

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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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

: ESR Kenya LLP
: 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 2021, 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 2021 the total donor grants utilised amounted to Shs. 28,370,062 as compared to prior year of Shs. 9,787,281. This increase was mainly attributed to the starting of new projects during the year.

RESULTS	2021 Shs	2020 Shs
Donor income	<u>28,370,062</u>	<u>9,787,282</u>
Surplus for the year	<u>371,043</u>	<u>174,957</u>
Net assets	<u>261,204</u>	<u>127,475</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. 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:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) 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.

REPORT OF THE DIRECTORS (CONTINUED)

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**



19.12. 2022

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 2021 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 19.12. 2022 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 2021, 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 2021, 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.

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**

February 28, 2023

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STATEMENT OF INCOME AND EXPENDITURE AND GENERAL FUND

	Notes	2021 Shs	2020 Shs
Donor income	4	28,370,062	9,787,281
Other income	5	530,063	233,275
Programme expenses		(22,541,901)	(5,673,318)
Administrative expenses		(5,262,191)	(3,566,672)
Other operating expenses		<u>(565,971)</u>	<u>(547,291)</u>
Surplus before tax		530,062	233,275
Tax charge	8	<u>(159,019)</u>	<u>(58,319)</u>
Surplus for the year		371,043	174,956
General fund at start of year		<u>(1,333,870)</u>	<u>(1,508,826)</u>
General fund at end of year		<u><u>(962,827)</u></u>	<u><u>(1,333,870)</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.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2021 Shs	2020 Shs
CAPITAL EMPLOYED			
General fund		(962,827)	(1,333,870)
Capital fund	9	<u>1,224,030</u>	<u>1,461,344</u>
		<u>261,203</u>	<u>127,474</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	10	<u>1,224,030</u>	<u>1,461,344</u>
Current assets			
Receivables	11	307,402	299,137
Cash and cash equivalents	12	39,660,425	33,009,550
Tax recoverable		<u>27,974</u>	<u>65,512</u>
		<u>39,995,801</u>	<u>33,374,199</u>
Current liabilities			
Payables	13	4,826,334	3,466,983
Deferred income	14	<u>36,132,293</u>	<u>31,241,086</u>
		<u>40,958,627</u>	<u>34,708,069</u>
Net current assets/(liabilities)		<u>(962,826)</u>	<u>(1,333,870)</u>
		<u>261,204</u>	<u>127,474</u>

The financial statements on pages 8 to 17 were approved and authorised for issue by the board

of directors on 19th 12th 2022 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.

STATEMENT OF CASH FLOWS

	Notes	2021 Shs	2020 Shs
Surplus for the year		371,043	174,957
Adjustments for non cash income and expenses:			
Tax charge	8	159,019	58,319
Depreciation on property and equipment	10	237,314	297,981
Changes in working capital:			
- capital fund		(237,314)	(297,981)
- receivables		(8,265)	498,265
- payables		1,359,351	(863,752)
- deferred income		4,891,207	30,806,332
Cash from operating activities		6,772,355	30,674,121
Tax paid		(121,481)	(80,329)
Net cash from operating activities		<u>6,650,874</u>	<u>30,593,792</u>
Increase in cash and cash equivalents		<u>6,650,874</u>	<u>30,593,792</u>
Movement in cash and cash equivalents			
At start of year		33,009,551	2,415,759
Increase		<u>6,650,874</u>	<u>30,593,792</u>
At end of year	12	<u>39,660,425</u>	<u>33,009,551</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 and judgements

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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.

- Useful lives, depreciation methods and residual values of property and equipment

Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment 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 note 10.

NOTES (CONTINUED)

3. Significant accounting policies (continued)

a) Key sources of estimation uncertainty and judgements (continued)

- Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DC) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- Taxation

In making their judgement, as to whether the organisation is subject to taxation or not, the directors have recognised the fact that the organisation is engaged in charitable activities and thus would qualify for tax exemption as per the Income Tax Act. The management has applied for a tax exemption certificate from Kenya Revenue Authority.

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.

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 and any accumulated impairment losses. 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.

NOTES (CONTINUED)

3. Significant accounting policies (continued)

d) Property and equipment (continued)

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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating surplus.

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 the statement of income and expenditure.

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.

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.

NOTES (CONTINUED)

3. Significant accounting policies (continued)

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 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 obligation

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 and general fund.

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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

n) Comparatives

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

NOTES (CONTINUED)

	2021	2020
	Shs	Shs
4. Donor income		
Open Society International	11,029,999	11,182,500
Foundation to Promote Open Society	7,313,450	8,358,956
Ford Foundation	1,515,863	20,754,176
OSIEA - Linda Katiba	13,164,644	-
Total donor income	33,023,956	40,295,632
Deferred income brought forward (Note 14)	31,241,085	434,754
Deferred income carried forward (Note 14)	(36,132,293)	(31,241,085)
Net donor income	28,132,748	9,489,301
Transfer from capital fund (Note 9)	237,314	297,981
Total grant income	28,370,062	9,787,282
5. Other income		
Interest income	530,063	233,275
6. Surplus for the year		
The following items have been charged in arriving at the surplus for the year:		
Audit fees:		
- current year	500,000	450,000
- underprovision in prior year	-	-
Operating lease rentals	299,000	195,870
Staff costs (Note 7)	12,404,048	4,323,272
7. Staff costs		
Salaries and wages	11,229,852	2,973,000
Other staff costs	848,276	1,167,712
Pension costs:		
- National Social Security Fund	25,920	7,560
- defined contribution scheme	300,000	175,000
	12,404,048	4,323,272
The average number of persons employed during the year, by category, were:	2021	2020
	Number	Number
- Management and administration	2	2

NOTES (CONTINUED)

		2021	2020	
		Shs	Shs	
8. Tax				
Current tax		<u>159,019</u>	<u>58,319</u>	
9. Capital fund				
At start of year		1,461,344	1,759,325	
Transfer to income (Note 4)		<u>(237,314)</u>	<u>(297,981)</u>	
At end of year		<u>1,224,030</u>	<u>1,461,344</u>	
10. Property and equipment				
	Computers	Office	Furniture	Total
	Shs	equipment	and fittings	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	3,757,670	1,557,973	457,235	5,772,878
Charge for the year	<u>93,678</u>	<u>124,098</u>	<u>19,538</u>	<u>237,314</u>
At end of year	<u>3,851,348</u>	<u>1,682,071</u>	<u>476,773</u>	<u>6,010,192</u>
As at 31 December 2021	<u>218,581</u>	<u>868,687</u>	<u>136,762</u>	<u>1,224,030</u>
As at 31 December 2020	<u>312,259</u>	<u>992,785</u>	<u>156,300</u>	<u>1,461,344</u>
			2021	2020
11. Receivables			Shs	Shs
Prepayments			<u>307,402</u>	<u>299,137</u>
12. Cash and cash equivalents				
Cash at bank and in hand			<u>39,660,425</u>	<u>33,009,550</u>
For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise the above.				
13. Payables				
Accruals			4,617,337	3,257,997
Other payables			<u>208,997</u>	<u>208,986</u>
			<u>4,826,334</u>	<u>3,466,983</u>

NOTES (CONTINUED)

	2021	2020
	Shs	Shs
14. Deferred income		
At start of year	31,241,085	434,754
Receipts during the year	33,023,956	40,295,632
Transfer to income	<u>(28,132,748)</u>	<u>(9,489,300)</u>
At end of year	<u><u>36,132,293</u></u>	<u><u>31,241,086</u></u>

The detailed analysis of deferred income is as follows:

Project	At start of year Deferred income Shs	Receipts during the year Shs	Expenditure and refund during the year Shs	At end of year Deferred income Shs
Embassy of the Republic of Netherlands	131,917	-	(1,164)	130,753
Open Society Institute	9,701,337	-	(6,565,760)	3,135,577
Open Society International/Kenyans for Peace Truth and Justice	105,189	11,029,999	-	11,135,188
Foundation to Promote Open Society	4,607,340	7,313,450	(5,678,162)	6,242,628
Department for International	1,914	-	-	1,914
Canadian International Development Agency	12,250	-	-	12,250
Ford Foundation	16,679,057	1,515,863	(5,572,644)	12,622,276
Open Society International/Elections	2,080	-	-	2,080
OSIEA- Linda Katiba	<u>-</u>	<u>13,164,644</u>	<u>(10,315,018)</u>	<u>2,849,626</u>
	<u><u>31,241,085</u></u>	<u><u>33,023,956</u></u>	<u><u>(28,132,748)</u></u>	<u><u>36,132,293</u></u>

Deferred income relates to unexpended portion of grants received.

15. Related party transactions

	2021	2020
	Shs	Shs
The following transactions were carried out with related parties:		
i) Key management personnel compensation		
Salaries and wages	<u><u>7,392,000</u></u>	<u><u>2,443,000</u></u>

SCHEDULE OF OTHER EXPENDITURE

	2021	2020
	Shs	Shs
1. Programme expenses		
Case studies and research	5,012,250	362,500
Communications and postage	3,194,919	287,428
Advocacy	107,500	-
Printing and publication	854,090	106,080
Travelling and accommodation	3,187,100	-
Salaries and wages	8,983,882	2,378,400
Professional fees	1,202,160	2,538,910
Total programme expenses	<u>22,541,901</u>	<u>5,673,318</u>
2. Administrative expenses		
Employment costs		
Salaries and wages	2,245,970	594,600
Staff medical	848,276	1,167,712
Employer pension contributions	300,000	175,000
Employer National Social Security Fund contributions	25,920	7,560
Total employment costs	<u>3,420,166</u>	<u>1,944,872</u>
Other administrative expenses		
Professional fees	335,910	298,360
Secretarial fees	70,048	84,868
Telephone and postage	73,209	54,620
Travelling and accommodation	48,650	38,369
Bank charges	102,235	65,105
Audit fees:		
- current year	500,000	450,000
Internet set up and maintenance	30,732	168,616
Office expenses	661,241	434,612
Office maintenance	20,000	27,250
Total other administrative expenses	<u>1,842,025</u>	<u>1,621,800</u>
Total administrative expenses	<u>5,262,191</u>	<u>3,566,672</u>
3. Other operating expenses		
Establishment:		
Rent	299,000	195,870
Insurance	29,657	29,657
Security	-	23,784
Depreciation on property and equipment	237,314	297,980
Total other operating expenses	<u>565,971</u>	<u>547,291</u>