*Revised 30th June 2023*

 Text

Description automatically generated

**XXX COUNTY XXX FUND/BOARD**

*(Indicate actual name of the county and fund)*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED**

**SEPTEMBER/DECEMBER/MARCH/ JUNE 30, 20XX**

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

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# Acronyms and Glossary of terms

1. *Acronyms*

BOM Board of Management

ICPAK Institute of Certified Public Accountants of Kenya

IPSAS International Public Sector Accounting Standards

PFM Public Finance Management

PSASB Public Sector Accounting Standards Board

1. *Glossary of Terms*

Fiduciary Management The key management personnel who had financial responsibility

*(Provide a list of Acronyms and Key terms used in the financial report as per above example. The list to be exhaustive)*

# Key Entity Information and Management

1. **Background information**

XXX Fund is established by and derives its authority and accountability from XXX Act *(state the Act establishing the County Public Fund)* on XXXX *(insert date)*. The Fund is wholly owned by the County Government of XXX and is domiciled in Kenya.

The fund’s objective is to ….

The Fund’s principal activity is ….

*(Include any other information relevant to the users of financial information on the background of the Public Fund)*

1. **Principal Activities**

The principal activity/mission/ mandate of the Fund is to …

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

1. **Board of Trustees/Fund Administration Committee**

|  |  |  |
| --- | --- | --- |
| **SN** | **Name** | **Position** |
| 1 | Chairperson |  |
| 2 | Other trustees/Committee Members |  |
| 3 | Fund Manager/ Administrator |  |
| 4 |  |  |
| 5 |  |  |

***(****This section will be applicable for Public Funds that have a Board of Trustees/Fund Administration Committee. Input names of all the members who held office during the period)*

1. **Key Management**

|  |  |  |
| --- | --- | --- |
| **SN** | **Name** | **Position** |
| 1 | Fund Manager/ Administrator |  |
| 2 | Fund Accountant |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |

*(Include all positions regarded as top management for the Fund).*

**Key Entity and Management (Continued)**

1. **Fiduciary Oversight Arrangements**

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

|  |  |  |
| --- | --- | --- |
| **SN** | **Position** | **Name** |
| 1 | Directorate Internal Audit |  |
| 2 | Staff car Mortgage and car Loan Advisory Committee |  |
| 3 |  |  |

1. **Registered Offices**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

Nairobi, KENYA

1. **Fund Contacts**

Telephone: (254) XXXXXXXX

E-mail: XXXXXXXX.go.ke

Website: www.xxx.go.ke

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

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

1. Kenya Commercial Bank

…

...

*(List all the banks where the fund has accounts)*

**Key Entity and Management (Continued)**

1. **Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

1. **Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

1. **County Attorney**

*(list details of other County Attorneys if any.)*

# The Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body For The Fund)

|  |  |
| --- | --- |
| **Name** | **Details of qualifications and experience** |
| 1. Insert each Trustee’s passport-size photo and name | Provide a concise description of each Trustee’s date of birth, key academic and professional qualifications, and work experience.  Indicate whether the trustee is independent or an executive director and which committee of the Board the trustee chairs where applicable. |
| 1. Trustee 2 |  |
| 1. Trustee 3 |  |
| 1. Trustee 4 |  |
| 1. Fund administrator/ Secretary to the Board |  |

# Management Team

|  |  |
| --- | --- |
| **Name** | **Details of qualifications and experience** |
| 1. Insert each key Manager’s passport-size photo and name, | Provide a concise description of each Trustee’s date of birth, key academic and professional qualifications and work experience.  Also, indicate the main area of responsibility – without details |
| 1. Manager 2 |  |
| 1. Manager 3 |  |
| 1. Manager 4 |  |
| ***Note:*** *The Fund Administrator will feature under both the ‘Board’ and ‘Management’.* | |

# Management Discussion and Analysis

Two- three pages

*(Under this section, the management gives a report on the operational and financial performance of the Fund/Board during the period, entity’s key projects or investments decision implemented or ongoing, Fund’s compliance with statutory requirements, major risks facing the Fund, material arrears in statutory and other financial obligations, 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.)*

# Statement of Management’s Responsibilities

Section 168 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by *(The Fund should state the appropriate legislation establishing the Fund)* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year 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 Fund; (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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’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 *(quote the applicable legislation establishing the County Public Fund).* The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the Period ended xx, 20xx, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

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

|  |
| --- |
| **………………………………………………….** |
| **Administrator of the County Public Fund** |

# Statement of Financial Performance For The Period Ended *xx xx 20xx*

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **Period ended Sep\*/ Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| **Revenue** **From** **Non-Exchange** **Transactions** |  |  |  |
| Public Contributions and Donations | 1 | xxx | xxx |
| Transfers From the County Government | 2 | xxx | xxx |
| Fines, Penalties and Other Levies | 3 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Revenue** **From** **Exchange** **Transactions** |  |  |  |
| Interest Income | 4 | xxx | xxx |
| Other Income | 5 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Total** **Revenue** |  | **xxx** | **xxx** |
| **Expenses** |  |  |  |
| Employee Costs | 6 | xxx | xxx |
| Use of goods and services | 7 | xxx | xxx |
| Depreciation and Amortization Expense | 8 | xxx | xxx |
| Finance Costs | 9 | xxx | xxx |
| **Total** **Expenses** |  | **xxx** | **xxx** |
| **Other Gains/Losses** |  |  |  |
| Gain/Loss on Disposal of Assets | 10 | xxx | xxx |
| Gain /Loss on fair value of investments | 11 | xxx | xxx |
| **Surplus/(Deficit)** **For** **The** **Period** |  | **xxx** | **xxx** |

|  |  |
| --- | --- |
| **………………………………………** | **…………………………………………** |
| **Name:** | **Name:** |
| **Administrator of the Fund** | **Fund Accountant** |
|  | **ICPAK Member Number:** |

***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.***

# Statement of Financial Position as at *xx 20xx*

| **Description** | **Note** | **Period ended Sep\*/Dec\*/March\*/**  **June\* 20xx** | **Audited Prior Year** |
| --- | --- | --- | --- |
|  | **Kshs** | **Kshs** |
| **Assets** |  |  |  |
| **Current** **Assets** |  |  |  |
| Cash and Cash Equivalents | 11 | xxx | xxx |
| Current Portion of Long- Term Receivables From Exchange Transactions | 12 | xxx | xxx |
| Prepayments | 13 | xxx | xxx |
| Inventories | 14 | xxx | xxx |
| Investments in Financial Assets | 15 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Non-Current** **Assets** |  |  |  |
| Property, Plant and Equipment | 16 | xxx | xxx |
| Intangible Assets | 17 | xxx | xxx |
| Long Term Receivables from Exchange Transactions | 12 | xxx | xxx |
| Investment Property | 18 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Total** **Assets** |  | **xxx** | **xxx** |
| **Liabilities** |  |  |  |
| **Current** **Liabilities** |  |  |  |
| Trade and Other Payables from Exchange Transactions | 19 | xxx | xxx |
| Provisions | 20 | xxx | xxx |
| Current Portion of Borrowings | 21 | xxx | xxx |
| Employee Benefit Obligations | 22 | xxx | xxx |
| Social Benefits | 23 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Non-Current** **Liabilities** |  |  |  |
| Non-Current Employee Benefit Obligation | 22 | xxx | xxx |
| Long Term Portion of Borrowings | 21 | xxx | xxx |
| Social Benefits | 23 | xxx | xxx |
| **Total** **Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net** **Assets** |  |  |  |
| Revolving Fund |  | xxx | xxx |
| Reserves |  | xxx | xxx |
| Accumulated Surplus |  | xxx | xxx |
| **Total** **Net** **Assets** **and** **Liabilities** |  | **xxx** | **xxx** |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| **………………………………………** | **…………………………………………** |
| **Name:** | **Name:** |
| **Administrator of the Fund** | **Fund Accountant** |
|  | **ICPAK Member Number:** |

***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.***

# Statement of Changes in Net Assets for the period ended xx 20xx

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Revolving Fund** | **Revaluation**  **Reserve** | **Accumulated surplus** | **Total** |
| **Kshs** | **Kshs** | **Kshs** |
|  |  |  |  |  |
| **Balance as at the beginning of Previous period** | xxx | xxx | xxx | xxx |
| Surplus/(Deficit) For the Period | - | - | xxx | xxx |
| Funds Received During the Period | xxx | - |  | xxx |
| Transfers | xxx |  | (xxx) |  |
| Revaluation Gain | - | xxx | - | xxx |
| **Balance as at the end of Previous period** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| **Balance as at the beginning of current period** | **xxx** | **xxx** | **xxx** | **xxx** |
| Surplus/(Deficit) For the Period |  | - | xxx | xxx |
| Funds Received During the period | xxx | - | - | xxx |
| Transfers | xxx |  | (xxx) |  |
| Revaluation Gain | - | xxx | - | xxx |
| **Balance as at the end of Current period** | **xxx** | **xxx** | **xxx** | **xxx** |

*(Provide details on the nature and purpose of reserves)*

|  |  |
| --- | --- |
| **………………………………………** | **…………………………………………** |
| **Name:** | **Name:** |
| **Administrator of the Fund** | **Fund Accountant** |
|  | **ICPAK Member Number:** |

# Statement Of Cash Flows for the period ended xx 20xx

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |  |
| **Receipts** |  |  |  |
| Public contributions and donations |  | xxx | xxx |
| Transfers from the county government |  | xxx | xxx |
| Interest received |  | xxx | xxx |
| Receipts from other operating activities |  | xxx | xxx |
| **Total receipts** |  | **xxx** | **xxx** |
| **Payments** |  |  |  |
| Fund administration expenses |  | xxx | xxx |
| General expenses |  | xxx | xxx |
| Finance cost |  | xxx | xxx |
| Other payments |  | xxx | xxx |
| **Total payments** |  | **xxx** | **xxx** |
| **Net** **cash** **flows** **from** **operating** **activities** | 24 | **xxx** | **xxx** |
|  |  |  |  |
| **Cash flows from investing activities** |  |  |  |
| Purchase of property, plant, equipment and  Intangible assets |  | (xxx) | (xxx) |
| Proceeds from sale of property, plant & equipment |  | xxx | xxx |
| Proceeds from loan principal repayments |  | xxx | xxx |
| Loan disbursements paid out |  | (xxx) | (xxx) |
| **Net** **cash** **flows** **used** **in** **investing** **activities** |  | **(xxx)** | **(xxx)** |
|  |  |  |  |
| **Cash** **flows** **from** **financing** **activities** |  |  |  |
| Proceeds from revolving fund receipts |  | xxx | xxx |
| Additional borrowings |  | xxx | xxx |
| Repayment of borrowings |  | (xxx) | (xxx) |
| **Net** **cash** **flows** **used** **in** **financing** **activities** |  | **(xxx)** | **(xxx)** |
| **Net** **increase/(decrease)** **in** **cash** & **cash**  **Equivalents** |  | **xxx** | **(xxx)** |
| Cash and cash equivalents at 1 July |  | xxx | xxx |
| **Cash** **and** **cash** **equivalents** **at** **30 June** |  | **xxx** | **xxx** |

*(*PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

***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.***

# Statement of Comparison of Budget and Actual Amounts for the Period

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Original** **budget** | **Adjustments** | **Final** **budget** | **Actual** **on comparable basis** | **Performance difference** | **% Utilisation** |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |  |
|  | **a** | **b** | **c=(a+b)** | **d** | **e=(c-d)** | **f=d/c\*100** |
| **Revenue** |  |  |  |  |  |  |
| Public Contributions and Donations | xxx | (xxx) | xxx | xxx | (xxx) |  |
| Transfers From County Govt. |  |  |  |  |  |  |
| Interest Income | xxx | - | xxx | xxx | (xxx) |  |
| Other Income | xxx | - | xxx | xxx | xxx |  |
| **Total** **Income** | **xxx** | **(xxx)** | **xxx** | **xxx** | **(xxx)** |  |
| **Expenses** |  |  |  |  |  |  |
| Fund Administration Expenses | xxx | - | xxx | xxx | (xxx) |  |
| General Expenses | xxx | (xxx) | xxx | xxx | (xxx) |  |
| Finance Cost | xxx | (xxx) | xxx | xxx | (xxx) |  |
| **Total** **Expenditure** | **xxx** | **(xxx)** | **xxx** | **xxx** | **(xxx)** |  |
| **Surplus** **For** **the** **Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |  |
|  |  |  |  |  |  |  |
| **Capital expenditure** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |  |

**Budget notes**

1. *Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (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.*

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

### 2. Statement of compliance and basis of preparation

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the periods presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

### 3. Significant Accounting Policies

1. **Revenue recognition**
2. **Revenue from non-exchange transactions**

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

1. **Revenue from exchange transactions**

***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.

**Summary of Significant Accounting Policies (Continued)**

1. **Budget information**

The original budget for FY 20xx was approved by the 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 Fund recorded additional appropriations of xxxxx on the FY 20xx 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. **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. **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.

**Summary of Significant Accounting Policies (Continued)**

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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* 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.

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.

**Summary of Significant Accounting Policies (Continued)**

***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.

***Summary of Significant Accounting Policies (Continued)***

**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.

**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.

**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.

**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.

**Summary of Significant Accounting Policies (Continued)**

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 labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

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

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

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.

***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.

**Summary of Significant Accounting Policies (Continued)**

***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. **Social Benefits**

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

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.

**Summary of Significant Accounting Policies (Continued)**

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, the CEO and senior managers.

**Summary of Significant Accounting Policies (Continued)**

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. 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 period.

1. **Comparative figures**

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

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 County Public Fund established by xxx Act *(state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

1. **Currency**

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

### 5. Significant judgments and sources of estimation uncertainty

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

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

**a) 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 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.

**b) 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

**c) 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)*

**6. Notes To The Financial Statements**

### Public contributions and donations

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Donation From Development Partners | xxx | xxx |
| Contributions From The Public | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide brief explanation for this revenue)*

### Transfers from County Government

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Transfers From County Govt. –Operations | xxx | xxx |
| Payments By County On Behalf Of The Entity | xxx | xxx |
| **Total** | **xxx** | **xxx** |

### Fines, penalties and other levies

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Late Payment Penalties | xxx | xxx |
| Fines | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide brief explanation for this revenue)*

### Notes to the financial statements (continued)

### Interest income

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Interest Income from Mortgage Loans | xxx | xxx |
| Interest Income From Car Loans | xxx | xxx |
| Interest Income From Investments | xxx | xxx |
| Interest Income On Bank Deposits | xxx | xxx |
| **Total** **Interest Income** | **xxx** | **xxx** |

*(Provide brief explanation for this revenue)*

### Other income

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Insurance Recoveries | xxx | xxx |
| Income from Sale of Tender Documents | xxx | xxx |
| Miscellaneous Income |  |  |
| **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. Disclose write backs if any or recoveries from write offs).*

### Employee Costs

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Salaries And Wages | xxx | xxx |
| Staff Gratuity | xxx | xxx |
| Staff Training Expenses | xxx | xxx |
| Social Security Contribution | xxx | xxx |
| Other *(Specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes to the Financial Statements Continued**

1. **Use of Goods and Services**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs.** | **Kshs.** |
| General Office Expenses | xxx | xxx |
| Loan Processing Costs | xxx | xxx |
| Professional Services Costs | xxx | xxx |
| Administration Fees | xxx | xxx |
| Committee Allowances | xxx | xxx |
| Electricity And Water Expenses | xxx | xxx |
| Fuel And Oil Costs | xxx | xxx |
| Insurance Costs | xxx | xxx |
| Postage And Courier | xxx | xxx |
| Printing And Stationery | xxx | xxx |
| Rental Costs | xxx | xxx |
| Security Costs | xxx**.** | xxx. |
| Telephone And Communication Expenses | xxx | xxx |
| Bank Charges | xxx | xxx |
| Audit Fees | xxx | xxx |
| Provision For Doubtful Debts | xxx | xxx |
| Other (*Specify*) | xxx | xxx |
| Total | xxx | xxx |

### 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 |
| **Total** | **xxx** | **xxx** |

**Notes to the Financial Statements Continued**

### Finance costs

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Interest On Bank Overdrafts | xxx | xxx |
| Interest On Loans From Banks | xxx | xxx |
| **Total** | **xxx** | **xxx** |

### Gain/(loss) on disposal of assets

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
| **Kshs** | **Kshs** |
| Property, Plant and Equipment | xxx | xxx |
| Intangible Assets | xxx | xxx |
| **Total** | **xxx** | **xxx** |

### Cash and cash equivalents

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior period audited** |
| **Kshs** | **Kshs** |
| Xxx Car Loan Account | xxx | xxx |
| Xxx County Mortgage Account | xxx | xxx |
| Fixed Deposits Account | xxx | xxx |
| On – Call Deposits | xxx | xxx |
| Current Account | 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)*

**Notes to the Financial Statements Continued**

Detailed analysis of the cash and cash equivalents are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior period audited** |
| **Financial Institution** | **Account number** | **Kshs** | **Kshs** |
| 1. **Fixed Deposits Account** |  |  |  |
| Kenya Commercial Bank |  | xxx | xxx |
| Equity Bank, Etc. |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
| 1. **On - Call Deposits** |  |  |  |
| Kenya Commercial Bank |  | xxx | xxx |
| Equity Bank - Etc. |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
| 1. **Current Account** |  |  |  |
| Kenya Commercial Bank |  | xxx | xxx |
| Bank B |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
| 1. **Others (Specify)** |  | xxx | xxx |
| Cash In Transit |  | xxx | xxx |
| Cash In Hand |  | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** |
| **Grand Total** |  | **xxx** | **xxx** |

**Notes to the Financial Statements Continued**

### Receivables from exchange transactions

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior**  **period audited** |
| **Kshs** | **Kshs** |
| **Current Receivables** |  |  |
| Interest Receivable | xxx | xxx |
| Current Loan Repayments Due | xxx | xxx |
| Other Exchange Debtors | xxx | xxx |
| Less: Impairment Allowance | (xxx) | (xxx) |
| **Total Current Receivables** | **xxx** | **xxx** |
| **Non-Current Receivables** |  |  |
| Long Term Loan Repayments Due | xxx | xxx |
| **Total Non- Current Receivables** | **xxx** | **xxx** |
| **Total** **Receivables From Exchange Transactions** | **xxx** | **xxx** |

**Additional disclosure on interest receivable**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior**  **period audited** |
| **Kshs** | **Kshs** |
| **Interest Receivable** |  |  |
| Interest receivable from current portion of long-term loans of previous periods | xxx | xxx |
| Accrued interest receivable from of long-term loans of previous period | xxx | xxx |
| Interest receivable from current portion of long-term loans issued in the current period | xxx | xxx |
| **Current loan repayments due** |  |  |
| Current portion of long-term loans from previous periods | xxx | xxx |
| Accrued principal from long-terms loans from previous periods | xxx | xxx |
| Current portion of long-term loans issued in the current period | xxx | xxx |

**Notes to the Financial Statements Continued**

**Notes to the Financial Statements Continued**

### Prepayments

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior**  **period audited** |
| **Kshs** | **Kshs** |
| Prepaid Rent | xxx | xxx |
| Prepaid Insurance | xxx | xxx |
| Prepaid Electricity Costs | xxx | xxx |
| Other Prepayments *(Specify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

### Inventories

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior**  **period audited** |
| **Kshs** | **Kshs** |
| Consumable Stores | xxx | xxx |
| Spare Parts And Meters | xxx | xxx |
| Catering | xxx | xxx |
| Other Inventories (Specify) | xxx | xxx |
| **Total** **Inventories** a**t** **The** **Lower** o**f** **Cost** a**nd** **Net** **Realizable** **Value** | **xxx** | **xxx** |

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

### Investments in financial assets

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior Year Audited** |
| **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.*

*.*

1. **Movement of Equity Investments**

|  |  |  |
| --- | --- | --- |
| **Impairment allowance/ provision** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior Year Audited** |
| **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** |

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

1. **Shareholding in other entities**

*For investments in equity share listed 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** |  | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior year** |
|  | **%** | **%** | **%** | **Kshs** | **Kshs** | **Kshs** |
| Entity A | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity B | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity C | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

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

### Property, plant and equipment

| **Cost** | **Land and**  **Buildings** | **Motor vehicles** | **Furniture and fittings** | **Computers and**  **office equipment** | **Total** |
| --- | --- | --- | --- | --- | --- |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **As at the beginning of the Previous Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions | xxx | xxx | xxx | **-** | **xxx** |
| Disposals | (xxx) | (xxx) | **-** | **-** | **(xxx)** |
| Transfers/Adjustments | xxx | (xxx) | **xxx** | (xxx) | **(xxx)** |
| **As at the end of the Previous Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **At the beginning of the Current Period** |  |  |  |  |  |
| Additions | xxx | xxx | xxx | - | **xxx** |
| Disposals | (xxx) | - | - | - | **(xxx)** |
| Transfer/Adjustments | (xxx) | xxx | xxx | (xxx) | **(xxx)** |
| **As at the end of the Current Period)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation And Impairment** |  |  |  |  |  |
| **As at the beginning of the Previous Period** | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Depreciation | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Impairment | (xxx) | - | - | - | **(xxx)** |
| **As at the end of the Previous Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **As at the beginning of the Current Period** |  |  |  |  |  |
| Depreciation | (xxx) | (xxx) | (xxx) | - | **(xxx)** |
| Disposals | xxx | - | - | - | **xxx** |
| Impairment | (xxx) | (xxx) | - | - | **(xxx)** |
| Transfer/Adjustment | xxx | (xxx) | (xxx) | xxx | **xxx** |
| **As at the end of the Current Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Net Book Values** |  |  |  |  |  |
| **As at the end of the Previous Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **As at the end of the Current Period** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

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

### Intangible assets

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| **Cost** |  |  |
| **At Beginning of the Period** | xxx | xxx |
| Additions | xxx | xxx |
| **At end of the Period** | **xxx** | **xxx** |
| **Amortization And Impairment** |  |  |
| **At Beginning of the Period** | xxx | xxx |
| Amortization | xxx | xxx |
| **At end of the Period** | xxx | xxx |
| Impairment Loss | xxx | xxx |
| **At end of the Period** | **xxx** | **xxx** |
| **NBV** | **xxx** | **xxx** |

### Investment Property

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| **At beginning of the year** | **xxx** | **xxx** |
| Additions | xxx | xxx |
| Disposal during the year | (xxx) | (xxx) |
| Depreciation | (xxx) | (xxx) |
| Impairment | (xxx) | (xxx) |
| Gain/(loss) in fair value (if fair value is elected) | xxx | xxx |
| **At end of the year** | **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 not 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.*

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

### Trade and other payables from exchange transactions

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| Trade Payables | xxx | xxx |
| Refundable Deposits | xxx | xxx |
| Accrued Expenses | xxx | xxx |
| Other Payables | xxx | xxx |
| **Total** **Trade** **And** **Other** **Payables** | **xxx** | **xxx** |

### Provisions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Leave provision** | **Bonus provision** | **Other provision** | **Total** |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Balance At the Beginning of The Period | xxx | xxx | xxx | xxx |
| Additional Provisions | xxx | xxx | xxx | xxx |
| Provision Utilised | (xxx) | (xxx) | (xxx) | (xxx) |
| Change Due To Discount And Time Value  For Money | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers From Non -Current Provisions | xxx | xxx | xxx | xxx |
| **Balance At the end of the period** | **xxx** | **xxx** | **xxx** | **xxx** |

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

### Borrowings

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| **Balance as at Beginning of the Period** | **xxx** | **xxx** |
| External Borrowings During the period | xxx | xxx |
| Domestic Borrowings During the period | xxx | xxx |
| Repayments Of External Borrowings During the Period | (xxx) | (xxx) |
| Repayments Of Domestics Borrowings During the Period | (xxx) | (xxx) |
| **Balance At End of The Period** | **xxx** | **xxx** |

The table below shows the classification of borrowings into external and domestic borrowings:

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| **External Borrowings** |  |  |
| Dollar Denominated Loan From ‘X Organisation’ | xxx | xxx |
| Sterling Pound Denominated Loan From ‘Y Organisation’ | xxx | xxx |
| Euro Denominated Loan from Z Organisation’ | xxx | xxx |
| **Domestic Borrowings** |  |  |
| Kenya Shilling Loan From KCB | xxx | xxx |
| Kenya Shilling Loan from Barclays Bank | xxx | xxx |
| Kenya Shilling Loan from Consolidated Bank | xxx | xxx |
| Borrowings From Other Government Institutions | xxx | xxx |
| **Total Balance at End of the** period | **xxx** | **xxx** |

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

The table below shows the classification of borrowings long-term and current borrowings:

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited**  **Prior Year** |
| **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 18 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)*

### Employee benefit obligations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Defined benefit plan** | **Post employment medical benefits** | **Other Provisions** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative Period** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Current Benefit Obligation | xxx | xxx | xxx | xxx | xxx |
| Non-Current Benefit Obligation | xxx | xxx | xxx | xxx | xxx |
| **Total** | xxx | xxx | xxx | xxx | xxx |

### Social Benefit Obligations

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Prior Year Audited** |
| **Kshs** | **Kshs** |
| Health social benefit scheme | xxx | xxx |
| Unemployment social benefit scheme | xxx | xxx |
| Orphaned and vulnerable benefit scheme | xxx | xxx |
| Elderly social benefit scheme | xxx | xxx |
| Bursary social benefits | xxx | xxx |
| **Total** | **xxx** | **xxx** |
|  |  |  |
| Current social benefits | xxx | xxx |
| Non- current social benefits | xxx | xxx |
| **Total (tie to totals above)** | **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.*

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

### Cash generated from operations.

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Comparative**  **Period** |
| **Kshs** | **Kshs** |
| **Surplus/ (Deficit) For the** period **Before Tax** | **xxx** | **xxx** |
| **Adjusted For:** |  |  |
| Depreciation | xxx | xxx |
| Amortisation | xxx | xxx |
| Gains/ Losses On Disposal Of Assets | (xxx) | (xxx) |
| Interest Income | (xxx) | (xxx) |
| Finance Cost | xxx | xxx |
| **Working Capital Adjustments** |  |  |
| Increase In Inventory | (xxx) | (xxx) |
| Increase In Receivables | (xxx) | (xxx) |
| Increase In Payables | 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 operating activities)*

### Contingent assets and contingent liabilities

|  |  |  |
| --- | --- | --- |
| **Contingent Liabilities** | **Period ended Sep.**  **/Dec/ March**  **/June 20xx** | **Audited Prior Year** |
| **Kshs** | **Kshs** |
| Court Case Xxx Against The Fund | xxx | xxx |
| Bank Guarantees | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Give details)*

### Currency

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

# 14 Annexes.

**Annex 1: Statement of Financial Performance Per Quarter**

| **Description** | **Quarter 1** | **Quarter 2** | **Quarter 3** | **Quarter 4** | **Cumulative to date period ended xxx** | **Comparative period prior year** |
| --- | --- | --- | --- | --- | --- | --- |
| **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |  |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |  |  |  |
| Public Contributions and Donations | xxx | xxx | xxx | xxx | xxx | xxx |
| Transfers from County Government | xxx | xxx | xxx | xxx | xxx | xxx |
| Fines, Penalties and Other Levies | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |  |  |  |
| Interest income | xxx | xxx | xxx | xxx | xxx | xxx |
| Other income | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Total** **revenue** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Expenses** |  |  |  |  |  |  |
| Employee costs | xxx | xxx | xxx | xxx | xxx | xxx |
| Use of goods and services | xxx | xxx | xxx | xxx | xxx | xxx |
| Depreciation and amortization expense | xxx | xxx | xxx | xxx | xxx | xxx |
| Finance costs | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** **expenses** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** | **(xxx)** |
| **Other gains/losses** |  |  |  |  |  |  |
| Gain/loss on disposal of assets | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Surplus/(deficit)** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

**Annex 2:** **Recording Of Transfers From Other Government Entities**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the MDA/Donor 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 during the Period** |
| Ministry of Health | xxx | Recurrent | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| State Department for Investments | xxx | Development | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| USAID | xxx | Donor Fund | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| XXX | xxx | Direct Payment | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
|  |  |  | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** |  |  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |