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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

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 annual report and the audited financial statements for the year ended 31 December 2022, 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 ended 31 December 2022 the total donor grants utilised amounted to Shs. 61,985,003 as compared to prior year of Shs. 28,370,062. This increase was mainly attributed to the starting of new projects during the year.

RESULTS	2022 Shs	2021 Shs
Donor income	61,985,002	28,370,062
Surplus for the year	3,178,441	371,043
Net assets	3,358,115	261,204

PRINCIPAL RISKS AND UNCERTAINTIES

The overall operating environment continues to remain challenging and this has a resultant effect on overall availability of donor funding. The company's strategic focus is to enhance service delivery, the success of which remains dependent on overall operating environment. 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

23 February 2024

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 Kenyan 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 2022 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 23 February 2024 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 2022, 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 2022, 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.

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.

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 requirements of 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.

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

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.

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.

PKF

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

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 23, **2024**

039/24

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STATEMENT OF INCOME AND EXPENDITURE AND GENERAL FUND

	Notes	2022 Shs	2021 Shs
Donor income	4	61,985,002	28,370,062
Other income	5	3,972,693	530,063
Programme expenses		(55,595,607)	(22,541,901)
Administrative expenses		(6,199,856)	(5,262,191)
Other operating expenses		(809,264)	(565,971)
Surplus before tax	6	3,352,968	530,062
Tax charge	8	(174,527)	(159,019)
Surplus for the year		3,178,441	371,043
General fund at start of year		(962,826)	(1,333,869)
General fund at end of year		2,215,615	(962,826)

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

		As at 31 December	
		2022	**2021**
CAPITAL EMPLOYED	**Notes**	**Shs**	**Shs**
General fund		2,215,615	(962,826)
Capital fund	9	1,142,500	1,224,030
		3,358,115	261,204
REPRESENTED BY			
Non-current assets			
Property and equipment	10	1,142,500	1,224,030
Current assets			
Receivables	11	670,194	307,402
Cash and cash equivalents	12	26,526,674	39,660,425
Grant receivable	14	3,839,372	-
Tax recoverable		81,948	27,974
		31,118,188	39,995,801
Current liabilities			
Payables	13	15,468,880	4,826,334
Deferred income	14	13,433,693	36,132,293
		28,902,573	40,958,627
Net current assets/(liabilities)		2,215,615	(962,826)
		3,358,115	261,204

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

of directors on 23 February 2024 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	2022 Shs	2021 Shs
Surplus for the year		3,178,441	371,043
Adjustments for non cash income and expenses:			
Tax charge	8	174,527	159,019
Depreciation on property and equipment	10	238,280	237,314
Changes in working capital:			
- capital fund		(81,530)	(237,314)
- receivables		(362,794)	(8,265)
- payables		10,642,546	1,359,351
- Grant receivable		(3,839,372)	
- deferred income		(22,698,600)	4,891,207
Cash from operating activities		(12,748,502)	6,772,355
Tax paid		(228,499)	(121,481)
Net cash (used in)/from operating activities		(12,977,001)	6,650,874
Cash flows (used in) investing activities			
Purchase of property and equipment	10	(156,750)	-
Net cash (used in) investing activities		(156,750)	-
(Decrease)/increase in cash and cash equivalents		(13,133,751)	6,650,874
Movement in cash and cash equivalents			
At start of year		39,660,425	33,009,551
(Decrease)/increase		(13,133,751)	6,650,874
At end of year	12	26,526,674	39,660,425

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 issued by the International Accounting Standards Board and are consistent with the previous period. The financial statements are presented in Kenya Shillings and 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 performace 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.

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 in to Kenya Shillings (the functional currency) at the rates 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 rates ruling at that date. Foreign exchange differences arising on translation are recognised in the 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 the statement of income and expenditure during the financial year in which they are incurred.

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:

	Rate
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 the statement of income and expenditure.

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.

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**

There were no changes in presentation in the current year.

NOTES (CONTINUED)

4. **Donor income**

	2022 Shs	2021 Shs
Open Society International	11,665,500	11,029,999
Foundation to Promote Open Society	-	7,313,450
Ford Foundation	-	1,515,863
OSIEA - Linda Katiba	-	13,164,644
Open Society International/Elections	23,700,000	-
Total donor income	35,365,500	33,023,956
Deferred income brought forward (Note 14)	36,132,293	31,241,085
Grant receivable carried forward (Note 14)	3,839,372	-
Deferred income carried forward (Note 14)	(13,433,693)	(36,132,293)
Net donor income	61,903,472	28,132,748
Transfer from capital fund (Note 9)	238,280	237,314
Transfer to capital fund	(156,750)	-
Total grant income	61,985,002	28,370,062

5. **Other income**

	2022 Shs	2021 Shs
Interest income	581,757	530,063
Other income	2,210,011	-
Foreign exchange gain	1,180,925	-
	3,972,693	530,063

6. **Surplus for the year**

The following items have been charged in arriving at the surplus for the year:

	2022 Shs	2021 Shs
Audit fees:		
- current year	500,000	500,000
- underprovision in prior year	3,175	-
Operating lease rentals	541,736	299,000
Staff costs (Note 7)	14,390,854	12,404,048

7. **Staff costs**

	2022 Shs	2021 Shs
Salaries and wages	12,984,321	11,229,852
Other staff costs	980,613	848,276
Pension costs:		
- National Social Security Fund	25,920	25,920
- defined contribution scheme	400,000	300,000
	14,390,854	12,404,048

The average number of persons employed during the year, by category, were:	2022 Number	2021 Number
- Management and administration	2	2

NOTES (CONTINUED)

	2022 Shs	2021 Shs
8. Tax		
Current tax	174,527	159,019
9. Capital fund		
At start of year	1,224,030	1,461,344
Additions	156,750	-
Transfer to income (Note 4)	(238,280)	(237,314)
At end of year	1,142,500	1,224,030

10. Property and equipment

	Computers Shs	Office equipment Shs	Furniture and fittings Shs	Total Shs
Cost				
At start of year	4,069,929	2,550,758	613,535	7,234,222
Additions	156,750	-	-	156,750
At end of year	4,226,679	2,550,758	613,535	7,390,972
Accumulated depreciation				
At start of year	3,851,348	1,682,071	476,773	6,010,192
Charge for the year	112,599	108,586	17,095	238,280
At end of year	3,963,947	1,790,657	493,868	6,248,472
Net carrying amount				
As at 31 December 2022	262,732	760,101	119,667	1,142,500
As at 31 December 2020	218,581	868,687	136,762	1,224,030

Depreciation has been charged under other operating expenses in the statement of income and expenditure and general fund.

	2022 Shs	2021 Shs
11. Receivables		
Prepayments	374,194	307,402
Other receivables	296,000	
	670,194	307,402
12. Cash and cash equivalents		
Cash at bank and in hand	26,526,674	39,660,425

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise the above.

13. Payables

	2022 Shs	2021 Shs
Accruals	15,108,985	4,617,337
Other payables	359,895	208,997
	15,468,880	4,826,334

NOTES (CONTINUED)

14. **Deferred income/(grant receivable)**	**2022 Shs**	**2021 Shs**
Deferred income	13,433,693	36,132,293
Grant receivable	(3,839,372)	-
At end of year	9,594,321	36,132,293

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 grant receivable Shs**	**At end of year deferred income Shs**
Embassy of the Republic of Netherlands	130,754	-	(1,068)	-	129,686
Open Society Institute	3,135,577	11,665,500	(13,338,566)	-	1,462,511
Open Society	11,135,188	-	(5,865,650)	-	5,269,538
Foundation to Promote Open Society	6,242,628	-	(6,037,221)	-	205,407
Department for International Development	1,914	-	-	-	1,914
Canadian International Development Agency	12,250	-	-	-	12,250
Ford Foundation	12,622,276	-	(6,269,889)	-	6,352,387
Open Society International/Elections	2,080	23,700,000	(27,483,248)	(3,781,168)	-
OSIEA- Linda Katiba	2,849,626	-	(2,907,830)	(58,204)	-
	36,132,293	35,365,500	(61,903,472)	(3,839,372)	13,433,693

Deferred income relates to unexpended portion of grants received.

Grant receivable relates to amounts expected from the donors for expenses incurred for the projects.

15. **Related party transactions**

The following transactions were carried out with related parties:	**2022 Shs**	**2021 Shs**
i) **Key management personnel compensation**		
Salaries and wages	7,392,000	7,392,000

SCHEDULE OF OTHER EXPENDITURE

	2022 Shs	2021 Shs
1. Programme expenses		
Case studies and research	24,986,898	5,012,250
Communications and postage	3,205,160	3,194,919
Advocacy	116,000	107,500
Printing and publication	2,296,817	854,090
Travelling and accommodation	6,063,645	3,187,100
Salaries and wages	10,387,457	8,983,882
Professional fees	7,907,800	1,202,160
Meeting and workshops	631,830	-
Total programme expenses	55,595,607	22,541,901
2. Administrative expenses		
Employment costs		
Salaries and wages	2,596,864	2,245,970
Staff medical	979,413	848,276
Employer pension contributions	400,000	300,000
Employer National Social Security Fund contributions	25,920	25,920
Employer NITA contributions	1,200	-
Total employment costs	4,003,397	3,420,166
Other administrative expenses		
Professional fees	110,860	335,910
Secretarial fees	73,485	70,048
Telephone and postage	136,048	73,209
Travelling and accommodation	181,039	48,650
Bank charges	171,388	102,235
Audit fees:		
- current year	500,000	500,000
- underprovision in prior year	3,175	-
Internet set up and maintenance	290,266	30,732
Office expenses	659,198	661,241
Office maintenance	71,000	20,000
Total other administrative expenses	2,196,459	1,842,025
Total administrative expenses	6,199,856	5,262,191
3. Other operating expenses		
Establishment:		
Rent	541,736	299,000
Insurance	29,252	29,657
Depreciation on property and equipment	238,276	237,314
Total other operating expenses	809,264	565,971