



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KERICHO COUNTY ASSEMBLY  
STAFF CAR LOAN AND MORTGAGE  
SCHEME FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2020**

PAPERS LAID	
DATE	6/4/2022
TABLED BY	Sen. Fatuma Dullo
COMMITTEE	-
CLERK AT THE TABLE	A. Maelbana



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**KERICHO COUNTY ASSEMBLY  
(STAFF CAR & MORTGAGE FUND)**

**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

Kericho County Assembly Staff Car & Mortgage Fund  
Reports and Financial Statements  
For the year ended June 30, 2020

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Kericho County Assembly Car & Mortgage Fund is established by and derives its authority and accountability from Article 230 of the constitution and section 13 of the Salaries and Remuneration Commission Act, 2011. County Assembly of Kericho has established appropriate regulations to guide the implementation for the benefits of its employees. The Public Finance Management (Kericho County Assembly Members Mortgage Scheme Fund) Regulations, 2016. The Fund is wholly owned by the County Assembly of Kericho and is domiciled in Kenya.

The fund's objective is to provide a car loan scheme for the purchase of vehicles as well as purchase, development, renovations or repair of residential property by the members of staff.

The Fund's principal activity is to facilitate members of staff to purchase residential houses and to have cars.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to motivate public officers and immensely contribute towards attraction and retention of requisite skills in the public service in line with the constitutional principles under Article 230(5) of the constitution.

**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1	Hon.Hezron Ng'etich	Chairperson
2	Hon.Nancy Kimeto	Vice Chair
3	Hon.Benard Mutai	Member
4	Hon.Gilbert Ng'etich	Member
5	Hon.Humphrey Kirui	Member
6	Mr.Martin Epus	Secretary
7	Mrs.Sharon Mibey	Member
8	Mr.Aggrey Kirui	Member
9	Mr.Josphat Mibei	Secretariat

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**d) Key Management**

Ref	Name	Position
1	Mr.Martin Epus	Clerk to the County Assembly of Kericho
2	Mrs.Sharon Mibey	Deputy Clerk
3	Mr.Aggrey Kirui	Principal Finance Officer
4	Mr.Josphat Mibei	Accountant

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**e) Registered Offices**

**Kericho County Assembly Headquarters**

**P.O.BOX 1526-20200**

**Kericho.**

Telephone: (254) 745169000

E-mail: [www.assembly.kericho.go.ke](http://www.assembly.kericho.go.ke)

**f) Fund Bankers**

1. Kenya Commercial Bank,  
P.O. Box  
Nairobi, Kenya

**g) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O.Box 30084  
GOP 00100  
Nairobi, Kenya

**h) Principal Legal Adviser**






The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya



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**2. THE BOARD OF TRUSTEES**

Name	Details of qualifications and experience
	<p>Hon. Hezron Ng'etich is the Chairperson of the Board. He is the elected Member of County Assembly representing Chilchila Ward and the Majority Leader of the County Assembly.</p>
	<p>Hon. Nancy Langat is the Vice Chairperson of the Board. She is the elected Member of County Assembly representing Tebesonik Ward and the Vice Chairperson of Public accounts and Investment Committee.</p>
	<p>Hon. Benard Mutai is a Member of the Board and the elected Member of County Assembly representing Kipchimchim Ward and a member of the County Assembly Service Board.</p>
	<p>Hon. Gilbert Ng'etich is a Member of the Board and the elected Member of County Assembly representing Kisiara Ward. He is also the Chief Whip of the County Assembly.</p>
	<p>Hon. Humphrey Kirui is a Member of the Board. He is the elected Member of County Assembly representing Kapsuser Ward and the Vice Chairperson of Youth, Culture and Social Services.</p>

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	Mr. Martin Epus is the Secretary of the Board and also the Clerk to the County Assembly.
	Mrs. Sharon Mibey is a Member of the Board and also the Deputy Clerk to the County Assembly.
	Mr. Aggrey Kirui is a Member of the Board and also the Principal Finance Officer of the County Assembly.
	Mr. Josphat Mibei is a Member of the Board and an Accountant of the County Assembly.

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### 3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY'S STRATEGIC OBJECTIVES

#### Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key strategic objectives of the County Assembly as borrowed from 2013-20217 plan are as follows:

1. To enhance Knowledge and Expertise of MCAs and Staff for effective representation, legislation, oversight, openness, and accountability;
2. To Improve County Assembly Legislative, Administrative and Infrastructural Support Services to enable Members to legislate and perform oversight function more effectively resulting in better utilization of public sector resources;
3. To build adequate Institutional capacity to provide quality, efficient and effective services to the stakeholders and respond adequately to emerging issues;
4. To strengthen County Assembly's Representative Capacity through External Linkages and Partnership with Various Stakeholders to Foster Sustainable Development;
5. To ensure adequate financial resources are available to meet the capital and operational expenditures of the Assembly.

#### Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program 1	Objective	Outcome	Indicator	Performance
Formation of the Car loan and mortgage board	To Improve County Assembly Legislative, Administrative and Infrastructural Support Services to enable Members to legislate and perform oversight function more effectively resulting in better utilization of public sector resources;	Improved oversight and administration of the Car loan and mortgage	Members appointed	Functional Car Loan and Mortgage Fund Board







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Capacity Building for Car Loans and mortgage fund Board	To build adequate Institutional capacity to provide quality, efficient and effective services to the stakeholders and respond adequately to emerging issues;	Increased efficiency in administration of car loan and mortgage scheme	Number of trainings	Car loan and mortgage fund board members capacity enhanced
Consultative forums with like-minded industry players	To strengthen County Assembly's Representative Capacity through External Linkages and Partnership with Various Stakeholders to Foster Sustainable Development;	Increased awareness on fund administration challenges	Number of engagements with fund managers	Best practices from similar schemes/ industry replicated
Adherence to Controller of budget and national treasury requirements on requisitions	To ensure adequate financial resources are available to meet the capital and operational expenditures of the Assembly.	Continuous cash flows of the county assembly	Number of requisitions made	Funds availed to County Assembly Members and staff

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**4. MANAGEMENT TEAM**

	Mr. Martin Epus is the Secretary of the Board and also the Clerk to the County Assembly.
	Mrs. Sharon Mibey is a Member of the Board and also the Deputy Clerk to the County Assembly.
	Mr. Aggrey Kirui is a Member of the Board and also the Principal Finance Officer of the County Assembly.
	Mr. Josphat Mibei is a Member of the Board and an Accountant of the County Assembly.

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**5. BOARD/FUND CHAIRPERSON'S REPORT**

The Kericho County Assembly Car Loan and Mortgage scheme is established under the Kericho County Car loan and Mortgage Fund Scheme Regulations, 2016. The administration of it is done by a Board known as the Kericho County Assembly Car Loan and Mortgages Fund Board.

The Fund Board comprises of a team of Members of the County Assembly and the Secretariat as board members playing different roles and in the sub committees of the board to administer the fund. The chairperson of the board is the Leader of Majority of the County Assembly and the administrator of the Fund is the clerk of the County Assembly.

The Kericho County Assembly Car loan and mortgage scheme has over the years benefitted both members and staffs in the acquisition of cars to improve mobility and in the housing for decent living. In turn this has translated to better performance in their core mandates. The total beneficiaries of the car loan and mortgage are 69 members of staff.

The fund is expected to grow significantly and benefit both members and staff immeasurably. Younger workforce will benefit greatly on the car loans and mortgages schemes since the interest is low and can discourage members of the scheme from borrowing loans from other financial institutions whose interest rates are exorbitant.

The County assembly Car loans and Mortgage Fund Board commits to administering the fund for the benefit of its members and for overall achievement and realization of the objectives of the County Assembly.

The staff car and mortgage fund is managed internally by the management team whom I chair. The fund's performance is generally good as most employees have benefited from the fund except a few who will benefit from it the following financial year. Most employees who got the loans did not get maximum limit as given by the SRC. However top ups are allowed from the remittance for them to complete their projects for the fund to have a meaningful benefit to them.

The fund is projected to benefit every employee in future so that the objective of the fund is realized. This will be achieved through additional funds from exchequer and also from remittance from those who have got it.



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The fund is well managed by the management team. The staffs that have benefited from it are happy to have enabled them to get land and build their own houses. The vision of the management is all staff to benefit from the fund through provident management of funds.

Signed:  -

*HON. HEZRON KIPNGENO NGETICH*

**Kericho County Assembly Staff Car & Mortgage Fund**  
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**6. REPORT OF THE FUND ADMINISTRATOR**

The Kericho County Assembly Car Loan and Mortgage scheme is established under the department of Finance and Economic Planning. The administration of it is done by a Board known as the Kericho County Assembly Car Loan and Mortgages Fund Board.

The Fund Board comprises of a team of Members of the County Assembly and the Secretariat as board members playing different roles and in the sub committees of the board to administer the fund. The chairperson of the board remains the Leader of Majority part of the County Assembly and the administrator of the Fund is the clerk of the County Assembly.

The Kericho County Assembly Car loan and mortgage scheme has over the years benefitted both members and staffs in the acquisition of cars to improve mobility and in the housing for decent living. In turn this is expected to translate to performance in their core mandates. The total beneficiaries of the car loan and mortgage 69 members of staff.

The fund is expected to grow significantly and benefit both members and staff immeasurably. Younger workforce will benefit greatly on the car loans and mortgages schemes since the interest is low and can discourage members of the scheme from borrowing loans from other financial institutions.

The County assembly Car loans and Mortgage Fund Board commits to administering the fund for the benefit of its members and for overall achievement and realization of the objectives of the County Assembly.

The fund is generally managed well and it has grown from Ksh.78,787,001 from the previous year to Ksh.100,830,034 at the close of 2019/2020 financial year.

Total administrative expenses paid for the year were Ksh 339,721.

During the financial year 2019/2020 the management team had a total of 6 meetings. The meetings were basically to analyze the applicants' loan forms and to approve the loan applied. The management had only one induction and training for members during the period.

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There has been no reported case of corruption or conflict of interest as the fund is managed in the most transparent manner.

Signed: \_\_\_\_\_



*MARTIN EPUS PATRICK*





**Kericho County Assembly Staff Car & Mortgage Fund**  
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**7. CORPORATE GOVERNANCE STATEMENT**

Kericho County Assembly Mortgage Board held meetings to deliberate on issues concerning the fund. The number of meetings should not exceed twelve in a year. The required quorum must be at least two-third at the beginning of each meeting.

Members of the board should be trained on Public Finance Management Act and also regulations that guide issuance of the fund to potential beneficiaries.

In case there is conflict of interest on a member of the board, such a member should declare his interest and will be exempted to attend that meeting where his contribution will create conflict of interest. Failure to declare such interest amounts to a criminal offence.

Kericho County Assembly Staff Car & Mortgage Fund  
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**8. MANAGEMENT DISCUSSION AND ANALYSIS**

This is the Financial Statement for Kericho County Assembly Car Loan and Mortgage Fund for the financial period ended 30th June, 2020. This report was prepared and presented as required by Section 168 of the *Public Financial Management (PFM) Act 2012*. The report expounds on the expenditure incurred by the Kericho County Assembly in Staff car loan and Mortgage provision.

The guiding regulations are the Kericho County Assembly Members Mortgage Scheme Fund regulations of 2016 in line with the Salary and Remunerations Commission. The Fund Administrator is the Clerk to the County Assembly of Kericho and its primary purpose is to advance loans to members of staff for purchase of motor vehicles and mortgage.

The key challenges noted during the period included delay in release of funds by the National Treasury.

Signed: \_\_\_\_\_



Martin Epus



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**9. REPORT OF THE TRUSTEES**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund is to provide a car loan scheme for the purchase of vehicles as well as purchase, development, renovations or repair of residential property by the members of staff.

**Results**

The results of the Fund for the year ended June 30, 2020 are set out on pages 17-22.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page 4 and 5. There were no changes of the board members during the period.

**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Member of the Board

Date: 31/03/2021



**Kericho County Assembly Staff Car & Mortgage Fund**  
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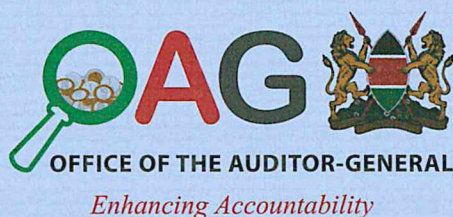
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**10. REPORT OF THE INDEPENDENT AUDITOR**



# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KERICHO COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kericho County Assembly Staff Car Loan and Mortgage Scheme Fund set out on pages 17 to 61, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flow and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kericho County Assembly Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2020, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kericho County Assembly Car Loan and Mortgage Scheme Fund (Regulations), 2014 and the Public Finance Management Act, 2012.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho County Assembly Staff Car Loan and Mortgage Scheme Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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



## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and the Board of Trustees**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk Management and Governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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



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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become



inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**15 February, 2022**

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11. FINANCIAL STATEMENTS

11.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	0	0
Transfers from the County Government	2	0	0
Fines, penalties and other levies	3	0	0
<b>Revenue from exchange transactions</b>			
Interest income from loans	4	2,368,654	1,527,672
Other income: insurance (contra)	5 (a)	2,322,687.66	162,960
Bank charges refund	5 (b)	14,100	0
<b>Total revenue</b>		<b>4,705,441.66</b>	<b>1,690,632</b>
<b>Expenses</b>			
Fund administration expenses-sitting allowances	6 (a)	248,790	471,520
Loan Insurance(contra)	6 (b)	2,322,687.66	162,960
Bank Charges	6 (c)	22,051	32,721
Tax on committee allowances	6 (d)	30,420	98,280
Committee training expenses	6 (e)	38,460	756,000
<b>Total expenses</b>		<b>2,662,408.66</b>	<b>1,521,481</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets			
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>2,043,033</b>	<b>169,151</b>
<b>SURPLUS B/D</b>		<b><u>787,001</u></b>	<b><u>617,850</u></b>
<b>Surplus/( deficit)for the period</b>		<b>2,830,034</b>	<b>787,001</b>



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11.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020 KShs	2018/2019 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	853,362	11,413,116
Trade and other receivables	12	10,820,844	8,780,585
Cash-in-transit-insurance		0	132,720
Under charge on deductions (rounding off)			6
Cash-in-transit-loan repayment		0	0
Loan insurance receivable		0	29,936
<b>Total Current Assets</b>		<b>11,674,206</b>	<b>11,575,778</b>
<b>Non-current assets</b>			
Property, plant and equipment			
Intangible assets			
Fixed interest investments (Loan balance)	12	89,440,520	58,784,787
<b>Total Non-Current Assets</b>		<b>89,440,520</b>	<b>58,784,787</b>
<b>Total assets</b>		<b>101,114,726</b>	<b>79,141,150</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	284,692	354,149
Provisions	19	0	0
Current portion of borrowings	20	0	0
Employee benefit obligations	23	0	0
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	23	0	0
Long term portion of borrowings	20	0	0
<b>Total liabilities</b>		<b>(284,692)</b>	<b>(354,149)</b>
<b>Net assets</b>		<b>100,830,034</b>	<b>78,787,001</b>
Revolving Fund		100,830,034	78,787,001
<b>Total net assets and liabilities</b>		<b>100,830,034</b>	<b>78,787,001</b>

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 31 MAR 2021 and signed by:

Administrator of the Fund  
Name: Martin Epus



Fund Accountant  
Name: Rose Chelangat  
ICPAK Member Number: 21194

*[Signature]*

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**11.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1 July 2018</b>	53,000,000	-	617,850	53,617,850
Surplus/(deficit) for the period	-	-	169,151	169,151
Funds received during the year	25,000,000		-	25,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>78,000,000</b>		<b>787,001</b>	<b>78,787,001</b>
<b>Balance as at 1 July 2019</b>	<b>78,000,000</b>	-	<b>787,001</b>	<b>78,787,001</b>
Surplus/(deficit) for the period	-	-	2,043,033	2,043,033
Funds received during the year	20,000,000	-	-	20,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>98,000,000</b>		<b>2,830,034</b>	<b>100,830,034</b>



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**11.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest earned		2,368,654	1,527,672
Bank charges refund		14,100	0
<b>Total Receipts</b>		<b>2,382,754</b>	<b>1,527,672</b>
<b>Payments</b>			
Bank charges		22,051	32,721
Training expenses		290,460	504,000
Committee sitting allowances		248,790	471,520
Tax on committee sitting allowances		118,560	0
<b>Total Payments</b>		<b>(679,861)</b>	<b>(1,008,241)</b>
<b>Net cash flow from operating activities</b>		<b>1,702,893</b>	<b>519,431</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out			
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Insurance premium paid		(2,077,926.05)	(272,003)
Total insurance recovered		1,602,036	19,000
Transfers from the County Assembly-Treasury		20,000,000	25,000,000
Mortgage and Car loan advanced to staff	21	(38,198,687.45)	(52,569,760)
Principal loan repayments	21	6,411,931	4,508,075
Repayment of borrowings			
<b>Net cash generated from/(used in) financing activities</b>		<b>(12,262,646.50)</b>	<b>(23,314,688)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10,559,753.50)</b>	<b>(22,795,257)</b>
Cash and cash equivalent at the beginning		<b>11,413,116</b>	<b>34,208,373</b>
<b>Cash and cash equivalents at the end</b>		<b>853,362.50</b>	<b>11,413,116</b>



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**11.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
 FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

	Original budget	Adjust- ment	Final budget	Actual on comparable basis	Perfor- mance differ- ence	% utiliza- tion
	2020	2020	2020	2020	2020	2020
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Public contributions and donations						
Transfers from County Govt.	20,000,000	0	20,000,000	20,000,000	0	100%
Finance Income-interest on loan	2,368,654	0	2,368,654	2,368,654	0	100%
Other income-Loan insurance receivable	2,322,687.66	0	2,322,687.66	2,322,687.66	0	100%
Other Income-bank refund	0	0	0	14,100	14,100	100%
<b>Total income</b>	<b>24,691,341.66</b>	<b>0</b>	<b>24,691,341.66</b>	<b>24,705,441.66</b>	<b>14,100</b>	<b>100 %</b>
<b>Expenses</b>						
Compensation of employees-committee allowances	248,790	0	248,790	248,790	0	100%
Use of goods and services						
Finance cost-bank charges	22,051	0	22,051	22,051	0	100%
Rent paid						
Tax on committee allowances	30,420	0	30,420	30,420	0	100%
Loan insurance payable	2,322,687.66	0	2,322,687.66	2,322,687.66	0	100%
Committee training expenses	38,460	0	38,460	38,460	0	100%
<b>Total expenditure</b>	<b>(2,662,408.66)</b>	<b>0</b>	<b>(2,662,408.66)</b>	<b>(2,662,408.66)</b>	<b>0</b>	<b>100 %</b>
<b>Surplus for the period</b>	<b>22,028,933</b>		<b>22,028,933</b>	<b>22,043,033</b>	<b>0</b>	<b>100 %</b>

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**11.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. 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 years 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.

**2. Adoption of new and revised standards**

**a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

Standard	Impact
<b>IPSAS 40:</b>  Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

Standard	Effective date and impact:
<b>IPSAS 41: Financial Instruments</b>	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is</li> </ul>



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Standard	Effective date and impact:
	<p>held;</p> <ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42: Social Benefits</b>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<b>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</b>	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<b>Other Improvements to IPSAS</b>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and</li> </ul>



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Standard	Effective date and impact:
	<p>Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations.</p> <p>Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

**c) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Revenue recognition**

**i) 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.

**ii) 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.

**4. Budget information**

The original budget for FY 2019/2020 was approved by the County Assembly on 26<sup>th</sup> June 2019. 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 on 27<sup>th</sup> June 2019 on the FY 2019/2020 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

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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 of incomes and expenses of these financial statements.



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**6. 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.

**7. Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

*Loans and receivables*

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Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or entity of financial assets is impaired. A financial asset or entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.



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All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. 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.

**9. 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.

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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.



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**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.

**10. Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**11. 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.

**12. Employee benefits– Retirement benefit plans**

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

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

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**13. 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.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. 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.

**15. 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.

**16. Cash and cash equivalents**

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

**17. Comparative figures**

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

**18. Events after the reporting period**

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



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**19. Ultimate and Holding Entity**

The entity is a County Public Fund established by Kericho County Assembly Members Mortgage Scheme Fund, 2015.

**20. Currency**

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

**Useful lives and residual values**

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

**Provisions**

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

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.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**22. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

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

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

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

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	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
<b>At 30 June 2019</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2018</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>				

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
<b>At 30 June 2019</b>				
Trade payables	-	-	-	
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2018</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
<b>Total</b>	-	-	-	-



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

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		Other currencies	Total
	KShs	KShs	KShs
<b>At 30 June 2019</b>			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
<b>Liabilities</b>			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Foreign currency sensitivity analysis**

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
<b>2020</b>			
Euro			
USD			
<b>2019</b>			
Euro			
USD			

**ii. Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

*Management of interest rate risk*

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

*Sensitivity analysis*

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign



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exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Capital risk management**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	98,000,000	78,000,000
Accumulated surplus	2,830,034	787,001
<b>Total funds</b>	<b>100,830,034</b>	<b>78,787,001</b>
Total borrowings	0	0
Less: cash and bank balances	853,362	11,413,116
Net debt/(excess cash and cash equivalents)	853,362	11,413,116
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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**11.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	0	0
Contributions from the public	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**2. Transfers from County Government**

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	0	0
Payments by County on behalf of the entity	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3. Fines, penalties and other levies**

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	0	0
Fines	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**4. Interest income**

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage& car loans	2,368,654	1,527,672
Interest income from investments	-	-
Interest income on bank deposits	-	-
<b>Total interest income</b>	<b>2,368,654</b>	<b>1,527,672</b>



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**5. Other income**

Description	2019/2020	2018/2019
	KShs	KShs
a) Insurance recoveries(contra)	2,322,687.66	162,960
<b>Total</b>	<b>2,322,687.66</b>	<b>162,960</b>
b) Miscellaneous income – Bank charges refund	14,100	0
<b>Total</b>	<b>14,100</b>	<b>0</b>

**6. Fund administration expenses**

Description	2019/2020	2018/2019
	KShs	KShs
a) Sitting allowance	248,790	471,520
<b>Total</b>	<b>248,790</b>	<b>471,520</b>
b) Insurance expenses(contra)	2,322,687.66	162,960
<b>Total</b>	<b>2,322,687.66</b>	<b>162,960</b>
c) Bank charges	22,050	32,721
<b>Total</b>	<b>22,050</b>	<b>32,721</b>
d) Tax on committee allowances	30,420	98,280
<b>Total</b>	<b>30,420</b>	<b>98,280</b>
e) Committee training expenses	38,460	756,000
<b>Total</b>	<b>38,460</b>	<b>756,000</b>

**7. Staff costs**

Description	2019/2020	2018/2019
	KShs	KShs
Salaries and wages		
Staff gratuity		
Staff training expenses		
Social security contribution		
Other staff costs		

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<b>Total</b>		
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8.General expenses**

Description	2019/2020	2018/2019
	KShs	KShs
Consumables		
Electricity and water expenses		
Fuel and oil costs		
Insurance costs		
Postage		
Printing and stationery		
Rental costs		
Security costs		
Telecommunication		
Bank Charges		
Hospitality		
Depreciation and amortization costs		
Other expenses		
<b>Total</b>		



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Finance costs**

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts		
Interest on loans from banks		
<b>Total</b>		

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

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment		
Intangible assets		
<b>Total</b>		

**11. Cash and cash equivalents**

Description	2019/2020	2018/2019
	KShs	KShs
Car loan and mortgage account- KCB		11,413,116
Cash in hand-Adjusted Cash book	853,362	
Fixed deposits account		
On – call deposits		
Current account		
Others- Cash in transit - insurance		132,720
Others- Cash in transit – loan repayments		0
<b>Total cash and cash equivalents</b>	<b>853,362</b>	<b>11,545,836</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

		2019/2020	2018/2019
Financial Institution	Account number	KShs	KShs
<b>a) Fixed deposits account</b>			
Kenya Commercial bank			
Equity Bank, etc			
<b>Sub- total</b>			
<b>b) On - call deposits</b>			
Kenya Commercial bank			
Equity Bank - etc			
<b>Sub- total</b>			
<b>c) Current account</b>			
Kenya Commercial bank	1204187967	837,357.5	11,413,116
Bank B			
<b>Sub- total</b>		<b>837,357.50</b>	<b>11,413,116</b>
<b>d) Others(specify)</b>			
Cash in transit - Insurance			132,720
Cash in transit – Loan repayments			0
Cash in hand- adusted cash book		853,362	0
M Pesa			0
<b>Sub- total</b>		<b>853,362</b>	<b>132,720</b>

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**12. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Current Receivables</b>		
Interest receivable		
Current loan repayments due	10,820,844	8,780,585
Other exchange debtors		
Less: impairment allowance		
<b>Total Current receivables</b>		
<b>Non-Current receivables</b>		
Long term loan repayments due	89,440,520	58,784,787
<b>Total Non- current receivables</b>		
<b>Total receivables from exchange transactions</b>	<b>100,261,364</b>	<b>67,565,372</b>

**Additional disclosure on interest receivable**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Interest receivable</b>		
Interest receivable from current portion of long-term loans of previous years		
Accrued interest receivable from of long-term loans of previous years		
Interest receivable from current portion of long-term loans issued in the current year		
<b>Current loan repayments due</b>		
Current portion of long-term loans from previous years		
Accrued principal from long-terms loans from previous periods		
Current portion of long-term loans issued in the current year		

**13. Revenue from Non-Exchange transaction**

	KShs	KShs
Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive		
<b>Total receivables from non-exchange transactions</b>		



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14.Prepayments**

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent		
Prepaid insurance		
Prepaid electricity costs		
Other prepayments(specify)		
<b>Total</b>		

**15.Inventories**

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores		
Spare parts and meters		
Catering		
Other inventories(specify)		
<b>Total inventories at the lower of cost and net realizable value</b>		

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16. Property, plant and equipment

	Land and buildings KShs	Motor vehicles KShs	Furniture and fittings KShs	Computers and office equipment KShs	Total KShs
<b>Cost</b>					
At 1 <sup>st</sup> July 2018					
Additions					
Disposals					
Transfers/adjustments					
At 30 <sup>th</sup> June 2019					
At 1 <sup>st</sup> July 2019					
Additions					
Disposals					
Transfer/adjustments					
At 30 <sup>th</sup> June 2020					
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> July 2018					
Depreciation					
Impairment					
At 30 <sup>th</sup> June 2019					
At 1 <sup>st</sup> July 2019					
Depreciation					
Disposals					
Impairment					
Transfer/adjustment					
At 30 <sup>th</sup> June 2020					
Net book values					
At 30 <sup>th</sup> June 2019					
At 30 <sup>th</sup> June 2020					

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17.Intangible assets-software**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Cost</b>		
At beginning of the year		
Additions		
At end of the year		
<b>Amortization and impairment</b>		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
<b>NBV</b>		

**18.Trade and other payables from exchange transactions**

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables – Training expenses	0	252,000
Loan insurance payable	244,253.61	0
Prepaid insurance	10,298.32	1293
Other payables - Tax	10,140	98,280
Prepaid instalments	20,000	2,576
<b>Total trade and other payables</b>	<b>284,692</b>	<b>354,149</b>

**19.Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2018)				
Additional Provisions				
Provision utilised				
Change due to discount and time value for money				
Transfers from non -current provisions				
<b>Balance at the end of the year (30.06.2019)</b>				



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20.Borrowings**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Balance at beginning of the period</b>		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the period		
Repayments of domestic borrowings during the period		
<b>Balance at end of the period</b>		

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

	2019/2020	2018/2019
	KShs	KShs
<b>External Borrowings</b>		
Dollar denominated loan		
Sterling Pound denominated		
Euro denominated		
<b>Domestic Borrowings</b>		
Kenya Shilling loan from KCB		
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
Borrowings from other government institutions		
<b>Total balance at end of the year</b>		

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

Description	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)		
Long term borrowings		
<b>Total</b>		

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21.CHANGES IN RECEIVABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Account receivable as at 1 <sup>st</sup> July 2019 (A)	68,474,067.55	20,412,382.55
Account receivable issued during the year (B)	38,198,687.45	52,569,760
Account receivable settled during the Year (C)	6,411,391	4,508,075
Net changes in account receivables D= A+B-C	<b>100,261,364</b>	<b>68,474,067.55</b>

**22.CHANGES IN ACCOUNTS PAYABLE**

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Accounts Payable as at 1 <sup>st</sup> July 2019 (A)	354,149	109,409
Accounts Payable held during the year (B)	283,399	353,783
Accounts Payable paid during the Year (C)	352,856	109,043
Net changes in account receivables D= A+B-C	<b>284,692</b>	<b>354,149</b>

**23.Employee benefit obligations**

Description	Defined benefit plan	Past employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation				
Non-current benefit obligation				
<b>Total employee benefits obligation</b>				

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED).**

**24.Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**b) Related party transactions**

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties'		
Transfers to related parties		

**c) Key management remuneration**

	2019/2020	2018/2019
	KShs	KShs
Board of Trustees	0	0
Key Management Compensation	248,790	471,520
<b>Total</b>		

**d) Due from related parties**

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry		
Due from County Government		
<b>Total</b>		

**e) Due to related parties**

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry		
Due to County Government		
Due to Key management personnel		
<b>Total</b>		

**25. Contingent assets and contingent liabilities**

Contingent liabilities	2019/2020	2018/2019
	KShs	KShs
Court case against the Fund		
Bank guarantees		
<b>Total</b>		

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**26.PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

**Guidance Notes:**

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.

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**ANNEXURES**

**ANNEX 1(note 4)**

**INTEREST INCOME FROM LOANS OF KSH.2,368,654**

These are total interest from loan earned for the year ended 30/06/2020

MONTH	AMOUNT(KSH)
Jul-19	196,649.00
Aug-19	194,933.00
Sep-19	197,648.00
Oct-19	196,335.00
Nov-19	197,275.00
Dec-19	195,929.00
Jan-20	198,334.00
Feb-20	197,691.00
Mar-20	196,763.00
Apr-20	199,547.00
May-20	198,202.00
Jun-20	199,348.00
<b>TOTAL</b>	<b>2,368,654.00</b>

**ANNEX 2[note 5 (a)]**

**LOAN INSURANCE OF KSH.2,322,687.66**

Car loan and mortgages are insured with  
Kenya Orient Life Assurance

S/NO.	MONTH		AMOUNT(KSH)
1	Jul-19		79,200.00
2	Sep-19		7,200.00
3	Dec-19		169,000.00
4	Jan-20		162,000.00
5	Feb-20		162,000.00
6	Mar-20		169,500.00
7	Apr-20		165,500.00
8	May-20		177,112.75
9	Jun-20		152,326.05
	ROBERT NGENO DEDUCTION	DECEMBER 2019- APRIL2020	25,000.00
	SUSAN CHEPKEMOI	PREPAYMENT	254.00
	ABRAHAM LANGAT	PREPAYMENT	254.00
	<b>Total</b>		<b>1,269,346.80</b>



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Both Susan Chepkemai and Abraham Langat was to pay ksh.9,346 each but they paid ksh.9,600 each in the year 2018 resulting to over payment of ksh.254 each.

b) Insurance for loan disbursed in the month of June 2020 of ksh.20,000,000

**LIST OF STAFF MEMBERS TO BENEFIT FROM STAFF  
CAR AND MORTGAGE LOAN  
OF KSH.20,000,000 IN THE MONTH  
OF JUNE 2020**

NAME	ID NO.	AMOUNT	MONTHS	INSURANCE	NET AMOUNT
Mercy Chepkemai	28503995	1,500,000	180	61,614	1,438,386
Martin Langat	27473342	1,500,000	180	61,614	1,438,386
Liston Kimeto	24645909	1,500,000	180	61,614	1,438,386
Martha Amai	32228691	1,500,000	180	61,614	1,438,386
Beatrice Cheroni	28523644	1,500,000	180	61,614	1,438,386
Truphena Chepkirui	20013162	1,500,000	180	61,614	1,438,386
Gladys Chepngeno	24953458	1,500,000	180	61,614	1,438,386
Nicholas Kipkurui	25179476	1,500,000	180	61,614	1,438,386
Scolastica Chepkemai	21881261	1,500,000	180	61,614	1,438,386
Peter Cheruiyot	12915380	1,500,000	120	41,378	1,458,622
Julius Langat	24125273	1,000,000	180	41,076	958,924
Wesley Kibet	10990443	1,000,000	180	41,076	958,924
Diana Chepkemai Mutai	25012649	1,000,000	180	41,076	958,924
Andrew Kipkurui	22483997	1,000,000	180	41,076	958,924
Sharon Cherop	25532706	1,000,000	180	41,076	958,924
<b>TOTAL</b>		<b>20,000,000</b>		<b>801,284</b>	<b>19,198,716</b>

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c) <b>TOTAL INSURANCE CASH PAID FOR THE YEAR 2019/2020</b>		
S/NO	MONTH	AMOUNT(KSH)
1	MARCH 2020 BRIAN LANGAT	26,794.68
2	APRIL 2020-RAYMOND KOROS	40,724.18
3	JUNE 2020-STEPHEN CHERUIYOT	8,770.00
4	JUNE 2020-BILLY CHERUIYOT	38,043.00
5	JUNE 2020-WILLIAM TOLE	35,050.00
	<b>TOTAL</b>	<b>149,381.86</b>

d) <b>TOTAL INSURANCE PREMIUM DEDUCTED ON TOP-UPS FOR THE YEAR 2019/2020</b>		
S/NO	MONTH	AMOUNT(KSH)
1	FEBRUARY 2020-PATRICK KORIR	11,645.00
2	FEBRUARY 2020-EMILY C.ROTICH	19,645.00
3	FEBRUARY 2020-JOSPHAT MIBEI	18,397.00
4	MARCH 2020-SUSAN CHEPKEMOI	7,259.00
5	APRIL 2020-JOHANA KOROS	19,208.00
6	JUNE 2020-SARAH MAIYWA	6,779.00
7	JUNE 2020-MARTIN EPUS	19,742.00
	<b>TOTAL</b>	<b>102,675.00</b>

<b>SUMMARY OF INSURANCE FOR THE YEAR 2019/2020 – Ksh.2,322,687.66</b>		
		AMOUNT(KSH)
a)	TOTAL DEDUCTIONS ON PAYROLL	1,269,346.80
b)	TOTAL INSURANCE FOR JUNE DISBURSEMENT	801,284.00
c)	TOTAL INSURANCE CASH PAID	149,381.86
d)	TOTAL INSURANCE ON TOP-UPS	102,675.00
	<b>TOTAL FOR THE YEAR 2019/2020</b>	<b>2,322,687.66</b>

**ANNEX 3(note 6)**  
**OPERATING EXPENSES OF KSH.2,662,408.66**

a) **COMMITTEE SITTING ALLOWANCES**

S/NO	MEETING DATES	AMOUNT(KSH)
1	2ND JULY 2019	43,930.00
2	3RD JULY 2019	43,930.00
3	11 TH DECEMBER 2019	43,930.00
4	20 TH MAY 2020	39,000.00
5	16TH JUNE 2020	39,000.00

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6	17TH JUNE 2020	39,000.00
	TOTAL	248,790.00

b) Insurance expence(annex1-contra) Ksh.2,322,687.66

c) Bank charges(total from the bank statement) Ksh.22,051

d) **Tax on committee sitting allowances**

s/no	Date	Amount(ksh)
1	2ND JULY 2019	10,140.00
2	3RD JULY 2019	10,140.00
3	11TH DECEMBER 2019	10,140.00
	TOTAL	30,420.00

E) Committee training expenses Ksh.38,460.

**SUMMARY**

Total operating expenses	Amount(ksh)
a. sitting allowances	248,790.00
b. insurance expense	2,322,687.66
c. bank charges	22,051.00
d. taxes on sitting allowances	30,420.00
e. training expenses	38,460.00
<b>TOTAL</b>	<b>2,662,408.66</b>

**ANNEX 4(note18)**

**TRADE AND OTHER PAYABLES of ksh. 284,692**

Tax payable;

Total tax expence for the year 2019/2020	30,420.00
less:tax paid	- 20,280.00
Total amount to be paid	10,140.00

**Prepaid insurance of ksh 10,298.32**

i. Brian Langat	1,298.32
ii. Raymond Koros	4000
iii. Stephen Cheruiyot	5000
Total	10,298.32

**Prepaid instament-kericho county assembly of ksh.20,000**



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Total monthly deduction on loan repayment for the month of April 2020 was ksh.738,100 but we received ksh.758,100 which is excess by ksh.20,000

**Loan insurance payable of ksh. 244,253.61**

Total insurance expence for the year(annex 2 above) is ksh.2,322,687.66

**TOTAL INSURANCE AMOUNT PAID TO KENYA ORIENT LIFE ASSURANCE FOR THE YEAR  
2019/2020**

S/NO	DATE	AMOUNT(KSH)
1	2/24/2020	49,685.05
2	2/24/2020	497,000.00
3	4/2/2020	176,759.00
4	5/20/2020	252,226.00
5	6/8/2020	156,500.00
6	6/17/2020	945,756.00
	PREPAYMENT BY SUSAN CHEPKEMOI	254.00
	PREPAYMENT BY ABRAHAM LANGAT	254.00
	<b>TOTAL</b>	<b>2,078,434.05</b>

AMOUNT DUE;	AMOUNT(KSH)
TOTAL INSURANCE EXPENCE FOR THE YEAR	2,322,687.66
LESS:AMOUNT PAID	2,078,434.05
<b>TOTAL</b>	<b>244,253.61</b>

**SUMMARY**

	Amount(ksh)
a).Tax payable	10,140.00
b).Prepaid insurance	10,298.32
c).Prepaid monthly instalments	20,000.00
d).Insurance payable to kenya orient	244,253.61
<b>Total</b>	<b>284,691.93</b>

**ANNEX 5**

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**STATEMENT OF CASH FLOW FOR THE  
 YEAR ENDED 30 /06/2020**

Total insurance recovered of

ksh.1,602,036

Monthly

a) deductions

MONTH	AMOUNT		
S/NO.	MONTH		AMOUNT(KSH)
1	Jul-19		79,200.00
2	Sep-19		7,200.00
3	Dec-19		168,000.00
4	Jan-20		160,000.00
5	Feb-20		169,000.00
6	Mar-20		201,521.00
7	Apr-20		159,500.00
8	May-20		156,500.00
9	Jun-20		152,326.50
	Insurance received for the year 2018/2019		57,681.75
	Total		1,310,929.25

b) Insurance not received for the year 2018/2019 and  
 received in the year 2019/2020 132,720.00

c) Insurance cash received for the year 2019/2020

Brian Langat	26,800
Raymond koros	44,724
Stephen cheruiyot	13,770
Billy Cheruyot	38,043
William Toley	35,050
	<b>158,387</b>

Summary	Amount
a	1,310,929.25
b	132,720
c	158,387
Total	<b>1,602,036</b>

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**ANNEX 6(note21)**

**Loan payment of ksh.38,198,687.45 for the year 2019/2020**

**(Payment vouchers)**

Name	Amount(ksh)
LEONARD KBET	1,500,000.00
MILKAH CHEPKORIR	1,500,000.00
NIXON KIPYEGON	1,500,000.00
DENIS LANGAT	1,500,000.00
KENNETH KOSONEY	1,500,000.00
NANCY SANG	1,000,000.00
SAMWEL SOI	1,000,000.00
LUCY NJERI	800,000.00
EMILY ROTICH	100,000.00
SHARON MIBEY	200,000.00
ROBERT NGENO	300,000.00
MARTIN EPUS	900,000.00
BRIAN CHERUIYOT	700,000.00
MARTIN EPUS	100,000.00
SHARON MIBEY	800,000.00
LINET LABOSO	500,000.00
SALLY BETT	500,000.00
EUNICE KENDUIYWA	500,000.00
BRIAN CHERUIYOT	300,000.00
JOSPHAT MIBEI	480,355.70
PATRICK KORIR	300,000.00
EMILY ROTICH	481,603.75
SUSAN CHEPKEMOI	492,741.00



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JOHANA CHERUIYOT KOROS	980,792.00
SARAH MAIYWA	293,221.00
MARTIN EPUS	771,258.00
Mercy Chepkemoi	1,438,386.00
Martin Langat	1,438,386.00
Liston Kimeto	1,438,386.00
Martha Amai	1,438,386.00
Beatrice Cheron	1,438,386.00
Truphena Chepkirui	1,438,386.00
Gladys Chepngeno	1,438,386.00
Nicholas Kipkurui	1,438,386.00
Scolastica Chepkemoi	1,438,386.00
Peter Cheruiyot	1,458,622.00
Julius Langat	958,924.00
Wesley Kibet	958,924.00
Diana Chepkemoi Mutai	958,924.00
Andrew Kipkurui	958,924.00
Sharon Cherop	958,924.00
<b>TOTAL</b>	<b>38,198,687.45</b>

**ANNEX 6(note 21)**  
**Principal Loan Repayments of ksh**  
**6,411,931**

MONTH	AMOUNT(KSH)	INTEREST	PRINCIPLE
Jul-19	707,414.00	196,649.00	510,765.00
Aug-19	706,315.00	194,933.00	511,382.00
Sep-19	722,330.00	197,648.00	524,682.00
Oct-19	722,330.00	196,335.00	525,995.00
Nov-19	735,849.00	197,275.00	538,574.00
Dec-19	735,849.00	195,929.00	539,920.00
Jan-20	750,969.00	198,334.00	552,635.00
Feb-20	725,459.00	197,691.00	527,768.00
Mar-20	726,117.00	196,763.00	529,354.00

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Apr-20	758,100.00	199,547.00	558,553.00
May-20	738,100.00	198,202.00	539,898.00
Jun-20	751,753.00	199,348.00	552,405.00
<b>TOTAL</b>	<b>8,780,585.00</b>	<b>2,368,654.00</b>	<b>6,411,931.00</b>

ANNEX 7

TRIAL BALANCE AS AT 30TH JUNE 2020.

Item	DR Kshs	CR Kshs
Bank Balance	853,362	
Trade and other Receivables	100,261,364	
Trade and other Payables		284,692
Interest earned		2,368,654
Bank charges Refund		14,100
Other Insurance income		2,322,688
Fund Administration Expenses	248,790	
Loan Insurance	2,322,688	
Bank charges	22,051	
Tax on committee allowances	30,420	
Committee training expenses	38,460	
Capital fund		98,000,000
Reserves		787,001
	103,777,135	103,777,135

PREPARED

SIGN

DATE

.....

31/03/2021

APPROVED

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31/03/2021

