REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KIAMBU COUNTY YOUTH, WOMEN AND PEOPLE WITH DISABILITY ENTERPRISE DEVELOPMENT FUND (KIAMBU COUNTY JIJENGE FUND)

FOR THE YEAR ENDED 30 JUNE, 2019

30 SEP 2019

COUNTY GOVERNMENT OF KIAMBU

KIAMBU COUNTY JIJENGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR

THE FINANCIALYEAR ENDED
JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a)Background information

Kiambu Jijenge Fund is established by and derives its authority and accountability from PFM Act and Kiambu County 'The Kiambu Jijenge Fund Act 2018'. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

The fund's objective is to empower the youth, women and persons with disabilities from all wards to access capital for enterprise start-ups, local purchase order/local service order, expansion of already existing businesses, asset financing and Agri-business financing.

b) Principal Activities

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

- Providing access to capital and financing facilities to micro and small enterprises owned by the youth, women and persons with disabilities resident in the County.
- attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure;
- supporting youth, women and persons with disabilities oriented micro and small enterprises to develop linkages with large enterprises;
- providing technical assistance in product and market development
- facilitating training, mentorship and the provision of business development services to youth, women and persons with disabilities entrepreneurs in the County
- facilitating technology acquisition, adoption and utilization for beneficiaries under this Fund

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	N/A	
2		

d) Key Management

Ref	Name	Position
1	PENINAH NJOKI	CHIEF OFFICER YOUTH AFFAIRS & SPORTS
2	JOHN GITAU MWANGI	Ag. FUND DIRECTOR
3	DANSON MBUGUA	FUND ADMINISTRATOR
4	WILLIAM KIMANI	CHIEF OFFICER FINANCE &ECONOMIC PLANNING

e) Registered Offices

P.O. Box 2344-00900
Kiambu, KENYA

f) Fund Contacts

Telephone: (254) 0675858141
Email:enterprisefund@yas.kiambu.go.ke
Website: www.kiambu.go.ke

g) Fund Bankers

1. Kenya Commercial Bank
   Kiambu branch

2. Rafiki Microfinance
   Thika Branch, Kenya

3. Family Bank
   Thika Branch, Kenya

h) Independent Auditors

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

i) Principal Legal Adviser

County Attorney
P.O. Box 2344-00900
Kiambu, Kenya

2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)

Name	Details of qualifications and experience

3. MANAGEMENT TEAM

Name	Details of qualifications and experience
 PENINAH NJOKI KAMAU	Chief Officer Youth,Sports and Communication. Account Signatory DOB: 1993 BCOM
 JOHN GITAU MWANGI	Ag.Fund Director DOB:11/07/1977 MBA CPA-K
 DANSON MBUGUA GAKUBU	Fund Administrator Account Signatory DOB:14/09/1990 BBA CPA
 WILLIAM KINYANJUI KIMANI	Chief Finance Officer Account Signatory D0B :25/08/1977 MBA CPA-K
Note: *The Fund Administrator will feature under both the 'Board' and 'Management'.*	

4. BOARD/FUND CHAIRPERSON'S REPORT

The ***Kiambu County Jijenge Fund*** was established through the Kiambu County Jijenge Fund Act, of June 2018. The fund was officially launched by H.E. The Governor on Tuesday 9th April 2019 with members of County Assembly, stakeholders and members of the public invited to witness the occasion and there after the application forms were distributed to all the Sixty Wards.
The Fund has set aside Ksh 90 Million to be allocated equally in all the Sixty Wards translating to Ksh 1.5 Million per ward. This is the balance carried forward from the financial year 2018/2019 and also forming the balance from the previous Kiambu County Youth, Women and Persons with Disabilities Enterprise Development Fund.

The fund missed its allocation of Ksh 100 Million in the last financial year however it has an allocation of Ksh 100 Million in this FY 2019/2020 which will add the ward allocation another Ksh 1.5 Million to make it a total of Ksh 3 Million revolving in the ward.
The Fund is currently doing capacity building to ward residents upon invitation by the area Member of County Assembly and so far we have conducted them in three wards namely:-

i. Cianda ward on 24th June 2019
ii. Ngecha Tigoni ward on 1st July 2019
iii. Lari Kirenga ward on 9th Tuesday 2019

The Fund is currently receiving application forms through the Sub County youth officers who will act as Credit officers before recruitment who have been trained on initial vetting of the application forms to check on the fulfillment of the minimum requirements and communicate the same to the applicants where there are gaps to avoid delays in processing the application forms.

5. REPORT OF THE FUND ADMINISTRATOR

Kiambu Jijenge Fund have cumulatively disbursed approximately Ksh 265M since its inception in the FY 2014/2015 with about 4,600 youths, women and persons with disabilities benefitting either individually or in groups.
Majority of this disbursement was asset financing with main the main assets and products being Bodabodas, Water tanks, dairy cows, green houses, poultry farming, pig farming etc. There was also a component of value addition funding and existing business stock boost funding.

The fund also has defaulted loans amounting to approximately 25% of the total amount of fund disbursed though most of this defaulters have been listed with the Credit Reference Bureau (CRB) and the fund is exploring all ways to recover the defaulted loans

The Fund did not disburse any loan in this financial year ending June 30th 2019 and also missed on the financial year budgetary allocation of Ksh 100M.

The previous Act had limited the Fund in investing its moneys to earn interests outside its core objective so it's was only administering the funds allocated through the County budgetary provisions though being a revolving fund the budgetary allocations continues to revolve less the administration expenditure as evidenced in the total budgetary allocation of Ksh 250M since inception and a disbursement of Ksh 265M. i.e 1.06% of its total allocation without deducting the administrative costs incurred. The Fund used to charge a one off administrative fee of 5% which was retained by the nominated financial institutions as its administrative costs and therefore no income was been generated by the fund. This signifies a huge milestone of the fund in utilization of the funds.
The FY 2019/2020 allocation is Ksh 100M which will be added to the existing balances for continuous disbursement under the new Act, The Kiambu County Jijenge Fund Act 2018, the Fund will still continue to empower the Youths, Women, Vulnerable persons and Persons with disabilities by promotion of self-employment, promotion of enterprise development and establishing a framework for investing in and facilitating growth of micro and small enterprises to spur economic growth in the county of Kiambu.

The new Act also allows for investments of unutilized funds to generate more money for the Fund through interests earned and will ensure money is placed in call deposits and called back on a need basis to earn extra income for the fund to continuously make it a revolving fund.

New products will be developed to cope with the existing needs of the targeted persons while increasing the lending base while also aiming to reduce the bad loans provisions.

Yearly budgetary allocations will be increased with the aim of creating a large funding portfolio for the benefits of the residents of Kiambu County.

Danson M Gakubu

Fund Administrator

6. CORPORATE GOVERNANCE STATEMENT

Two-to-three pages

(Under this section, include the number of Board meetings held and the attendance to those meetings by members, succession plan, existence of a board charter, process of appointment and removal of trustees, roles and functions of the Board, induction and training, board and member performance, conflict of interest, board remuneration, ethics and conduct as well as governance audit.)

7. MANAGEMENT DISCUSSION AND ANALYSIS

Kiambu Jijenge Fund have cumulatively disbursed approximately Ksh 265M since its inception in the FY 2014/2015 with about 4,600 youths, women and persons with disabilities benefitting either individually or in groups.

Majority of this disbursement was asset financing with main the main assets and products being Bodabodas, Water tanks, dairy cows, green houses, poultry farming, pig farming etc. There was also a component of value addition funding and existing business stock boost funding.

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The FY 2019/ 2020 allocation is Ksh 100M which will be added to the existing balances for continuous disbursement under the new Act, The Kiambu County Jijenge Fund Act 2018, the Fund will still continue to empower the Youths, Women, Vulnerable persons and Persons with disabilities by promotion of self-employment, promotion of enterprise development and establishing a framework for investing in and facilitating growth of micro and small enterprises to spur economic growth in the county of Kiambu.

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New products will be developed to cope with the existing needs of the targeted persons while increasing the lending base while also aiming to reduce the bad loans provisions.

Yearly budgetary allocations will be increased with the aim of creating a large funding portfolio for the benefits of the residents of Kiambu County.

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Two-to-three pages

(The Fund gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation conserves the environment, promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives).

9. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are *(continue to be)* ….

Results

The results of the Fund for the year ended June 30, 2018 are set out on page ….

Trustees

The members of the Board of Trustees who served during the year are shown on page xxx *(refer to the key entity information and management page)*. The changes in the Board during the financial year are as shown below:

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. OR [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2019 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board

XXX

Member of the Board

Date: ________________

10. 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 established by Kiambu County Youth, Women And People With Disability Enterprise Development Fund *Act* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Youth, Women And People With Disability Enterprise Development Fund. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2019, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund*'s* financial statements were approved by the Board on 25th September 2019 and signed on its behalf by:

Administrator of the County Public Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY YOUTH, WOMEN AND PEOPLE WITH DISABILITY ENTERPRISE DEVELOPMENT FUND (KIAMBU COUNTY JIJENGE FUND) FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge Fund) set out on pages 14 to 33, which comprise the statement of financial position as at 30 June, 2019, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge Fund) as at 30 June, 2019, 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 do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Presentation and Disclosure of the Financial Statements

The following information have not been provided in these financial statements:

(i) Corporate Governance Statement
(ii) Corporate Social Responsibility Statement/Sustainability Reporting
(iii) Report of Trustees
(iv) Progress on follow up on auditor recommendations

Consequently, the financial statements for the year ended 30 June, 2019 do not comply with the reporting guidelines prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Fund Administration Expenses

2.1 Variance

The statement of financial performance for the year ended 30 June, 2019 reflects Fund administration expenses of Kshs.22,152,455.45 which is at variance with an amount of Kshs.18,751,801.45 shown in the corresponding Note 3 to the financial statements as loan write off. The resulting variance of Kshs.3,400,654 was not explained or reconciled.

2.2 Unsupported Amount

Included in administration expenses of Kshs.22,152,455.45 is an amount of Kshs.3,253,750 in respect of consultative meetings held during the year ended 30 June, 2019. However, the expenses were not supported by relevant documentary evidence including travel documents, authority and signed attendance registers.

Consequently, the propriety and completeness of the fund administration expenses of Kshs.22,152,455.45 for the year ended 30 June, 2019 could not be confirmed.

3. Variance in Staff Costs

The statement of financial performance reflects nil balance for staff costs for the year under review. However, Note 4 to the financial statements reflects staff cost of Kshs.3,400,654 resulting to a variance of Kshs.3,400,654 which was not explained or reconciled.

Consequently, the accuracy and completeness of staff costs for the year ended 30 June, 2019 could not be confirmed.

4. Non-Disclosure of Outstanding Loans

Examination of records relating to loans issued revealed that an amount of Kshs.217,803,818 had been disbursed to loanees since inception in the year 2015. However, detailed schedule of repayments, interest earned and outstanding balances were not provided for audit verification. Further, the outstanding balances have not been disclosed in these financial statements.

Consequently, the accuracy and completeness of the outstanding loans as at 30 June, 2019 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge Fund) 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 adverse 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, because of significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Loss of County Funds through Loan Write Offs

Examination of records relating to loans issued revealed that the Fund had accumulated loans' write offs totaling Kshs.62,405,342.45 for three financial years 2016/2017, 2017/2018, 2018/2019 of Kshs.18,751,801.45, Kshs.15,514,496 and Kshs.28,139,045 respectively. As previously reported, records indicate that an equivalent amount was transferred from the Kiambu County Executive Main Account to the Guaranteed Fund Account which was used to disburse loans to the loanees who defaulted in paying back the loans leading to loss of funds.

2. Change of Official Name of the Fund

The financial statements presented for audit reflected on the header a different name of Kiambu County Jijenge Fund while the other information referred to Kiambu County Youth, Women and People with Disability Fund. No explanation was provided for the inconsistency in official name of the Fund.

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, because of significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm 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 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 effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge Fund) to sustain 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.

Those charged with governance are responsible for overseeing the 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 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 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 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 Fund's 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 going concern 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 ability of Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge Fund) 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 sustaining 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 Kiambu County Youth, Women and People With Disability Enterprise Development Fund (Kiambu County Jijenge 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.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

08 October, 2021

11. FINANCIAL STATEMENTS

11.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	102,784,352.13	83,594,552.93
		102,784,352.13	**83,594,552.93**
Revenue from exchange transactions			
Other income	2	1,055,056.91	41,797,545.30
		1,055,056.91	**41,797,545.30**
Total revenue		**103,839,409.04**	**125,392,098.23**
Expenses			
Fund administration expenses	3	22,152,455,45	15,514,496.10
Staff Costs	4		4,933,250.00
General expenses	5	2,264,400.00	2,160,000.00
Total expenses		**24,416,855.45**	**22,607,746.10**
Other gains/losses			
Surplus/(deficit) for the period		**79,422,553.59**	**102,784,352.13**

The notes set out on pages 32 to 33 form an integral part of these Financial Statements

11.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	FY2018/2019 KShs	FY2017/2018 KShs
Assets			
Current assets			
Cash and cash equivalents	6	182,206,905.72	102,784,352.13
Total assets		**182,206,905.72**	**102,784,352.13**
Liabilities			
Total liabilities		**00**	**00**
Net assets		182,206,905.72	102,784,352.13
Total net assets and liabilities		**182,206,905.72**	**102,784,352.13**

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 25th September 2019 and signed by:

Administrator of the Fund
Name: DANSON M GAKUBU

Chief Officer Youth &Sports
Name: PENINAH NJOKI

11.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2017	**83,784,352.13**	-	-	**83,784,352.13**
Surplus/(deficit) for the period	19,000,000.00	-	-	**19,000,000.00**
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	**102,784,352.13**	-	-	**102,784,352.13**
Balance as at 1 July 2018	**102,784,352.13**	-	-	**102,784,352.13**
Surplus/(deficit) for the period	-	-	79,422,553.59	**79,422,553.59**
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	**102,784,352.13**	-	**79,422,553.59**	**182,206,905.72**

11.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	FY2018/2019 KShs	FY2017/2018 KShs
Cash flows from operating activities			
Receipts			
Receipts from other operating activities	2	103,839,409.04	41,797,545.30
Total Receipts		**103,839,409.04**	**41,797,545.30**
Payments			
Fund administration expenses	3	22,152,455.45	15,514,496.10
Staff costs	4		4,933,250.00
General expenses	5	2,264,400.00	2,160,000.00
Total Payments		**24,416,855.45**	**22,607,746.10**
Net cash flows from operating activities		**79,422,553.59**	**19,189,799.20**
Cash flows from investing activities			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		**79,422,553.59**	**19,189,799.20**
Cash and cash equivalents at 1 JULY	6	102,784,352.13	83,594,552.93
Cash and cash equivalents at 30 JUNE	6	**182,206,905.72**	**102,784,352.13**

11.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2019	2019	2019	2019	2019	2019
Revenue	**KShs**	**KShs**	**KShs**	**KShs**	**KShs**	
Transfers from County Govt.	102,784,352.133	-	102,784,352.13	102,784,352.13	0	
Other income	1,055,056.91	-	1,055,056.91	1,055,056.91	0	
Total income	**103,839,409.04**	-	**103,839,409.04**	**103,839,409.04**	0	
Expenses		-				
Fund administration	22,152,455.45	-	22,152,455.45	22,152,455.45	0	100
Staff costs		-				
General expenses	2,264,400.00	-	2,264,400.00	2,264,400.00	0	100
Total expenditure	**24,416,855.45**	-	**24,416,855.45**	**24,416,855.45**	**0**	**100**
Surplus for the period	**79,422,553.59**	-	**79,422,553.59**	**79,422,553.59**	**0**	

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 2018

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	**Applicable: 1st January 2018** The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	**Applicable: 1st January 2019:** 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 which are covered purely under Public Sector combinations as amalgamations.

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2018.

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 2018/2019 was approved by the County Assembly on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of xxxxx on the 2018-2019 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

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.

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.

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.

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.

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.

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.

19. Ultimate and Holding Entity

The entity is a County Public Fund established by Youth, Women and Persons with Disability Enterprise Development Act 2014 under the Ministry of Youth Affairs, Sports &Communications. Its ultimate parent is the County Government of Kiambu.

20. Currency

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

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.

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
At 30 June 2019				
Receivables from exchange transactions	00	00	00	00
Receivables from non exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	**00**	**00**	00	**00**
At 30 June 2018				
Receivables from exchange transactions	00	00	00	00
Receivables from non exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	**00**	00	**00**	00

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 significant concentration of credit risk on amounts due from xxxx

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
At 30 June 2019				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	**00**	00	00	00
At 30 June 2018				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	**00**	**00**	**00**	**00**

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
At 30 June 2019			
Financial assets (investments, cash ,debtors)	00	00	00
Liabilities			
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	**00**	00	**00**

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.

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
2019			
Euro	10%	00	00
USD	10%	00	00
2018			
Euro	10%	00	00
USD	10%	00	00

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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2019: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2019 – KShs xxx)

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 KShs		2018 KShs
Revaluation reserve	00		00
Revolving fund	00		00
Accumulated surplus	00		00
Total funds	**00**		**00**
Total borrowings	00		00
Less: cash and bank balances	(00)		(00)
Net debt/(excess cash and cash equivalents)	00		00
Gearing	0%		0%

11.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Balance B/F	102,784,352.13	83,594,552.93
Total	**102,784,352.13**	**83,594,552.93**

2. Other income

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Loan Repayments	1,055,056.91	41,797,545.30
Total other income	**1,055,056.91**	**41,797,545.30**

3. Fund administration expenses

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Loan processing costs	00	00
Loan write off	18,751,801.45	15,514,496.10
Total	**18,751,801.45**	**15,514,496.10**

4. Staff costs

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Staff training expenses	3,400,654.00	404,860.00
Other staff costs	00	4,528,390.00
Total	**3,400.654.00**	**4,933,250.00**

5. General Expenses

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Printing and stationery	0	00
Other expenses	2,264,400.00	2,160,000.00
Total	**2,264,400.00**	**2,160,000.00**

6. Cash and cash equivalents

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Current account	182,206,905.72	102,784,352.13
Total cash and cash equivalents	**182,206,905.72**	**102,784,352.13**

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

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

Financial institution	Account number	FY2018/2019 KShs	FY2017/2018 KShs
Current account			
Kenya Commercial bank	1200767527	20,951,309.80	1,695,756.60
Rafiki Microfinance	0061004000031	157,899,808.64	100,733,564.25
Family Bank	005000047657	3,355,787.28	355,031.28
Sub- total		**182,206,905.72**	102,784,352.13
Grand total		**182,206,905.72**	**102,784,352.13**

7. 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