*Issued 30th June 2025.*

|  |  |  |
| --- | --- | --- |
|  |  | Entity Logo-insert |

***(INSERT NAME OF THE SCHEME)***

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, XXXX**

Transitional IPSAS Financial statements/Prepared in accordance with the accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS)

***Leave blank.***

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# Acronyms and Glossary of Terms

*Provide the list of acronyms and glossary of terms used in your annual report and financial statements.*

*e.g.,*

***CEO*** *Chief Executive Officer*

***DG*** *Director General*

***IPSAS***  *International Public Sector Accounting Standards*

***MD*** *Managing Director*

***NT*** *National Treasury*

***PFMA*** *Public Finance Management Act.*

***PSASB***  *Public Sector Accounting Standards Board*

# Key Entity Information

1. **Background information**

The *entity* was established by the XX Act of Parliament on (date…). At Cabinet level, the *entity* is represented by the Cabinet Secretary for …, who is responsible for the general policy and strategic direction of the *entity*. The *entity* is domiciled in Kenya and has branches in x, x and x.

*(The reporting entity should refer to the relevant legislation under which it is established)*

1. **Principal Activities**

The principal activity of the *entity* is to …

*(Under this section, the entity should include its key activities and a summary of its vision, mission and core objectives)*

1. **Trustees (If applicable to the entity)**

The Trustees who served the entity during the year/period were as follows:

1. XXX - Chairman - Appointed on ….
2. XXX - Chief Executive - Appointed on ….
3. XXX - Appointed on ….
4. XXX - Alternate to …
5. XXX - Left on ….
6. **Corporate Secretary/ Principal Officer/ Corporate Trustee**

Mr/Ms. XXXX

P.O. Box …

Nairobi

1. **Registered Office**

XXXX Building/House/Plaza

XXXX Avenue/Road/Highway

P.O. Box …

Nairobi, KENYA

**Key Entity Information (continued)**

1. **Corporate Headquarters**

P.O. Box XXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

Nairobi, KENYA

1. **Corporate Contacts**

Telephone: (254) XXXXXXXX

E-mail: XXXXXXXX.go.ke

Website: www.go.ke

1. **Corporate Bankers**
2. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

1. Other Bankers (List as appropriate)

…

1. **Independent Auditors**

Auditor-General

The Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

1. **Principal Legal Advisers**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

# The Board of Trustees *(If applicable to the entity)*

|  |  |  |
| --- | --- | --- |
| **SN** | **Trustees** | **Details** |
|  | Trustee 1(*Insert each Director’s passport-size photo and name, and key profession/academic qualifications*). | *Provide a concise description of each Director’s date of birth, key qualifications, and work experience. Indicate whether the director is independent or an executive director and which committee of the Board the director chairs where applicable*. |
|  | Trustee 2 |  |
|  | Trustee 3 |  |
|  | Trustee 4 |  |
|  | Accounting officer/CEO/MD/DG |  |
|  | Entity Secretary | *Indicate whether the secretary is a member of ICS as required under the Mwongozo Code in addition to their other details.* |
|  | Etc. |  |

# Key Management Team

|  |  |  |
| --- | --- | --- |
| **SN** | **Management** | **Details** |
|  | Manager 1*(Insert each key manager’s passport-size photo and name, and profession/academic qualifications).* | Indicate the main area of responsibility – without details |
|  | Manager 2 |  |
|  | Manager 3 |  |
|  | Manager 4 |  |
|  | Etc. |  |

*(Note: The CEO/MD and the Entity Secretary will feature both under the ‘Board’ and ‘Management’).*

# Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20xx and who had direct fiduciary responsibility were:

|  |  |  |
| --- | --- | --- |
| **No.**   | **Designation**  | **Name**  |
| 1.  | CEO/ MD/ DG  |   |
| 2.  | Head of Corporate Services  |   |
| 3.  | Head of Finance  |   |
| 4.  | Head of Procurement  |   |
| 5.  | xx  |   |

# Fiduciary Oversight Arrangements

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

* *Audit and Risk Committee*
* *Finance committee*
* *Parliamentary Oversight Committees*
* *Other oversight arrangements*

#  Cabinet Secretary/ Chairman’s Statement

**(One page)**

*(Under this section, the CS/Chairman will give a brief highlight of the key activities during the year, successes consolidated, challenges being faced and the way forward or future outlook for the organisation).*

*The report should be signed by the CS/ chairman of the entity.*

# Report of the Accounting officer/Chief Executive Officer/ MD/ DG

**(Two-to-three pages)**

*(Under this section, the accounting officer/ CEO will give his report which highlights the same issues as the Chairman in a more detailed format. The accounting officer /CEO may also mention at a high level the financial performance of the organisation).*

*The accounting officer /CEO report should be signed by the accounting officer /CEO)*

# Statement of Performance against Predetermined Objectives for FY 20xx/xx

**(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 entity’s performance against predetermined objectives*. *Guidance Note to be removed in the final set of financial statements by the preparers)*

*XXX* has *X* strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY xx- FY xx. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1:

 Pillar/theme/issue 2

*XXX* develops its annual work plans based on the above *X* pillars/Themes/Issues. Assessment of the entities performance against its annual work plan is done on a quarterly basis. The *XXX* achieved its performance targets set for the FY xx/xx period for its xx strategic pillars, as indicated in the diagram below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **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).*

# 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 Trustees, roles and functions of the Board, induction and training, board and member performance, conflict of interest, board remuneration, ethics and conduct as well as governance audit.)*

# 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.)*

# Environmental and Sustainability Reporting

*(Include an Introductory paragraph on the main mandate of the organization and its strategy on sustainability. Sustainability being the ability to maintain or continue offering services to the citizens of the country over the long- term.)*

**Two-to-three pages**

1. **Sustainability strategy and profile**

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

1. **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.*

1. **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)*

1. **Market place practices-**

*The organisation should outline its efforts to:*

1. **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.*

1. **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.*

1. **Responsible marketing and advertisement**

*Outline efforts to maintain ethical marketing practices.*

1. **Product stewardship**

*Outline efforts to safeguard consumer rights and interests.*

1. **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).*

# Report of the Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 20xx, which show the state of the *entity’s* affairs.

1. **Principal activities**

The principal activities of the entity are (continue to be) ….

1. **Results**

The results of the entity for the year ended June 30, 20xx, are set out on page …... Below is summary of the profit or loss made during the year.

1. **Trustees**

The members of the Board of Trustees who served during the year are shown on page …. In accordance with Regulation/Legislation.

1. **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.

By Order of the Board

|  |
| --- |
| **…………………………………………….** |

# Statement of Trustees’ 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 Trustees 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 Trustees are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Trustees are also responsible for safeguarding the assets of the *entity*.

The Trustees 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, 20xx. 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 Trustees 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)*.

**Statement of Trustees’/Pensions Fund management Responsibilities (Continued)**

The Trustees 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, 20xx, and of the *entity’s* financial position as at that date. The Trustees further confirm 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.

 In preparing the financial statements, the Trustees have assessed the entity’s ability to continue as a going concern (*disclosed, 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 Trustees 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| ……………………… |  | …………………  |
| **Name** |  | **Name**  |
| **Principal Secretary/Chairperson**  |  | **CEO/Director of Pensions**  |

# Report of the Independent Auditors on the financial statements for xxx

# Statement of Changes in Net Assets Available for Benefits for the year ended 30th June XXX.

| **Description** | **Note** | ***Insert Current FY*** | ***Insert Comparative FY***  |
| --- | --- | --- | --- |
|  |  | **Kshs** | **Kshs** |
| **Net assets available for benefits(at the beginning of the year)** |  | xxx | xxx |
| **Dealings with Members** |  |  |  |
| Contributions received & receivable | 6 | xxx | xxx |
| Funding from the sponsor | 7 | xxx | xxx |
| Benefits accrued\* | 8 | xxx | xxx |
| Benefits paid and payable | 9 | (xxx) | (xxx) |
| **Net Surplus from dealings with members** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Return on Investments** |  |  |  |
| Investment Income | 10 | xxx | xxx |
| Miscellaneous Income | 11 | xxx | xxx |
| Gains/loss on sale of investments | 12 | xxx | xxx |
| Fair value gain/loss on revaluation of Investments  | 13 | xxx | xxx |
| Investment Management Expenses | 14 | (xxx) | (xxx) |
| Property related expenses | 15 | (xxx) | (xxx) |
| **Total Net Return on Investments** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Operating expenses** |  |  |  |
| Staff Costs | 16 | xxx | xxx |
| Administration Costs | 17 | xxx | xxx |
| Provisions | 18 | xxx | xxx |
| **Total operating expenses** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Increase in Net Assets before Tax for the Year** |  | xxx | xxx |
| Tax expense | 19 | xxx | xxx |
|  |  |  |  |
| **Increase in Net Assets for the Year** |  | **xxx** | **xxx** |
| **Net Assets available for benefits** |  | **xxx** | **xxx** |

The financial statements were approved by the board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| ……………………………. | …………………………… | ……………………………. |
| **Name:**  | **Name:**  | **Name:**  |
| **Principal Secretary/ Chairman of the Board** | **C.E.O***(Where Applicable)*  | **Head of Finance/Head of Accounting Unit**  |

***NB:***

* *Comparative FY refers to the financial year preceding the current financial year. For entities adopting accrual basis of accounting for the first time, there will be no column for the comparative FY..*
* *A line item can be deleted where not applicable.*
* *Benefits accrued\* refer to the present value of benefits earned by members of the scheme up to the reporting date, determined based on services rendered. This figure will be derived from the actuarial valuation.*

# Statement of Financial Position as at 30 June XXX

| **Description** | **Note** | ***Insert Current FY*** | ***Insert Comparative FY***  |
| --- | --- | --- | --- |
|  | **Kshs** | **Kshs** |
| **Assets** |  |  |  |
| Cash and Cash Equivalents | 20 | xxx | xxx |
|  |  |  |  |
| **Plan Investments** |  |  |  |
| Treasury Bills | 21 | xxx | xxx |
| Treasury Bonds | 22 | xxx | xxx |
| Corporate Bonds | 23 | xxx | xxx |
| Quoted Investments | 24 | xxx | xxx |
| Unquoted investments | 25 | xxx | xxx |
| Private Equities | 26 | xxx | xxx |
| Offshores | 27 | xxx | xxx |
| Investment Property | 28 | xxx | xxx |
| Others(specify) |  | xxx | xxx |
| **Total Plan Investments** |  | xxx | xxx |
|  |  |  |  |
| Contributions receivable | 29 | xxx | xxx |
| Trade And Other Receivables | 30 | xxx | xxx |
|  |  |  |  |
| **Other assets** |  |  |  |
| Property, Plant And Equipment | 31 | xxx | xxx |
| Intangible Assets | 32 | xxx | xxx |
| Tax Recoverable | 33 | xxx | xxx |
| Others(specify) | 34 | xxx | xxx |
| **Total Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Liabilities** |  | xxx | xxx |
| Benefits payable | 35 | xxx | xxx |
| Lease liability | 36 | xxx | xxx |
| Tax Payable | 37 | xxx | xxx |
| Trade and Other Payables | 38 | xxx | xxx |
| **Total Liabilities** |  | **xxx** | **xxx** |
| **Net Assets available for benefit as at 30th June** |  | **xxx** | **xxx** |
|  |  |  |  |
| Provision for the actuarial present value of promised retirement benefits | 39 | xxx | xxx |
| Fair Value Adjustment Reserves | 40 | xxx | xxx |
| **Excess or deficit of funding** |  | **xxxx** | **xxxx** |

The financial statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| ……………………………. | …………………………… | ……………………………. |
| **Name:**  | **Name:**  | **Name:**  |
| **Principal Secretary/ Chairman of the Board** | **C.E.O***(Where Applicable***)**  | **Head of Finance/Head of Accounting Unit**  |

**NB**:

* *A line item can be deleted where not applicable.*
* *Comparative FY refers to the financial year preceding the current financial year. For entities adopting accrual basis of accounting for the first time, there will be no column for comparative FY.*

# Statement of Changes in Retirement Benefit Obligations For The Year Ended 30 June 20xx

| **Description** | **Note** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- | --- |
|  | **Kshs** | **Kshs** |
| **Retirement benefit obligations (beginning of the year)** |  | **xxx** | **xxx** |
| Contributions received and receivable | 6 | xxx | xxx |
| Funding from sponsor | 7 | xxx | xxx |
| Changes in actuarial assumptions | 39 | xxx | xxx |
| Benefits accrued\* | 8 | xxx | xxx |
| **Total increase in retirement benefit obligations** |  | **xxx** | **xxx** |
|  |  |  |  |
| Benefits paid and payable | 9 | (xxx) | (xxx) |
| Tax on contributions | 37 | (xxx) | (xxx) |
|  |  |  |  |
| **Total decrease in retirement benefit obligations** |  | **(xxx)** | **(xxx)** |
|  |  |  |  |
| **Retirement benefit obligations (end of year)**  |  | **xxx** | **xxx** |

The financial statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| ……………………………. | …………………………… | ……………………………. |
| **Name:**  | **Name:**  | **Name:**  |
| **Principal Secretary/ Chairman of the Board** | **C.E.O***(Where Applicabl*e) | **Head of Finance/Head of Accounting Unit**  |

#

* *Benefits accrued\* refer to the present value of benefits earned by members of the scheme up to the reporting date, determined based on services rendered. This figure will be derived from the actuarial valuation.*

# Statement of Cash Flows for the year ended 30 June xx

| **Description** | **Note** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- | --- |
|  | **Kshs** | **Kshs** |
| **Cash** **flows from operating activities** |  |  |  |
| **Receipts** |  | xxx | xxx |
| Contributions received Employer |  | xxx | xxx |
| Contributions received Employee |  | xxx | Xxx |
| Sponsor funding |  | xxx | xxx |
| Interest received |  | xxx | xxx |
| Dividends  |  | xxx | xxx |
| Others(specify) |  | xxx | xxx |
| **Total cash inflows** |  | **xxx** | **xxx** |
| **Payments** |  |  |  |
| Benefits paid |  | xxx | Xxx |
| Taxation paid |  | (xxx) | (xxx) |
| Operational and administrative Expenses paid |  | (xxx) | (xxx) |
| Others (specify) |  |  |  |
| **Total cash outflow** |  | **xxx** | **Xxx** |
| **Net Cash inflows/(outflows) from operating activities** | 41 | **xxx** | **xxx** |
| **Cash flows from investing activities** |  |  |  |
| Purchase of property, plant and equipment |  | (xxx) | (xxx) |
| Proceeds from disposal of property, plant and equipment |  | xxx | xxx |
| Purchase of intangible assets |  | (xxx) | (xxx) |
| Proceeds from disposal of intangible assets |  | xxx | xxx |
| Purchase of investment property |  | (xxx) | (xxx) |
| Proceeds from disposal of investment property |  | xxx | xxx |
| Purchase of treasury bills |  | (xxx) | (xxx) |
| Proceeds from sale of treasury bills |  | xxx | xxx |
| Purchase of treasury bonds |  | (xxx) | (xxx) |
| Proceeds from sale of treasury bonds |  | xxx | xxx |
| Purchase of corporate bonds |  | (xxx) | (xxx) |
| Proceeds from sale of corporate bonds |  | xxx | xxx |
| Purchase of quoted investments |  | (xxx) | (xxx) |
| Proceeds from disposal of quoted investments |  | xxx | Xxx |
| Purchase of unquoted investments |  | (xxx) | (xxx) |
| Proceeds from disposal of unquoted investments |  | xxx | xxx |
| Purchase of offshore investments |  | (xxx) | (xxx) |
| Proceeds from disposal of offshore investments |  | xxx | xxx |
| Purchase of private equities |  | (xxx) | (xxx) |
| Proceeds from disposal of private equities |  | xxx | xxx |
| Investment related expenses |  | (xxx) | (xxx) |
| Others(specify) |  | xxx | (xxx |
| **Net cash generated from/(used in) investing activities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Cash flows from financing activities\*** |  |  |  |
| Specify if any |  | xxx | Xxx |
| **Net cash generated from/(used in) financing activities** |  | **xxx** | **Xxx** |
|  |  |  |  |
| **Increase/(decrease) in cash and cash equivalents** |  | **xxx** | **Xxx** |
| **Cash and cash equivalents at beginning of year** |  | **xxx** | **Xxx** |
| Effects of foreign exchanges rate fluctuations |  | xxx | Xxx |
| **Cash and cash equivalents at end of the year** | 18 | **xxx** | **Xxx** |

*Note:*

* *Line Items that do not relate to the scheme’s nature of operations can be removed from the statement.*

# Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2024

|  **Description**  | **Original** **budget** | **Adjustments** | **Final** **budget** | **Actual** **on comparable basis** | **Performance difference** | **% of utilization** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **a** | **b** | **c = a + b** | **d** | **e= c - d** | **d/c%** |
| **Receipts** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | xxx% |
| Contributions  | xxx | (xxx) | xxx | xxx | (xxx) | xxx% |
| Funding from sponsor (Exchequer issues) | xxx | - | xxx | xxx | xxx | xxx% |
| Investment income | xxx | - | xxx | xxx | xxx | xxx% |
| Other income *(specify)* | xxx | xxx | xxx | xxx | (xxx) | xxx% |
| **Total Revenue** | **xxx** | **xxx** | **xxx** | **xxx** | **(xxx)** | **xxx%** |
|  |  |  |  |  |  |  |
| **Payments** |  |  |  |  |  |  |
| Benefits paid | xxx | (xxx) | xxx | xxx | (xxx) | xxx% |
| Staff Costs | xxx | - | xxx | xxx | (xxx) | xxx% |
| Administration Costs | xxx | xxx | xxx | xxx | xxx | xxx% |
| Provisions | xxx | xxx | xxx | xxx | xxx | xxx% |
| Taxation paid | xxx | xxx | xxx | xxx | xxx | xxx% |
| Other payments *(specify)* | xxx | - | xxx | xxx | (xxx) | xxx% |
| **Total Expenses** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx%** |
|  |  |  |  |  |  |  |
| **Net increase/decrease** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | xxx% |
| **Capital Expenditure** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | xxx |

*Note:*

* *PFM Act section 81(2) ii and iv requires a National Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted.*
* *IPSAS does not require entities complying with its standards to prepare budgetary information. However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IPSAS compliant financial statements.*
* *Budget notes: Provide explanation of differences between actual and budgeted amounts (10% over/ under) Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. 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).*

# Notes to the Financial Statements

1. **General Information**

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is xxx.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

1. **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 xx.* The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity,* and all values are rounded off to the nearest Kenya shillings. 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)**

1. **Application of New and Revised International Public Sector Accounting Standards (IPSAS)**
2. ***New and amended standards and interpretations in issue and effective in the year ended 30th June 2025***

|  |  |
| --- | --- |
| **Standard**   | **Effective date and impact:**   |
| IPSAS 43: Leases   | ***Applicable 1st January 2025***  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.  The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.   ***State the expected impact of the standard to the Entity if relevant***    |
| IPSAS 44:  Non- Current Assets Held for Sale and Discontinued Operations   | ***Applicable 1st January 2025***  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  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.  ***State the expected impact of the standard to the Entity if relevant***   |
| IPSAS 45: Property Plant and Equipment     | ***Applicable 1st January 2025***  The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.  ***State the expected impact of the standard to the Entity if relevant***   |
| IPSAS 46:  Measurement   | ***Applicable 1st January 2025***  The objective of this standard was to improve measurement guidance across IPSAS by:  1. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.
2. Clarifying transaction costs guidance to enhance consistency across IPSAS.
3. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

The standard also introduces a public sector specific measurement bases called the current operational value.  ***State the expected impact of the standard to the Entity if relevant***   |

1. ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.***

|  |  |
| --- | --- |
| **Standard**   | **Effective date and impact:**   |
| IPSAS 47: Revenue   | ***Applicable 1st January 2026***  This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.  ***State the expected impact of the standard to the Entity if relevant***   |
| IPSAS 48: Transfer Expenses   | ***Applicable 1st January 2026***  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  ***State the expected impact of the standard to the Entity if relevant***   |
|  |  |

1. ***Early adoption of standards***

The Entity has adopted IPSAS 49 – Retirement Benefit Plans which is applicable from 1st January 2026. The objective of the standard is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans, which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. As a result of the application, the entity has prepared the following statements: a statement of changes in net assets available for benefits and a statement of changes in retirement benefit obligations as required in this standard.

**Notes to the Financial Statements (Continued)**

1. **Summary of Accounting Policies**

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

1. **Revenue recognition**

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

* 1. **Contributions from employers/employees** are recognized when it is probable that the economic benefits or service potential of the contributions will flow to the Scheme.
	2. **Transfers from National Government** are recognized in the year in which the *entity* actually receives such grants.
	3. **Investment income** comprises interest receivable from bank deposits and investment in securities, and is recognized in statement of net assets available for benefits on a time proportion basis using the effective interest rate method.
	4. **Miscellaneous income** is recognized as it accrues.
1. **In-kind contributions**

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

1. **Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

1. **Depreciation and impairment of property, plant and equipment**

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, as guided by National Treasury policy on assets depreciation are:

Freehold Land Nil

Buildings and civil works xx years or the unexpired lease period

Plant and machinery xx years

Motor vehicles, including motor cycles xx years

Computers and related equipment xx years

Office equipment, furniture and fittings xx years

A full year’s depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

1. **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1. **Amortization and impairment of intangible assets**

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

1. **Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

1. **Right of Use Asset**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

1. **Fixed interest investments (bonds)**

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond’s disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. These bonds are measured at amortized cost/ at fair value through other comprehensive income (FVTOCI)or at fair value through profit or loss (FVTPL*) (entity to amend appropriately based on measurement/ classification)*

1. **Quoted investments**

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

1. **Unquoted investments**

Unquoted investments are measured at fair value through profit or loss (FVTPL). (*Entity to elaborate how this fair value is obtained)*

1. **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method or First In First Out (FIFO) *(amend as appropriate).* Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1. **Trade and other receivables**

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

1. **Taxation**
	1. **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.

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.

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.

1. **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.

1. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

1. **Cash and cash equivalents**

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

1. **Borrowings**

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

1. **Trade and other payables**

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

1. **Provision for staff leave pay**

Employees’ entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

1. **Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1. **Budget information**

The original budget for FY xx/xx 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 FY xx/xx budget following the governing body’s approval.

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

1. **Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into 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.

1. **Comparative figures**

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

1. **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, 20xx.

1. **Significant Judgments and Sources of Estimation Uncertainty**

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

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

1. **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 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.

1. **Useful lives and residual values**

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

* The condition of the asset based on the assessment of experts employed by the Entity
* The nature of the asset, its susceptibility and adaptability to changes in technology and processes
* The nature of the processes in which the asset is deployed
* Availability of funding to replace the assets
1. **Provisions**

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

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

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

*(NB: An entity is required to disclose its material accounting policies following amendment of IAS 1 where an entity is supposed to disclose its material accounting policies instead of significant accounting policies.)*

**Notes to the Financial Statements (Continues)**

1. **Contributions Received & Receivable**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Employer | xxx | xxx |
| Employee | xxx | xxx |
| Transfers-in | xxx | xxx |
| Post-Retirement Medical Fund Contributions | xxx | xxx |
| Additional Voluntary contributions | xxx | xxx |
| Gratuity | xxx | xxx |
| Others (specify) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*[Provide short appropriate explanation as necessary. Explain significant variances from prior period]*

1. **Funding from the****sponsor**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Exchequer releases | xxx | xxx |
| Others(specify) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Benefits accrued**

*\*To determine the accrued benefits, the present value of the future benefits needs to be calculated. This is done using actuarial assumptions, provided in the actuarial valuation conducted on the promised retirement benefits of the members.*

1. **Benefits paid & payable**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Commutations/Lumpsum | xxx | xxx |
| Death in Service | xxx | xxx |
| Transfers out | xxx | xxx |
| Monthly Pension | xxx | xxx |
| Deferred benefits | xxx | xxx |
| Trivial benefits | xxx | xxx |
| Injury benefits | xxx | xxx |
| Others(specify) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Investment Income**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Interest income from treasury bonds | xxx | xxx |
| Interest income from treasury bills | xxx | xxx |
| Interest from commercial banks and financial institutions | xxx | xxx |
| Offshore income | xxx | xxx |
| Dividends | xxx | xxx |
| Rental Income | xxx | xxx |
| Others(specify) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

* 1. **Dividend per Share**

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM to be held before the end of xx, a final dividend in respect of the year ended June 30, 20xx of Kshs. XXX (20xx: Kshs. XXX) for every ordinary share of par value of KShs. XXX is to be proposed. An interim dividend of Kshs. XXX (20xx: Kshs. XXX) for every ordinary share of par value of KShs. XXX was declared and paid during the year. This will bring the total dividend for the year to KShs. XXX (20xx: KShs. XXX).

1. **Miscellaneous Income**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Sale Of Tender Documents | xxx | Xxx |
| Penalties | xxx | Xxx |
| Other Miscellaneous income(specify) | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Gains and Losses on sale of investments**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Foreign exchange gains / (losses) | xxx | Xxx |
| Loss/gain on disposal on sale of investments | xxx | Xxx |
| Gain/loss on sale of property | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Fair Value Gains and Losses on Revaluation of investments**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Fair value gain or losses on revaluation of investment property | xxx | Xxx |
| Revaluation gains/losses on inventory | xxx | Xxx |
| Revaluation gains/losses on Treasury bonds | xxx | Xxx |
| Revaluation gains/losses on quoted equities | xxx | Xxx |
| Revaluation gains/losses on corporate bonds | xxx | Xxx |
| Revaluation gains/losses on unquoted equities | xxx | Xxx |
| Unrealized foreign exchange gains/(losses) | xxx | Xxx |
| Others(specify) | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Investment Management Expenses**

| Description | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Fund Management fees | xxx | Xxx |
| Custodian Fees | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Property related expenses**

| Description | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Lettings fees | xxx | Xxx |
| Utility expenses | xxx | Xxx |
| Maintenance fees | xxx | Xxx |
| Leases | xxx | Xxx |
| Legal fees | xxx | Xxx |
| Agency fees | xxx | Xxx |
| Others (specify) | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Staff Costs**

| Description | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Basic salary and allowances | xxx | Xxx |
| Staff training expenses | xxx | Xxx |
| Staff Insurance costs | xxx | Xxx |
| Other (specify) | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

1. **Administration Costs**

| Description | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Administration fees | xxx | Xxx |
| Electricity and water | xxx | Xxx |
| Levies | xxx | Xxx |
| Communication services and supplies | xxx | Xxx |
| Board of Trustee Expenses (Note15a) | xxx | Xxx |
| Finance costs | xxx | Xxx |
| Transportation, travelling and subsistence | xxx | Xxx |
| AGM Costs | xxx | Xxx |
| Advertising, printing, stationery and photocopying | xxx | Xxx |
| Rent expenses | xxx | Xxx |
| Hospitality supplies and services | xxx | Xxx |
| Insurance costs | xxx | Xxx |
| Bank charges and commissions | xxx | Xxx |
| Office and general supplies and services | xxx | Xxx |
| Auditors’ remuneration | xxx | Xxx |
| Legal fees | xxx | Xxx |
| Consultancy fees | xxx | Xxx |
| Licenses and permits | xxx | Xxx |
| Repairs and maintenance | xxx | Xxx |
| Inventory provisions | xxx | Xxx |
| Depreciation | xxx | Xxx |
| Amortization | xxx | Xxx |
| Other Operating Expenses(specify) | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

 **17 a. Board of Trustees Expenses**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
|  | **Kshs** | **Kshs** |
| Sitting Allowances | xxx | xxx |
| Medical Insurance | xxx | xxx |
| Others *(specify)* | xxx | xxx |

1. **Provisions**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Provisions for doubtful contributions receivable | xxx | xxx |
| Provision for doubtful trade and other receivables | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary]*

1. Tax expense

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Adjusted income for the year | xxx | xxx |
| Taxation at 30% | xxx | xxx |
| Current year deferred tax charge | xxx | xxx |
| **Total tax**  | **xxx** | **xxx** |

*Provide the working for the adjusted income*

1. Cash and Cash Equivalents
	1. **Short Term Deposits**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| **Bank Deposits** |  |  |
| Cooperative Bank Of Kenya | xxx | xxx |
| Kenya Commercial Bank | xxx | xxx |
| Barclays Bank Of Kenya | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary] Example: The average effective interest rate on the short term deposits as at June 30, 20xx was xx% (20xx: xx %).*

* 1. **Bank and Cash Balances**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Cash at bank | xxx | xxx |
| Cash in hand | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary] Example: The bulk of the cash at bank was held at Barclays Bank of Kenya and Kenya Commercial Bank, the entity’s main bankers*.

**Detailed analysis of the cash and cash equivalents**

| **Description** |  | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- | --- |
| **Financial institution** | **Account number** | **Kshs** | **Kshs** |
| 1. **Current Account**
 |  |  |  |
| Central Bank |  | xxx | xxx |
| Commercial banks |  | xxx | Xxx |
| **Sub- Total** |  | **xxx** | **Xxx** |
|  |  |  |  |
| 1. **On - Call Deposits**
 |  |  |  |
| Central Bank |  | xxx | xxx |
| Commercial banks |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **Fixed Deposits Account**
 |  |  |  |
| Central Bank |  | xxx | xxx |
|  Commercial banks |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **Others (Specify)**
 |  | xxx | xxx |
| Cash in transit |  | xxx | xxx |
| Cash in hand |  | xxx | xxx |
| Mobile/digital money account  |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
| **Grand Total** |  | **xxx** | **xxx** |

1. Treasury bills

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| As at 1st July XXXX | xxx | xxx |
| Additions | xxx | xxx |
| Disposals | xxx | xxx |
| Accrued Interest | xxx | xxx |
| As at 30 June XXX | xxx | xxx |

1. Treasury bonds

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| As at 1st July XXXX | xxx | xxx |
| Additions | xxx | xxx |
| Disposals | xxx | xxx |
| Gain/loss on sale | xxx | xxx |
| Revaluation gains/losses | xxx | Xxx |
| As at 30 June XXX | **xxx** | **Xxx** |

1. Corporate Bonds

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | ***Interest rates*** | ***Insert Current FY*** | ***Insert Comparative FY*** |
|  | **Kshs** | **Kshs** |
| EABL | % | xxx | Xxx |
| Family Bank | % | xxx | Xxx |
| Others (specify) | % | xxx | Xxx |
| Total30 June XXX |  | xxx | Xxx |

*.*

1. Quoted Investments

**Current period**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Description** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Description** | **Market value as at 30th June XX**  | **No. of shares as at 30th June XXX** | **Additions****(costs)** | **Disposals****(proceeds)** | **Gains/loses on sale** | **Change in market value** | **No. of shares as at 30th June XXX** | **Market price****As at 30th June XX** | **Market value as at 30th June XX** |
| KCB |  |  |  |  |  |  |  |  |  |
| ABSA |  |  |  |  |  |  |  |  |  |
| EABL |  |  |  |  |  |  |  |  |  |
| Safaricom |  |  |  |  |  |  |  |  |  |
| KPLC |  |  |  |  |  |  |  |  |  |
| Others(specify) |  |  |  |  |  |  |  |  |  |
| **Totals** |  |  |  |  |  |  |  |  |  |

**Previous period**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Description |  |  |  |  |  |  |  |
| **Description** | **Market value as at 30th June XX**  | **No. of shares as at 30th June XXX** | **Additions****(costs)** | **Disposals****(proceeds)** | **Gains/loses on sale** | **Change in market value** | **No. of shares as at 30th June XXX** | **Market price****As at 30th June XX** | **Market value as at 30th June XX** |
| KCB |  |  |  |  |  |  |  |  |  |
| ABSA |  |  |  |  |  |  |  |  |  |
| EABL |  |  |  |  |  |  |  |  |  |
| Safaricom |  |  |  |  |  |  |  |  |  |
| KPLC |  |  |  |  |  |  |  |  |  |
| Others(specify) |  |  |  |  |  |  |  |  |  |
| **Totals** |  |  |  |  |  |  |  |  |  |

**25. Unquoted Investments**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At July 1** | **xxx** | **xxx** |
| Additions | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Fair value gains/(losses) | xxx | xxx |
| **At June 30** | **xxx** | **xxx** |

*Disclose any dividends received with respect to unquoted investments and the valuation methodology.*

**26. Private Equities**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At July 1** | **xxx** | **xxx** |
| Additions | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Fair value gains/(losses) | xxx | xxx |
| **At June 30** | **xxx** | **xxx** |

**27. Offshores**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At July 1** | **xxx** | **xxx** |
| Additions | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Fair value gains/(losses) | xxx | xxx |
| **At June 30** | **xxx** | **xxx** |

**28. Investment Property**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Cost as at 1st July XXX** | **xxx** | **xxx** |
| **Movements During The Year** |  |  |
| Additions | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Fair Value Gains/(Losses) | xxx | xxx |
| **Closing Valuation** | **xxx** | **xxx** |
|  |  |  |
| **Depreciation (If At Cost)** |  |  |
| **At July 1** | xxx | xxx |
| Charge For The Year | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Impairment Loss | (xxx) | (xxx) |
| **At June 30** | **xxx** | **xxx** |
| **Net Book Value as at June 30** | **xxx** | **xxx** |

(*Provide details of the property, date last valued, the valuer and method of valuation as per IAS 40. Where investment property is carried at cost, depreciation will be shown, however, no depreciation is provided for when the asset is carried at fair value)*

**29. Contributions Receivable**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| Opening balance | xxx | xxx |
| Add:Contribution billings | xxx | xxx |
| Less:Contributions received | xxx | xxx |
| Provision for Bad And Doubtful Contributions Receivable | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary]*

**30. Trade and Other Receivables**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| Deposits and prepayments | xxx | xxx |
| Vat recoverable | xxx | xxx |
| Rent receivable |  |  |
| Staff receivables  | xxx | xxx |
| Other receivables(specify) | xxx | xxx |
| **Gross Trade and Other Receivables** | **xxx** | **xxx** |
| Provision for Bad And Doubtful Receivable | (xxx) | (xxx) |
| **Net Trade and Other Receivables** | **xxx** | **xxx** |

**30 (b) Reconciliation of Impairment Allowance for Receivables**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| At the beginning of the year | xxx | xxx |
| Additional provisions during the year | xxx | xxx |
| Recovered during the year | (xxx) | (xxx) |
| Written off during the year | (xxx) | (xxx) |
| At the end of the year | **xxx** | **xxx** |

**31. 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 1July (Previous FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions | xxx | xxx | xxx | xxx | **-** | **xxx** | **xxx** | **xxx** |
| Disposals | (xxx) | (xxx) | (xxx) | **-** | **-** | (xxx) | (xxx) | **(xxx)** |
| Transfers/Adjustments | xxx | xxx | (xxx) | **xxx** | (xxx) | (xxx) | **xxx** | **(xxx)** |
| **As at 30th June (comparative FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions | xxx | xxx | xxx | xxx | - | xxx | xxx | **xxx** |
| Disposals | (xxx) | (xxx) | - | - | - | (xxx) | (xxx) | **(xxx)** |
| Transfer/Adjustments | (xxx) | (xxx) | xxx | xxx | (xxx) | (xxx) | xxx | **(xxx)** |
| **As at 30th June (Current FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation And Impairment** |  |  |  |  |  |  |  |  |
| **At 1July (comparative FY)** | **-** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** |
| Depreciation | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Impairment | - | (xxx) | - | - | - | (xxx) | - | **(xxx)** |
| Transfers/ Adjustments | - | (xxx) | xxx | xxx | (xxx) | (xxx) | xxx | **(xxx)** |
| **As At** **30th (Current FY)** | **-** | **xxx** | **xxx** | **xxx** | **xxx** | **(xxx)** | **xxx** | **xxx** |
| Depreciation | - | (xxx) | (xxx) | (xxx) | - | (xxx) | (xxx) | **(xxx)** |
| Disposals | - | xxx | - | - | - | xxx | xxx | **xxx** |
| Impairment | - | (xxx) | (xxx) | - | - | (xxx) | - | **(xxx)** |
| Transfer/Adjustment | - | xxx | (xxx) | (xxx) | xxx | (xxx) | (xxx) | **xxx** |
| **As at 30th June (Current FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Net Book Values** |  |  |  |  |  |  |  |  |
| **As at 30th June (comparative FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **As at 30th June (Current FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

**Valuation**

Land and buildings were valued by xxx Government/independent valuer on xxx-on-xxx basis of valuation. These amounts were adopted on xxx.

**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**:**

**32. Intangible Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At July 1** | xxx | xxx |
| Additions | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| **At June 30** | **xxx** | **xxx** |
|  |  |  |
| **Amortisation** |  |  |
| **At July 1** | xxx | xxx |
| Charge For The Year | xxx | xxx |
| Disposals | (xxx) | (xxx) |
| Impairment Loss | (xxx) | (xxx) |
| **At June 30** | xxx | xxx |
| **Net Book Value** |  |  |
| At June 30 | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary in relation to what constitutes the intangible assets]*

**33. Tax Recoverable**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| **At beginning of the year** | **xxx** | **xxx** |
| Income tax charge for the year (Note 16) | xxx | xxx |
| Under/(Over) Provision in prior year (Note 16) | xxx | xxx |
| Income tax paid during the year | (xxx) | (xxx) |
| At end of the year | **xxx** | **xxx** |

*[Provide short appropriate explanations as necessary]*

**34. Other Assets**

*(Provide a breakdown of any other assets not captured in the template but classified as assets)*

 **35. Benefits Payables**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| Commutations/Lumpsums | xxx | xxx |
| Death benefits | xxx | xxx |
| Monthly pension arrears | xxx | xxx |
| Risk based benefits | xxx | xxx |
| Uncredited benefits |  |  |
| Other payables (*Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**36. Lease Liability**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **KShs** | **KShs** |
| **At the start of the year** | **xxx** | **xxx** |
| Discount interest on Lease Liability | xxx | xxx |
| Paid during the year | (xxx) | (xxx) |
| **At end of the year** | **xxx** | **xxx** |

|  |  |  |
| --- | --- | --- |
| Details | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Maturity Analysis** | **Kshs** | **Kshs** |
| Year 1 | xxx | xxx |
| Year 2 | xxx | xxx |
| Year 3 | xxx | xxx |
| Year 4 | xxx | xxx |
| Year 5 | xxx | xxx |
| On Wards | xxx | xxx |
|  | xxx | xxx |
| Less: Unearned Interest | (xxx) | (xxx) |
|  | xxx | xxx |
| Analysed As: |  |  |
| Non-Current |   | xxx |
| Current | xxx | xxx |

**37. Tax payable**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| Balance b/f | xxx | xxx |
| Add:Tax charge | xxx | xxx |
| Less:Tax paid | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**38. Trade and Other Payables**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert*** ***Comparative FY*** |
| **Kshs** | **Kshs** |
| Trade payables | xxx | xxx |
| Accrued expenses | xxx | xxx |
| Retention/ Contract monies | xxx | xxx |
| Deposits(specify) | xxx | xxx |
| Other payables (*Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Insert** **Current FY** | **% of the total** | **Insert** **Comparative FY** | **% of the total** |
| Under one year | xxx | % | xxx | % |
| 1-2 years | xxx | % | xxx | % |
| 2-3 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total** | **xxx** |  | **xxx** |  |

**Aging Analysis for Trade and other Payables**

**39. Provision for the actuarial present value of promised retirement benefits**

*The provision for the actuarial present value of promised retirement benefits represents the amount the employer expects to pay out in the future for those retirement benefits, measured in present value terms as of the current reporting date. The calculation of the provision for these benefits is based on an actuarial valuation that uses assumptions like the discount rate, salary increases, and life expectancy.*

**40. Fair Value Adjustment Reserve**

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

**Notes to the Statement of Cash Flows**

| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| 1. Reconciliation Of Operating Profit/(Loss) To Cash Generated From/(Used In) Operations
 |  |  |
| Profit or Loss before tax | xxx | xxx |
| Depreciation | xxx | xxx |
| Amortisation | xxx | xxx |
| (Gain)/Loss on disposal of Property, Plant And Equipment | xxx | xxx |
| Operating Profit/(Loss) before Working Capital changes | xxx | xxx |
|  |  |  |
| (Increase)/Decrease in Inventories | xxx | xxx |
| (Increase)/Decrease in Trade and Other Receivables | xxx | xxx |
| Increase/(Decrease) in Trade and Other Payables | xxx | xxx |
| Increase/(Decrease) in Retirement Benefit Obligations | xxx | xxx |
| Cash Generated from/(used In) operations | xxx | xxx |
|  |  |  |
| 1. **Analysis of Changes in Loans**
 |  |  |
|  |  |  |
| **Balance at beginning of the year** | **xxx** | **xxx** |
| **Receipts during the year** |  |  |
| Contributions received Employer | xxx | xxx |
| Contributions received Employee | xxx | xxx |
| Sponsor funding | xxx | xxx |
| Transfers in | xxx | xxx |
| Repayments during the year | (xxx) | (xxx) |
| Repayments of previous year’s accrued interest | (xxx) | (xxx) |
| Foreign Exchange (Gains)/Losses | xxx | (xxx) |
| Accrued interest | xxx | xxx |
|  |  |  |
| **Balance at end of the year** | **xxx** | **xxx** |
|  |  |  |
| 1. **Analysis of Cash and Cash equivalents**
 |  |  |
| Short Term Deposits | xxx | xxx |
| Cash At Bank | xxx | xxx |
| Cash In Hand | (xxx) | (xxx) |
| Balance At End Of The Year | xxx | xxx |
|  |  |  |
| **(d)Analysis of interest paid** |  |  |
| Interest on Loans  | xxx | xxx |
| Interest on Bank Overdraft  | xxx | xxx |
| Interest on Lease Liabilities | xxx | xxx |
| Interest on Loans Capitalised | xxx | xxx |
| Balance at Beginning of the year | xxx | xxx |
| Balance at end of the year (Note 35(B)) | (xxx) | (xxx) |
| Interest paid | xxx | xxx |

1. **Related Party Disclosures**
2. **Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding xx% 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:

1. The Parent Ministry
2. County Government of xxx
3. Xxx;
4. Xxx;
5. Key management
6. Board of Trustees

**Notes to the Financial Statements (Continued)**

1. **Transactions with related parties**

| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| 1. **Sales to related parties**
 |  |  |
| Rent income from govt. agencies | xxx | xxx |
| Interest income from govt commercial banks | xxx | xxx |
| Interest income from bills and bonds | xxx | xxx |
| Others (*specify*) | xxx | xxx |
| **Total** | xxx | xxx |
|  |  |  |
| 1. **Purchases from related parties**
 |  |  |
| Purchases of electricity from KPLC | xxx | xxx |
| Purchase of water from govt service providers | xxx | xxx |
| Rent expenses paid to govt agencies | xxx | xxx |
| Training and conference fees paid to govt. Agencies | xxx | xxx |
| Bank charges paid to govt commercial banks | xxx | xxx |
| Interest expense to investments by other govt. Entities | xxx | xxx |
| Others (*specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |
| 1. **Grants from the government**
 |  |  |
| Grants from national govt | xxx | xxx |
| Grants from county government | xxx | xxx |
| Donations in kind | xxx | xxx |
| **Total** | **xxx** | **xxx** |
| 1. **Expenses incurred on behalf of related party**
 |  |  |
| Payments of salaries and wages for xxx employees | xxx | xxx |
| Payments for goods and services for xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** |
|  |  |  |
| 1. **Key management compensation**
 |  |  |
| Trustees’ emoluments | xxx | xxx |
| Compensation to key management | xxx | xxx |
| **Total** | xxx | xxx |

1. **Capital Commitments**

Capital commitments at the year- end for which no provision has been made in these financial statements are:

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| Amounts authorised and Contracted for | xxx | xxx |
| Amounts authorizes but Not Contracted for | xxx | xxx |
| Less: Amounts included in Work In Progress | (xxx) | (xxx) |
|  | xxx | xxx |

1. **Contingent Assets and Liabilities**

**Contingent Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Contingent assets** |  |  |
| Insurance reimbursements | xxx | xxx |
| Assets arising from determination of court cases | xxx | xxx |
| Reimbursable indemnities and guarantees | xxx | xxx |
| Receivables from other government entities | xxx | xxx |
| Others *(specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Give details)*

**Contingent Liabilities**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Insert Current FY*** | ***Insert Comparative FY*** |
| **Kshs** | **Kshs** |
| **Contingent Liabilities** | xxx | xxx |
| Court case Xxx against (*The Entity*) | xxx | xxx |
| Bank guarantees in favour of subsidiary | xxx | xxx |
| Contingent liabilities arising from contracts including PPPs | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(In the opinion of the Trustees, no provision is required in these financial statements as the liabilities are not expected to crystallize).*

**Notes To The Financial Statements (Continued)**

1. **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 company’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 company 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 company’s financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position,past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Trustees. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company’s management based on prior experience and their assessment of the current economic environment.

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

**Notes to the Financial Statements (Continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Total amount****Kshs** | **Fully performing****Kshs** | **Past due****Kshs** | **Impaired****Kshs** |
| **At 30 June 20xx** |  |  |  |  |
| Receivables from exchange transactions | xxx | xxx | xxx | xxx |
| Receivables from non-exchange transactions | xxx | xxx | xxx | xxx |
| Bank balances | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |
| **At 30 June 20xx** |  |  |  |  |
| Receivables from exchange transactions | xxx | xxx | xxx | xxx |
| Receivables from non-exchange transactions | xxx | xxx | xxx | xxx |
| Bank balances | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity’s statement of financial position).*

***Credit Risk (Continued)***

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company 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 Trustees sets the company’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Notes to the Financial Statements (Continued)**

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity’s Trustees, 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 company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| **Description** | **Less than 1 month** | **Between 1-3 months** | **Over 5 months** |  |
| --- | --- | --- | --- | --- |
| **Total** |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **At 30 June 20xx** |  |  |  |  |
| Trade payables | xxx | xxx | xxx | xxx |
| Current portion of borrowings | xxx | xxx | xxx | xxx |
| Provisions | xxx | xxx | xxx | xxx |
| Deferred income | xxx | xxx | xxx | xxx |
| Employee benefit obligation | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |
| **At 30 June 20xx** |  |  |  |  |
| Trade payables | xxx | xxx | xxx | xxx |
| Current portion of borrowings | xxx | xxx | xxx | xxx |
| Provisions | xxx | xxx | xxx | xxx |
| Deferred income | xxx | xxx | xxx | xxx |
| Employee benefit obligation | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

**(iii) Market risk**

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

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

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

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

1. **Foreign currency risk**

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** |  | **Other currencies** | **Total** |
| **Kshs** | **Kshs** | **Kshs** |
| **At 30 June 20xx** |  |  |  |
| **Financial assets** |  |  |  |
| Investments | xxx | xxx | xxx |
| Cash | xxx | xxx | xxx |
| Debtors | xxx | xxx | xxx |
| **Financial liabilities** |  |  |  |
| Trade and other payables | xxx | xxx | xxx |
| Borrowings | xxx | xxx | xxx |
| Net foreign currency asset/(liability) | **xxx** | **xxx** | **xxx** |

The entity manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **In Kshs** | **Other Currencies** | **Total** |
| **Kshs** | **Kshs** | **Kshs** |
| **At 30 June 20xx** |  |  |  |
| **Financial Assets** |  |  |  |
| Investments | xxx | xxx | xxx |
| Cash | xxx | xxx | xxx |
| Debtors | xxx | xxx | xxx |
| **Financial Liabilities** |  |  |  |
| Trade and Other Payables | xxx | xxx | xxx |
| Borrowings | xxx | xxx | xxx |
| Net Foreign Currency Asset/(Liability) | **xxx** | **xxx** | **xxx** |

1. **Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company’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.

|  |  |  |  |
| --- | --- | --- | --- |
| **Details** | **Change in** **currency rate** | **Effect on Profit** **before tax** | **Effect on** **equity** |
| **Kshs** | **Kshs** | **Kshs** |
| **20xx** |  |  |  |
| Euro | 10% | xxx | xxx |
| USD | 10% | xxx | xxx |
| **20xx** |  |  |  |
| Euro | 10% | xxx | xxx |
| USD | 10% | xxx | xxx |

1. **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 company’s interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company’s deposits.

1. **Management of interest rate risk**

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

1. **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 xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – KShs xxx)

1. **Fair value of financial assets and liabilities**
2. ***Financial instruments measured at fair value***

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

IPSAS 41 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:

1. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
2. 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).
3. 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.

**Notes to the Financial Statements (Continued)**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **At 30 June 20xx** | **Level 1 Kshs** | **Level 2 Kshs** | **Level 3 Kshs** | **Total Kshs** |
| **Financial assets** |   |   |   |   |
| Quoted equity investments | xx | xx | xx | xx |
| **Non- financial assets** |  |  |  |  |
| Investment property | xx | xx | xx | xx |
| Land and buildings | xx | xx | xx | xx |
|   | xx | xx | xx | xx |
| **At 30 June 20xx** |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Quoted equity investments | xxx | xxx | xxx | xxx |
| **Non- financial assets** |  |  |  |  |
| Investment property | xxx | xxx | xxx | xxx |
| Land and buildings | xxx | xxx | xxx | xxx |
|  | xxx | xxx | xxx | xxx |

There were no transfers between levels 1, 2 and 3 during the year.

***Financial instruments not measured at fair value***

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.

**Notes To The Financial Statements (Continued)**

 **v) Capital Risk Management**

The objective of the entity’s capital risk management is to safeguard the Board’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 | xxx | xxx |
| Retained earnings | xxx | xxx |
| Capital reserve | xxx | xxx |
|  |  |  |
| **Total Funds** | **xxx** | **xxx** |
| Total Borrowings | xxx | xxx |
| Less: Cash and Bank balances | (xxx) | (xxx) |
| Net Debt/(Excess Cash and Cash Equivalents) | xxx | xxx |
| **Gearing** | **xx%** | **xx%** |

1. **Incorporation**

*(The entity)* is incorporated in Kenya under *the Kenyan Companies Act* and is domiciled in Kenya.

1. **Events after the Reporting Period**

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

# Appendices

**Appendix 1: Implementation Status Of Auditor-General prior year 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:***

1. Use the same reference numbers as contained in the external audit report;
2. Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
3. Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury

|  |
| --- |
| ………………………………………… |
| Name |
| Accounting Officer |
| (Enter title of head of entity |
| Date  |

**Appendix II- Inter-Entity Confirmation Letter**

**Name of Transferring entity………………………………………**

**Name of Beneficiary entity………………………………………..**

|  |
| --- |
|  **Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)**   |
|  Reference Number  |  Date Disbursed  |  Recurrent (A)  |  Development (B)  | Total (C)=(A+B)  | Remarks  |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
| Total  |   |   |   |   |   |
|  I confirm that the amounts shown above are correct as of the date indicated.  **Head of Accounts Department - Disbursing Entity:**  **Name …………………………………………. Sign ……………………………. Date** **………………**   **Head of Accounts Department - Beneficiary Entity:**  **Name …………………………………………. Sign ……………………………. Date………………** \_\_\_\_\_\_\_\_  |

**Appendix III: Reporting of Climate-Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) …………………

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

**Appendix IV: Reporting 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 |
|  |  |  |  |  |  |  |