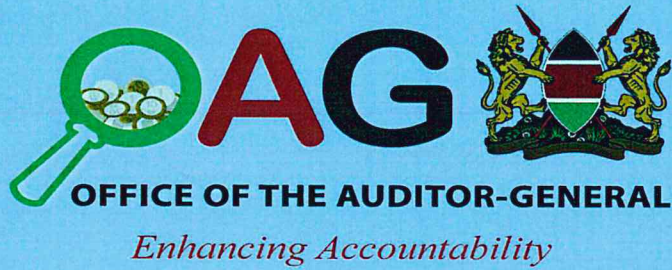


REPUBLIC OF KENYA



# REPORT

OF

THE AUDITOR-GENERAL

ON

NYANDARUA COUNTY ASSEMBLY STAFF CAR  
LOAN AND MORTGAGE FUND

FOR THE YEAR ENDED  
30 JUNE, 2020

PAPERS LAID	
DATE	1/3/2022
TABLED BY	LEADER OF MAJORITY
COMMITTEE	—
CLERK AT THE TABLE	M-ADJIBO ODU

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**REPUBLIC OF KENYA**  
**NYANDARUA COUNTY ASSEMBLY**



**OFFICE OF THE CLERK**

Office Tel: 020-2195542; Mobile: 0706-116880  
P.O. Box 720-20303- OL KALOU

Building: Former Ol Kalou Town Council  
Email: [nyandaruaassembly@gmail.com](mailto:nyandaruaassembly@gmail.com)  
Email: [clerk@assembly.nyandarua.go.ke](mailto:clerk@assembly.nyandarua.go.ke)

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**NYANDARUA COUNTY ASSEMBLY**  
**STAFF CAR LOAN AND MORTGAGE FUND**  
**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)







*Nyandarua County Assembly Staff Car Loan And Mortgage Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**TABLE OF CONTENTS**

<b>TABLE OF CONTENTS</b>	<b>2</b>
1. KEY ENTITY INFORMATION AND MANAGEMENT	3
2. BOARD/FUND CHAIRPERSON’S REPORT	5
3. REPORT OF THE FUND ADMINISTRATOR	6
4. MANAGEMENT DISCUSSION AND ANALYSIS	7
5. REPORT OF INDEPENDENT EXTERNAL AUDITOR	8
6. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES	9
7. FINANCIAL STATEMENTS	10
7.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2020.....	10
7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020.....	11
7.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020 .....	12
7.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020 .....	14
7.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2020.....	15
7.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	16
7.7. NOTES TO THE FINANCIAL STATEMENTS .....	29



**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Nyandarua County Assembly Staff Car loan and Mortgage Fund was incorporated/ established under the PFM Act on 30<sup>th</sup> April 2016 and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars. The Fund is wholly owned by the County Assembly of Nyandarua and is domiciled in Kenya.

**b) Principal Activities**

The principal activities of Nyandarua County Assembly Fund is to grant car loans and Mortgages to the civil servants employed by the County Assembly of Nyandarua at a rate prescribed by the Salaries and Remuneration commission

**c) Fund Administration Committee**

Nyandarua County Assembly Staff Car loan and Mortgage fund is administered by a committee car loan and Mortgage fund committee. The key management personnel who compose the membership of the committee and who held office during the financial year ended 30<sup>th</sup> June 2020 were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Speaker /Chairman	<b>James Ndegwa Wahome</b>
2.	Accounting Officer	<b>Stephen Muriithi Wairimu</b>
3.	Member	<b>Charles Wahinya Wambui</b>
4.	Member	<b>John Kabue Kahinga</b>
5.	Member	<b>Moses Kinyua Mbuthia</b>

**d) Registered Offices**

P.O. Box 720-20303  
Assembly Chambers Building  
Olkalou- Nairobi Highway  
Olkalou, Kenya

**e) Fund Contacts**

Telephone: (254)706116880  
E-mail: [clerk@assembly.nyandarua.go.ke](mailto:clerk@assembly.nyandarua.go.ke)  
Website: [www.nyandaruaassembly.go.ke](http://www.nyandaruaassembly.go.ke)





**f) Fund Bankers**

Equity Bank Limited

Olkalou Branch

P.O. Box 215-20303

Olkalou-Kenya

**g) Independent Auditors**

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**h) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya





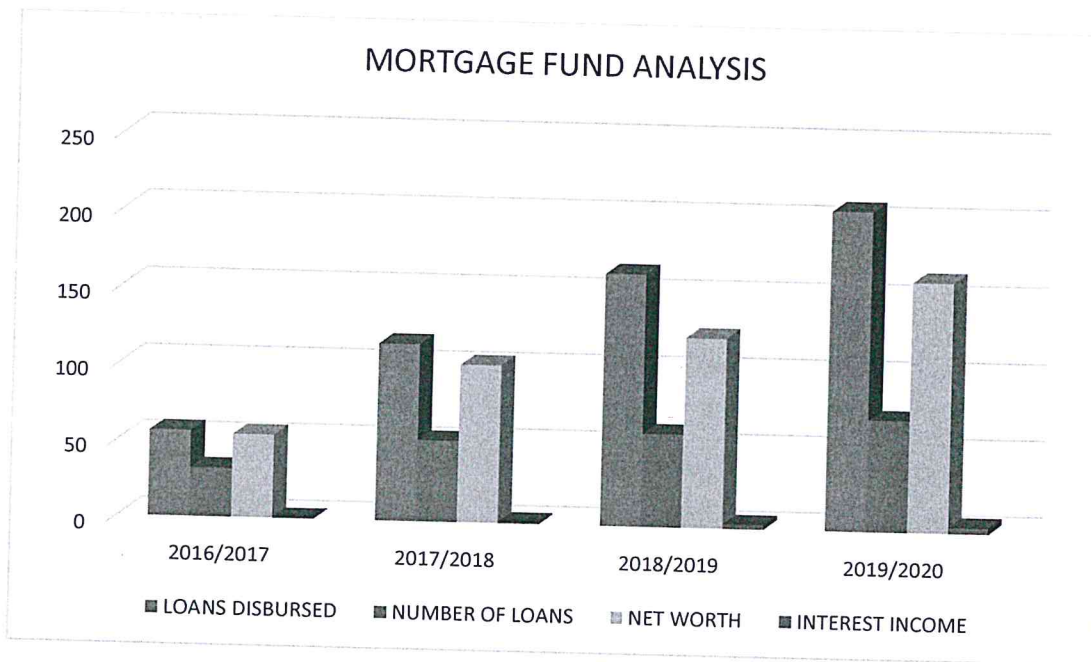




**4. MANAGEMENT DISCUSSION AND ANALYSIS**

In the year the Fund portfolio increased from Ksh 164.55 Million to Kshs 208.25 Million representing 26.56% growth rate. In terms of numbers, thirteen new loans were disbursed as compared to eight disbursed in the FY 2018/2019 which represents 62.5 % growth.

In the financial year under review, the Fund received Ksh 35.19 Million from the Exchequer where the entire amount was transferred to the Nyandarua County Assembly staff Car loan and Mortgage Fund on need basis. Interest Income earned from loans increased from Ksh 3,041,040.88 in the FY 2018/2019 to Ksh 4,187,523.77 in the FY2019/2020. In conclusion the Fund has shown steady growth in net worth from Kshs 20 Million in the first year of operation to Kshs 163.044 Million in the year under review.







**6. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County assembly who is the administrator of the Nyandarua Staff Car Loan and Mortgage Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. 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 Nyandarua Staff Car Loan and Mortgage 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. The Administrator 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 financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 11/12 2020 and signed on its behalf by:



\_\_\_\_\_  
Administrator of the County Assembly Staff Car Loan and Mortgage Fund





# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Nyandarua County Assembly Staff Car Loan and Mortgage Fund set out on pages 10 to 31, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of 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, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nyandarua County Assembly Staff Car Loan and Mortgage Fund (Amendment) Regulations, 2016.

#### **Basis for Qualified Opinion**

##### **1.0 Interest Income**

The statement of financial performance for the year ended 30 June, 2020 reflects revenue from exchange transactions of Kshs.4,187,524 being interest income as detailed under note 1. However, examination of the payroll and staff members' ledgers revealed that the interest deducted during the year under review was, Kshs.2,568,000 leading to a variance of Kshs.1,619,524 which has not been explained.

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*Report of the Auditor-General on Nyandarua County Assembly Staff Car Loan and Mortgage Fund for the year ended 30 June, 2020*



Consequently, the accuracy and completeness of the interest income of Kshs.4,187,524 for the year ending 30 June, 2020 could not be confirmed.

## **2.0 Unsupported Long-Term Receivables from Exchange Transactions**

The statement of financial position as at 30 June, 2020 reflects long-term receivables from exchange transactions of Kshs.160,658,659. The amount is in respect of principal loan balances held by the Fund members. However, the schedule of loan holders does not indicate for each member, the opening balance, subsequent interest and repayments in the year and the closing balance. In addition, the schedule included two members who received loans totaling to Kshs.4,400,000 in the month of July, 2020.

Consequently, the accuracy and completeness of long-term receivables from exchange transactions of Kshs.160,658,659 as at 30 June, 2020 could not be confirmed.

## **3.0 Unsupported Current Receivables from Exchange Transactions**

The statement of financial position as at 30 June, 2020 reflects current receivables from exchange transactions of Kshs.1,646,745. The amount is in respect of loan balances payable by Fund members within the next one year. However, no schedule of loan holders was provided to support the balance.

Consequently, the accuracy and existence of current receivables from exchange transactions of Kshs.1,646,745 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyandarua County Assembly Staff Car Loan and Mortgage 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 qualified 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 procedures performed, except for the matters described in the Conclusion on Lawfulness and Effectiveness



in use of Public Resources sections of my report, I confirm that, nothing else 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**

### **1. Fund Administration Expenses Limit**

The statement of comparison of budget and actual amount for the year ended 30 June, 2020 reflects final budget of total income of Kshs.4,187,524. The statement also shows that the actual expenditure on fund administration expenses was Kshs.1,587,100, which is 38% of the income. This is contrary to Regulation 197(1)(d) of the County Government Financial Regulations which provides that the administration costs of the Fund shall be a maximum of three (3%) percent of the approved budgets of the Fund.

Consequently, the Management is in breach of the law.

### **2.0 Registration of Properties**

#### **2.1 Mortgage Properties**

It was noted that the Fund issued mortgage loans of sum Kshs.18,100,000 to four members to acquire real estate properties in the period between June, 2018 and November, 2019. However, the properties acquired were not jointly registered as required by Regulation 16(1) of Nyandarua County Assembly Staff Car Loan and Mortgage Fund (Amendment) Regulations, 2016 which states that the officer administering the Fund through the committee shall have a charge registered on the mortgage property financed through a loan granted under these regulations and shall cause the name of the Nyandarua County Assembly Service Board to be entered in all documents of title for such property.

Consequently, the Management is in breach of the law.

#### **2.2 Motor Vehicle**

It was noted that the Fund issued a car loan of Kshs.1,000,000 to a member, in the month of September, 2016 to purchase a vehicle. However, no evidence has been provided to show that the vehicle is jointly registered in accordance with Regulation 16(2) of Nyandarua County Assembly Staff Car Loan and Mortgage Fund (Amendment) Regulations, 2016 which states that the log book of a vehicle subject to a loan from the Fund shall be issued jointly between the Nyandarua County Assembly Service Board and the borrower and shall be kept in the custody of the officer administering the Fund until the loan is repaid in full by the borrower.

Consequently, the Management is in breach of the law.

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 SYSTEMS AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matter described in the Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Failure to Develop Risk Management Strategy**

The Nyandarua Assembly Staff Car Loan and Mortgage Fund has not developed risk management strategies. This is contrary to Section 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that 'the Accounting Officer shall ensure that (a) the county government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the county government entity develops a system of risk management and internal control that builds robust business operations. Failure to develop a risk management strategy may impair the effectiveness in managing a robust business operation of the Fund.

Consequently, the Management did not comply with the Law and its effectiveness in mitigating risks.

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 those Charged with Governance**

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 Fund's 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 cease operations.



Management is also responsible for the submission of the Fund's 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 Fund's 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 Fund's 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 Fund's financial statements, a compliance audit 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 Fund's 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 non-compliance. 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 the 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 Fund's 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 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 sustain its services.
- Evaluate the overall presentation, structure and content of the Fund's 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 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 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**

**02 February, 2022**






**Nyandarua County Assembly Staff Car Loan And Mortgage Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**


**7. FINANCIAL STATEMENTS**

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

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
<b>Revenue from exchange transactions</b>			
Interest income	1	4,187,524	3,041,041
Other income		-	-
<b>Total revenue</b>		<b>4,187,524</b>	<b>3,041,041</b>
<b>Expenses</b>			
Fund administration expenses		1,587,100	856,400
Staff Costs			
General expenses – Bursary awards		-	-
Finance costs/bank Charges	2	10,930	7,090
<b>Total expenses</b>		<b>1,598,030</b>	<b>863,490</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets		-	-
<b>Surplus/( deficit) for the period</b>		<b>2,589,494</b>	<b>2,177,551</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 14/12 2020 and signed by:

  
 Administrator of the Fund  
 Stephen Muriithi Wairimu

  
 Fund Accountant  
 Dominic Chege Wacera  
 ICPAK Member Number: 15593





*Nyandarua County Assembly Staff Car Loan And Mortgage Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	No te	FY2019/2020 KShs	FY2018/2019 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	740,479	3,705,823
Current portion of long term receivables from exchange transactions		1,646,745	486,766
Prepayments		-	-
Inventories		-	-
<b>Non-current assets</b>			
Property, plant and equipment		-	-
Intangible assets		-	-
Long term receivables from exchange transactions	4	160,658,659	121,067,806
<b>Total assets</b>		<b>163,045,883</b>	<b>125,260,395</b>
<b>Net assets</b>			
Revolving Fund		155,910,758	120,714,763
Reserves		-	-
Accumulated surplus		7,135,125	4,545,632
<b>Total net assets and liabilities</b>		<b>163,045,883</b>	<b>125,260,395</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 11/12 2020 and signed by:

  
 Administrator of the Fund  
 Stephen Muriithi Wairimu

  
 Fund Accountant  
 Dominic Chege Wacera  
 ICPAK Member Number: 15593



*Nyandarua County Assembly Staff Car Loan And Mortgage Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**7.3. 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 2016</b>	<b>20,000,000</b>	-	-	<b>20,000,000</b>
Surplus/(deficit) for the period	-	-	899,688	899,688
Funds received during the year	33,413,763	-	-	33,413,763
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>53,413,763</b>	-	<b>899,688</b>	<b>54,313,451</b>
<b>Balance as at 1 July 2017</b>	<b>53,413,763</b>	-	<b>899,688</b>	<b>54,313,451</b>
Surplus/(deficit) for the period	-	-	1,468,393	1,468,393
Funds received during the year	47,301,000	-	-	47,301,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>100,714,763</b>	-	<b>2,368,081</b>	<b>103,082,844</b>
<b>Balance as at 1 July 2018</b>	<b>100,714,763</b>	-	<b>2,368,081</b>	<b>103,082,844</b>
Surplus/(deficit) for the period	-	-	2,177,551	2,177,551
Funds received during the year	20,000,000	-	-	20,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>120,714,763</b>	-	<b>4,545,632</b>	<b>125,260,395</b>
<b>Balance as at 1 July 2019</b>	<b>120,714,763</b>	-	<b>4,545,632</b>	<b>125,260,395</b>
Surplus/(deficit) for the period	-	-	2,589,494	2,588,174
Funds received during the year	35,195,995	-	-	35,195,995
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>155,910,758</b>	-	<b>7,135,125</b>	<b>163,045,883</b>





***Nyandarua County Assembly Staff Car Loan And Mortgage Fund***  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

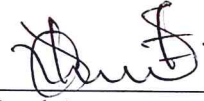
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11/12 2020 and signed by:



---

Administrator of the Fund  
Stephen Muriithi Wairimu



---


Fund Accountant  
Dominic Chege Wacera  
ICPAK Member Number: 15593




**Nyandarua County Assembly Staff Car Loan And Mortgage Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**7.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received	1	4,187,524	3,041,041
Receipts from other operating activities		-	-
<b>Total Receipts</b>		<b>4,187,524</b>	<b>3,041,041</b>
<b>Payments</b>			
Fund administration expenses		-	-
General expenses		1,587,100	856,400
Finance cost	2	10,930	7,090
<b>Total Payments</b>		<b>1,598,030</b>	<b>863,490</b>
<b>Net cash flows from operating activities</b>		<b>2,589,494</b>	<b>2,177,551</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		19,228,258	14,113,463
Loan disbursements paid out		(60,090,000)	(35,509,819)
<b>Net cash flows used in investing activities</b>		<b>- 40,861,742</b>	<b>-21,396,356</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		35,195,995	20,000,000
Additional borrowings			1,659,114
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>35,195,995</b>	<b>21,659,114</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-3,077,573</b>	<b>2,440,309</b>
Cash and cash equivalents at 1 JULY		3,705,823	1,265,515
<b>Cash and cash equivalents at 30 JUNE</b>		<b>740,479</b>	<b>3,705,823</b>

  
 Administrator of the Fund  
 Stephen Muriithi Wairimu

  
 Fund Accountant  
 Dominic Chege Wacera  
 ICPAK Member Number: 15593

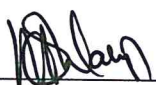



*Nyandarua County Assembly Staff Car Loan And Mortgage Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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

	Original budget	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	
<b>Revenue</b>					
Public contributions and donations	-	-	-	-	
Interest income	4,187,524	4,187,524	4,187,524	-	100%
Other income	-	-	-	-	
<b>Total income</b>	<b>4,187,524</b>	<b>4,187,524</b>	<b>4,187,524</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>					
Fund administration expenses	1,587,100	1,587,100	1,587,100	-	100%
Staff costs	-	-	-	-	
General expenses	-	-	-	-	
Finance cost	10,930	10,930	10,930	-	100%
<b>Total expenditure</b>	<b>1,598,030</b>	<b>1,598,030</b>	<b>1,598,030</b>	<b>-</b>	<b>3%</b>
<b>Surplus for the period</b>	<b>2,589,494</b>	<b>2,589,494</b>	<b>2,589,494</b>	<b>-</b>	<b>97%</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 11/12 2020 and signed by:

  
 Administrator of the Fund  
 Stephen Muriithi Wairimu

  
 Fund Accountant  
 Dominic Chege Wacera  
 ICPAK Member Number: 15593





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

<b>Standard</b>	<b>Effective date and impact:</b>
The entity did not early – adopt any new or amended standards in year 2020.	The entity did not early – adopt any new or amended standards in year 2020.

**b) Early adoption of standards**

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

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.





**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*

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.



**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 a entity of financial assets is impaired. A financial asset or a 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 a 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.

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.





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

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

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

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

**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.

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

***Contingent liabilities***

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



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

*Contingent assets*

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

**10. Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. There were no reserves held for the fund as at 30<sup>th</sup> June 2018

**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.

**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.





**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. Further, the interest income has been standardized for all the months.

**18. Events after the reporting period**

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

**19. Ultimate and Holding Entity**

The entity is a County Public Fund established by PFM Act 2012. Its ultimate parent is the County Government of Nyandarua.

**20. Currency**

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



**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**

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

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





**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 company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
<b>As At 30 June 2020</b>				
Receivables from exchange transactions	-	-		
Receivables from non exchange transactions	160,658,659	160,658,659		
Bank balances	739,159	739,159		
<b>Total</b>	<b>161,397,818</b>	<b>161,397,818</b>		
<b>As At 30 June 2019</b>				
Receivables from exchange transactions	-	-		
Receivables from non exchange transactions	121,067,806	121,067,806		
Bank balances	3,705,823	3,705,823		
<b>Total</b>	<b>124,773,629</b>	<b>124,773,629</b>		



**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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk on amounts due

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				
Provisions				
Employee benefit obligation				
<b>Total</b>				





**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:

		Other currencies	Total
	KShs	KShs	KShs
<b>At 30 June 2019</b>			
Financial assets (investments, cash ,debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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



**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>2019</b>			
Euro	10%		
USD	10%		
<b>2018</b>			
Euro	10%		
USD	10%		

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





**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:

	2020	2019
	KShs	KShs
Revaluation reserve		
Revolving fund	155,909,758	120,714,763
Accumulated surplus	7,133,805	4,545,632
<b>Total funds</b>	<b>163,043,563</b>	<b>125,260,395</b>
Total borrowings		
Less: cash and bank balances	740,479	3,705,823
Net debt/(excess cash and cash equivalents)	(740,479)	(3,705,823)
<b>Gearing</b>	<b>0.4533%</b>	<b>2.745%</b>



**7.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Interest income**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Interest income from mortgage loans	4,102,512	3,041,041
Interest income from car loans	85,012	
<b>Total interest income</b>	<b>4,187,524</b>	<b>3,041,041</b>

**2. Finance costs**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Bank Charges	12,250.00	7,090
<b>Total</b>	<b>12,250.00</b>	<b>7,090</b>

**3. Cash and cash equivalents**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Equity Bank AC Number 0620267678184	740,479	3,705,823
<b>Total cash and cash equivalents</b>	<b>740,479</b>	<b>3,705,823</b>





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

**4. Receivables from exchange transactions**

<b>Description</b>	<b>FY2019/2020</b>	<b>FY2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
<b>Non Current receivables</b>		
Long term loan repayments due	160,658,659	121,067,806
<b>Total Non current receivables</b>	<b>160,658,659</b>	<b>121,067,806</b>
<b>Total receivables from exchange transactions</b>	<b>160,658,659</b>	<b>121,067,806</b>



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

**5. Cash generated from operations**

	FY2019/2020	FY2018/2019
	KShs	KShs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>		
Depreciation		
Gains/ losses on disposal of assets		
Interest income	4,187,524	3,041,041
Finance cost	(12,250)	(7,090)
Staff costs	(1,587,100)	(856,400)
<b>Working Capital adjustments</b>		
Increase in inventory		
Increase in receivables		
Increase in payables		
<b>Net cash flow from operating activities</b>	<b>2,588,174</b>	<b>2,177,551</b>

**6. Administration expenses**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Administration expenses	1,587,100	856,400
<b>Total Administrative expenses</b>	<b>1,587,100</b>	<b>856,400</b>





***Nyandarua County Assembly Staff Car Loan And Mortgage Fund***  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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