*Revised 30th June 2023*



*Add the Entity’s Logo*

**XXX CAR LOAN/ MORTGAGE FUND/SCHEME**

*(Indicate actual name of the Fund/Scheme)*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED**

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

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

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# Abbreviations & Glossary of Terms.

CEO Chief Executive Officer

DG Director General

CBK Central Bank of Kenya

ICPAK Institute of Certified Public Accountants of Kenya

IPSAS International Public Sector Accounting Standards

MD Managing Director

NT National Treasury

OCOB Office of the Controller of Budget

OAG Office of the Auditor General

OSHA Occupational Safety and Health Act of 2007

PFM Public Finance Management

PPE Property Plant & Equipment

PSASB Public Sector Accounting Standards Board

SAGAs Semi-Autonomous Government Agencies

*(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 Fund Information and Management

1. **Background information**

xxx Fund is established by and derives its authority and accountability from xxx Act *(state the Act/legal instrument establishing the Fund)* on xxx *(insert date)*. The Fund is wholly owned by XXX Fund and is domiciled in Kenya.

1. **Principal Activities**

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

The Fund is administered by the xxx. There is a committee charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund. xxx is responsible for the day-to-day operations of the fund.

*(Include any other information relevant to the users of financial information on the background of the Fund) (Under this section you may also include the Fund’s vision, mission, and core objectives, include fund organogram where applicable)*

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

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

***(****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)*

**Key Fund Information and Management (Continued)**

1. **Key Management**

|  |  |  |
| --- | --- | --- |
| **SN** | **Position** | **Name** |
| 1 | Fund Manager/ Administrator |  |
| 2 | Fund Accountant |  |
| 3***.*** | Other (*specify*) |  |

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

1. **Fiduciary Oversight Arrangements**

*(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 |  |

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: xxx.com

Website: xxx.go.ke

1. **Fund Bankers**

1. xxx Bank

2. Other Commercial Banks

*(List the bank details where the fund has accounts)*

**Key Fund Information and Management (Continued**

1. **Independent Auditors**

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

1. **Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

# The Board of Trustees/ Fund Administration Committee

|  |  |
| --- | --- |
| **Name** | **Details of qualifications and experience** |
| 1. *Trustee 1 (passport-size photo and name)* | *Provide a concise description of each Trustee’s age, date of appointment, 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. *Fund administrator (Insert each key Manager’s passport-size photo and name)* | *Provide key academic and professional qualifications, and work experience.*  *Also, indicate the main area of responsibility – without details* |
| 1. *Manager 1* |  |
| 1. *Manager 2* |  |
| 1. *Manager 3* |  |
| 1. *Etc.* |  |
| ***(Note:*** *The Fund Administrator will feature under both 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 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 is 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 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, internal 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.

# Statement of Management’s Responsibilities

Section 85 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established by *(The Fund should state the appropriate legislation establishing the Fund)* shall prepare quarterly financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the 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 period ended **dd mm, 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 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 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 **dd mm, 20xx** and of the Fund’s financial position as at that date.

The Administrator further confirms 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 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* quarterly financial statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| ………………………………….. |  | ………………………………. |
| **Name:** |  | **Name**: |
| **Chairman of the Fund** |  | **Fund Administrator** |

# Statement of Financial Performance for The Period Ended xx, 20xx

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **Period ended Sep\*/Dec\*/Mar\*/June\*** | **Comparative Period Prior Year** |
| **Kshs.** | **Kshs.** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |
| Transfers from Parent Ministry/ SC/SAGA | 5 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |
| Interest income | 6 | xxx | xxx |
| Other income | 7 | xxx | xxx |
|  |  | **xxx** | **xxx** |
| **Total** **revenue** |  | **xxx** | **xxx** |
| **Expenses** |  |  |  |
| Employee costs | 8 | xxx | xxx |
| Use of goods and services | 9 | xxx | xxx |
| Depreciation and amortization expense | 10 | xxx | xxx |
| Finance costs | 11 | xxx | xxx |
| **Total** **expenses** |  | **(xxx)** | **(xxx)** |
| **Other gains/losses** |  |  |  |
| Gain/loss on disposal of assets | 12 | **xxx** | **xxx** |
| Gain /Loss on fair value of investments | 13 | xxx | xxx |
| **Surplus/(deficit)** before tax |  | **xxx** | **xxx** |
| **Taxation** | 14 | **(xxx)** | **xxx** |
| **Surplus/Deficit after Tax** |  | **xxx** | **xxx** |

The notes set out on pages xxx to xxx form an integral part of these Financial Statements. The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |  |
| --- | --- | --- |
| ………………………….. | ……………………………. | ………………………… |
| **Name** | **Name** | **Name** |
| **Fund Administrator** | **Fund Accountant** | **Chairperson of the Board/Fund** |
|  | **ICPAK M/No……….** |  |

*Notes (delete as appropriate on final submission)*

*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*

# Statement of Financial Position as at xx, 20xx

| **Description** | **Note** | **Period ended Sep/Dec/March/June** | **Prior year**  **Audited** |
| --- | --- | --- | --- |
| **Kshs.** | **Kshs.** |
| **Assets** |  |  |  |
| **Current** **assets** |  |  |  |
| Cash and cash equivalents | 15 | xxx | xxx |
| Receivables from exchange transactions | 16 | xxx | xxx |
| Receivables from Non- exchange transactions | 17 | xxx | xxx |
| Prepayments | 18 | xxx | xxx |
| Inventory | 19 | xxx | xxx |
| Investments in Financial Assets | 20 | xxx | xxx |
| **Total Current Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-current** **assets** |  |  |  |
| Receivables from exchange transactions | 16 | xxx | xxx |
| Property, plant, and equipment | 21 | xxx | xxx |
| Intangible assets | 22 | xxx | xxx |
| Investment Property | 23 | xxx | xxx |
| **Total Non- Current Assets** |  | **xxx** | **xxx** |
| **Total** **assets** |  | **xxx** | **xxx** |
| **Liabilities** |  |  |  |
| Trade and other payables | 24 | xxx | xxx |
| Borrowings | 25 | xxx | xxx |
| **Total Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current Liabilities** |  |  |  |
| Borrowings | 25 | xxx | xxx |
| **Total non-current liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total** **liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net** **assets** |  | **xxx** | **xxx** |
| Car loan revolving fund |  | xxx | xxx |
| Mortgage revolving fund |  | xxx | xxx |
| Accumulated surplus (*Reserves*) |  | 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 Fund financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |  |
| --- | --- | --- |
| ………………………….. | ……………………………. | ………………………… |
| **Name** | **Name** | **Name** |
| **Fund Administrator** | **Fund Accountant** | **Chairperson of the Board/Fund** |
|  | **ICPAK M/No……….** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Mortgage Fund** | **Car Loan Fund** | **Accumulated surplus** | **Total** |
| **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |
|  |  |  |  |  |
| **As at 1 July 20xx (previous year)** | xxx | xxx | xxx | xxx |
| Surplus/(*deficit*) for the period | - | - | xxx | xxx |
| Funds received during the year | xxx | xxx | xxx | xxx |
| Interest capitalized\* | xxx | xxx | - | xxx |
| Transfers | xxx | xxx | (xxx) | xxx |
| **As** **at** **30 June 20xx (previous year)** | **xxx** | xxx | **xxx** | **xxx** |
|  |  |  |  |  |
| Balance as at 1 July 20xx (current year) | **xxx** | xxx | **xxx** | **xxx** |
| Surplus/(*deficit)* for the period | - | - | xxx | xxx |
| Funds received during the year | xxx | xxx | xxx | xxx |
| Interest capitalized\* | xxx | xxx | - | xxx |
| Transfers | xxx | xxx | (xxx) | xxx |
| **As** **at** **30 Sep/Dec/March/June 20xx(current period)** | **xxx** | xxx | **xxx** | **xxx** |

# Statement of Changes in Net Assets for the year ended 30th June 20xx

*(Provide details on the nature and purpose of reserves. Include a column for any other fund that the entity may be managing.)*

*\*Where the Fund provides for interest to be revolved into the fund, such interest should not be recognized in the statement of financial performance.*

# Statement of Cash Flows for the Period Ended xx, 20xx

| **Description** | **Note** | **Period ended Sep/Dec/March/June** | **Comparative Period prior year** |
| --- | --- | --- | --- |
| **Kshs.** | **Kshs.** |
| **Cash** **flows** **from** **operating** **activities** |  |  |  |
| **Receipts** |  |  |  |
| Transfers from Parent Ministry/ SC/SAGA |  | xxx | xxx |
| Interest received |  | xxx | xxx |
| Other income |  | xxx | xxx |
| **Total receipts** |  | **xxx** | **xxx** |
| **Payments** |  |  |  |
| Employee costs |  | xxx | xxx |
| Use of goods and services |  | xxx | xxx |
| Finance cost |  | xxx | xxx |
| **Total payments** |  | **xxx** | **xxx** |
| **Net cash flow from/ (used in) operating activities** | 26 | **xxx** | **xxx** |
|  |  |  |  |
| **Cash flows from investing activities** |  |  |  |
| Purchase of PPE and intangible assets |  | (xxx) | (xxx) |
| Proceeds from sale of PPE |  | xxx | xxx |
| Proceeds from loan principal repayments |  | xxx | xxx |
| Loan disbursements paid out |  | (xxx) | (xxx) |
| **Net** **cash** **flows from/(**used **in)** **investing** **activities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Cash** **flows** **from** **financing** **activities** |  |  |  |
| Receipts into the mortgage revolving fund |  | xxx | xxx |
| Receipts into the car loan revolving fund |  | xxx | xxx |
| **Net** **cash** **flows from(used** **in)** **financing** **activities** |  | **(xxx)** | **(xxx)** |
|  |  |  |  |
| **Net** **increase/(decrease)** **in** **cash** **and** **cash equivalents** |  | **xxx** | **(xxx)** |
| Cash and cash equivalents at 1 July | 15 | xxx | xxx |
| **Cash** **and** **cash** **equivalents** **at** period ended | 15 | **xxx** | **xxx** |

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

# Statement of Comparison of Budget and Actual amounts for the Period ended xx, 20xx

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Original** **budget** | **Adjustments** | **Final** **budget** | **Actual Cumulative**  **to date** | **% of utilization** |
| **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |  |
| **A** | **b** | **C=(a+b)** | **d** | **F=d/c** |
| **Revenue** |  |  |  |  |  |
| Transfers from other Parent Ministry/ SC/SAGA | xxx | xxx | xxx | xxx | x% |
| Interest income | xxx | xxx | xxx | xxx | x% |
| Other income | xxx | xxx | xxx | xxx | x% |
| **Total Revenue** | **xxx** | **xxx** | **xxx** | **xxx** | **x%** |
|  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |
| Employee cost | xxx | xxx | xxx | xxx | x% |
| Use of goods and services | xxx | xxx | xxx | xxx | x% |
| Finance cost | xxx | xxx | xxx | xxx | x% |
| E**xpenditure** | xxx | xxx | xxx | xxx | x% |
| **Surplus** **for** **the** **period** | **xxx** | **xxx** | **xxx** | **xxx** |  |
| **Capital Expenditure** | **xxx** | **xxx** | **xxx** | **xxx** | **x%** |

|  |  |  |
| --- | --- | --- |
| ………………………….. | ……………………………. | ………………………… |
| **Name** | **Name** | **Name** |
| **Fund Administrator** | **Fund Accountant** | **Chairperson of the Board/Fund** |
|  | **ICPAK M/No……….** |  |

**Budget notes**

* *Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
* *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*
* *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 Fund*) is established by and derives its authority and accountability from xxx Act. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund’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 (*amend policy as appropriate to your organisation*). 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 Fund*’s* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*. The financial statements have been prepared in accordance with the PFM Act, and *(include any other applicable legislation),* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

1. **Significant Accounting Policies**
2. **Revenue recognition**
3. **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 Fund 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.

**Significant Accounting Policies (Continued)**

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 for each period.

1. **Budget information**

The original budget for FY 20xx/xx was approved on xxx (Date). 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 Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of xxx (Amount) on xxx (Date) of the FY 20xx/20xx budget following the governing body’s approval. The Fund’s budget is prepared on a different basis from 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 as per the statement of financial performance has been presented under section xxx of these financial statements.

**Significant Accounting Policies (Continued)**

1. **Property, Plant, and Equipment (PPE)**

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 Fund 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.

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.

**Significant Accounting Policies (Continued)**

1. **Financial instruments**
2. **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.

1. **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.

**Significant Accounting Policies (Continued)**

**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.

**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.*

**Significant Accounting Policies (Continued)**

1. **Financial liabilities**

**Classification**

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

1. **Contingent liabilities**

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

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

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

**Significant Accounting Policies (Continued)**

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. **Related parties**

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

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 ***(remove if not applicable)*** and at various commercial banks at the end of the financial year.

1. **Comparative figures**

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

1. **Events after the reporting period**

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

1. **Ultimate and Holding Fund**

The Fund is established under Section 24 (4) PFM Act under the Department of xxx/ State Corporation. Its ultimate parent is the Government of Kenya.

1. **Currency**

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

**Significant Accounting Policies (Continued)**

1. **Significant judgments and sources of estimation uncertainty**

The preparation of the Fund'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.)*

1. **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. *(See IPSAS 1.140.)*

1. **Useful lives and residual values**

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

1. The condition of the asset is based on the assessment of experts employed by the Fund
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
3. The nature of the processes in which the asset is deployed
4. Availability of funding to replace the asset
5. Changes in the market in relation to the asset

**Notes to the Financial Statements**

1. **Transfers from the Parent Ministry/SC/SAGA**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/Jun**  **20xx** | **Comparative Period prior year** |
| **Kshs.** | **Kshs.** |
| Transfers from Government entities– operations | xxx | xxx |
| Payments by Government entity on behalf of the Fund | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**b) Transfers From The Parent Ministry /SC/SAGA**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the Entity Sending The Grant** | **Amount recognized to Statement of Financial performance.** | **Amount deferred under deferred income** | **Amount recognised in capital fund.** | **Total transfers 20xx/xx** | **Comparative Period prior year** |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Ministry/State Department | xxx | xxx | xxx | xxx | xxx |
| Xxx Ministry | xxx | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** | **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 above.)*

1. **Interest income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/Mar/Jun**  **20xx** | **Comparative Period prior year** |
| **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 |
| Interest from current accounts | xxx | xxx |
| Other *(Specify*) | xxx | xxx |
| **Total** **Interest Income** | **xxx** | **xxx** |

**Notes to the Financial Statements**

1. **Other income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/Jun**  **20xx** | **Comparative Period prior year** |
| **Kshs.** | **Kshs.** |
| Insurance recoveries | xxx | xxx |
| Income from Sale of Tender documents | xxx | xxx |
| Miscellaneous income (*Specify)* | xxx | xxx |
| **Total** **Other** **income** | **xxx** | **xxx** |

1. **Employee Costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/Jun**  **20xx** | **Comparative Period prior year** |
| **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** |

1. **Use of Goods and Services**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/Mar/Jun 20xx** | **Comparative Period**  **prior year** |
| **Kshs.** | **Kshs.** |
| Loan processing costs | xxx | xxx |
| General office expenses | xxx | xxx |
| Professional services costs | xxx | xxx |
| Administration fees | xxx | xxx |
| Board and Committee allowances | xxx | xxx |
| Printing and Stationery | xxx | xxx |
| Telephone a communication expense | xxx | xxx |
| Bank charges | xxx | xxx |
| Audit fees | xxx | xxx |
| Provision for Doubtful Debts | xxx | xxx |
| Other (*Specify*) | xxx | xxx |
| **Total** | xxx | xxx |

**Notes to the Financial Statements**

1. **Depreciation and Amortization Expense**

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

1. **Finance costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period prior year** |
| **Kshs.** | **Kshs.** |
| Interest on Bank Overdrafts | xxx | xxx |
| Interest on Loans from Banks | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Gain/(loss) on disposal of assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/Mar/Jun**  **20xx** | **Comparative Period prior year** |
| **Kshs.** | **Kshs.** |
| Property, Plant, and Equipment | xxx | xxx |
| Intangible Assets | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Gain/ (loss) on Fair Value Investments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/Mar/Jun**  **20xx** | **Comparative Period prior year** |
| **Kshs** | **Kshs** |
| Investments at Fair Value- Equity investments | xxx | xxx |
| Fair value – Investment property | xxx | xxx |
| Fair value- other financial assets (specify) | xxx | xxx |
| **Total** **Gain** | **xxx** | **xxx** |

**Notes to the Financial Statements**

1. **Taxation**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period**  **prior year** |
| **Kshs.** | **Kshs.** |
| Income tax charge | Xxx | xxx |
| Tax Charged on Interest Income | Xxx | xxx |
| **Income Tax expense** | **Xxx** | **xxx** |

1. **Cash and cash equivalents**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Period ended**  **Sep/Dec/March/June 20xx** | **Comparative Period**  **prior year** | **Audited Prior Period** |
| **Kshs.** | **Kshs.** |  |
| Xxx Car Loan/ Mortgage Account | xxx | xxx | xxx |
| Fixed Deposits Account | xxx | xxx | xxx |
| On – Call Deposits | xxx | xxx | xxx |
| Current Account | xxx | xxx | xxx |
| Others (*Specify*) | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** |

*\*Comparative period column has been included for the purposes of cashflow statement*

**Notes to the Financial Statements continued**

**15a)** Detailed analysis of the cash and cash equivalents in banks approved by National Treasury in line with Section 28 of the PFM Act are as follows:

| **Financial Institution** | **Account**  **number** | **Period ended**  **Sep/Dec/**  **Mar/Jun**  **20xx** | **Comparative Period**  **prior year** | **Comparative Period**  **prior year** |
| --- | --- | --- | --- | --- |
| **Kshs.** | **Kshs.** |  |
| **Mortgage and Car Loan Fund** |  |  |  |  |
| Xx Commercial Bank Account |  | xxx | xxx | xxx |
| **Fixed Deposit Accounts** |  |  |  |  |
| Xx Commercial Bank |  | xxx | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** | **xxx** |
| **On- Call Deposits** |  |  |  |  |
| Bank Xxx |  | xxx | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** | **xxx** |
| **Current Account** |  |  |  |  |
| Xx Commercial Bank |  | xxx | xxx | xxx |
| Bank B |  | xxx | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** | **xxx** |
| **Others (***Specify)* |  | xxx | xxx | xxx |
| Cash On Hand |  | xxx | xxx | xxx |
| Mobile Money |  | xxx | xxx | xxx |
| **Sub- Total** |  | **xxx** | **xxx** | **xxx** |
| **Grand Total** |  | **xxx** | **xxx** | **xxx** |

*(Provide the average effective interest rate to the fixed deposit as at the time of investment in respect of the period).*

**Notes to the Financial Statements continued**

1. **Receivables from exchange transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep/Dec/**  **March/June 20xx** | **Audited prior**  **year** |
| **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** |

1. **Receivables from Non-Exchange transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
| **Kshs.** | **Kshs.** |
| Transfers From Government Entities/SC | xxx | xxx |
| Transfer From Xxx Fund | xxx | xxx |
| **Total** **Receivables from Non-Exchange Transactions** | **xxx** | **xxx** |

1. **Prepayments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
| **Kshs.** | **Kshs.** |
| Prepaid Rent | xxx | xxx |
| Prepaid Electricity Costs | xxx | xxx |
| Other Prepayments *(Specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Inventory**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended**  **Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
| **Kshs.** | **Kshs.** |
| Consumables | xxx | xxx |
| Other (s*pecify*) | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes to the Financial Statements continued.**

1. **Investments in financial assets**

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

1. **Movement of Equity Investments**

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

1. **Shareholding in other entities**

*For investments in equity share listed under note 20 above, list down the equity investments under the following categories:*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Entity where investment is held** | **No of shares** | | | **Nominal value of shares** | **Fair value of shares** | **Fair value of shares** |
| **Direct shareholding** | **Indirect shareholding** | **Effective shareholding** |  | **Current year** | **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**

1. **Property, Plant, and Equipment**

| **Description** | **Land** | **Buildings and Civil works** | **Motor vehicles** | **Furniture, fittings, and office equipment** | **ICT Equipment** | **Capital**  **Work in progress** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |
| **Cost** |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions during the year | xxx | xxx | xxx | xxx | **-** | **xxx** | **xxx** |
| Disposals during the year | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers/adjustments | xxx | xxx | (xxx) | **xxx** |  | **xxx** | **(xxx)** |
| As at dd mm 20xx (close *of prior year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the year)* | 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) | (xxx) | **(xxx)** |
| Transfer/adjustments |  | xxx |  | xxx |  | (xxx) | **-** |
| As at dd mm 20xx (close *of the current period)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |  |  |  |
| **Depreciation and impairment** |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |  | **xxx** |
| Depreciation for the year | xxx | xxx | xxx | xxx | xxx |  | **xxx** |
| Disposals | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |  | (xxx) |
| Impairment | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |  | **(xxx)** |
| As at dd mm 20xx (close *of prior year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |  | **xxx** |
|  |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the year)* | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |  | **xxx** |
| Depreciation for the period | xxx | xxx | xxx | xxx | xxx |  | **xxx** |
| Disposals for the period | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |  | (xxx) |
| Impairment for period | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |  | **(xxx)** |
| Transfer/adjustment |  | **xxx** | - | **xxx** | - | (xxx) | **(xxx)** |
| As at dd mm 20xx (close *of the current period)* | **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** |
| **As at dd mm 20xx end of prior year audited** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

*[Include brief description of WIP as a footer]*

**Notes to the Financial Statements continued**

1. **Intangible assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/Mar\*/Jun\* 20xx** | **Prior period**  **Audited** |
| **Kshs.** | **Kshs.** |
| **Cost** |  |  |
| **At beginning of the period** | xxx | xxx |
| Additions | xxx | xxx |
| Disposal | (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 year | xxx | xxx |
| Impairment loss | xxx | xxx |
| At end of the period | **xxx** | **xxx** |
| **Net book value** | **xxx** | **xxx** |

1. **Investment Property**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/Mar\*/Jun\* 20xx** | **Prior Year Audited** |
| **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 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 period audited** |
| **Kshs.** | **Kshs.** |
| Trade payables | xxx | xxx |
| Other payables | xxx | xxx |
| **Total** **trade** **and** **other** **payables** | **xxx** | **xxx** |

1. **Borrowings**

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year audited** |
| **Borrowings** | **Kshs** | **Kshs** |
| Kenya Shilling Loan From KCB | xxx | xxx |
| Kenya Shilling Loan from Barclays Bank | xxx | xxx |
| Kenya Shilling Loan from Consolidated Bank | xxx | xxx |
| Loans from other government institutions | xxx | xxx |
| Other loans (specify) | xxx | xxx |
| **Total Balance at End Of The Year** | **xxx** | **xxx** |

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert previous FY** |
| **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 25 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41*

**Notes to the Financial Statements continued**

1. **Net cash flows from operating activities**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior year audited** |
| **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)*

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 fund is under the *Ministry of xxx/SC/SAGA*. Its ultimate parent is the Government of Kenya.

1. **Currency**

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

# 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** |
| --- | --- | --- | --- | --- | --- | --- |
| **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |  |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |  |  |  |
| Transfers from Parent Ministry/ SC/SAGA | 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)** before tax | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Taxation** | **(xxx)** | **(xxx)** | **xxx** | **(xxx)** | **xxx** | **xxx** |
| **Surplus/Deficit after Tax** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

**Annex II: 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 Education | xxx | Recurrent | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| Ministry of Education | xxx | Development | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| USAID | xxx | Donor Fund | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| Ministry of Education | 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 |