

**AFRICA CENTRE FOR OPEN GOVERNANCE (AfricOG)
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANY INFORMATION

BOARD OF DIRECTORS	: Ms. Gladwell Otieno : Ms. Stella Chege : Mr. Maina Kiai : Mr. John Githongo : Dr. Funmi Olonisakin : Mr. Donald Deya : Mr. Charles Kamau
PRINCIPAL PLACE OF BUSINESS	: Ramisi Road : Off James Gichuru Road : Lavington : P.O. Box 34404, 00100 : NAIROBI : Telephone - (254) 20 4443707 : Mobile - (254) 737 463166 : Email - admin@africog.org : Website - www.africog.org
INDEPENDENT AUDITOR	: PKF Kenya LLP : Certified Public Accountants : P.O. Box 47323, 00100 : NAIROBI
COMPANY SECRETARIES	: Equatorial Secretaries and Registrars : Certified Public Secretaries : P.O. Box 47323, 00100 : NAIROBI
LEGAL ADVISOR	: Mbugua Mureithi and Co. Advocates : NAIROBI
PRINCIPAL BANKER	: NCBA Bank Kenya Plc : NAIROBI

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITY

The principal activity of the company is that of providing cutting edge research on governance and public ethics issues and monitor governance fundamentals in both the government and private sector.

BUSINESS REVIEW

During the year 2020 the total donor grants utilised amounted to Shs. 9,787,281 as compared to prior year of Shs. 27,362,302. This decrease was mainly attributed to the starting of new projects during the year.

RESULTS	2020 Shs	2019 Shs
Donor income	<u>9,787,281</u>	<u>27,362,302</u>
Surplus/(deficit) for the year	<u>174,956</u>	<u>(3,234,633)</u>
Net assets	<u>127,474</u>	<u>250,499</u>

PRINCIPAL RISKS AND UNCERTAINTIES

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the company's services. The company's strategic focus is to enhance revenue growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions and other factors such as the impact of the coronavirus outbreak. This has caused significant disruptions to operations and the directors continue to monitor this situation closely with a view to assessing and mitigating its impact on the company.

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

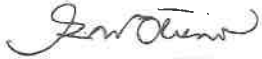
With respect to each director at the time this report was approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

The company's auditor, PKF Kenya LLP, continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

BY ORDER OF THE BOARD



DIRECTOR
NAIROBI

14 October 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements that comply with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenya Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 14 October 2021 and signed on its behalf by:



DIRECTOR



DIRECTOR

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF AFRICA CENTRE FOR OPEN GOVERNANCE (AfriCOG) (A COMPANY
LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Africa Centre for Open Governance set out on pages 8 to 17, which comprise the statement of financial position as at 31 December 2020, statement of income and expenditure and general fund, statement of cash flows for the year then ended and the notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for professional accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - tax exemption certificate

Without qualifying our opinion, we draw your attention to Note 8 of the financial statements which indicates that the company has not obtained a tax exemption certificate from the Kenya Revenue Authority. No provision for tax has been made in the financial statements as the directors are of the opinion that the company is deemed to be exempt from tax due to the nature of its activities.

Other information

The directors are responsible for the other information. The other information comprises company information, report of the directors, statement of directors' responsibilities and schedule of other expenditure that form part of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF AFRICA CENTRE FOR OPEN GOVERNANCE (AfricoG) (A COMPANY
LIMITED BY GUARANTEE) (CONTINUED)**

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act, 2015 and for such 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF AFRICA CENTRE FOR OPEN GOVERNANCE (AfriCOG) (A
COMPANY LIMITED BY GUARANTEE) (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on page 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this report of the independent auditor is CPA Patrick Kuria, Practising certificate No. 2045



For and behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

October 26, 2021

1207/21

Africa Centre for Open Governance (AfriCOG)
 (A company limited by guarantee)
 Annual report and financial statements
 For the year ended 31 December 2020

STATEMENT OF INCOME AND EXPENDITURE AND GENERAL FUND

	Notes	2020 Shs	2019 Shs
Donor income	4	9,787,281	27,362,302
Other income	5	233,275	3,779,908
Programme expenses		(5,673,318)	(20,721,493)
Administrative expenses		<u>(4,113,963)</u>	<u>(13,598,852)</u>
Surplus/(deficit) before tax		233,275	(3,178,135)
Tax charge	8	<u>(58,319)</u>	<u>(56,498)</u>
Surplus/(deficit) for the year		174,956	(3,234,633)
General fund at start of year		<u>(1,508,826)</u>	<u>1,725,807</u>
General fund at end of year		<u><u>(1,333,870)</u></u>	<u><u>(1,508,826)</u></u>

The notes on pages 11 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

Africa Centre for Open Governance (AfriCOG)
(A company limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

CAPITAL EMPLOYED	Notes	As at 31 December	
		2020 Shs	2019 Shs
General fund		(1,333,870)	(1,508,826)
Capital fund	9	<u>1,461,344</u>	<u>1,759,325</u>
		<u>127,474</u>	<u>250,499</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	10	<u>1,461,344</u>	<u>1,759,325</u>
Current assets			
Receivables	11	299,137	797,402
Cash and cash equivalents	12	33,009,550	2,415,759
Tax recoverable		<u>65,512</u>	<u>43,502</u>
		<u>33,374,199</u>	<u>3,256,663</u>
Current liabilities			
Payables	13	3,466,983	4,330,735
Deferred income	14	<u>31,241,086</u>	<u>434,754</u>
		<u>34,708,069</u>	<u>4,765,489</u>
Net current (liabilities)		<u>(1,333,870)</u>	<u>(1,508,826)</u>
		<u>127,474</u>	<u>250,499</u>

The financial statements on pages 8 to 17 were approved and authorised for issue by the board of directors on 14 October 2021 and were signed on its behalf by:

 DIRECTOR  DIRECTOR

The notes on pages 11 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

Africa Centre for Open Governance (AfriCOG)
(A company limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2020

STATEMENT OF CASH FLOWS

	Notes	2020 Shs	2019 Shs
Surplus/(deficit) for the year		174,956	(3,234,633)
Adjustments for non cash income and expenses:			
Tax charge	8	58,319	56,498
Depreciation on property and equipment	10	297,981	378,785
Changes in working capital:			
- capital fund		(297,981)	(378,785)
- receivables		498,265	11,162,289
- payables		(863,752)	(591,786)
- deferred income		30,806,332	(8,535,396)
Cash from/(used in) operations		30,674,120	(1,143,028)
Tax paid		(80,329)	(105,243)
Net cash from/(used in) operating activities		30,593,791	(1,248,271)
Increase/(decrease) in cash and cash equivalents		<u>30,593,791</u>	<u>(1,248,271)</u>
Movement in cash and cash equivalents			
At start of year		2,415,759	3,664,030
Increase/(decrease)		30,593,791	(1,248,271)
At end of year	12	<u>33,009,550</u>	<u>2,415,759</u>

The notes on pages 11 to 17 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. General information

Africa Centre for Open Governance (AfriCog) is incorporated in Kenya under the Kenyan Companies Act, 2015 as a private company limited by guarantee, and is domiciled in Kenya. The address of its registered office and principal place of business is as shown on page 1. The principal activity of the company is that of providing cutting edge research on governance and public ethics issues and monitor governance fundamentals in both the government and private sector.

2. Basis of preparation

The financial statements of Africa Centre for Open Governance (AfriCOG) have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are presented in Kenya Shillings. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3 (a).

These financial statements comply with the requirements of the Kenyan Companies Act, 2015. The statement of income and expenditure and general fund represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going concern

The financial performance of the company is set out in the report of the directors and in the statement of income and expenditure and general fund. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The assumptions and judgements set-out below do not consider the full potential impact of the coronavirus outbreak as the situation is still evolving, the directors believe that it will not have a significant adverse effect on the financial statements of the company.

- Useful lives, depreciation methods and residual values of property and equipment accounted for using the cost model and intangible assets

Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment accounted for using the cost model and on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property and equipment are disclosed in notes 10.

b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from donors.

Donor income is recognised when the monetary value of the grant can be measured with sufficient reliability, there is reasonable assurance of receipt and conditions for receipt, if any, have been met. Donations in kind whose monetary value can not be quantified are not recognised as income.

NOTES (CONTINUED)

3. Significant accounting policies (continued)

b) Revenue recognition (continued)

Grant income is deferred where it has been received to fund specific future expenditure.

Interest income is accrued by reference to time under the effective interest method.

c) Translation of foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Kenya Shillings at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in statement of income and expenditure and general fund in the year to which they relate.

d) Property and equipment

All property and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on assets is calculated on a reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	<u>Rate</u>
Computers	30%
Office equipment	12.5%
Furniture and fittings	12.5%

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining surplus/(deficit) for the year.

e) Impairment of non-financial assets

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or cash generating unit (CGU)) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Receivables

Receivables are initially recognised at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less impairment.

At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of income and expenditure and general fund.

NOTES (CONTINUED)

3. Summary of significant accounting policies (continued)

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

h) Payables

Payables are recognised initially at the transaction price. They are obligations on the basis of normal credit terms and do not bear interest.

i) Deferred income

Grant income is deferred where it has been received to fund specific future expenditure.

j) Accounting for leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of income and expenditure and general fund on a straight-line basis over the period of the lease.

k) Retirement benefits

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to statement of income and expenditure and general fund in the year to which they relate.

The company operates a defined contribution staff retirement benefit scheme for its employees. The scheme is administered by an insurance company. The company's contributions to the defined contribution retirement benefit scheme are charged to the statement of income and expenditure and general fund in the year to which they relate. The company has no further payment obligations once the contributions have been paid.

l) Capital fund

Assets donated to the company are recognised in the capital fund in the period in which they have been received. Each year an equivalent amount equal to the depreciation charge of the donated assets is recognised as income in the statement of income and expenditure and general fund.

m) Taxation

The tax expense for the year relates to current tax. Tax is recognised in statement of income and expenditure.

Current tax

Current tax is provided on interest income earned for the year and is calculated on the basis of total interest earned by the company.

n) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES (CONTINUED)

	2020	2019
	Shs	Shs
4. Donor income		
Open Society International	11,182,500	22,773,674
United Nations Development Programme	-	1,260
Embassy of the Republic of Netherlands	-	6,491,566
Department for International Development	-	1,915
Trust Africa	-	822
Canadian International Development Agency	-	265
Amnesty International	-	546
Foundation to Promote Open Society	8,358,956	-
Ford Foundation	20,754,176	-
Total donor income	40,295,632	29,270,048
Transfer from deferred income:		
- Deferred income	434,754	8,970,150
- Grant receivable	-	(10,821,927)
Transfer to deferred income (Note 14)	(31,241,086)	(434,754)
Net donor income	9,489,300	26,983,517
Transfer from capital fund (Note 9)	297,981	378,785
Total grant income	9,787,281	27,362,302
5. Other income		
Sundry income	233,275	2,705,611
Private Sector Development Trust	-	1,074,297
	<u>233,275</u>	<u>3,779,908</u>
6. Surplus/(deficit) for the year		
The following items have been charged in arriving at the surplus/ (deficit) for the year:		
Audit fees:		
- current year	450,000	450,000
- underprovision in prior year	-	25,009
Operating lease rentals	195,870	4,504,180
Staff costs (Note 7)	1,944,872	5,761,012
	<u>1,944,872</u>	<u>5,761,012</u>
7. Staff costs		
Salaries and wages	594,600	3,428,482
Other staff costs	1,167,712	1,881,480
Pension costs:		
- National Social Security Fund	7,560	64,800
- defined contribution scheme	175,000	386,250
	<u>1,944,872</u>	<u>5,761,012</u>
8. Tax		
Current tax	<u>58,319</u>	<u>56,498</u>

NOTES (CONTINUED)

	2020	2019
	Shs	Shs
9. Capital fund		
At start of year	1,759,325	2,138,110
Transfer to income (Note 4)	<u>(297,981)</u>	<u>(378,785)</u>
At end of year	<u><u>1,461,344</u></u>	<u><u>1,759,325</u></u>

10. Property and equipment

	Computers	Office	Furniture	Total
	Shs	equipment	and fittings	Shs
	Shs	Shs	Shs	Shs
Cost				
At start and end of year	<u>4,069,929</u>	<u>2,550,758</u>	<u>613,535</u>	<u>7,234,222</u>
Accumulated depreciation				
At start of year	3,623,844	1,416,147	434,906	5,474,897
Charge for the year	<u>133,826</u>	<u>141,826</u>	<u>22,329</u>	<u>297,981</u>
At end of year	<u>3,757,670</u>	<u>1,557,973</u>	<u>457,235</u>	<u>5,772,878</u>
As at 31 December 2020	<u><u>312,259</u></u>	<u><u>992,785</u></u>	<u><u>156,300</u></u>	<u><u>1,461,344</u></u>
As at 31 December 2019	<u><u>446,085</u></u>	<u><u>1,134,611</u></u>	<u><u>178,629</u></u>	<u><u>1,759,325</u></u>

	2020	2019
	Shs	Shs
11. Receivables		
Prepayments	299,137	633,767
Amount due from directors (Note 15)	<u>-</u>	<u>163,635</u>
	<u><u>299,137</u></u>	<u><u>797,402</u></u>

12. Cash and cash equivalents

Cash at bank and in hand	<u><u>33,009,550</u></u>	<u><u>2,415,759</u></u>
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For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise the above.

13. Payables

Accruals	3,257,997	4,121,738
Other payables	<u>208,986</u>	<u>208,997</u>
	<u><u>3,466,983</u></u>	<u><u>4,330,735</u></u>

NOTES (CONTINUED)

14. Deferred income and grant receivable

At start of year	2020	2019
Receipts during the year	Shs	Shs
Transfer to income	434,754	(1,851,777)
	40,295,632	29,270,048
	(9,489,300)	(26,983,517)
At end of year	<u>31,241,086</u>	<u>434,754</u>

The detailed analysis of deferred income is as follows:

Project	At start of year		Receipts during the year	Expenditure and refund during the year	At end of year	
	Deferred income	Grant receivable			Deferred income	Grant receivable
	Shs	Shs	Shs	Shs	Shs	Shs
Embassy of the Republic of Netherlands	143,949	-	-	(12,031)	131,918	-
Open Society Institute	-	-	11,182,500	(1,481,163)	9,701,337	-
Open Society International/Kenyans for Peace Truth and Justice	139,478	-	-	(34,289)	105,189	-
Foundation to Promote Open Society	-	-	8,358,956	(3,751,616)	4,607,340	-
Department for International Development	1,915	-	-	(1)	1,914	-
Trust Africa	122,280	-	-	(122,280)	-	-
Canadian International Development Agency	25,052	-	-	(12,801)	12,250	-
Ford Foundation	-	-	20,754,176	(4,075,119)	16,679,057	-
Open Society International/Elections	2,080	-	-	-	2,080	-
	<u>434,754</u>	<u>-</u>	<u>40,295,632</u>	<u>(9,489,300)</u>	<u>31,241,086</u>	<u>-</u>

Deferred income relates to unexpended portion of grants received.

NOTES (CONTINUED)

15. Related party transactions

	2020	2019
	Shs	Shs
The following transactions were carried out with related parties:		
i) Key management personnel compensation		
Salaries and wages	<u>2,443,000</u>	<u>5,200,000</u>
ii) Donations from directors	<u>-</u>	<u>1,133,070</u>
iii) Amount due from director (Note 11)	<u>-</u>	<u>163,635</u>

SCHEDULE OF OTHER EXPENDITURE

	2020	2019
	Shs	Shs
1. Programme expenses		
Case studies and research	362,500	1,805,839
Communications and postage	287,428	574,536
Advocacy	-	1,323,138
Printing and publication	106,080	3,040,487
Travelling and accommodation	-	263,565
Salaries and wages	2,378,400	7,603,928
Professional fees	<u>2,538,910</u>	<u>6,110,000</u>
Total programme expenses	<u><u>5,673,318</u></u>	<u><u>20,721,493</u></u>
2. Administrative expenses		
Employment costs		
Salaries and wages	594,600	3,428,482
Staff medical	1,167,712	1,878,780
Employer pension contributions	175,000	386,250
Employer National Social Security Fund contributions	7,560	64,800
Employer NITA contributions	<u>-</u>	<u>2,700</u>
Total employment costs	<u>1,944,872</u>	<u>5,761,012</u>
Other administrative expenses		
Professional fees	298,360	48,720
Secretarial fees	84,868	87,448
Printing and office stationery	-	3,800
Telephone and postage	54,620	125,994
Travelling and accommodation	38,369	104,054
Rent	195,870	4,504,180
Insurance	29,657	29,599
Security	23,784	1,016,151
Bank charges	65,105	103,378
Audit fees:		
- current year	450,000	450,000
- underprovision in prior year	-	25,009
Internet set up and maintenance	168,616	172,080
Office expenses	434,612	787,642
Office maintenance	27,250	1,000
Depreciation on property and equipment	<u>297,980</u>	<u>378,785</u>
Total other administrative expenses	<u>2,169,091</u>	<u>7,837,840</u>
Total administrative expenses	<u><u>4,113,963</u></u>	<u><u>13,598,852</u></u>