the *Entity* for that year/period. The Directors are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Directors are also responsible for safeguarding the assets of the *Entity*.

The Directors are responsible for the preparation and presentation of the *Entity's* financial statements, which give a true and fair view of the state of affairs of the *Entity* for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Entity*; (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 *Entity*; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Entity's* 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 State Corporations Act) – *entities should quote applicable legislation as indicated under which they are regulated*). The Directors are of the opinion that the *Entity's* financial statements give a true and fair view of the state of *Entity's* transactions during the financial year ended June 30, 2023, and of the *Entity's* financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the *Entity*, which have been relied upon in the preparation of the *Entity's* financial statements as well as the adequacy of the systems of internal financial control.

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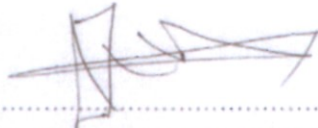
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In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern (*disclose, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) OR

Nothing has come to the attention of the Directors to indicate that the *Entity* 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 *Entity's* financial statements were approved by the Board on ___15/02/_2024 and signed on its behalf by:



Name MR JOSHUA K .KOMBORA
Chairperson of the Board/Council



Name JIMMY F.C NGALA
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA AFRICAN DEMOCRATIC UNION-ASILI (KADU-ASILI) FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided under 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.

Adverse Opinion

I have audited the accompanying financial statements of Kenya African Democratic Union-Asili (KADU-Asili) set out on pages 1 to 69, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

of budget 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.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kenya African Democratic Union-Asili (KADU-Asili) as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Political Parties Act, 2011 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements submitted for audit revealed the following inaccuracies;

1.1 Variances Between the Financial Statements and Explanatory Notes

- i. The statement of financial performance reflects transfers from other Government entities of Kshs.239,916, public contributions and donations of Kshs.100,966, other income of Kshs.1,000, board expenses of Kshs.132,080, repairs and maintenance of Kshs.20,640 and finance costs of Kshs.3,249 while the explanatory Notes 6, 8, 15, 16, 18, 20 and 23 respectively, indicate nil balances. Reconciliations for the balances were not provided for audit.
- ii. The statement of financial performance reflects a nil amount for use of goods and services while Note 16 reflects a computed amount of Kshs.426,739 resulting in an unreconciled variance of Kshs.426,739.
- iii. The statement of financial position reflects investments of Kshs.98,649, and receivables of Kshs.75,157 while the corresponding Notes 33 and 35 to the financial statements reflect nil balances resulting in an unreconciled balances of Kshs.98,649 and Kshs.75,157 respectively.
- iv. The statement of cash flows reflects negative net cash flows from operating activities of Kshs.340,417 while disclosure Note 50 to the financial statements reflects negative net cash flows from operating activities of Kshs.323,086, resulting in an unexplained variance of Kshs.17,331.
- v. The statement of financial performance reflects expenditure on repairs and maintenance of Kshs.20,640. However, disclosure Note 20 to the financial statements reflects an amount of Kshs.15,440, resulting in an unreconciled variance of Kshs.5,200.

- vi. The statement of financial performance reflects expenditure on contracted services of Kshs.304,330 while Note 21 to the financial statements reflected an amount of Kshs.138,560. Further, the statement of comparison of budget and actual amounts reflects actual contracted services amount of Kshs.307,579. The variances between the three amounts relating to the same expenditure have not been reconciled.

1.2 Other Variances

- i. The statement of financial position reflects a negative capital fund balance of Kshs.359,458, while the statement of changes in net assets reflects a nil balance resulting in an unreconciled balance of Kshs.359,458.
- ii. The statement of cash flows reflects expenditure on grants and subsidies of Kshs.3,249. However, the amount has not been disclosed in the statement of financial performance and the statement of comparison of budget and actual amounts.
- iii. The statement of financial performance reflects transfers from other government entities of Kshs.239,916, whereas the statement of comparison of budget and actual amounts reflects an actual amount of Kshs.701,340, resulting in an unreconciled variance of Kshs.461,424. Further, the Political Parties Fund annual report indicated an amount of Kshs.287,508 as amount due to the Party. No explanation was provided for the differences noted.
- iv. The statement of cash flows reflects expenditure on use of goods and services of Kshs.165,770 while the statement of financial performance reflects recomputed expenses amounting to Kshs.426,739, resulting in an unreconciled variance of Kshs.260,969.

In the circumstances, the accuracy and completeness of balances reflected in the financial statements for the year ended 30 June, 2023 could not be confirmed.

2. Unsupported Other Income

The statement of financial performance reflects other income amount of Kshs.1,000. However the statement of comparison of budget and actual amounts reflects a Nil actual balance in respect of other income. Further, the income was not supported by an analysis of the income and other supporting documents.

In the circumstances, the accuracy and completeness of the other income amount of Kshs.1,000 could not be confirmed.

3. Unsupported Revenue from Public Contributions and Donations

The statement of financial performance reflects revenue from non-exchange transactions in respect to public contributions and donations of Kshs.100,996. However, the supporting

documents such as list of members, an analysis of members' contributions due and received, and receipts issued were not provided for audit.

In the circumstances, the accuracy and completeness of the income from public contributions and donations of Kshs.100,996 could not be confirmed.

4. Unsupported Board Expenses

The statement of financial performance reflects board expenses of Kshs.132,080. However, schedules and analysis for the expenditure were not provided for audit.

In the circumstances, the accuracy and completeness of the board expenses of Kshs.132,080, could not be confirmed.

5. Unsupported Receivables and Payables Balances

The statement of financial position reflects receivables and trade and other payables balances of Kshs.75,157 and Kshs.18,596 respectively as disclosed in Notes 35 and 37 to the financial statements. However, supporting schedules and aging analysis for the balances were not provided for audit.

In the circumstances, the existence, accuracy and completeness of the payables and receivables balances of Kshs.18,596 and Kshs.75,157, respectively could not be confirmed.

6. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.75,157 which was not supported by the cashbook, bank reconciliation statement and board of survey report. Further, the detailed analysis of cash and cash equivalents balance reflected nil balances and no bank account numbers.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.75,157 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Africa Democratic Union – Asili (KADU Asili) Party 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 adverse opinion.

Emphasis of Matter

Unaudited Comparative Balances

The financial statements presented for audit reflects comparative balances for the year ended 30 June, 2022. However, only the financial statements of political parties funded from public funds were being audited pursuant to Article 229(4)(f) of the Constitution of

Kenya, which mandates the Auditor-General to audit political parties funded from public funds. Therefore, the 2022/2023 financial year is considered the first year of audit and the audit procedures undertaken did not cover the prior year balances.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Presentation and Disclosures of the Financial Statements

Review of financial statements presented for audit revealed the following anomalies:

- i. The table of contents, all the financial statements and the Notes to the financial statements did not indicate the accounting period to which the financial statements relate;
- ii. Key Entity Information on Management on pages iv and v is incomplete;
- iii. The statement of financial performance and statement of financial position have electronic signatures for the Chairman, Accountant and Head of Finance. Similarly, the Chairman's Statement on page x and the Secretary's Statement on page xii also have electronic signatures;
- iv. The Annual Report did not include the required information and the Statement of Performance Against Predetermined Objectives;
- v. No information and analysis was provided on pages vi, 36 and 67, 69 to 74 and Appendices I to VII;
- vi. The accountant who signed the financial statements did not indicate membership registration number of the Institute of Certified Public Accountants of Kenya (ICPAK).

In the circumstances, the financial statements did not fully comply with the prescribed reporting template by the Public Sector Accounting Standards Board.

2. Late Submission of the Financial Statements

The financial statements for the year ended 30 June, 2023 were submitted to the Auditor-General on 19 February, 2024, over four months after the statutory deadline of 30 September, 2023. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012, which requires an Accounting Officer to prepare and submit the annual financial statements for each financial year to the Auditor-General within three months after the end of the fiscal year.

In the circumstances, Management was in breach of law.

3. Non-Compliance with Law on Establishment of Party Offices

An inspection conducted in March, 2024 revealed that, out of thirty-eight (38) sampled counties visited, the Party had only three (3) offices in Mombasa and Kwale Counties, while an office in Kilifi had been closed. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which requires a political party to be fully registered if it has submitted to the Registrar the locations and addresses of the branch offices of the political party, in more than half of the counties.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Approved Management Policies and Procedure Manuals

During the year under review, the Party did not maintain payroll and details of staff volunteers' allowances. Further, the policies and Procedures Manuals for various

functions such as Finance, Procurement, Internal Audit, and ICT and the Strategic Plan were in draft form and had not been approved.

In the circumstances, the effectiveness of internal controls and risk management and overall governance structure of the Party could not be confirmed.

2. Weaknesses in Management of Fixed Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.73,529. However, Management did not provide for audit an assets register, showing details of the assets such as the serial number, value, date of purchase, depreciation rate and net book values, location and condition of the assets. Further, the assets did not have unique identifiers.

In the circumstances, the effectiveness of internal controls over the Party's fixed assets management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as 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 Party's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Party or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 June, 2024

13. Statement of Financial Performance for the year ended 30 June 2023

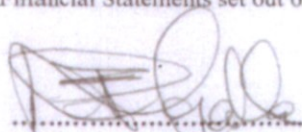
	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	239916	NIL
Levies, Fines, and penalties	7		
Public contributions and donations	8	100966	425421
Property taxes revenue	9	NIL	NIL
Licenses and permits	10		NIL
Revenue from exchange transactions			
Rendering of services	11	NIL	NIL
Sale of goods	12	NIL	NIL
Rental revenue from facilities and equipment	13	NIL	NIL
Finance income	14	NIL	NIL
Other income	15	1000	937514
Total revenue		341882	1517935
Expenses			
Use of goods and services	16		
Employee costs	17	222000	180000
Board Expenses	18	132080	113000
Depreciation and amortization expense	19	19041	
Repairs and maintenance	20	20640	
Contracted services	21	304330	906765
Grants and subsidies	22		
Finance costs	23	3249	NIL
Total expenses		701340	1460284
Other gains/(losses)			
Gain/Loss on sale of assets	24	NIL	NIL
Gain/Loss on foreign exchange transactions	25	NIL	NIL
Gain /Loss on fair value of investments	26	NIL	NIL
Impairment loss	27	NIL	NIL
Surplus/ (deficit) before tax		-359458	57651
Taxation	28	NIL	NIL
Surplus/(deficit) for the period/year		-359458	57651
Remission to National Treasury	47		
Net Surplus for the year		-359458	57651

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

KADU ASILI)
**Annual Report and Financial Statements
for the year ended June 30, 2023.**

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Attributable to:			
Surplus/(deficit) attributable to minority interest		NIL	NIL
Surplus attributable to owners of the controlling Entity		NIL	NIL
		NIL	NIL

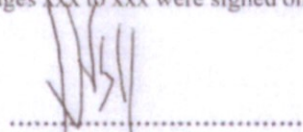
The notes set out on pages xxx to xxx form an integral part of these Financial Statements. The Financial Statements set out on pages xxx to xxx were signed on behalf of the Board of Directors by:


.....

Name: JIMMY F. C NGALA

Accounting Officer

Date 15//02/2024

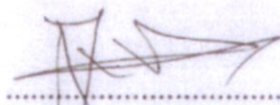

.....

Name: MUGA J N

Head of Finance

ICPAK M/No:

Date 02/03/2024


.....

Name: JOSHUA K

KOMBORA

Chairman of the Board

Date 15/02/2024

**Comparative year means prior year/ previous period*

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

15 Statement of Financial Position as at 30 June 20xx

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	29	75157	398243
Receivables from Exchange Transactions	30 (a)	NIL	NIL
Receivables from Non-Exchange Transactions	31	NIL	NIL
Inventories	32	NIL	NIL
Investments in financial assets	33	NIL	NIL
Total Current Assets		75157	398243
Non-Current Assets			
Property, Plant and Equipment	34	73529	92570
Investments	33	98649	98649
Receivables	35	75157	810276
Investment Property	36		
Receivables from Exchange Transactions	30 (b)		
Total Non- Current Assets		982454	1001495
Total Assets		1039015	1399738
Liabilities			
Current Liabilities			
Trade and Other Payables	37	18596	1265
Refundable Deposits from Customers	38		
Current Provision	39		
Finance Lease Obligation	40		
Current Portion of Borrowings	43		
Deferred Income	41		
Employee Benefit Obligation	42		
Social Benefits	46		
Taxation	48		
Total Current Liabilities		18596	1265
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	42	NIL	NIL
Non-Current Provisions	43	NIL	NIL


**Annual Report and Financial Statements
for the year ended June 30, 2023.**

KADU ASILI)

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

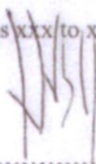
	Notes	Insert Current	Insert
		FY	Comparative FY
		Kshs	Kshs
Borrowings	44		
Service Concession Liability	45		
Social Benefits	46		
Deferred Tax Liabilities	49		
Total Non- Current Liabilities			1265
Total Liabilities		18596	1265
Net Assets		1042818	1398473
Reserves			
Accumulated Surplus			
Capital Fund		-359458	57651
Total Net Assets		1398473	1340822
Total Net Assets and Liabilities		1039015	1398473

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



Name JIMMY F. C. NGALA
Accounting Officer

Date 15/02/2024



Name MUGA J N
Head of Finance

ICPAK Member Number:

Date 02/03/2024



Name JOSHUA K
.KOMBORA
Chairman of the Board

Date 15/02/2024

16. Statement of Changes in Net Assets for the year ended 30 June 2023

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, (Previous FY)							
Issued new capital	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Revaluation gain	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfer of excess depreciation on revaluation	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Deferred tax on excess depreciation	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Fair value adjustment on investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Surplus/ deficit for the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Capital/development grants received during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfer of depreciation/amortisation from capital fund to retained earnings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Dividends paid	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interim dividends paid	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Proposed final dividends	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at June 30, (Previous FY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at July 1, (Current FY)							
Issue of new share capital	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Revaluation gain	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfer of excess depreciation on revaluation	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Deferred tax on excess depreciation	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Fair value adjustment on investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Surplus/ (deficit) for the year							

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
Capital/development grants received during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfer of depreciation/amortisation from capital fund to retained earnings	NIL-	NIL	NIL	NIL	NIL	NIL	NIL-
Dividends paid	NIL	NIL	NIL	NIL	NIL)	NIL)	NIL
Interim dividends paid	NIL-	NIL	NIL	(NIL	NIL	NIL	NIL
Proposed final dividends	N	-	-	(NIL	NIL	NIL	-
As at June 30, (Current FY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		239916	
Levies, fines, and penalties			
Public contributions and donations		100966	425421
Property taxes revenue			
Licenses and permits			
Rendering of services			
Sale of goods			
Rental revenue from facilities and equipment			
Finance income		1000	1092514
Other income			
Total receipts		341882	1517935
Payments			
Use of goods and services		165770	260519
Employee costs		222000	180000
Board Expenses		132080	113000
Repairs and maintenance		20640	NIL
Contracted services		138560	906765
Grants and subsidies		3249	NIL
Bank charges			
Total payments		682299	1460284
Net cash flows from/(used in) operating activities	50	-340417	57651
Cash flows from investing activities			
Purchase of PPE and Intangible assets		NIL	NIL
Proceeds from sale of PPE		NIL	NIL
Purchase of investments		NIL	NIL
Sale of investments		NIL	NIL
Net cash flows from/(used in) investing activities		NIL	NIL
Cash flows from financing activities			
Proceeds from borrowings		NIL	NIL
Repayment of borrowings		NIL	NIL

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Proceeds from issue of shares			
Net cash flows from financing Activities		NIL	NIL
Net increase/(decrease) in cash & Cash equivalents			
Cash and cash equivalents at 1 July	29	398243	
Cash and cash equivalents at 30 June	29	75157	

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	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
Revenue						
Transfers from Other Governments entities	479,832.00	287,508.00	767,340.00	701,340.00	66,000.00	91.39
Levies, Fines and Penalties	N/A	N/A	N/A	N/A	N/A	N/A
Public Contributions and Donations	N/A	N/A	NIL	NIL	NIL	NIL
Property Taxes Revenue	NIL	NIL	NIL	NIL	NIL	NIL
Licenses and permits	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Goods	NIL	NIL	NIL	NIL	NIL	NIL
,	NIL	NIL	NIL	NIL	NIL	NIL
Finance Income	NIL	NIL	NIL	NIL	NIL	NIL
Agency Income	NIL	NIL	NIL	NIL	NIL	NIL
Other Income	1000	NIL	NIL	NIL	NIL	NIL
Total Income	479,832.00	287,508.00.00	767,340.00.00	701,340.00	66,000.00	91.39
Expenses						
Use of Goods and Services	N/A	N/A-	N/A	N/A	N/A	N/A
Employee costs	180,000.00	42,200.00	222,200.00	180,000.00	42,200.00	23.44
Board expences	60000	72,080.00	132,080.00	132,080.00	60,000.00	45.42
Repairs and Maintenance	NIL	20,640.00	20,640.00	20,640.00	NIL	100
Contracted Servic..es	NIL	307,579.00	307,579.00	307,579.00	NIL	
11001Provisions	NIL	19,041.00	19,041.00,	19,041.00	NIL	100
Total Expenditure	240,000.00	461,340.00	701,340.00	659,340.00	102,200.00	15.5
Surplus for the period	-359,438.00	NIL	NIL	NIL	NIL	NIL
Capital Expenditure	N/A	NIL	NIL	NIL	NIL	NIL

x

KADU ASIL)
Annual Report and Financial Statements
for the year ended June 30, 2023.

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSSAS 24.14)/A
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

19. Notes to the Financial Statements

1. General Information

KADU-ASILI Entity is established by and derives its authority and accountability from Political Parties Act. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is Politics.

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 *Entity's* 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 *Entity*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none">• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>(State the impact of the standard to the Entity)</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity.

Standard	Effective date and impact:
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none">• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.• IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>

Notes to the Financial Statements (Continued)

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

- iii. *Early adoption of standards*

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The *Entity* recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the *Entity* and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. 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 over the useful life of the assets that has been acquired using such funds.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 *Entity*.

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of xxx on the 20xx budget following the governing body's approval.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget, A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) 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 *Entity* 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 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 re-assessed 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 *Entity* and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 **expected** 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.

Summary of Significant Accounting Policies (Continued)

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. 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 *Entity* 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 *Entity* 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 *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

a) 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 cashflows 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.

Summary of Significant Accounting Policies (Continued)

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.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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) are set out in *Note xx*.

b) 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 *Entity*.

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

l) Social Benefits

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

m)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.

n) Contingent assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Reserves the right of nomination.*

p) 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.

q) Employee benefits

Retirement benefit plans

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

r) 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.

Summary of Significant Accounting Policies (Continued)

s) 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.

t) Related parties

The *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Entity*, or vice versa. Members of key management are regarded as related parties and comprise *the governing body, the CEO and senior managers*.

u) Service concession arrangements

The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

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

w) Comparative figures

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

x) 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, 2023.

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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

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

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Unconditional Grants		
Operational Grant	NIL	NIL
Unconditional development grants	NIL	NIL
Other Grants	NIL	NI
Total Unconditional Grants	NIL	NIL
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	NIL	NIL
Infrastructure Grant	NIL	NIL
Library Grant	NIL	NIL
Facilities Development Grant	NIL	NIL
Other Organizational Grants (specify)	NIL	NIL
Total Government Grants And Subsidies	NIL	NIL

(Explain the purpose of funding)

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred of under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY)	Insert Comparative FY
	KShs	KShs	KShs	KShs	KShs
Ministry/State Department	NIL	NIL	NIL	NIL	NIL
Xxx Ministry	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Entity Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).

Notes to the Financial Statements (Continued)

7. Levies, Fines and Penalties

Description	Insert Current FY	Insert
	Kshs	Comparative FY
	Kshs	Kshs
Fuel Levy	NIL	NIL
Other Levies (Specify)	NIL	NIL
Fines	NIL	NIL
Penalties	NIL	NIL
Total	NIL	NIL

(Provide brief explanation for this revenue)

8. Public Contributions and Donations

Description	Insert Current FY	Insert
	FY	Comparative FY
	Kshs	Kshs
Health Donations	NIL	NIL
Research Donations	NIL	NIL
Donations transferred to revenue on conditions being met.	NIL	NIL
Other Public Donations (Specify)	NIL	NIL
Total Transfers and Sponsorships	NIL	NIL
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	NIL	NIL
NCurrent Year Receipts	NIL	NIL
Conditions Met - Transferred to Revenue	NIL	NIL
Conditions To Be Met - Remain Liabilities	NIL	NIL

(Provide brief explanation for this revenue)

(KADU ASILI)

**Annual Reports and Financial Statements
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Notes to the Financial Statements (Continued)

9. Property Taxes Revenue

Description	Insert Current FY	Insert
	KShs	Comparative FY
Taxable Land and Buildings		
Residential	NIL	NIL
Commercial	NIL	NIL
State	NIL	NIL
Penalties	NIL	NIL
Sub- Total Property and Taxes	NIL	NIL
Income Forgone/ waived	NIL	NIL
Total Property Taxes Revenue	NIL	NIL

(Provide brief explanation for this revenue)

10. Licenses, Fees and Permits

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Licenses	NIL	NIL
Fees	NIL	NIL
Permits	NIL	NIL
NIL Total	NIL	NIL

(Provide brief explanation for this revenue)

11. Rendering Of Services

Description	Insert Current FY	Insert
	KShs	Comparative FY
Tuition Fees	NIL	NIL
Training Fees	NIL	NIL
Health services	NIL	NIL
Service Fees (specify)	NIL	NIL
Quality Assurance	NIL	NIL
Others (specify)	NIL	NIL
Total Revenue from The Rendering Of Services	NIL	NIL

(Provide brief explanation for this revenue. Entity should tailor this note to reflect the services rendered.)

Notes to the Financial Statements (Continued)

12. Sale of Goods

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Sale of goods	NIL	NIL
Sale of electricity	NIL	NIL
Sale of water	NIL	NIL
Sale of books	NIL	NIL
Sale of publications	NIL	NIL
Other (include in line with your organisation)	NIL	NIL
Total revenue from the sale of goods	NIL	NIL

(Provide brief explanation for this revenue)

13. Rental Revenue from Facilities and Equipment

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Operating Lease Revenues	NIL	NIL
Staff Houses	NIL	NIL
Contingent Rentals*	NIL	NIL
Total Rentals	NIL	NIL

(Provide brief explanation for this revenue)

*Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.

14. Finance Income

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Cash investments and fixed deposits	NIL	NIL
Interest income from Treasury Bills	NIL	NIL
Interest income from Treasury Bonds	NIL	NIL
Interest from outstanding debtors	NIL	NIL
Total finance income	NIL	NIL

(Provide brief explanation for this revenue)

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Notes to the Financial Statements (Continued)

15. Other Income

Description	Insert Current FY	Insert
	Kshs	Comparative FY Kshs
Insurance recoveries	NIL	NIL
Income from sale of tender	NIL	NIL
Services concession income	NIL	NIL
Skills development levy	NIL	NIL
Agency fee	NIL	NIL
Income written back	NIL	NIL
Bad debts recovered	NIL	NIL
Miscellaneous incomes (<i>specify</i>)	NIL	NIL
Total Other income	NIL	NIL

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognize income not elsewhere classified.

16. Use of Goods and Services

Description	Insert Current FY	Insert
	Kshs	Comparative FY Kshs
Electricity	6950	17000
Water	NIL	NIL
Security	NIL	NIL
Professional Services		
Subscriptions	7000	9000
Advertising	NIL	NIL
Admin Fees(STAFF)	222000	180000
Audit Fees	20000	30000
Conferences and Delegations		
Consulting Fees	NIL	NIL
Consumables	NIL	NIL
Fuel and Oil		
Insurance		
Legal Expenses		
Licenses and Permits		
Chemicals		
Water Purification Cost		
Postage	15720	84419
Printing and Stationery	10900	NIL

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Hire Charges	NIL	NIL
Rent expenses	125200	150100
Security Costs	NIL	NIL
Sewage Treatment Costs	NIL	NIL
Skills Development Levies	NIL	NIL
Inventory Scrapping	NIL	NIL
Telecommunication	15720	84419
Training	NIL	
Travel, Subsistence & Other Allowances*	NIL	NIL
Bank charges	3249	NIL
Other General Expenses	NIL	NIL

*Travel, accommodation, subsistence and other allowances- Where this cost has been budgeted under employee costs, please report it under note 17. (Provide brief explanation expenditure variations compared to the previous year)

17. Employee Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries and wages	222000	180000
Employer contribution to health insurance schemes	NIL	NIL
Employer contribution to pension schemes	NIL	NIL
Travel, accommodation, subsistence, & other allowances	NIL	NIL
Housing benefits and allowances	NIL	NIL
Overtime payments	NIL	NIL
Performance and other bonuses	NIL	NIL
Social contributions	NIL	NIL
Gratuity	NIL	NIL
Other employee related costs *	NIL	NIL
Employee costs	222000	222000

* Other employee related costs- please provide a brief explanation for these costs.

18. Board Expenses

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Chairman/Directors' Honoraria	NIL	NIL
Sitting Allowances	NIL	NIL
Medical Insurance	NIL	NIL
Induction and Training	NIL	NIL
Travel and Accommodation	NIL	NIL
Other Allowances	NIL	NIL
Total	NIL	NIL

(Provide brief explanation expenditure variations compared to the previous year)

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Notes to the Financial Statements (Continued)

19. Depreciation and Amortization Expense

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Property, plant and equipment	19041	13175
Intangible assets	NIL	NIL
Investment property carried at cost	NIL	NIL
Total depreciation and amortization	19041	13175

(Provide brief explanation expenditure variations compared to the previous year)

20. Repairs and Maintenance

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Property and equipment	NIL	NIL
Investment Property	NIL	NIL
Equipment and Machinery	NIL	NIL
Vehicles	NIL	NIL
Furniture and Fittings	5200	
Computers and Accessories	3500	NIL
Others (specify)Office)	11940	NIL
Total Repairs and Maintenance	15440	NIL

(Provide brief explanation expenditure variations compared to the previous year)

21. Contracted Services

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Actuarial Valuations	NIL	NIL
Investment Valuations	NIL	NIL
Property Valuations	NIL	NIL
Others (specify)	138560	906765
Total Contracted Services	138560	906765

Provide brief explanation expenditure variations compared to the previous year)

Notes to the Financial Statements (Continued)

22. Grants and Subsidies

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Community Development	NIL	NIL
Education Initiatives and Programs	NIL	NIL
Social Development	NIL	NIL
Social benefit expenses*	NIL	NIL
Community Trust	NIL	NIL
Sporting Bodies	NIL	NIL
Total Grants and Subsidies	NIL	NIL

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

23. Finance Costs

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Borrowings (amortized cost) *	NIL	NIL
Finance leases (amortized cost)	NIL	NIL
Unwinding of discount on lease liabilities	NIL	NIL
Interest on bank overdrafts	NIL	NIL
Interest on loans from commercial banks	NIL	NIL
Total finance costs	NIL	NIL

**Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

24. Gain on Sale of Assets

Description	Insert Current FY	Insert
	Kshs	Comparative FY
	NIL	NIL
Property, plant and equipment	NIL	NIL
Intangible assets	NIL	NIL
Other assets not capitalised	NIL	NIL
Total gain on sale of assets	NIL	NIL

Provide brief explanation on gains on sale of fixed assets)

Notes to the Financial Statements (Continued)

25. Gain/Loss on foreign exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Gain on foreign exchange transactions	NIL	NIL
Loss on foreign exchange transactions	NIL	NIL
Total Gain/Loss	NIL	NIL

(Provide brief explanation gain/loss on foreign exchange transactions)

26. Gain/ (loss) on Fair Value Investments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Investments at Fair Value- Equity investments	NIL	NIL
Fair value – Investment property	NIL	NIL
Fair value- other financial assets (specify)	NIL	NIL
Total Gain	NIL	NIL

(Provide brief explanation fair value valuation on investment assets)

27. Impairment Loss

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, Plant and Equipment	NIL	NIL
Intangible Assets	NIL	NIL
Total Impairment Loss	NIL	NIL

(Provide brief explanation on assets impairment loss)

28. Taxation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current income tax charge	NIL	NIL
Tax charged on rental income	NIL	NIL
Tax charged on interest income	NIL	NIL
Deferred tax: [note 53]	NIL	NIL
Original and reversal of temporary differences	NIL	NIL
Income tax expense reported in the statement of financial performance	NIL	NIL

(Provide brief explanation on taxation, if any, as a public entity on revenues not exempted)

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Notes to the Financial Statements (Continued)

29. Cash and Cash Equivalents

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Account	75157	398243
Savings Account	NIL	NIL
On - Call Deposits	NIL	NIL
Fixed Deposits Account	NIL	NIL
Staff Car Loan/ Mortgage	NIL	NIL
Others(Specify)	NIL	NIL
Total Cash And Cash Equivalents	75157	398243

(The amount should agree with the closing and opening balances as included in the statement of cash flows. List all bank accounts. Provide brief explanation on cash variations compared to the previous year)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		NIL	NIL
Equity Bank, etc.		NIL	NIL
Sub- Total		NIL	NIL
b) On - Call Deposits		NIL	NIL
Kenya Commercial Bank		NIL	NIL
Equity Bank – etc.		NIL	NIL
Sub- Total		NIL	NIL
c) Fixed Deposits Account		NIL	NIL
Kenya Commercial Bank		NIL	NIL
Bank B		NIL	NIL
Sub- Total		NIL	NIL
d) Staff Car Loan/ Mortgage		NIL	NIL
Kenya Commercial Bank		NIL	NIL
Bank B		NIL	NIL
Sub- Total		NIL	NIL
e) Others(Specify)		NIL	NIL
Cash In Transit		NIL	NIL
Cash In Hand		NIL	NIL
Mobile Money Accounts		NIL	NIL
Sub- Total		NIL	NIL
Grand Total		NIL	NIL

Notes to the Financial Statements (Continued)

30. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Receivables		
Service, Water and Electricity Debtors	NIL	NIL
Other Exchange Debtors	NIL	NIL
Total Current Receivables	NIL	NIL

(Provide brief explanation on current receivables)

(b) Receivables from Exchange Transactions (Long-term)

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Total receivables	NIL	NIL
Service, water and electricity debtors	NIL	NIL
Other exchange debtors	NIL	NIL
Less: impairment allowance	NIL	NIL
Total receivables	NIL	NIL
Current portion transferred to current receivables	NIL	NIL
Total non-current receivables	NIL	NIL
Total receivables (a+b)	NIL	NIL

(c) Ageing analysis for Receivables from exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	N/A	N/A	N/A	N/A
Between 1- 2 years	N/A	N/A	N/A	N/A
Between 2-3 years	N/A	N/A	N/A	N/A
Over 3 years	N/A	N/A	N/A	N/A
Total (a+b)	N/A	N/A	N/A	N/A

Notes to the Financial Statements (Continued)

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year	NIL	NIL
Additional provisions during the year	NIL	NIL
Recovered during the year	NIL	NIL
Written off during the year	NIL	NIL
At the end of the year	NIL	NIL

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

31. Receivables from Non-Exchange Transactions

Description	Insert Current FY	Insert Comparative FY		
	Kshs	Kshs		
Property tax debtors	NIL	NIL		
Levies, fines, and penalties	NIL	NIL		
Licences, fees and permits	NIL	NIL		
Other debtors (non-exchange transactions)	NIL	NIL		
Less: impairment allowance	NIL	NIL		
Total receivables from non- exchange transactions	NIL	NIL		
Ageing Analysis- Receivables from non- exchange transactions	Current FY	% of the total	Compara tive FY	% of the total
Less than 1 year	N/A	N/A	N/A	N/A
Between 1-2 years	N/A	N/A	N/A	N/A
Over 3 years	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year	NIL	NIL
Additional provisions during the year	NIL	NIL
Recovered during the year	NIL	NIL
Written off during the year	NIL	NIL
At the end of the year	NIL	NIL

Notes to the Financial Statements (Continued)

32. Inventories

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Consumable stores	NIL	NIL
Medical supplies	NIL	NIL
Spare parts and meters	NIL	NIL
Water for distribution	NIL	NIL
Other goods held for resale	NIL	NIL
Catering	NIL	NIL
Less: allowance for impairment	NIL	NIL
Total inventories at the lower of cost and net realizable value	NIL	NIL

(Provide brief explanation on inventories)

33. Investments in financial assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
a) Investment in Treasury bills and bonds	NIL	NIL
Financial institution	NIL	NIL
CBK	NIL	NIL
CBK	NIL	NIL
Sub- total	NIL	NIL
b) Investment with Financial Institutions/ Banks	NIL	NIL
Bank	NIL	NIL
Bank	NIL	NIL
Sub- total	NIL	NIL
c) Equity investments (specify)	NIL	NIL
Equity/ shares in Entity	NIL	NIL
Sub- total	NIL	NIL
Grand total	NIL	NIL

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

Notes to the Financial Statements (Continued)

d) Movement of Equity Investments

Impairment allowance/ provision	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year	NIL	NIL
Purchase of investments in the year	NIL	NIL
Sale of investments during the year	NIL	NIL
Gain/(loss) in fair value of investments through surplus or deficit	NIL	NIL
At the end of the year	NIL	NIL

e) Shareholding in other entities

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A	N/A	N/A	N/A	N/A	N/A	N/A
Entity B	N/A	N/A	N/A	N/A	N/A	N/A
Entity C	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

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Notes to the Financial Statements (Continued)

34. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July (Previous FY)	NIL	NIL	NIL	31345	51247	23153	NIL	105745
Additions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfers/Adjustments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 30th June (comparative FY)	NIL	NIL	NIL	31345	51247	23153	NIL	105745
Additions								
Disposals								
Transfer/Adjustments								
As at 30th June (Current FY)								
Depreciation And Impairment								
At 1 July (comparative FY)	NIL	NIL	NIL	3918	6362	2895	NIL	13175
Depreciation	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Impairment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfers/ Adjustments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As At 30th (Current FY)	NIL	NIL	NIL	3918	6362	2895	NIL	13175
Depreciation	NIL	NIL	NIL	2743	11233	5065	NIL	19041
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Impairment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transfer/Adjustment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 30th June (Current FY)								
Net Book Values								
As at 30th June (comparative FY)	NIL	NIL	NIL	24684	33652	15193	73529	
As at 30th June (Current FY)	NIL	NIL	NIL	27426	44934	20258	92570	

(Include a brief description of WIP as a footer.)

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Notes to the Financial Statements (Continued)

Valuation

Land and buildings/ Equipment (be specific) were not valued by professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued not by professional valuers on this 30th June 2023. These amounts were adopted by the Board on 30th June 2023 with concurrence from the National Treasury.

34 (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	NIL	NIL	NIL
Buildings	NIL	NIL	NIL
Plant And Machinery	NIL	NIL	NIL
Motor Vehicles, Including Motorcycles	NIL	NIL	NIL
Computers And Related Equipment	74400	-25555	48845
Office Equipment, Furniture, And Fittings	31345	-6661	24684
Total			

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	NIL	NIL
Motor Vehicles including Motorcycles	NIL	NIL
Computers and Related Equipment	74400	25555
Office Equipment, Furniture and Fittings	31345	6661
Total	105745	32216

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Notes to the Financial Statements (Continued)

35. Intangible Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cost		
At beginning of the year	NIL	NIL
Additions	NIL	NIL
At end of the year	NIL	NIL
Additions—internal development	NIL	NIL
At end of the year	NIL	NIL
Amortization and impairment		
At beginning of the year	NIL	NIL
Amortization	NIL	NIL
At end of the year	NIL	NIL
Impairment loss	NIL	NIL
At end of the year	NIL	NIL
NBV	NIL	NIL

36. Investment Property

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year		
Additions	NIL	NIL
Disposal during the year	(NIL)	(NIL)
Depreciation	(NIL)	(NIL)
Impairment	(NIL)	(NIL)
Gain/(loss) in fair value (if fair value is elected)	NIL	NIL
At end of the year	NIL	NIL

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

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Notes to the Financial Statements (Continued)

37. Trade and Other Payables

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade payables	NIL		NIL	
Payments received in advance	NIL		NIL	
Employee payables	NIL		NIL	
Third-party payments	NIL		NIL	
Other payables	18596		NIL	
Total trade and other payables	18596		NIL	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	18596		1265	
1-2 years	NIL		NIL	
2-3 years	NIL		NIL	
Over 3 years	NIL		NIL	
Total (tie to above total)	18596		1265	

(Provide brief explanation)

38. Refundable Deposits and Prepayments from Customers

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Customer deposits	NIL		NIL	
Prepayments	NIL		NIL	
Other deposits	NIL		NIL	
Total deposits	NIL		NIL	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	NIL		NIL	
1-2 years	NIL		NIL	
2-3 years	NIL		NIL	
Over 3 years	NIL		NIL	
Total	NIL		NIL	

(Provide brief explanation)

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Notes to the Financial Statements (Continued)

39. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	NIL	NIL	NIL	NIL	NIL
Additional provisions	NIL	NIL	NIL	NIL	NIL
Provision utilised	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
Change due to discount and time value for money	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
Transfers from non-current provisions	NIL	NIL	NIL	NIL	NIL
Total provisions year end	NIL	NIL	NIL	NIL	NIL

40. Finance Lease Obligation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the start of the year	NIL	NIL
Discount interest on lease liability	NIL	NIL
Paid during the year	NIL	NIL
At end of the year	NIL	NIL

Maturity Analysis

Period	Amount (Kshs)
Year 1	NIL
Year 2	NIL
Year 3	NIL
Year 4	NIL
Year 5 And Onwards	NIL
Less: Unearned Interest	NIL
Total	NIL

Analysed as:

Description	Amount (Kshs)
Current	NIL
Non- Current	NIL
Total	NIL

(Provide brief explanation)

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

41. Deferred Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
National Government	NIL	NIL
International Funders	NIL	NIL
Public Contributions and Donations	NIL	NIL
Total Deferred Income	NIL	NIL

(Provide brief explanation)

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	NIL	NIL	NIL	NIL
Additions	NIL	NIL	NIL	NIL
Transfers To Capital Fund	NIL	NIL	NIL	NIL
Transfers To Income Statement	NIL	NIL	NIL	NIL
Other Transfers	NIL	NIL	NIL	NIL
Balance Carried Forward	NIL	NIL	NIL	NIL

42. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	(Current FY)	(Comparative FY)
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	NIL	NIL	NIL	NIL	NIL
Non-Current Benefit Obligation	NIL	NIL	NIL	NIL	NIL
Total Employee Benefits Obligation	NIL	NIL	NIL	NIL	NIL

Retirement benefit Asset/ Liability

The Entity does not operate a defined benefit scheme for all full-time employees from July 1, 2022. The scheme is not administered by the custodians of the scheme. The scheme is not based on percentage of salary of an employee at the time of retirement. An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 31st July by actuarial valuers on 2023 this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Notes to the Financial Statements (Continued)

Description	Insert Current FY	Insert Comparative FY
Discount Rates	N/A	N/A
Future Salary Increases	N/A	N/A
Future Pension Increases	N/A	N/A
Mortality (Pre- Retirement)	N/A	N/A
Mortality (Post- Retirement)	N/A	N/A
Withdrawals	N/A	N/A
Ill Health	N/A	N/A
Retirement	N/A	N/A

Recognition of Retirement Benefit Asset/ Liability

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
The return on defined plan assets	NIL	NIL
Actuarial gains/ losses arising from changes in demographic assumptions	NIL	NIL
Actuarial gains/ losses arising from changes in financial assumptions	NIL	NIL
Actuarial gains and losses arising from experience adjustments	NIL	NIL
Others (specify)	NIL	NIL
Adjustments for restrictions on the defined benefit asset	NIL	NIL
Remeasurement of the net defined benefit liability (asset)	NIL	NIL

Notes to the Financial Statements (Continued)

b) Amounts recognised in the Statement of Financial Position

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Present value of defined benefit obligations(a)	N/A	N/A
Fair value of plan assets(b)	N/A	N/A
Funded status (=a-b)	N/A	N/A
Restrictions on asset recognised	N/A	N/A
Others	N/A	N/A
Net asset or liability arising from defined benefit obligation	N/A	N/A

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 2400 per employee per month. Other than NSSF the Entity also has no defined contribution scheme operated by Pension Fund. Employees contribute nil while employers contribute nil of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

43. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
balance at the beginning of the year	NIL	NIL	NIL	NIL	NIL
additional provisions	NIL	NIL	NIL	NIL	NIL
provision utilised	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
change due to discount and time value for money	NIL	NIL	NIL	NIL	NIL
less: current portion	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
balance at the end of the year	NIL	NIL	NIL	NIL	NIL

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 38)

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Notes to the Financial Statements (Continued)

44. Borrowings

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	NIL	NIL
External borrowings during the year	NIL	NIL
Repayments of during the year	NIL	NIL
Balance at end of the year	NIL	NIL
	NIL	NIL
b) Domestic borrowings	NIL	NIL
Balance at beginning of the year	NIL	NIL
Domestic borrowings during the year	NIL	NIL
Repayments during the year	NIL	NIL
Balance at end of the year	NIL	NIL
	NIL	NIL
Balance at end of the period- domestic and External borrowings c = a+b	NIL	NIL

The analyses of both external and domestic borrowings are as follows:

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	NIL	NIL
Sterling Pound Denominated Loan From 'Y Organisation'	NIL	NIL
Euro Denominated Loan from Z Organisation'	NIL	NIL
Domestic Borrowings	NIL	NIL
Kenya Shilling Loan From KCB	NIL	NIL
Kenya Shilling Loan from Barclays Bank	NIL	NIL
Kenya Shilling Loan from Consolidated Bank	NIL	NIL
Total Balance at End Of The Year	NIL	NIL

Notes to the Financial Statements (Continued)

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Short Term Borrowings (Current Portion)	NIL	NIL
Long Term Borrowings	NIL	NIL
Total	NIL	NIL

(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41.

45. Service Concession Arrangements

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Fair value of service concession assets recognized under PPE	NIL	NIL
Accumulated depreciation to date	NIL	NIL
Net carrying amount	<u>NIL</u>	<u>NIL</u>
Service concession liability at beginning of the year	NIL	NIL
Service concession revenue recognized	NIL	NIL
Service concession liability at end of the year	<u>NIL</u>	<u>NIL</u>

46. Social Benefit Liabilities

Description	Insert Current FY	Insert
	Kshs	Comparative FY
Health social benefit scheme	NIL	NIL
Unemployment social benefit scheme	NIL	NIL
Orphaned and vulnerable benefit scheme	<u>NIL</u>	<u>NIL</u>
Elderly social benefit scheme	NIL	NIL
Bursary social benefits	NIL	NIL
Disability social benefits	NIL	NIL
Total	<u>NIL</u>	<u>NIL</u>
		NIL
Current social benefits	NIL	NIL
Non- current social benefits	NIL	NIL
Total (tie to totals above)	<u>NIL</u>	<u>NIL</u>

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

Notes to the Financial Statements (Continued)

47. Surplus Remission (for category 3 entities)

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. *In line with this legal requirement the Entity remitted Kshs NIL (Current FY Kshs NIL). Or The Entity did not make any surplus during the year (Previous FY Nil) and hence no remittance to the Consolidated Fund.*

The Surplus Remission has been computed as follows:

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Surplus for the period	-359458	57651
Less: Allowable deductions by NT	(NIL)	(NIL)
90% Computation (Included in Statement of Financial Performance)	-359458	57651

Surplus Remission Payable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Payable at the beginning of the year	NIL	NIL
Paid during the year	(NIL)	(NIL)
Payable at end of the year	NIL	NIL

(State the Regulation and how the entity has complied)

48. Taxation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year	NIL	NIL
Income tax charge for the year (note 27)	NIL	NIL
Under/(over) provision in prior year/s (note 27)	NIL	NIL
Income tax paid during the year	(NIL)	(NIL)
At end of the year	NIL	NIL

[Provide short appropriate explanations as necessary]

Notes To The Financial Statements (Continued)

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	Insert Current FY	Insert
	Kshs	Comparative FY Kshs
Accelerated capital allowances	NIL	NIL
Unrealised exchange gains/(losses)	NIL	NIL
Revaluation surplus	NIL	NIL
Tax losses carried forward	NIL)	(NIL)
Provisions for liabilities and charges	(NIL)	(NIL)
Net deferred tax liability/(asset)	NIL	NIL
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	NIL	NIL
Credit to revaluation reserve	(NIL)	(NIL)
Under provision in prior year	NIL	NIL
Income statement charge/(credit)	NIL	NIL
Balance at end of the year	NIL	NIL

(In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes on surplus funds. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)

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Notes To The Financial Statements (Continued)

50. Cash Generated from Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Surplus for the year before tax	-359458	57651
Adjusted for:		
Depreciation	19041	13175
Non-cash grants received	NIL	NIL
Contributed assets	(NIL)	NIL
Impairment	NIL	NIL
Gains and losses on disposal of assets	(NIL)	NIL
Contribution to provisions	NIL	NIL
Contribution to impairment allowance	NIL	NIL
Working capital adjustments		
Increase in inventory	(NIL)	NIL
Increase in receivables	(NIL)	NIL
Increase in deferred income	NIL	NIL
Increase in payables	17331	1265
Increase in payments received in advance	NIL	NIL
Net cash flow from operating activities	-323086	72091

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

51. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The 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 Entity's financial risk management objectives and policies are detailed below:

Notes to the Financial Statements (Continued)

i) Credit risk

Notes to the Financial Statements (Continued)**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 Entity 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 Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	NIL	NIL	NIL	NIL
Current portion of borrowings	NIL	NIL	NIL	NIL
Provisions	NIL	NIL	NIL	NIL
Deferred income	NIL	NIL	NIL	NIL
Employee benefit obligation	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL
As at 30th June (Previous FY)				
Trade payables	NIL	NIL	NIL	NIL
Current portion of borrowings	NIL	NIL	NIL	NIL
Provisions	NIL	NIL	NIL	NIL
Deferred income	NIL	NIL	NIL	NIL
Employee benefit obligation	NIL	NIL	NIL	BILNIL
Total	NIL	NIL	NIL	BIL

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the *Entity* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Entity*'s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The *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 *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* 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.

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Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

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

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
Financial Assets	N/A	N/A	N/A
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
Total Financial Assets	N/A	N/A	N/A
Financial Liabilities			
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
Total Financial Liabilities	N/A	N/A	N/A
Net Foreign Currency Asset/(Liability)	N/A	N/A	N/A

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
Financial Assets			
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
Total Financial Assets	N/A	N/A	N/A
Financial Liabilities	N/A	N/A	N/A
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
Total Financial Liabilities	N/A	N/A	N/A
Net Foreign Currency Asset/(Liability)	N/A	N/A	N/A

Notes To The Financial Statements (Continued)

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	NIL	NIL
USD	10%	NIL	NIL
Previous FY			
Euro	10%	NIL	NIL
USD	10%	NIL	NIL

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.

Financial Risk Management

Sensitivity analysis

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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 *Entity's* 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 *Entity* considers relevant and observable market prices in its valuations where possible.

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Notes to the Financial Statements (Continued)

Financial Risk Management

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
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	NIL	NIL	NIL	NIL
Non- Financial Assets				
Investment Property	NIL	NIL	NIL	NIL
Land And Buildings	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	NIL	NIL	NIL	NIL
Non- Financial Assets				
Investment Property	NIL	NIL	NIL	NIL
Land And Buildings	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve	N/A	N/A
Retained Earnings	N/A	N/A
Capital Reserve	N/A	N/A
Total Funds	N/A	N/A
Total Borrowings	N/A	N/A
Less: Cash and Bank Balances	N/A	N/A
Net Debt/(Excess Cash And Cash Equivalents)	N/A	N/A
Gearing	N/A	N/A

Notes to the Financial Statements (Continued)

52. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) N/A
- v) Key management.
- vi) Board of directors.

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	NIL	NIL
Rent income from govt. Agencies	NIL	NIL
Water sales to govt. Agencies	NIL	NIL
Others (specify) e.g. interest and bank charges	NIL	NIL
Total	NIL	NIL
B) purchases from related parties		
Purchases of electricity from KPLC	NIL	NIL
Purchase of water from govt service providers	NIL	NIL
Rent expenses paid to govt agencies	NIL	NIL
Training and conference fees paid to govt. Agencies	NIL	NIL
Others (specify)	NIL	NIL
Total	NIL	NIL
b) Grants /transfers from the government		
Grants from national govt	NIL	NIL
Grants from county government	NIL	NIL
Donations in kind	NIL	NIL

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Total	NIL	NIL
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for ONE employees	222000	180000
Payments for goods and services for xxx	NIL	NIL
Total		
d) Key management compensation		
Directors' emoluments	NIL	NIL
Compensation to key management	NIL	NIL
Total	222000	180000

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 Entity's performance and allocation of resources to different segments)

54. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	N/A	N/A
Assets Arising from Determination Of Court Cases	N/A	N/A
Reimbursable Indemnities and Guarantees	N/A	N/A
Receivables From Other Government Entities	N/A	N/A
Others (Specify)	N/A	N/A
Total	N/A	N/A

(Give details)

Contingent Liabilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Liabilities	N/A	N/A
Court Case xx against the Entity	N/A	N/A
Bank Guarantees in Favour of Subsidiary	N/A	N/A
Contingent Liabilities arising from Contracts Including PPPs	N/A	N/A
Others (Specify)	N/A	N/A
Total	N/A	N/A

(Give details)

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Notes to the Financial Statements (Continued)

55. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised for	N/A	N/A
Authorised and Contracted for	N/A	N/A
Total	NIL	NIL

(NB: 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.

57. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

58. Currency

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

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.

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

Guidance Notes:

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

.....

Director General/C.E.O/M.D (enter title of head of Entity)

Date:

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Appendix II: Projects implemented by (The Entity)

Projects implemented by the State Corporation/ SAGA Funded by development partners and/or the 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 MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Planning and Devolution	NIL	Recurrent	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ministry of Planning and Devolution	NIL	Development	NIL	NIL	NIL	NIL	NIL	NIL	NIL
USAID	NIL	Donor Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ministry of Planning and Devolution	NIL	Direct Payment	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total			NIL	NIL	NIL	NIL	NIL	NIL	NIL

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Appendix V- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

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

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June (Current FY)				Amount Received by [beneficiary Entity] (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	NIL	NIL

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name SignDate

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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		

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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