***Issued 30th June 2024***

|  |  |  |
| --- | --- | --- |
|  |  | *Insert you Entity Logo* |

*(Indicate actual name of the Money Lending Entity)*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED SEPTEMBER/DECEMBER/MARCH/JUNE, 20XX**

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

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# Acronyms, Abbreviations and Definition of Key Terms

**A: Acronyms and Abbreviations**

CBK Central Bank of Kenya

CECM County Executive Committee Member

CEO Chief Executive Officer

CO Chief Officer

DG Director General

ICPAK Institute of Certified Public Accountants of Kenya

IPSAS International Public Sector Accounting Standards

MD Managing Director

NT National Treasury

OAG Office of the Auditor General

OCOB Office of the Controller of Budget

OSHA Occupational Safety and Health Act of 2007

PFM Public Finance Management

PPE Property Plant & Equipment

PSASB Public Sector Accounting Standards Board

SAGAs Semi-Autonomous Government Agencies

SC State Corporations

WB World Bank

**B: Definition of Key Terms**

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

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

# Key Entity Information and Management

1. **Background information**

The *Entity* was incorporated/ established under the xxx (*insert the establishing legal instrument*) on xxx (*insert date*). The Entity is domiciled in Kenya and has branches in xxx, xxx (*list them*).

(*Include any other information relevant to the users of financial information on the background of the Entity for example departments).*

1. **Principal Activities**

The principal activity/mission/ mandate of the *entity* is to …

*(Under this section you may also include the entity’s vision, mission and core objectives)*

1. **Key Management**

The *entity’s* day-to-day management is under the following key organs:

| **No.** | **Designation** |
| --- | --- |
| 1. | Board of Directors/ Fund Committee/ Management etc; |
| 2. | Accounting officer/ CEO/MD/Fund Administrator etc |
| 3. | Management |
| 4. | *Others (specify)* |

1. **Fiduciary Management**

The key management personnel who held office during the financial period ended XX and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | CEO, MD, DG, Fund Administrator |  |
| 2. | Head of Corporate Services |  |
| 3. | Head of Finance |  |
| 4. | Head of Procurement |  |
| 5. | *Others (specify)* |  |

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

**Key Entity Information and Management (continued)**

1. **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*
* *Development partner*
* *Other oversight arrangements*

1. **Entity Headquarters**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

XXX (*indicate town)***, KENYA.**

1. **Entity Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: [xxx.go.ke](http://www.go.ke)

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

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

1. **Other Banks (*state other bankers as appropriate*)**
2. **Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

1. **Principal Legal Adviser**
2. The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

1. County Attorney

# The Board of Directors/Committee

|  |  |  |
| --- | --- | --- |
| **SN** | **Directors** | **Details** |
|  | *Insert each Director’s/Committee member’s passport-size photo and name, and key profession/academic qualifications* | *Provide a concise description of each Director’s/ Committee member’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. Indicate whether the director is independent and or whether alternate.* |
|  | *Director/Committee Member 2* |  |
|  | *Director/Committee Member 3* |  |
|  | *Director/ Committee Member 4/Alternate* |  |
|  | *CEO/DG/Fund Administrator* |  |
|  | *Entity Secretary* | *Indicate whether the secretary is a member of ICS as required under the Mwongozo code in addition to their other details.* |

# Key Management Team

|  |  |  |
| --- | --- | --- |
| **SN** | **Management** | **Details** |
|  | *Insert each key manager’s passport-size photo and name, and key profession/academic qualifications* | *Indicate the main area of responsibility – without details* |
|  | *Manager 2* |  |
|  | *Manager 3* |  |
|  | *Manager 4* |  |
|  | ***Note:*** *The CEO/Fund Administrator and the Entity Secretary will feature both under the ‘Board’ and ‘Management’* | |

# Management Discussion and Analysis

**SECTION A**

**The entity’s operational and financial performance**

*Per period the entity should provide an overview of performance as per its mandate in tandem with the National/County Government strategic objectives and policies. These include key performance indicators, observations with respect to the financial statements, profits, earnings, cash flows and whether or not past performance may be indicative of future results) (In addition, under this section the entity should capture information pertaining to growth & strategy – touching on industry trends, financial flexibility, etc; challenges and opportunities – touching on key events, demands on the entity’s principal activities etc).*

**SECTION B**

**Entity’s compliance with statutory requirements**

*(An entity should clearly indicate the extent of compliance and whether there are any major non-compliance that may expose the entity to potential contingent liabilities. Ongoing or potential court cases and defaults should be summarized here clearly indicating the total exposure.*

**SECTION C**

**Key projects and investment decisions the entity is planning/implementing.**

*The entity should include here in the viability of such projects and how they are facilitating the entity in delivery of its mandate in line with the National/County Government strategic objectives and policies). (The entity should also indicate how the projects and investments decisions are being financed ie are they being financed by equity/debt, internally generated revenue, grants from Government and Development partners, borrowings. A statement on sustainability of the same should be included).*

**SECTION D**

**Major risks facing the entity.**

*(The entity should include under this section the key risks facing the entity ranging from Operational Risks, Market Risks, Capital Risk, Credit risks, Liquidity risks etc). This should be emanating from the entity’s risk management framework.*

**SECTION E**

**Material arrears in statutory/financial obligations**

*(This should include but not limited to items such as loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes, non- payment of dividends & loan redemption to the National Exchequer etc).*

**SECTION F**

**The entity’s financial probity and serious governance issues**

*(Under this section the entity should indicate whether there are any major financial improbity as reported by the internal audit/Board audit committee, external auditors, or other National/County Government Agencies providing oversight; and if there are serious governance issues among the Board or member of the Board and top management including conflict of interest.)*

# Statement Of Directors’/Fund Committee Responsibilities

Section 83 or 166 of the Public Finance Management Act, 2012 require the Directors/Fund Committee to prepare quarterly 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 period and the operating results of the *entity* for that period. The Directors/ Fund Committee are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors/ Fund Committee are also responsible for safeguarding the assets of the *entity*.

The Directors/ Fund Committee 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 period ended on *xxxx*. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors/ Fund Committee accept responsibility for the *entity’s* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the* *entities should quote applicable legislation as indicated under which they are established)* . The Directors/ Fund Committee 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 period, and of the *entity’s* financial position as at that date. The Directors/ Fund Committee further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity’s* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors/ Fund Committee 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** |
| **Chairperson of the Board/Fund Committee** | **Accounting Officer/Fund Administrator** |

# Statement of Financial Performance for the Period Ended Sep/Dec/Mar/Jun xx, 20xx

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Notes** | **Period ended Sep\*/Dec\*/Mar\*/Jun\*** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |
| Transfers from other governments entities | 5 | xxx | xxx |
| Public contributions and donations | 6 | xxx | xxx |
| Transfers in-kind | 7 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |
| Interest income | 8 | xxx | xxx |
| Rendering of services | 9 | xxx | xxx |
| Rental revenue from facilities and equipment | 10 | xxx | xxx |
| Fees and other charges | 11 | xxx | xxx |
| Other income | 12 | xxx | xxx |
| **Total** **revenue** |  | **xxx** | **xxx** |
| **Expenses** |  |  |  |
| Use of goods and services | 13 | xxx | xxx |
| Employee costs | 14 | xxx | xxx |
| Board Expenses | 15 | xxx | xxx |
| Depreciation and amortization expense | 16 | xxx | xxx |
| Repairs and maintenance | 17 | xxx | xxx |
| Contracted services | 18 | xxx | xxx |
| Grants and subsidies | 19 | xxx | xxx |
| Finance costs | 20 | xxx | xxx |
| **Total** **expenses** |  | **xxx** | **xxx** |
| **Surplus/deficit from operating activities** |  | **xxx** | **xxx** |
| **Other** **gains/(losses)** |  |  |  |
| Gain on sale of assets | 21 | xxx | xxx |
| Gain on foreign exchange transactions | 22 | xxx | xxx |
| Unrealized gain on fair value of investments | 23 | xxx | xxx |
| Impairment loss | 24 | (xxx) | (xxx) |
| **Surplus** **before** **tax** |  | **xxx** | **xxx** |
| Taxation | 25 | (xxx) | (xxx) |
| **Surplus/(deficit)** **for** **the** **period** |  | **xxx** | **xxx** |
| **Net Surplus for the period** |  | **xxx** | **xxx** |

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

|  |  |  |
| --- | --- | --- |
| **……………………………..** | **………………………………** | **………………………………** |
| **Name:** | **Name:** | **Name:** |
| **Accounting Officer/**  **Fund Administrator** | **Head of Finance** | **Chairman of the Board** |
|  | **ICPAK M/No:** |  |
| **Date** | **Date** | **Date** |

*Sep\* -This relates to transactions undertaken from 1st July to 30th September.*

*Dec\* - This relates to transactions undertaken from 1st July to 31st December.*

*March\*- This relates to transactions undertaken from 1st July to 31st March.*

*June\* - This relates to transactions undertaken from 1st July to 30th June*

*\*Comparative period relates to prior year same period of the report.*

# Statement of Financial Position as at Sep/Dec/March/June XX, 20xx

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Notes** | **Period as at Sep\*/Dec\*/Mar\*/Jun\*** | **Audited**  **Prior year** |
| **Kshs** | **Kshs** |
| **Assets** |  |  |  |
| **Current** **assets** |  |  |  |
| Cash and Cash equivalents | 26 | xxx | xxx |
| Receivables from Exchange Transactions | 27(a) | xxx | xxx |
| Receivables from Non-Exchange Transactions | 28 | xxx | xxx |
| Inventories | 29 | xxx | xxx |
| Investments in financial assets | 30 | xxx | xxx |
| **Total Current Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-current** **assets** |  |  |  |
| Receivables from exchange transactions | 27(b) | xxx | xxx |
| Investments in financial assets | 30 | xxx | xxx |
| Property, plant, and equipment | 31 | xxx | xxx |
| Intangible assets | 32 | xxx | xxx |
| Investment property | 33 | xxx | xxx |
| **Total Non-Current Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total** **assets (A)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Liabilities** |  |  |  |
| **Current** **liabilities** |  |  |  |
| Trade and Other Payables | 34 | xxx | xxx |
| Refundable Deposits from Customers | 35 | xxx | xxx |
| Current Provision | 36 | xxx | xxx |
| Finance Lease Obligation | 37 | xxx | xxx |
| Deferred Income | 38 | xxx | xxx |
| Employee Benefit Obligation | 39 | xxx | xxx |
| Current Portion of Borrowings | 40 | xxx | xxx |
| Taxation | 41 | xxx | xxx |
| **Total Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-current** **liabilities** |  |  |  |
| Non-Current Provisions | 36 | xxx | xxx |
| Non-Current Employee Benefit Obligation | 39 | xxx | xxx |
| Borrowings | 40 | xxx | xxx |
| Service Concession Liability | 42 | xxx | xxx |
| Deferred Tax Liabilities | 43 | xxx | xxx |
| **Total Non-Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total** **liabilities (B)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net** **assets (A-B)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Represented by:** |  |  |  |
| Reserves |  | xxx | xxx |
| Accumulated surplus |  | xxx | xxx |
| Revolving Fund |  | xxx | xxx |
| Capital Fund |  | xxx | xxx |
| **Net Assets** |  | **xxx** | **xxx** |

The Financial Statements set out on pages xxx to xxx were signed on behalf of the Board of Directors/Fund Committee by:

|  |  |  |
| --- | --- | --- |
| **………………………………** | **……………………………….** | **…………………………..** |
| **Name** | **Name** | **Name** |
| **Accounting Officer/Fund Administrator** | **Head of Finance** | **Chairman of the Board** |
|  | **ICPAK Member Number:** |  |
| **Date** | **Date** | **Date** |

*Sep\* -This relates to transactions undertaken from 1st July to 30th September.*

*Dec\* - This relates to transactions undertaken from 1st July to 31st December.*

*March\*- This relates to transactions undertaken from 1st July to 31st March.*

*June\* - This relates to transactions undertaken from 1st July to 30th June.*

*Prior period relates to full year the previous year.*

# Statement of Changes in Net Assets for the period ended 30 Sept/Dec/Mar/ June 20xx

| **Description** | **Revaluation reserve** | **Fair value adjustment reserve** | **Accumulated surplus** | **Revolving Fund** | **Capital/**  **Development Grants/Fund** | **Total** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **As at July 1, (Previous FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Revaluation gain |  | - | - | - | - | xxx |
| Transfer of excess depreciation on revaluation | (xxx) | - | xxx | - | - | - |
| Fair value adjustment on investments | - | xxx | - | - | - | xxx |
| Surplus/ deficit for the year | - | - | xxx | - | - | xxx |
| Funds received During the year | - | - | - | xxx | - | xxx |
| Transfers from accumulated surplus to revolving fund | - | - | (xxx) | xxx | - | xxx |
| Capital/development grants received during the year | - | - | - | - | xxx | xxx |
| **As at June 30, (Previous FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |  |  |
| **As at July 1, (Current FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Revaluation gain | xxx | - | - | - | - | xxx |
| Transfer of excess depreciation on revaluation | (xxx) | - | xxx | - | - | - |
| Fair value adjustment on investments | - | xxx | - | - | - | xxx |
| Surplus/ (deficit) for the period | - | - | xxx/(xxx) | - | - | xxx/(xxx) |
| Funds received During the period | - | - | - | xxx | - | xxx |
| Transfers from accumulated surplus to revolving fund | - | - | (xxx) | xxx | - | - |
| Capital/development grants received during the period | - | - | - | xxx | xxx | xxx |
| **As at 30 Sep/Dec/Mar/Jun (Current FY)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

# Statement of Cash Flows for The Period Ended Sept/Dec /March/June XX 20xx

|  |  |  |  |
| --- | --- | --- | --- |
| Description | **Notes** | **Period ended Sep\*/Dec\*/Mar\*/Jun\*** | **Comparative period** |
| **Kshs** | **Kshs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |  |
| **Receipts** |  |  |  |
| Transfers from other governments entities |  | xxx | xxx |
| Public contributions and donations |  | xxx | xxx |
| Interest received |  | xxx | xxx |
| Rendering of services |  | xxx | xxx |
| Rental revenue from facilities and equipment |  | xxx | xxx |
| Fees and other charges |  | xxx | xxx |
| Other income*(specify)* |  | xxx | xxx |
| **Total Receipts** |  | **xxx** | **xxx** |
| **Payments** |  |  |  |
| Use of goods and services |  | xxx | xxx |
| Employee costs |  | xxx | xxx |
| Board Expenses |  | xxx | xxx |
| Repairs and maintenance |  | xxx | xxx |
| Contracted services |  | xxx | xxx |
| Grants and subsidies |  | xxx | xxx |
| **Total Payments** |  | **xxx** | **xxx** |
| **Net** **cash** **flows** **from** **operating** **activities** | 44 | **xxx** | **xxx** |
| **Cash flows from investing activities** |  |  |  |
| Purchase of PPE |  | (xxx) | (xxx) |
| Purchase of Intangible assets |  | (xxx) | (xxx) |
| Proceeds from sale of PPE |  | xxx | xxx |
| Proceeds from loan principal repayments |  | xxx | xxx |
| Loan disbursements paid out |  | xxx | xxx |
| Purchase of investments |  | (xxx) | (xxx) |
| Proceeds from sale of investments |  | xxx | xxx |
| **Net** **cash** **flows** **used** **in** **investing** **activities** |  | **(xxx)** | **(xxx)** |
| **Cash** **flows** **from** **financing** **activities** |  |  |  |
| Revolving fund receipts |  | xxx | xxx |
| Proceeds from borrowings |  | xxx | xxx |
| Repayment of borrowings |  | (xxx) | (xxx) |
| **Net** **cash** **flows** **used** **in** **financing** **activities** |  | **(xxx)** | **(xxx)** |
| **Net** **increase/(decrease)** **in** **cash** **and** **cash equivalents** |  | **xxx/(xxx)** | **xxx/(xxx)** |
| **Cash and cash equivalents at period Start** | 26 | xxx | xxx |
| **Cash and cash equivalents at Period end** | 26 | **xxx** | **xxx** |

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

# Statement of Comparison of Budget & Actual Amounts for Period Ended Sep/Dec/Mar/Jun

|  | **Original** **budget** | **Adjustments** | **Final** **budget** | **Actual** **on comparable basis** | **Performance difference** | **% of utilization** |
| --- | --- | --- | --- | --- | --- | --- |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |  |
|  | **a** | **b** | **C=(a+b)** | **d** | **e=(c-d)** | **f=d/c\*100** |
| **Revenue** |  |  |  |  |  |  |
| Transfers from Other Governments entities | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Public Contributions and Donations | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Interest income | xxx | xxx/(xxx) | xxx | xxx | xxx | xxx |
| Rendering of Services | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Rental Revenue from Facilities and Equipment | xxx | xxx/(xxx) | xxx | xxx | xxx | xxx |
| Fees and other charges | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Other Income *(specify)* | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| **Total** **Income** | **xxx** | **xxx/(xxx)** | **xxx** | **xxx** | **(xxx)** | **xxx** |
| **Expenses** |  |  |  |  |  |  |
| Use of Goods and Services | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Employee costs | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Board Expenses | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Repairs and Maintenance | xxx | xxx/(xxx) | xxx | xxx | xxx | xxx |
| Contracted Services | xxx | xxx/(xxx) | xxx | xxx | (xxx) | xxx |
| Grants and Subsidies | xxx | xxx/(xxx) | xxx | xxx | - | xxx |
| **Total** **Expenditure** | **xxx** | **xxx/(xxx)** | **xxx** | **xxx** | **(xxx)** | **xxx** |
| **Surplus** **for** **the** **period** | **xxx** | **xxx/ (xxx)** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Capital Expenditure** | **xxx** | **xxx/ (xxx)** | **xxx** | **xxx** | **xxx** | **xxx** |

**Budget notes**

*1. Provide explanation of differences between actual and budgeted amounts for significant under/ overutilisations IPSAS 24.14*

*2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

*3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

# 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/County Government and is domiciled in Kenya. The entity’s principal activity is xxx

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*.

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 periods presented.

1. **Summary of Significant Accounting Policies**
2. **Revenue recognition**
3. **Revenue from non-exchange transactions**

**Fees and other charges**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

1. **Revenue from exchange transactions**

***Rendering of services***

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Interest income**

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

**Rental income**

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

1. **Budget information**

The original budget for FY xx xx was approved by the National/County Assembly on *xxxx*. 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 *xxxx* on the xxxx 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.

**c) Taxes**

***Current income tax***

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

***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 period 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.

***Sales tax***

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

* When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
* When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

1. **Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

1. **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

1. **Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

1. **Intangible assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite.

**Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

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

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

1. **Financial instruments**

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

***Financial assets***

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

***Financial liabilities***

**Classification**

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

1. **Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

* Raw materials: purchase cost using the weighted average cost method
* Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

1. **Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

1. **Contingent liabilities**

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

1. **Contingent assets**

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

1. **Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

1. **Changes in accounting policies and estimates**

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

1. **Employee benefits**

***Retirement benefit plans***

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the period in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

1. **Foreign currency transactions**

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

1. **Borrowing costs**

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

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

1. **Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Directors/Fund Committee, the CEO/Fund Administrator, and Senior Managers.

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. **Cash and cash equivalents**

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

1. **Comparative figures**

Where necessary comparative figures for the previous financial period 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 period end with a significant impact on the financial statements.

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

**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 period, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual 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 asset
* Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 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 organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

**Notes to the Financial Statements**

1. **a) Transfers from Other Government Entities**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **KShs** | **KShs** |
| **Unconditional** **grants** |  |  |
| Operational grant | xxx | xxx |
| Unconditional Development grant | xxx | xxx |
| Other Grants*(specify)* | xxx | xxx |
|  | **xxx** | **xxx** |
| **Conditional** G**rants Amortised/transferred to revenue** |  |  |
| Development Grant | xxx | xxx |
| Operational Grant | xxx | xxx |
| Other Organizational Grants (specify) | xxx | xxx |
| **Total** **government** **grants** **and** **subsidies** | **xxx** | **xxx** |

*Explain the purpose of funding****.***

**b) Transfers from Ministries/ County Departments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the Entity sending the grant** | **Amount recognized to Statement of Financial Performance**  **Kshs** | **Amount deferred under deferred income.**  **Kshs** | **Amount recognised in capital fund.** | **Total grant income during the period** | **Comparative Period** |
| **Kshs** | **Kshs** | **Kshs** |
| xxx Ministry/County Department | xxx | xxx | xxx | xxx | xxx |
| xxx Ministry | xxx | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

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

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

1. **Public Contributions and Donations**

| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Research Donations | xxx | xxx |
| Donations transferred to revenue on conditions being met. | xxx | xxx |
| Other Public Donations (Specify) | xxx | xxx |
| **Total Transfers and Sponsorships** | **xxx** | **xxx** |
|  |  |  |
| **Reconciliation of Public Contributions and Donations** |  |  |
| Balance Unspent at Beginning of The Year | xxx | xxx |
| Current Year Receipts | xxx | xxx |
| Conditions Met - Transferred to Revenue | xxx | xxx |
| Conditions To Be Met - Remain Liabilities | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

1. **Transfers in-kind**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Payments by Ministry/County Department on behalf of the entity | xxx | xxx |
| Others*(specify)* | xxx | xxx |
| **Total Transfers in-kind** | **xxx** | **xxx** |

1. **Interest income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Interest on loans | xxx | xxx |
| Others*(specify)* | xxx | xxx |
| **Total** **Interest** **income** | **xxx** | **xxx** |

1. **Rendering of Services**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Training Fees | xxx | xxx |
| Others (specify) | xxx | xxx |
| **Total** **Revenue** **from** **The** **Rendering** **Of** **Services** | **xxx** | **xxx** |

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

1. **Rental Revenue From Facilities And Equipment**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Operating Lease Revenues | xxx | xxx |
| Contingent Rentals\* | xxx | xxx |
| **Total** **Rentals** | **xxx** | **xxx** |

(*Provide brief explanation for this revenue*)

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

1. **Fees and other charges**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Fees | xxx | xxx |
| Charges from defaults | xxx | xxx |
| Others *(specify)* | xxx | xxx |
| **Total Fees and other charges** | **xxx** | **xxx** |

1. **Other Income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Interest on cash investments and fixed deposits | xxx | xxx |
| Interest on Bank balances | xxx | xxx |
| Interest income from Treasury Bills | xxx | xxx |
| Interest income from Treasury Bonds | xxx | xxx |
| Insurance recoveries | xxx | xxx |
| Income from sale of tender | xxx | xxx |
| Services concession income | xxx | xxx |
| Skills development levy | xxx | xxx |
| Bad debts recovered | xxx | xxx |
| Miscellaneous incomes (*specify*) | xxx | xxx |
| **Total** **Other income** | **xxx** | **xxx** |

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

1. **Use Of Goods And Services**

| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| --- | --- | --- |
| **Kshs** | **Kshs** |
| Electricity | xxx | xxx |
| Water | xxx | xxx |
| Subscriptions | xxx | xxx |
| Advertising | xxx | xxx |
| Admin Fees | xxx | xxx |
| Audit Fees | xxx | xxx |
| Conferences and Delegations | xxx | xxx |
| Consulting Fees | xxx | xxx |
| Consumables | xxx | xxx |
| Fuel and Oil | xxx | xxx |
| Insurance | xxx | xxx |
| Legal Expenses | xxx | xxx |
| Licenses and Permits | xxx | xxx |
| Postage | xxx | xxx |
| Printing and Stationery | xxx | xxx |
| Hire Charges | xxx | xxx |
| Rent expenses | xxx | xxx |
| Security Costs | xxx | xxx |
| Skills Development Levies | xxx | xxx |
| Inventory Scrapping | xxx | xxx |
| Telecommunication | xxx | xxx |
| Training | xxx | xxx |
| Travel, Subsistence & Other Allowances\* | xxx | xxx |
| Bank charges | xxx | xxx |
| Other program support expenses*(specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |

\*Travel, accommodation, subsistence and other allowances- *Where this cost has been budgeted under employee costs please report it under note 14*

1. **Employee Costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Salaries and wages | xxx | xxx |
| Employer contribution to health insurance schemes | xxx | xxx |
| Employer contribution to pension schemes | xxx | xxx |
| Travel, accommodation, subsistence, & other allowances | xxx | xxx |
| Housing benefits and allowances | xxx | xxx |
| Overtime payments | xxx | xxx |
| Performance and other bonuses | xxx | xxx |
| Social contributions | xxx | xxx |
| Gratuity | xxx | xxx |
| Extraneous | xxx | xxx |
| Other employee related costs \* | xxx | xxx |
| **Employee** **costs** | **xxx** | **xxx** |

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

1. **Board Expenses**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Chairman/Directors’ Honoraria | xxx | xxx |
| Sitting allowances | xxx | xxx |
| Medical Insurance | xxx | xxx |
| Induction and Training | xxx | xxx |
| Travel and accommodation | xxx | xxx |
| Other allowances | xxx | xxx |
| **Total Board Expenses** | **xxx** | **xxx** |

1. **Depreciation And Amortization Expense**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **KShs** | **KShs** |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| Investment property carried at cost | xxx | xxx |
| **Total** **depreciation** **and** **amortization** | **xxx** | **xxx** |

1. **Repairs And Maintenance**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Property | xxx | xxx |
| Investment property – earning rentals | xxx | xxx |
| Equipment and machinery | xxx | xxx |
| Vehicles | xxx | xxx |
| Furniture and fittings | xxx | xxx |
| Computers | xxx | xxx |
| Others (specify) | xxx | xxx |
| **Total** **repairs** **and** **maintenance** | **xxx** | **xxx** |

1. **Contracted Services**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Actuarial valuations | xxx | xxx |
| Investment valuations | xxx | xxx |
| Property valuations | xxx | xxx |
| Others (specify) | xxx | xxx |
| **Total** **contracted** **services** | **xxx** | **xxx** |

1. **Grants And Subsidies**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Community development | xxx | xxx |
| Education initiatives and programs | xxx | xxx |
| Social development | xxx | xxx |
| Community trust | xxx | xxx |
| Sporting bodies | xxx | xxx |
| Others (specify) | xxx | xxx |
| **Total** **grants** **and** **subsidies** | **xxx** | **xxx** |

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

1. **Finance Costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative Period** |
| **KShs** | **KShs** |
| Borrowings (amortized cost)\* | xxx | xxx |
| Finance leases (amortized cost) | xxx | xxx |
| Unwinding of discount | xxx | xxx |
| Interest on Bank overdrafts | xxx | xxx |
| Interest on loans from commercial banks | xxx | xxx |
| **Total** **finance** **costs** | **xxx** | **xxx** |

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

1. **Gain On Sale Of Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\***  **/March\*/June\* 20xx** | **Comparative**  **Period** |
| **KShs** | **KShs** |
|  | xxx | xxx |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| Other assets not capitalised | xxx | xxx |
| **Total** **gain** **on** **sale** **of** **assets** | **xxx** | **xxx** |

1. **Gain/Loss On Foreign Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| Gain on foreign exchange transactions | xxx | xxx |
| Loss on foreign exchange transactions | (xxx) | (xxx) |
| **Total** **Gain/Loss** | **xxx** | **xxx** |

1. **Unrealized Gain on Fair Value Investments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| Investments at fair value | xxx | xxx |
| **Total** **gain** | **xxx** | **xxx** |

1. **Impairment Loss**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| **Total** **impairment** **loss** | **xxx** | **xxx** |

1. **Taxation**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| Current income tax charge | xxx | xxx |
| **Deferred** **tax:** [Note 43] | xxx | xxx |
| Relating to original and reversal of temporary differences | xxx | xxx |
| **Income tax expense reported in the statement of financial performance** | **xxx** | **xxx** |

1. **Cash And Cash Equivalents**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior**  **year period** |
| **Kshs** | **Kshs** |
| Current account | xxx | xxx |
| On - call deposits | xxx | xxx |
| Fixed deposits account (*below 3 months)* | xxx | xxx |
| Others(specify) | xxx | xxx |
| **Total** **cash** **and** **cash** **equivalents** | **xxx** | **xxx** |

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

**(a) Detailed Analysis Of The Cash And Cash Equivalents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial institution** |  | **Period ended Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior**  **year period** | **Comparative for Cash flow** |
| **Account number** | **Kshs** | **Kshs** | **Kshs** |
|  |  |  |  |  |
| 1. **Bank balances** |  |  |  |  |
| XXX Bank |  | xxx | xxx | xxx |
| XXX Bank |  | xxx | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| 1. **On - call deposits** |  |  |  |  |
| XXX Bank |  | xxx | xxx | xxx |
| XXX Bank |  | xxx | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| 1. **Fixed deposits account** |  |  |  |  |
| XXX Bank |  | xxx | xxx | xxx |
| XXX Bank |  | xxx | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| 1. **Others(specify)** |  | xxx | xxx | xxx |
| Cash in transit |  | xxx | xxx | xxx |
| Cash in hand |  | xxx | xxx | xxx |
| Mobile money accounts |  | xxx | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** | **xxx** |
| **Grand total** |  | **xxx** | **xxx** | **xxx** |

1. **Receivables From Exchange Transactions**
2. **Receivables from Exchange Transactions (Current)**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Prior year** |
| **Kshs** | **Kshs** |
| **Current Receivables** |  |  |
| Loan interest receivable | xxx | xxx |
| Current Loan Repayments Due | xxx | xxx |
| Fees and other charges due | xxx | xxx |
| Other *(specify)* | xxx | xxx |
| Less: Impairment Allowance | (xxx) | (xxx) |
| **Total Current Receivables** |  |  |
|  |  |  |
| **Non-Current Receivables** |  |  |
| Long Term Loan Repayments Due | xxx | xxx |
| **Total Non- Current Receivables** | **xxx** | **xxx** |
| **Total** **Receivables From Exchange Transactions** | **xxx** | **xxx** |

1. **Reconciliation for Impairment Allowance on Receivables From Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year** |
| **Kshs** | **Kshs** |
| At the beginning of the period | xxx | xxx |
| Charge for the period | xxx | xxx |
| Recovered during the period | (xxx) | (xxx) |
| Write off during the period | (xxx) | (xxx) |
| At the end of the period | **xxx** | **xxx** |

1. **Receivables From Non-Exchange Transactions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | | **Prior year** | |
| **Kshs** | | **Kshs** | |
| Specify | xxx | | xxx | |
| **Total** **receivables from non- exchange transactions** | **xxx** | | **xxx** | |
|  |  | |  | |
| **Ageing Analysis- Receivables from non-**  **exchange transactions** | **Current FY** | **% of the total** | **Comparative**  **FY** | **% of the total** |
| Less than 1 year | xxx | % | xxx | % |
| Between 1-2 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total** | xxx | % | xxx | % |

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

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year** |
| **Kshs** | **Kshs** |
| At the beginning of the period | xxx | xxx |
| Provisions made during the period | xxx | xxx |
| Recovered during the period | (xxx) | (xxx) |
| Write off during the period | (xxx) | (xxx) |
| At the end of the period | **xxx** | **xxx** |

1. **Inventories**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior year** |
|  | **Kshs** | **Kshs** |
| Consumable stores | xxx | xxx |
| Other goods held for resale | xxx | xxx |
| Catering | xxx | xxx |
| Others (*specify)* | xxx | xxx |
| Less: allowance for impairment | (xxx) | (xxx) |
| **Total** **inventories** **at** **the** **lower** **of** **cost** **and** **net** **realizable** **value** | **xxx** | **xxx** |

1. **Investments in financial assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior year** |
| **Kshs** | **Kshs** |
| 1. **Investment in Treasury bills and bonds** |  |  |
| **Financial institution** |  |  |
| CBK | xxx | xxx |
| CBK | xxx | xxx |
| **Sub- total** | **xxx** | **xxx** |
|  |  |  |
| 1. **Investment with Financial Institutions/ Banks** |  |  |
| Bank x | xxx | xxx |
| Bank y | xxx | xxx |
| **Sub- total** | **xxx** | **xxx** |
|  |  |  |
| 1. **Equity investments (specify)** |  |  |
| Equity/ shares in entity xxx | xxx | xxx |
|  |  |  |
| **Sub- total** | **xxx** | **xxx** |
| **Grand total** | **xxx** | **xxx** |

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

**d) Movement of Equity Investments**

|  |  |  |
| --- | --- | --- |
| **Impairment allowance/ provision** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior Year** |
| **Kshs** | **Kshs** |
| At the beginning of the period | xxx | xxx |
| Purchase of investments in the period | xxx | xxx |
| Sale of investments during the period | (xxx) | (xxx) |
| Gain/(loss) in fair value of investments through surplus or deficit | xxx | xxx |
| At the end of the period | **xxx** | **xxx** |

**e) Shareholding in other entities**

For investments in equity share listed under note 32 above, list down the equity investments under the following categories:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of entity where investment is held** | **No of shares** | | | **Nominal value of shares** | **Fair value of shares** | **Fair value of shares** |
| **Direct shareholding** | **Indirect shareholding** | **Effective shareholding** |  | **Current period** | **Prior year** |
|  | **%** | **%** | **%** | **Shs** | **Shs** | **Shs** |
|  |  |  |  |  |  |  |
| Entity A | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity B | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity C | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity D | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

1. **Property, Plant and Equipment**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Land** | **Buildings** | **Motor vehicles** | **Furniture**  **and fittings** | **ICT Equipment** | **Office Equipment** | **Other Assets**  **(specify)** | **Capital**  **Work**  **in progress** | **Total** |
| **Cost** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| As at dd mm 20xx (*beginning of the previous year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions during the Year | xxx | xxx | xxx | xxx | **-** | **-** | **xxx** | **xxx** | **xxx** |
| Disposals during the year | (xxx) | (xxx) | (xxx) | **-** | **-** | **-** | (xxx) | (xxx) | **(xxx)** |
| As at dd mm 20xx (end *of the previous year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions during the period | xxx | xxx | xxx | xxx | - | - | xxx | xxx | **xxx** |
| Disposals during the period | (xxx) | (xxx) | - | - | - | - | (xxx) | (xxx) | **(xxx)** |
| As at dd mm 20xx (close *of the current period)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation and impairment** |  |  |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the previous year)* | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Depreciation for the period | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | - | **(xxx)** |
| Impairment for the period | - | (xxx) | - | - | - | - | (xxx) | - | **(xxx)** |
| As at dd mm 20xx (end *of the previous year)* | **-** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Depreciation for the period | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | - | **(xxx)** |
| Disposals for the period | - | xxx | - | - | - | - | xxx | xxx | **xxx** |
| Impairment for the period | - | (xxx) | (xxx) | - | - | - | (xxx) | - | **(xxx)** |
| Transfer/adjustment for the period | - | xxx | (xxx) | (xxx) | xxx | xxx | (xxx) | (xxx) | **xxx** |
| As at dd mm 20xx (close *of the current period)* | **-** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Net book values** |  |  |  |  |  |  |  |  |  |
| As at dd mm 20xx (close *of the current period)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| As at dd mm 20xx (end *of the previous year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

\*Figures for prior year are full figures for the prior period and should always be the starting balance and agree to balance sheet figures prior year

1. **Intangible Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/**  **June\* 20xx** | **Prior year** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At beginning of the year** | xxx | xxx |
| Additions | xxx | xxx |
| **At end of the year** | xxx | xxx |
|  |  |  |
| **Amortization and impairment** |  |  |
| **At beginning of the year** | xxx | xxx |
| Amortization | (xxx) | (xxx) |
| Impairment loss | (xxx) | (xxx) |
| **At end of the year** | xxx | xxx |
| **NBV** | xxx | xxx |

1. **Investment Property**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/**  **June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| **At beginning of the period** | **xxx** | **xxx** |
| Additions during the period | xxx | xxx |
| Disposals during the period | (xxx) | (xxx) |
| Depreciation | (xxx) | (xxx) |
| Gain/(loss) in fair value (if fair value is elected) | xxx/(xxx) | xxx/(xxx) |
| Impairment | (xxx) | (xxx) |
| **At end of the period** | **xxx** | **xxx** |

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

1. **Trade and Other Payables**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/**  **Dec\*/March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| Trade payables | xxx | xxx |
| Employee payables | xxx | xxx |
| Third-party payments | xxx | xxx |
| Other payables | xxx | xxx |
| **Total** **trade** **and** **other** **payables** | **xxx** | **xxx** |

1. **Refundable Deposits And Prepayments From Customers**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| Customer deposits | xxx | xxx |
| Prepayments | xxx | xxx |
| Other deposits | xxx | xxx |
| **Total** **deposits** | **xxx** | **xxx** |

1. **Provisions**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Leave provision** | **Bonus provision** | **Gratuity**  **Provision** | **Other provision** | **Total** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Balance brought forward at the beginning of the year/period | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additional provisions for the period | xxx | xxx | xxx | xxx | xxx |
| Provision utilised during the period | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| Change due to discount and time value for money | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| **Total provisions at the end year/period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Analysed as:** |  |  |  |  |  |
| Current Provisions | xxx | xxx | xxx | xxx | xxx |
| Non-Current Provisions | xxx | xxx | xxx | xxx | xxx |

1. **Finance Lease Obligation**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\*/March\*/June\* 20xx** | **Prior**  **year Audited** |
| **Kshs** | **Kshs** |
| **At the start of the year** | **xxx** | **xxx** |
| Discount interest on lease liability | xxx | xxx |
| Paid during the period | (xxx) | (xxx) |
| **At end of the period** | **xxx** | **xxx** |

**Analysed as:**

|  |  |
| --- | --- |
| **Description** | **Amount (Kshs)** |
| Current | xxx |
| Non- Current | xxx |
| **Total** | **xxx** |

1. **Deferred Income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| National/County Government | xxx | xxx |
| Public Contributions and Donations | xxx | xxx |
| **Total** **deferred** **income** | **xxx** | **xxx** |

**The deferred income movement is as follows:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **National/County**  **Government** | **Public Contributions and Donations** | **Total** |
| Balance brought forward | **xxx** | **xxx** | **xxx** |
| Additions for the period | xxx | xxx | xxx |
| Transfers to Capital fund | (xxx) | (xxx) | (xxx) |
| Transfers to income statement | (xxx) | (xxx) | (xxx) |
| Other transfers | (xxx) | (xxx) | (xxx) |
| Balance carried forward | **xxx** | **xxx** | **xxx** |

1. **Employee Benefit Obligations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Defined benefit plan** | **Post-employment medical benefits** | **Other Provisions** | **Period ended Sep\*/**  **Dec\***  **/March\*/June\* 20xx** | **Prior year period** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Current benefit obligation | xxx | xxx | xxx | xxx | xxx |
| Non-current benefit obligation | xxx | xxx | xxx | xxx | xxx |
| **Total** **employee benefits obligation** | xxx | xxx | xxx | xxx | xxx |

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity’s obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

1. **Borrowings**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior period audited** |
| **KShs** | **KShs** |
| 1. **External Borrowings** |  |  |
| Balance at beginning of the year | xxx | xxx |
| External borrowings during the period | xxx | xxx |
| Repayments of during the period | (xxx) | (xxx) |
| **Balance at end of the period** | **xxx** | **xxx** |
|  |  |  |
| 1. **Domestic Borrowings** |  |  |
| Balance at beginning of the year | xxx | xxx |
| Domestic borrowings during the period | xxx | xxx |
| Repayments during the period | (xxx) | (xxx) |
| **Balance at end of the period** | **xxx** | **xxx** |
|  |  |  |
| **Balance at end of the period- Domestic and External borrowings c = a+b** | **xxx** | **xxx** |

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

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep\*/Dec\***  **/March\*/June\* 20xx** | **Prior period audited** |
| **KShs** | **KShs** |
| **External Borrowings** |  |  |
| Dollar denominated loan from ‘xxx organization’ | xxx | xxx |
| Sterling Pound denominated loan from ‘yyy organization’ | xxx | xxx |
| Euro denominated loan from zzz organization’ | xxx | xxx |
| **Domestic Borrowings** |  | xxx |
| Kenya Shilling loan from KCB | xxx | xxx |
| Kenya Shilling loan from Barclays Bank | xxx | xxx |
| Kenya Shilling loan from Consolidated Bank | xxx | xxx |
| Total balance at end of the period | **xxx** | **xxx** |

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| Short term borrowings (current portion) | xxx | xxx |
| Long term borrowings | xxx | xxx |
| Total | **xxx** | **xxx** |

*(NB: the total of this statement should tie to note 40 totals. Current portion of borrowings are those borrowings that are payable within one period or the next financial period. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

1. **Taxation**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
| At beginning of the period | xxx | xxx |
| Income tax charge for the period (note 25) | xxx | xxx |
| Under/(over) provision in prior period (note 25) | xxx | xxx |
| Income tax paid during the period | (xxx) | (xxx) |
|  | \_\_\_\_\_\_ | \_\_\_\_\_\_ |
| At end of the period | **xxx** | **xxx** |
|  | ===== | ===== |

*[Provide short appropriate explanations as necessary]*

1. **Service Concession Liability**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Prior**  **year period** |
| **Kshs** | **Kshs** |
| Fair value of service concession assets recognized under PPE | xxx | xxx |
| Accumulated depreciation to date | (xxx) | (xxx) |
| Net carrying amount | **xxx** | **xxx** |
| Service concession liability at beginning of the period | xxx | xxx |
| Service concession revenue recognized | xxx | xxx |
| **Service concession liability at end of the period** | **xxx** | **xxx** |

1. **Deferred Tax Liability**

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

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year period** |
| **Kshs** | **Kshs** |
|  |  |  |
| Accelerated capital allowances | xxx | xxx |
| Unrealised exchange gains/(losses) | xxx | xxx |
| Revaluation surplus | xxx | xxx |
| Tax losses carried forward | (xxx) | (xxx) |
| Provisions for liabilities and charges | (xxx) | (xxx) |
|  |  | \_\_\_\_\_\_ |
| **Net deferred tax liability/(asset)** | xxx | xxx |
| The movement on the deferred tax account is as follows: |  |  |
|  |  |  |
| Balance at beginning of the period | xxx | xxx |
| Credit to revaluation reserve | (xxx) | (xxx) |
| Under provision in prior period | xxx | xxx |
| Income statement charge/(credit) | xxx | xxx |
|  | xxx | xxx |
| Balance at end of the period | xxx | xxx |

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

1. **Cash Generated from Operations**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/**  **March\*/June\* 20xx** | **Comparative**  **period** |
| **Kshs** | **Kshs** |
| **Surplus for the period before tax** | **xxx** | **xxx** |
| **Adjusted for:** |  |  |
| Depreciation | xxx | xxx |
| Non-cash grants received | (xxx) | (xxx) |
| Contributed assets | (xxx) | (xxx) |
| Impairment | xxx | xxx |
| Gains and losses on disposal of assets | (xxx) | (xxx) |
| Contribution to provisions | xxx | xxx |
| Contribution to impairment allowance | xxx | xxx |
| Finance income | (xxx) | (xxx) |
| Finance cost | xxx | xxx |
| **Working Capital adjustments** |  |  |
| Increase in inventory | (xxx) | (xxx) |
| Increase in receivables | (xxx) | (xxx) |
| Increase in deferred income | xxx | xxx |
| Increase in payables | xxx | xxx |
| Increase in payments received in advance | xxx | xxx |
| **Net cash flow from operating activities** | **xxx** | **xxx** |

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

1. **Events After The Reporting Period**

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

1. **Ultimate And Holding Entity**

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

1. **Currency**

The financial statements are presented in Kenya Shillings (Kshs).

# 11 Appendices:

**Appendix I: Statement of Financial Performance For Each Quarter**

| **Description** | **Notes** | **Quarter 1** | **Quarter 2** | **Quarter 3** | **Quarter 4** | **Cumulative to Date** | **Comparative Period** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |  |  |  |  |
| Transfers from other governments entities | 5 | xxx | xxx | xxx | xxx | xxx | xxx |
| Public contributions and donations | 6 | xxx | xxx | xxx | xxx | xxx | xxx |
| Transfers in-kind | 7 | xxx | xxx | xxx | xxx | xxx | xxx |
|  |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |  |  |  |  |
| Interest income | 8 | xxx | xxx | xxx | xxx | xxx | xxx |
| Rendering of services | 9 | xxx | xxx | xxx | xxx | xxx | xxx |
| Rental revenue from facilities and equipment | 10 | xxx | xxx | xxx | xxx | xxx | xxx |
| Fees and other charges | 11 | xxx | xxx | xxx | xxx | xxx | xxx |
| Other income | 12 | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** **revenue** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| **Expenses** |  |  |  |  |  |  |  |
| Use of goods and services | 13 | xxx | xxx | xxx | xxx | xxx | xxx |
| Employee costs | 14 | xxx | xxx | xxx | xxx | xxx | xxx |
| Board Expenses | 15 | xxx | xxx | xxx | xxx | xxx | xxx |
| Depreciation and amortization expense | 16 | xxx | xxx | xxx | xxx | xxx | xxx |
| Repairs and maintenance | 17 | xxx | xxx | xxx | xxx | xxx | xxx |
| Contracted services | 18 | xxx | xxx | xxx | xxx | xxx | xxx |
| Grants and subsidies | 19 | xxx | xxx | xxx | xxx | xxx | xxx |
| Finance costs | 20 | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** **expenses** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| **Other** **gains/(losses)** |  |  |  |  |  |  |  |
| Gain on sale of assets | 21 | xxx | xxx | xxx | xxx | xxx | xxx |
| Gain on foreign exchange transactions | 22 | xxx | xxx | xxx | xxx | xxx | xxx |
| Unrealized gain on fair value of investments | 23 | xxx | xxx | xxx | xxx | xxx | xxx |
| Impairment loss | 24 | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| **Surplus** **before** **tax** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| Taxation | 25 | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| **Surplus/(deficit)** **for** **the** **period** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| **Net Surplus for the period** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |

# 

**Appendix II: Recording of Transfers from Other Government Entities**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the Entity Transferring the funds** | **Date received** |  |  | **Where Recorded/recognized** | | | | |  |
| **As per bank statement** | **Nature: Recurrent/Development/Others** | **Total Amount - KES** | **Statement of Financial Performance** | **Capital Fund** | **Deferred Income** | **Receivables** | **Others - must be specific** | **Total Transfers** |
| xxx | xxx | Recurrent | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| xxx | xxx | Development | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** |  |  | xxx | xxx | xxx | xxx | xxx | xxx | xxx |