*Revised Template:30th June 2021*



**International Public Sector Accounting Standards (IPSAS)**

**Financial Reporting Template for**

***Technical Vocational Education Training (TVET) Institutions, National Polytechnics and Teacher Training Colleges***

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET), NATIONAL POLYTECHNIC OR TEACHER TRAINING COLLEGE**

*(Indicate actual name of the Institution)*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED**

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

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

Table of Contents

[KEY ENTITY INFORMATION AND MANAGEMENT ii](#_Toc74297208)

[KEY ENTITY INFORMATION AND MANAGEMENT (Continued) iv](#_Toc74297209)

[THE COUNCIL/BOARD OF GOVERNORS v](#_Toc74297210)

[MANAGEMENT TEAM v](#_Toc74297211)

[MANAGEMENT DISCUSSION AND ANALYSIS vi](#_Toc74297212)

[STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS’ RESPONSIBILITIES viii](#_Toc74297213)

[REPORT OF THE INDEPENDENT AUDITOR ON THE *ENTITY* (*specify entity name*) ix](#_Toc74297214)

[IV. STATEMENT OF FINANCIAL PERFORMANC FOR THE PERIOD ENDED SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX 1](#_Toc74297215)

[V. STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX 3](#_Toc74297216)

[VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPT/DEC /MARCH/JUNE XX, 20XX 4](#_Toc74297217)

[VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX 5](#_Toc74297218)

[VIII. NOTES TO THE FINANCIAL STATEMENTS 6](#_Toc74297219)

[APPENDIX I: PROJECTS IMPLEMENTED BY THE ENTITY 48](#_Toc74297220)

[APPENDIX II: INTER-ENTITY TRANSFERS 49](#_Toc74297221)

[APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES 50](#_Toc74297222)

1. **KEY ENTITY INFORMATION AND MANAGEMENT**
2. **Background information**

The *institution* was incorporated/ established under the TVET Act/ *xxxx* Act on (insert date). The entity is domiciled in Kenya and has branches in xxx, xxx (list them). The institute is under the Ministry of Education.

(*Include any other information relevant to the users of financial information on the background of the entity for example departments, faculties in an Institute etc.)*

1. **Principal Activities**

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

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

1. **Key Management**

The entity’s day-to-day management is under the following key organs:

Board of Governors/ Council/ Management etc;

Accounting officer/ Principal

Management

…; and

1. **Fiduciary Management**

The key management personnel who held office during the period ended ***dd mm 20xx*** and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Principal | **-** |
| 2. | Deputy principal Academic | **-** |
| 3. | Deputy principal Finance |  |
| 4. | Registrar | **-** |
| 5. | Dean of students | **-** |
| 6. | Head of Finance | **-** |
| 7. | xxx | **-** |
| 8. | xxx |  |

*(Include all positions regarded as top management in your organisation).*

1. **Fiduciary Oversight Arrangements**

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

* *Audit and risk committee activities*
* *Finance and operations committee activities*
* *Academic committee activities*
* *Development partner oversight activities*
* *Other oversight activities*

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

1. **Entity Headquarters**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

XXXXXXX, KENYA

1. **Entity Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: [xxx.go.ke](http://www.go.ke)

1. **Entity Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

Other Commercial Banks

(List details of other commercial banks)

1. **Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

1. **Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

1. **THE COUNCIL/BOARD OF GOVERNORS**

|  |  |  |
| --- | --- | --- |
| **No.** | **Member/ Director** | **Details** |
|  | Insert each Council/Board of Governor’s passport-size photo and name, and key profession/academic qualifications | Provide a concise description of each member’s date of birth, key qualifications, and work experience. Indicate whether the member is independent or an executive member and which committee the member chairs where applicable. |
|  | Council/ BoG Member 2 |  |
|  | Council/ BoG Member 3 |  |
|  | Council/ BoG Member 4 |  |
|  | Secretary to the Council/ Board | Indicate whether the secretary is a member of ICS as required under the Mwongozo code in addition to their other details. |
|  | Etc. |  |

1. **MANAGEMENT TEAM**

|  |  |  |
| --- | --- | --- |
| **No.** | **Member/ Director** | **Details** |
|  | Insert each key manager’s/Principal passport-size photo and name, and key profession/academic qualifications | Indicate the main area of responsibility – without details |
|  | Manager 2 |  |
|  | Manager 3 |  |
|  | Manager 4 |  |
|  | Etc. |  |
|  | ***Note:*** *The Principal and the Secretary to the Council/ BoG will feature both under the ‘Board’ and ‘Management’.* | |

1. **MANAGEMENT DISCUSSION AND ANALYSIS**

**SECTION A**

***The entity’s operational and financial performance***

*(Per period the entity should provide an overview of performance as per its mandate in tandem with the National Government strategic objectives and policies. These include key performance indicators, observations with respect to the financial statements, profits, earnings, cash flows and whether or not past performance may be indicative of future results)(In addition, under this section the entity should capture information pertaining to growth & strategy – touching on industry trends, financial flexibility, etc; challenges and opportunities – touching on key events, demands on the entity’s principal activities etc).*

**SECTION B**

**Entity’s compliance with statutory requirements**

*(An entity should clearly indicate the extent of compliance and whether there are any major non-compliance that may expose the entity to potential contingent liabilities. Ongoing or potential court cases and defaults should be summarized here clearly indicating the total exposure).*

**SECTION C**

**Key projects and investment decisions the entity is planning/implementing.**

*(The entity should include here in the viability of such projects and how they are facilitating the entity in delivery of its mandate in line with the National Government strategic objectives and policies). (The entity should also indicate how the projects and investments decisions are being financed ie are they being financed by equity/debt, internal generated revenue, grants from Government and Development partners, borrowings. A statement on sustainability of the same should be included).*

**SECTION D**

**Major risks facing the entity**

*(The entity should include under this section the key risks facing the entity ranging from Operational Risks, Market Risks, Capital Risk, Credit risks, Liquidity risks etc). This should be emanating from the entity’s risk management framework.*

**SECTION E**

**Material arrears in statutory/financial obligations**

*(This should include but not limited to items such as loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes, non- payment of dividends & loan redemption to the National Exchequer etc).*

**SECTION F**

**The entity’s financial probity and serious governance issues**

1. **STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS’ RESPONSIBILITIES**

Section 83 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013 - (entities should quote the applicable legislation under which they are regulated))* require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial period and the operating results of the *entity* for that period. The council members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The council members are responsible for the preparation and presentation of the *entity’s* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial period ended on ***dd mm, 20xx.*** This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the *entity’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 (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under)*. The council members are of the opinion that the *entity’s* financial statements give a true and fair view of the state of *entity’s* transactions during the period ended ***dd mm, 20xx***, and of the *entity’s* financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity’s* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the council members to indicate that the *entity* 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 *entity’s* financial statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ***20xx*** and signed on its behalf by:

Signature……………………….. Signature………………………….

Name…………………………… Name………………………….

Chairperson of the Board/Council Accounting officer/Principal

1. **STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Period ended Sep\*/Dec\*/Mar\*/June\*** | **Comparative Period** |
|  |  | **Kshs** | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |
| Transfers from the National Government – grants/ gifts in kind | 5 | XXX | XXX |
| Grants from donors and development partners | 6 | XXX | XXX |
| Transfers from other levels of government | 7 | XXX | XXX |
| Public contributions and donations | 8 | XXX | XXX |
|  |  | **XXX** | **XXX** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |
| Rendering of services- Fees from students | 9 | XXX | XXX |
| Sale of goods | 10 | XXX | XXX |
| Rental revenue from facilities and equipment | 11 | XXX | XXX |
| Finance income - external investments | 12 | XXX | XXX |
| Other income | 13 | XXX | XXX |
| **Revenue** **from** **exchange** **transactions** |  | **XXX** | **XXX** |
| **Total** **revenue** |  | **XXX** | **XXX** |
| **Expenses** |  |  |  |
| Use of goods and services | 14 | XXX | XXX |
| Employee costs | 15 | XXX | XXX |
| Remuneration of directors | 16 | XXX | XXX |
| Depreciation and amortization expense | 17 | XXX | XXX |
| Repairs and maintenance | 18 | XXX | XXX |
| Contracted services | 19 | XXX | XXX |
| Grants and subsidies | 20 | XXX | XXX |
| Finance costs | 21 | XXX | XXX |
| **Total** **expenses** |  | **XXX** | **XXX** |
| **Other** **gains/(losses)** |  |  |  |
| Gain on sale of assets | 22 | XXX | XXX |
| Unrealized gain on fair value of investments | 23 | XXX | XXX |
| Impairment loss | 24 | (XXX) | (XXX) |
| **Total other** **gains/(losses)** |  | **XXX** | **XXX** |
| **Net Surplus for the Period** |  | **XXX** | **XXX** |
| Attributable to: |  |  |  |
| Surplus/(deficit) attributable to minority interest |  | XXX | (XXX) |
| Surplus attributable to owners of the controlling entity |  | XXX | XXX |
|  |  | **XXX** | **XXX** |

The notes set out on pages x to xx form an integral part of the quarterly Financial Statements.

The notes set out on pages xxx to xxx form an integral part of these Financial Statements.

*Sep\* -This relates to transactions undertaken from 1st July to 30th September.*

*Dec\* - This relates to transactions undertaken from 1st July to 31st December.*

*March\*- This relates to transactions undertaken from 1st July to 31st March.*

*June\* - This relates to transactions undertaken from 1st July to 30th June.*

*\*Comparative period relates to prior year same period*

1. **STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Period ended Sep/Dec/March/June** | **Prior year audited** |
|  |  | **Kshs** | **Kshs** |
| **Assets** |  |  |  |
| **Current** **assets** |  |  |  |
| Cash and cash equivalents | 25 | XXX | XXX |
| Current portion of receivables from exchange transactions | 26(a) | XXX | XXX |
| Receivables from non-exchange transactions | 27 | XXX | XXX |
| Inventories | 28 | XXX | XXX |
| Investments | 29 | XXX | XXX |
|  |  | **XXX** | **XXX** |
| **Non-current** **assets** |  |  |  |
| Property, plant and equipment | 30 | XXX | XXX |
| Investments | 29 | XXX | - |
| Intangible assets | 31 | XXX | XXX |
| Investment property | 32 | XXX | XXX |
| Long term receivables from exchange transactions | 26(b) | XXX | XXX |
|  |  | XXX | XXX |
| **Total** **assets** |  | **XXX** | **XXX** |
| **Liabilities** |  |  |  |
| **Current** **liabilities** |  |  |  |
| Trade and other payables from exchange transactions | 33 | XXX | XXX |
| Refundable deposits from customers | 34 | XXX | XXX |
| Current Provisions | 35 | XXX | XXX |
| Finance lease obligation | 36 | - | XXX |
| Current portion of borrowings | 40 | XXX | XXX |
| Deferred income | 37 | XXX | XXX |
| Employee benefit obligation | 38 | XXX | XXX |
| Payments received in advance |  | XXX | XXX |
|  |  | **XXX** | **XXX** |
| **Non-current** **liabilities** |  |  |  |
| Non-current employee benefit obligation | 38 | XXX | XXX |
| Non-current provisions | 39 | XXX | XXX |
| Borrowings | 40 | XXX | XXX |
| Service concession liability | 41 | XXX | XXX |
| Deferred tax liabilities | 43 | XXX | XXX |
|  |  | **XXX** | **XXX** |
| **Total** **liabilities** |  | **XXX** | **XXX** |
| **Net** **assets** |  | **XXX** | **XXX** |
| Reserves |  | XXX | XXX |
| Accumulated surplus |  | XXX | XXX |
| Capital Fund |  | XXX | XXX |
| **Total** **net** **assets** **and** **liabilities** |  | **XXX** | **XXX** |

The Financial Statements set out on pages xx to xx were signed on behalf of the Institute Council/ Board of Governors by:

------------------- -------------------- ------------------

**Chairman of Council/Board of Governors** **Finance Officer** **Principal**

ICPAK No

Date......................................... Date Date...............................

1. **STATEMENT OF CASH FLOWS** **FOR THE PERIOD ENDED SEPT/DEC /MARCH/JUNE XX, 20XX**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Period ended Sep/Dec/March/June** | **Comparative Period** |
|  | Note | **Kshs** | **Kshs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |  |
| **Receipts** |  |  |  |
| Transfers from other Government entities/Govt. grants |  | XXX | XXX |
| Public contributions and donations |  | XXX | XXX |
| Rendering of services- Fees from students |  | XXX | XXX |
| Sale of goods |  | XXX | XXX |
| Rental revenue from facilities and equipment |  | XXX | XXX |
| Finance income |  | XXX | XXX |
| Other income |  | XXX | XXX |
| **Total Receipts** |  | **XXX** | **XXX** |
| **Payments** |  |  |  |
| Compensation of employees |  | XXX | XXX |
| Use of goods and services |  | XXX | XXX |
| Finance cost |  | XXX | XXX |
| Rent paid |  | XXX | XXX |
| Taxation paid |  | XXX | XXX |
| Other payments |  | XXX | XXX |
| Grants and subsidies paid |  | XXX | XXX |
| **Total Payments** |  | **XXX** | **XXX** |
| **Net** **cash** **flows** **from** **operating** **activities** | 42 | **XXX** | **XXX** |
| **Cash flows from investing activities** |  |  |  |
| Purchase of property, plant, equipment and intangible assets | | (XXX) | (XXX) |
| Proceeds from sale of property, plant and equipment |  |  |  |
| Decrease in non-current receivables |  | XXX | XXX |
| Increase in investments |  | (XXX) | (XXX) |
| **Net** **cash** **flows** **used** **in** **investing** **activities** |  | **(XXX)** | **(XXX)** |
| **Cash** **flows** **from** **financing** **activities** |  |  |  |
| Proceeds from borrowings |  | XXX | XXX |
| Repayment of borrowings |  | (XXX) | (XXX) |
| Increase in deposits |  | XXX | XXX |
| **Net** **cash** **flows** **used** **in** **financing** **activities** |  | **(XXX)** | **(XXX)** |
| **Net** **increase/(decrease)** **in** **cash** **and** **cash equivalents** | | **XXX** | **(XXX)** |
| Cash and cash equivalents at 1 JULY | 25 | XXX | XXX |
| **Cash** **and** **cash** **equivalents** **at** **30 JUNE** | 25 | **XXX** | **XXX** |

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation)

1. **STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED SEPTEMBER/DECEMBER /MARCH/JUNE XX, 20XX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Original annual Budget** | **Adjustments** | **Final Annual Budget** | **Actual Cumulative to date** | **% of Utilization** |
|  | a | b | c=a+b | d | e=d/c % |
| **Revenue** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Transfers from other Govt entities Govt grants | XXX | (XXX) | XXX | XXX | (XXX) |
| Public contributions and donations | XXX | (XXX) | XXX | XXX | (XXX) |
| Rendering of services- Fees from students | XXX | (XXX) | XXX | XXX | (XXX) |
| Sale of goods | XXX | - | XXX | XXX | (XXX) |
| Finance Income | XXX | - | XXX | XXX | XXX |
| Other Income | XXX | - | XXX | XXX | XXX |
| Gains on disposal, rental income and agency fees | XXX | XXX | XXX | XXX | (XXX) |
| **Total** **income** | **XXX** | **(XXX)** | **XXX** | **XXX** | **(XXX)** |
| **Expenses** |  |  |  |  |  |
| Compensation of employees | XXX | - | XXX | XXX | (XXX) |
| Use of Goods and services | XXX | (XXX) | XXX | XXX | (XXX) |
| Finance costs | XXX | (XXX) | XXX | XXX | (XXX) |
| Rent paid | XXX | (XXX) | XXX | XXX | - |
| Remuneration of directors | XXX | (XXX) | XXX | XXX | - |
| Grants and subsidies paid | XXX | - | XXX | XXX | - |
| **Total** **expenditure** | **XXX** | **(XXX)** | **XXX** | **XXX** | **(XXX)** |
| **Surplus** **for** **the** **period** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |

**Budget notes**

*1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*

*2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

*3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

1. **NOTES TO THE FINANCIAL STATEMENTS**
2. **GENERAL INFORMATION**

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is xxx.

1. **STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity’s* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *(include any other applicable legislation),* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the periods presented.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
2. **Revenue recognition**
3. **Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

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

1. **Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

**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.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder’s or the entity’s right to receive payments is established.

**a) Revenue recognition (Continued)**

1. **Revenue from exchange transactions (continued)**

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

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

1. **Budget information**

The original budget for FY 2018/2019 was approved by the Council or Board 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 entity recorded additional appropriations of ***xxxx*** on the FY 2018/2019 budget following the Council/ Board’s approval.

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

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

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

1. **Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule ***xxx*** of the ***xxx*** Act.

***Sales tax/ Value Added Tax***

Expenses and assets are recognized net of the amount of sales tax, except:

* When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
* When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

1. **Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of ***xxx*** years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

1. **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

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

1. **Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

1. **Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

1. **Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

* The technical feasibility of completing the asset so that the asset will be available for use or sale
* Its intention to complete and its ability to use or sell the asset
* How the asset will generate future economic benefits or service potential
* The availability of resources to complete the asset
* The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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

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

1. **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 an 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:

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

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

**i) Financial instruments (Continued)**

***Financial assets (Continued)***

***Impairment of financial assets (Continued)***

* 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.

1. **Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

* Raw materials: purchase cost using the weighted average cost method
* Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

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

**i) Inventories (Continued)**

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

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

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

1. **Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

***Contingent liabilities***

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

***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.

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

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

1. **Nature and purpose of reserves**

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

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

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

1. **Employee benefits**

**Retirement benefit plans**

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

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

1. **Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

1. **Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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

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

1. **Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

1. **Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than ’whole-of-life’ assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

1. **Cash and cash equivalents**

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

1. **Comparative figures**

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

1. **Subsequent events**

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the period ended June 30, 2021.

1. **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.

**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 period, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**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.

*(include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

1. **(a)TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| **Unconditional** **grants** |  |  |
| Capitation grants | xxx | xxx |
| Operational grant | xxx | xxx |
| Other grants | xxx | xxx |
|  | **xxx** | **xxx** |
| **Conditional** **grants** |  |  |
| Library grant | xxx | xxx |
| Hostels grant | xxx | xxx |
| Administration block grant | xxx | xxx |
| Laboratory grant | xxx | xxx |
| Learning facilities grant | xxx | xxx |
| Other organizational grants | xxx | xxx |
| **Total** **government** **grants** **and** **subsidies** | **xxx** | **xxx** |

**(b)TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the Entity sending the grant** | **Amount recognized to Statement of Comprehensive Income**  **KShs** | **Amount deferred under deferred income**  **KShs** | **Amount recognised in capital fund.** | **Total grant income during the period** | **Comparative period** |
|  |  |  |
| **KShs** | **KShs** | **KShs** |
| Xxx Ministry/State Department | xxx | xxxx | xxxx | Xxxx | xxxx |
| Xxx Ministry | xxx | xxxx | xxxx | Xxxx | xxxx |
| **Total** | **xxx** | **xxxx** | **xxxx** | **Xxxx** | **xxxx** |

*(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)*

1. **GRANTS FROM DONORS AND DEVELOPMENT PARTNERS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| JICA- Research grant | xxx | xxx |
| World Bank grants | xxx | xxx |
| In-kind Donations | xxx | xxx |
| Other grants | xxx | xxx |
| **Total grants from development partners** | **xxx** | **xxx** |

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

**Reconciliations of grants from donors and development partners**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| **Balance unspent at beginning of period** | **xxx** | **xxx** |
| Current period receipts | xxx | xxx |
| Conditions met - transferred to revenue | xxx | xxx |
| **Conditions to be met - remain liabilities** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

1. **TRANSFERS FROM OTHER LEVELS OF GOVERNMENT**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Transfer from County xxx | xxx | xxx |
| Transfer from xxx University | xxx | xxx |
| Transfer from xxx institute | xxx | xxx |
| **Total Transfers** | **xxx** | **xxx** |

1. **PUBLIC CONTRIBUTIONS AND DONATIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Public donations | xxx | xxx |
| Donations from local leadership | xxx | xxx |
| Donations from religious institutions | xxx | xxx |
| Donations from alumni | xxx | xxx |
| Other donations | xxx | xxx |
| **Total donations and sponsorships** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

1. **RENDERING OF SERVICES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Tuition fees | xxx | xxx |
| Activity fees | xxx | xxx |
| Examination fees | xxx | xxx |
| Library fees | xxx | xxx |
| Facilities and materials | xxx | xxx |
| Registration fees | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| **Total** **revenue** **from** **the** **rendering** **of** **services** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

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

1. **SALE OF GOODS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| **Sale of goods** |  |  |
| Sale of books | xxx | xxx |
| Sale of publications | xxx | xxx |
| Sale of farm produce | xxx | xxx |
| Cafeteria Sales | xxx | xxx |
| Other(include in line with your organisation) | xxx | xxx |
| **Total** **revenue** **from** **the** **sale** **of** **goods** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

1. **HIRE OF FACILITIES AND EQUIPMENT**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Hire of facilities and equipment |  |  |
| Contingent rental | xxx | xxx |
| operating lease revenue |  |  |
| **Total** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

1. **FINANCE INCOME**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Cash investments and fixed deposits | xxx | xxx |
| Interest income from Treasury Bills | xxx | xxx |
| Interest income from Treasury Bonds | xxx | xxx |
| Interest from outstanding debtors | xxx | xxx |
| **Total** **finance** **income** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

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

1. **OTHER INCOME**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Insurance recoveries | xxx | xxx |
| Consultancy fees | xxx | xxx |
| Income from sale of tender | xxx | xxx |
| Services concession income | xxx | xxx |
| Reimbursements and refunds | xxx | xxx |
| Graduation fees | xxx | xxx |
| Miscellaneous (*Specify*) | xxx | xxx |
| **Total** **other** **income** | **xxx** | **xxx** |

(*NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified*).

1. **USE OF GOODS AND SERVICES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Teaching and learning materials | xxx | xxx |
| Industrial attachment costs | xxx | xxx |
| Electricity | xxx | xxx |
| Water | xxx | xxx |
| Security | xxx | xxx |
| Professional and Consultancy services | xxx | xxx |
| Subscriptions | xxx | xxx |
| Advertising | xxx | xxx |
| Examination fees | xxx | xxx |
| Audit fees | xxx | xxx |
| Catering, Conferences, and delegations | xxx | xxx |
| Travelling and accommodation |  |  |
| Fuel and oil | xxx | xxx |
| Insurance | xxx | xxx |
| Legal expenses | xxx | xxx |
| Licenses and permits | xxx | xxx |
| Postage | xxx | xxx |
| Printing and stationery | xxx | xxx |
| Hire charges | xxx | xxx |
| Rent expenses | xxx | xxx |
| Skills development levies | xxx | xxx |
| Telephone expenses | xxx | xxx |
| Internet expenses | xxx | xxx |
| Training expenses | xxx | xxx |
| Other (*Specify*) | xxx | xxx |
| **Total** **good and services** | **xxx** | **xxx** |

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

1. **EMPLOYEE COSTS**

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Salaries and wages | xxx | xxx |
| Employee related costs - contributions to pensions and medical aids | xxx | xxx |
| Travel, motor car, accommodation, subsistence and other allowances | xxx | xxx |
| Housing benefits and allowances | xxx | xxx |
| Overtime payments | xxx | xxx |
| Performance and other bonuses | xxx | xxx |
| Social contributions | xxx | xxx |
| **Employee** **costs** | **xxx** | **xxx** |

1. **REMUNERATION OF DIRECTORS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Chairman's Honoraria | xxx | xxx |
| Directors emoluments | xxx | xxx |
| Other allowances | xxx | xxx |
| **Total director emoluments** | **xxx** | **xxx** |

1. **DEPRECIATION AND AMORTIZATION EXPENSE**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| Investment property carried at cost | xxx | xxx |
| **Total** **depreciation** **and** **amortization** | **xxx** | **xxx** |

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

1. **REPAIRS AND MAINTENANCE**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Property | xxx | xxx |
| Investment property – earning rentals | xxx | xxx |
| Equipment and machinery | xxx | xxx |
| Vehicles | xxx | xxx |
| Furniture and fittings | xxx | xxx |
| Computers and accessories | xxx | xxx |
| Other | xxx | xxx |
| **Total** **repairs** **and** **maintenance** | **xxx** | **xxx** |

1. **CONTRACTED SERVICES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Actuarial valuations | xxx | xxx |
| Investment valuations | xxx | xxx |
| Property valuations | xxx | xxx |
| **Total** **contracted** **services** | **xxx** | **xxx** |

1. **GRANTS AND SUBSIDIES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Community development | xxx | xxx |
| Education initiatives and programs | xxx | xxx |
| Social development | xxx | xxx |
| Community trust | xxx | xxx |
| Sporting bodies | xxx | xxx |
| **Total** **grants** **and** **subsidies** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued**

1. **FINANCE COSTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Borrowings (amortized cost)\* | xxx | xxx |
| Finance leases (amortized cost) | xxx | xxx |
| Unwinding of discount | xxx | xxx |
| Interest on Bank overdrafts | xxx | xxx |
| Interest on loans from commercial banks | xxx | xxx |
| **Total** **finance** **costs** | **xxx** | **xxx** |

**\***Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

1. **GAIN ON SALE OF ASSETS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
|  | xxx | xxx |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| Other assets not capitalised | xxx | xxx |
| **Total** **gain** **on** **sale** **of** **assets** | **xxx** | **xxx** |

1. **UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Investments at fair value | xxx | xxx |
| **Total** **gain** | **xxx** | **xxx** |

1. **IMPAIRMENT LOSS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Comparative Period** |
|  | **KShs** | **KShs** |
| Property, plant and equipment | xxx | Xxx |
| Intangible assets | xxx | Xxx |
| **Total** **impairment** **loss** | **xxx** | **Xxx** |

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

1. **CASH AND CASH EQUIVALENTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| Current account | xxx | xxx |
| On - call deposits | xxx | xxx |
| Fixed deposits account | xxx | xxx |
| Staff car loan/ mortgage | xxx | xxx |
| Others(specify) | xxx | xxx |
| **Total** **cash** **and** **cash** **equivalents** | **xxx** | **xxx** |

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

**25 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
| **Financial institution** | **Account number** | **KShs** | **KShs** |
|  |  |  |  |
| 1. **Current account** |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Equity Bank, etc |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **On - call deposits** |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Equity Bank – etc |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **Fixed deposits account** |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Bank B |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **Staff car loan/ mortgage** |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Bank B |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **Others(specify)** |  | xxx | xxx |
| Cash in transit |  | xxx | xxx |
| cash in hand |  | xxx | xxx |
| Mobile Money account |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
| **Grand total** |  | **xxx** | **xxx** |

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

1. **RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**26(a) CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| **Current** **receivables** |  |  |
| Student debtors | xxx | xxx |
| Rent debtors | xxx | xxx |
| Consultancy debtors | xxx | xxx |
| Other exchange debtors | xxx | xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total** **current** **receivables** | **xxx** | **xxx** |

**26(b) NON – CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| **Non-current** **receivables** |  |  |
| Refundable deposits | xxx | xxx |
| Advance payments | xxx | xxx |
| Public organizations | xxx | xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total** | **xxx** | **xxx** |
| Current portion transferred to current receivables | (xxx) | (xxx) |
| **Total** **non-current** **receivables** | **xxx** | **xxx** |
| **Total** **receivables** | **xxx** | **xxx** |

**26 C RECONCILIATION FOR IMPAIRMENT ALLOWANCE ON RECEIVABLES FROM EXCHANGE TRANSACTIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| At the beginning of the year | xxx | xxx |
| Provisions during the period | xxx | xxx |
| Recovered during the period | (xxx) | (xxx) |
| Write off during the period | (xxx) | (xxx) |
| At the end of the period (sept/Dec/ March/June) | **xxx** | **xxx** |

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

1. **RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| **Current** **receivables** |  |  |
| Capitation grants\* | xxx | xxx |
| Transfers from other govt. entities | xxx | xxx |
| Undisbursed donor funds | xxx | xxx |
| Other debtors (non-exchange transactions) | xxx | xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total** **current** **receivables** | **xxx** | **xxx** |

*\*Receivables on capitation grants is recognised for monies received after year end but relating to the period under review.*

1. **INVENTORIES**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| Consumable stores | xxx | xxx |
| Maintenance stores | xxx | xxx |
| Health unit stores | xxx | xxx |
| Electrical stores | xxx | xxx |
| Cleaning materials stores | xxx | xxx |
| Catering stores | xxx | xxx |
| **Total** **inventories** **at** **the** **lower** **of** **cost** **and** **net** **realizable** **value** | **xxx** | **xxx** |

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

1. **INVESTMENTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Audited prior**  **year** |
|  | **KShs** | **KShs** |
| 1. **Investment in Treasury bills and bonds** |  |  |
| **Financial institution** |  |  |
| CBK | xxx | xxx |
| CBK | xxx | xxx |
| **Sub- total** | **xxx** | **xxx** |
|  |  |  |
| 1. **Investment with Financial Institutions/ Banks** |  |  |
| Bank x | xxx | xxx |
| Bank y | xxx | xxx |
| **Sub- total** | **xxx** | **Xxx** |
|  |  |  |
| 1. **Equity investments (specify)** |  |  |
| Equity/ shares in company xxx | xxx | Xxx |
|  |  |  |
| **Sub- total** | **xxx** | **Xxx** |
| **Grand total** | **xxx** | **Xxx** |

**d) Shareholding in other entities**

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of entity where investment is held** | **No of shares** | | | **Nominal value of shares** | **Fair value of shares** | **Fair value of shares** |
|  | **Direct shareholding** | **Indirect shareholding** | **Effective shareholding** |  | **Current period** | **Prior period** |
|  | **%** | **%** | **%** | **Shs** | **Shs** | **Shs** |
|  |  |  |  |  |  |  |
| Entity A | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity B | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity C | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity D | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

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

1. **PROPERTY, PLANT AND EQUIPMENT**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Land and**  **Buildings** | **Motor vehicles** | **Furniture and fittings** | **Computers** | **Other Assets**  **(Specify)** | **Plant and**  **equipment** | **Capital**  **Work in progress** | **Total** |
| **Cost** | **Shs** | **Shs** | **Shs** | **Shs** | **Shs** | **Shs** | **Shs** | **Shs** |
| As at dd mm 20xx (*beginning of the year)* | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |
| Additions during the period | XXX | XXX | XXX | **-** | **XXX** | **-** | **XXX** | **XXX** |
| Disposals during the period | (XXX) | (XXX) | **-** | **-** | (XXX) | **-** | (XXX) | **(XXX)** |
| Transfers/adjustments during the period | XXX | (XXX) | **XXX** | (XXX) | (XXX) | **-** | **XXX** | **(XXX)** |
| As at dd mm 20xx (close *of the current period)* | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |
| **Depreciation and impairment** |  |  |  |  |  |  |  |  |
| As at dd mm 20xx (*beginning of the year))* | (XXX) | (XXX) | (XXX) | (XXX) | (XXX) | - | (XXX) | **(XXX)** |
| Depreciation for the period | (XXX) | (XXX) | (XXX) | (XXX) | (XXX) | - | (XXX) | **(XXX)** |
| Impairment for the period | (XXX) | - | - | - | (XXX) | - | - | **(XXX)** |
| As at dd mm 20xx (close *of the current period)* | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |
| **Net book values** |  |  |  |  |  |  |  |  |
| As at dd mm 20xx (close *of the current period)* | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |
| As at dd mm 20xx end of prior year audited | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** | **XXX** |
| *[Include brief description of WIP as a footer]* |  |  |  |  |  |  |  |  |

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

1. **INTANGIBLE ASSETS-SOFTWARE**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| **Cost** |  |  |
| **At beginning of the year** | xxx | xxx |
| Additions during the period | xxx | xxx |
| **At end of the period** | xxx | xxx |
| Additions–internal development | xxx | xxx |
| **At end of the period** | xxx | xxx |
| **Amortization and impairment** |  |  |
| **At beginning of the year** | xxx | xxx |
| Amortization during the period | xxx | xxx |
| **At end of the period** | xxx | xxx |
| Impairment loss during the period | xxx | xxx |
| **At end of the period** | xxx | xxx |
| **NBV** | xxx | xxx |

1. **INVESTMENT PROPERTY**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep\*/Dec\*/March\*/June\* 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| **At beginning of the period** | **xxx** | **xxx** |
| Additions | xxx | xxx |
| Fair value gain | xxx | xxx |
| Depreciation (where investment property is at cost) | (xxx) | (xxx) |
| **At end of the period** | **xxx** | **xxx** |

1. **TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| Trade payables | xxx | xxx |
| Fees paid in advance | xxx | xxx |
| Employee advances | xxx | xxx |
| Third-party payments | xxx | xxx |
| Other payables | xxx | xxx |
| **Total** **trade** **and** **other** **payables** | **xxx** | **xxx** |

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

1. **REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior**  **period audited** |
|  | **KShs** | **KShs** |
| Consumer deposits | xxx | xxx |
| Caution money | xxx | xxx |
| Other refundable deposits | xxx | xxx |
| **Total** **deposits** | **xxx** | **xxx** |

1. **CURRENT PROVISIONS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Leave provision** | **Bonus provision** | **Gratuity** | **Other provision** | **Total** |
|  | **KShs** | **KShs** |  | **KShs** | **KShs** |
| **Balance at the beginning of the year** | **xxx** | **xxx** | **Xxx** | **Xxx** | **xxx** |
| Additional Provisions | xxx | xxx | Xxx | Xxx | xxx |
| Provision utilised | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| Change due to discount and time value for money | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers from non -current provisions | xxx | xxx | Xxx | Xxx | xxx |
| **Total provisions at end of the period** | **xxx** | **xxx** | **Xxx** | **Xxx** | **xxx** |

1. **FINANCE LEASE OBLIGATION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Minimum lease payments** | **Future finance charges** | **Present value of minimum lease payments** | **Prior period audited** |
|  | **KShs** | **KShs** | **KShs** | **KShs** |
| Within current period | xxx | xxx | xxx | xxx |
| Long term portion of lease payments | xxx | xxx | xxx | xxx |
| **Total provisions** | **xxx** | **xxx** | **Xxx** | **xxx** |

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

1. **DEFERRED INCOME**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| National government | xxx | xxx |
| International funders | xxx | xxx |
| Public contributions and donations | xxx | xxx |
| **Total** **deferred** **income** | xxx | xxx |

**The deferred income movement is as follows:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **National government** | **International funders/ donors** | **Public contributions and donations** | **Total** |
| Balance brought forward | xxx | xxx | xxx | xxx |
| Additions during the **period** | xxx | xxx | xxx | xxx |
| Transfers to Capital fund | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers to income statement | (xxx) | (xxx) | (xxx) | (xxx) |
| Other transfers | (xxx) | (xxx) | (xxx) | (xxx) |
| Balance carried forward | xxx | xxx | xxx | xxx |

1. **EMPLOYEE BENEFIT OBLIGATIONS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Defined benefit plan** | **Post-employment medical benefits** | **Other Provisions** | **Period ended SepDec/**  **March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** | **KShs** | **KShs** | **KShs** |
| Current benefit obligation | xxx | xxx | xxx | xxx | xxx |
| Non-current benefit obligation | xxx | xxx | xxx | xxx | xxx |
| **Total** **employee benefits obligation** | xxx | xxx | xxx | xxx | xxx |

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company’s obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.XXX per employee per month.

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

1. **NON-CURRENT PROVISIONS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Long service leave** | **Gratuity** | **Other Provisions** | **Total** |
|  | **KShs** | **KShs** | **KShs** | **KShs** |
| Balance at the beginning of the year | xxx | xxx | xxx | xxx |
| Additional Provisions | xxx | xxx | xxx | xxx |
| Provision utilised | (xxx) | (xxx) | (xxx) | (xxx) |
| Change due to discount and time value for money | xxx | xxx | xxx | Xxx |
| Less: Current portion | (xxx) | (xxx) | (xxx) | (xxx) |
| **Total** **deferred** **income at end of the period** | xxx | xxx | xxx | Xxx |

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 37)

1. **BORROWINGS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| Balance at beginning of the period | xxx | xxx |
| External borrowings during the period | xxx | xxx |
| Domestic borrowings during the period | xxx | xxx |
| Repayments of external borrowings during the period | (xxx) | (xxx) |
| Repayments of domestics borrowings during the period | (xxx) | (xxx) |
| Balance at end of the period | **xxx** | **xxx** |

**40 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| **External Borrowings** |  |  |
| Dollar denominated loan from ‘xxx organisation’ | xxx | xxx |
| Sterling Pound denominated loan from ‘yyy organisation’ | xxx | xxx |
| Euro denominated loan from zzz organisation’ | xxx | xxx |
| **Domestic Borrowings** |  |  |
| Kenya Shilling loan from KCB | xxx | xxx |
| Kenya Shilling loan from Barclays Bank | xxx | xxx |
| Kenya Shilling loan from Consolidated Bank | xxx | xxx |
| **Total balance at end of the period** | **xxx** | **xxx** |

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

**40 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| Short term borrowings(current portion) | xxx | xxx |
| Long term borrowings | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(NB: the total of this statement should tie to note 40 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

1. **SERVICE CONCESSION ARRANGEMENTS**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **KShs** | **KShs** |
| Fair value of service concession assets recognized under PPE | xxx | xxx |
| Accumulated depreciation to date | (xxx) | xxx |
| Net carrying amount | **xxx** | **xxx** |
| Service concession liability at beginning of the period | xxx | xxx |
| Service concession revenue recognized | (xxx) | (xxx) |
| Service concession liability at end of the period | **xxx** | **xxx** |

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

1. **CASH GENERATED FROM OPERATIONS**

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
| **Surplus for the period before tax** | **KShs** | **KShs** |
| **Adjusted for:** |  |  |
| Depreciation | xxx | xxx |
| Non-cash grants received | (xxx) | (xxx) |
| Contributed assets | (xxx) | (xxx) |
| Impairment | xxx | xxx |
| Gains and losses on disposal of assets | (xxx) | (xxx) |
| Contribution to provisions | xxx | xxx |
| Contribution to impairment allowance | xxx | xxx |
| Finance income | (xxx) | (xxx) |
| Finance cost | xxx | xxx |
| **Working Capital adjustments** |  |  |
| Increase in inventory | (xxx) | (xxx) |
| Increase in receivables | (xxx) | (xxx) |
| Increase in deferred income | xxx | xxx |
| Increase in payables | xxx | xxx |
| Increase in payments received in advance | xxx | xxx |
| **Net cash flow from operating activities** | **xxx** | **xxx** |

***(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)***

1. **DEFERRED TAX LIABILITY**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at period end is attributable to the following items:

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/March/June 20xx** | **Prior period audited** |
|  | **Kshs** | **Kshs** |
| Accelerated capital allowances | XXX | XXX |
| Unrealised exchange gains/(losses) | XXX | XXX |
| Revaluation surplus | XXX | XXX |
| Tax losses carried forward | (XXX) | (XXX) |
| Provisions for liabilities and charges | (XXX) | (XXX) |
| **Net deferred tax liability/(asset)** | XXX | XXX |
| The movement on the deferred tax account is as follows: |  |  |
| Balance at beginning of the period | XXX | XXX |
| Credit to revaluation reserve | (XXX) | (XXX) |
| Under provision in prior period | XXX | XXX |
| Income statement charge/(credit) | XXX | XXX |
| Balance at end of the period | XXX | XXX |

*[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)*

1. **EVENTS AFTER THE REPORTING PERIOD**

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

1. **ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

1. **CURRENCY**

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

# 

# APPENDIX I: PROJECTS IMPLEMENTED BY THE ENTITY

**Projects**

Projects implemented by the State Corporation/ SAGA Funded by development partners

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Project title** | **Project Number** | **Donor** | **Period/ duration** | **Donor commitment** | **Separate donor reporting required as per the donor agreement (Yes/No)** | **Consolidated in these financial statements**  **(Yes/No)** |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Project** | **Total project Cost** | **Total expended to date** | **Completion % to date** | **Budget** | **Actual** | **Sources of funds** |
| 1 |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |

# APPENDIX II: INTER-ENTITY TRANSFERS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **ENTITY NAME:** |  | | |
|  | **Break down of Transfers from the State Department of XXX** | | | |
|  | **FY xx/xx** |  |  |  |
| a. | **Recurrent Grants** |  |  |  |
|  |  | **Bank Statement Date** | **Amount (KShs)** | **Indicate the FY to which the amounts relate** |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  | **Total** | **XXX** |  |
| b. | **Development Grants** |  |  |  |
|  |  | **Bank Statement Date** | **Amount (KShs)** | **Indicate the FY to which the amounts relate** |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  | **Total** | **XXX** |  |
|  |  |  |  |  |
| c. | **Direct Payments** |  |  |  |
|  |  | **Bank Statement Date** | **Amount (KShs)** | **Indicate the FY to which the amounts relate** |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  | **Total** | **XXX** |  |
| d. | **Donor Receipts** |  |  |  |
|  |  | **Bank Statement Date** | **Amount (KShs)** | **Indicate the FY to which the amounts relate** |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  |  | xx |  |
|  |  | **Total** | **XXX** |  |

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager Head of Accounting Unit

XXX entity xxx Ministry

Sign --------------- Sign--------------

# APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the MDA/Donor Transferring the funds** | **Date received** |  |  | **Where Recorded/recognized** | | | | |  |
| **as per bank statement** | **Nature: Recurrent/Development/Others** | **Total Amount - KES** | **Statement of Financial Performance** | **Capital Fund** | **Deferred Income** | **Receivables** | **Others - must be specific** | **Total Transfers during the Period** |
| Ministry of Education | xxx | Recurrent | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| Ministry of Education | xxx | Development | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| USAID | xxx | Donor Fund | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| Ministry of Education | xxx | Direct Payment | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
|  |  |  | xxx | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** |  |  | xxx | xxx | xxx | xxx | xxx | xxx | xxx |