

FEKAN HOWELL AND ASSOCIATES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

*FEKAN Howell and Associates
Annual report and financial statements
For the year ended 31 December 2023*

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PARTNERSHIP INFORMATION

PARTNERS

- : Mr. Felix Wamai Kariuki
- : Mr. Nicholas Kathiari
- : Mr. Patrick Kwagara Mwirigi

REGISTERED OFFICE

- : FEKAN Howell and Associates
- : Certified Public Accountants of Kenya
- : Park Suite Building, 44 Parklands Road
- : P.O.Box 14299-00800

AUDITORS

- : Njoroge Kibebe and Associates
- : Certified Public Accountants of Kenya
- : P.O Box 58132-00200
- : Nairobi

PRINCIPAL BANKERS

- : NCBA
- : Thika Road Mall Branch
- : Nairobi
- : Kenya

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REPORT OF THE PARTNERS

The partners submit their report and the audited financial statements for the year ended 31 December 2023 which disclose the state of affairs of the partnership.

PRINCIPAL ACTIVITIES

The firm's main activities is provision of assurance, tax and advisory services.

RESULTS	2023 Shs	2022 Shs
Profit before tax	28,876,414	11,961,271
Tax	-	-
Profit after tax	<u>28,876,414</u>	<u>11,961,271</u>

PARTNERS

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

AUDITORS

The auditors, Njoroge Kibebe & Associates continue in office in accordance with the Partnership Deed. The partners monitors the effectiveness, objectivity and independence of the firms' auditors. The partners also approve the annual audit engagement contract which sets out the terms of annual audit engagement and the related fees.

BY ORDER OF THE PARTNERSHIP


MANAGING PARTNER
NAIROBI

24 May 2024

STATEMENT OF PARTNERS' RESPONSIBILITIES

The Partnership Deed requires the partners to prepare financial statements for each financial year that give a true and fair view of the state of affairs of FEKAN Howell and associates as at the end of the financial year and of its operating results for that year. It also requires the partners to ensure that FEKAN Howell and Associates maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the partnership. The Partners are also responsible for safeguarding the assets of FEKAN Howell and Associates.

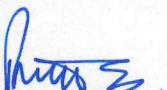
The partners accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of Laws of Kenya. The Partners are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of FEKAN Howell and Associates as at 31st December 2023 and of its operating results for the period then ended. The Partners further accept responsibility for the maintenance of accounting records which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Partners to indicate that the FEKAN Howell and Associates will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the partners on 24th May 2024 and signed on its behalf by:



PARTNER



PARTNER

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF FEKAN HOWELL & ASSOCIATES

Report on the financial statements

We have audited the accompanying financial statements FEKAN Howell and Associates, set out on pages 6 to 17, which comprise the statement of financial position as at 31st December 2023, income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the firm as at 31st December 2023 and of its income and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the law.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 firm in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with these requirements. The IESBA Code is consistent with the International Ethics Standards Board for Accountant's Board of Ethics for Professional Accountants (parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Other Information

The Partners are responsible for the other information. The other information comprises the partner' report, statement and other statements included within 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.

Responsibilities of management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the law, and for such internal controls as the partners determine are 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 partners are responsible for assessing the firm'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 partner either intend to liquidate the firm or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the firm's financial reporting process.



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 ISA's 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 ISAs, we exercise professional judgment 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 Firm's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Partners.
- Conclude on the appropriateness of the Partners' 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 Firm'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 Firm 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Firm to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Firm's audit. We remain responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

As required by the law, we report to you, based on our audit, that:

- i) We have obtained all the information and explanations (except as provided in the paragraphs above) which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion proper books of accounts have been kept by the Firm, so far as it appears from the examination of those books except for the key audit matters mentioned.
- iii) The Firm's statement of financial position and income statement are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA Joseph Kibebe Njoroge - P/No 1798.

NJOROGE KIBEBE & ASSOCIATES

Certified Public Accountants (K)

P.O. Box 58132 – 00200

Nairobi, Kenya



Dated..... 31 MAY2024

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COMPREHENSIVE INCOME STATEMENT

	Note	2023 Shs	2022 Shs
Revenue	1	74,165,653	51,513,198
Administrative expenses		(43,425,654)	(38,283,243)
Operating expenses		<u>(1,170,295)</u>	<u>(1,091,659)</u>
Operating profit		29,569,704	12,138,296
Finance costs		<u>(693,289)</u>	<u>(177,025)</u>
Profit before tax		28,876,414	11,961,271
Tax	4	-	-
Profit for the year		<u>28,876,414</u>	<u>11,961,271</u>

The significant accounting policies on pages 10 to 13 and the notes on pages 14 to 17 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

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STATEMENT OF CHANGES IN CAPITAL EMPLOYED

	Partners capital Shs	Partners Current Account Shs	Total Shs
Year ended 31 December 2022			
At start of year	600,000	2,002,182	2,602,182
Drawings	-	(7,920,885)	(7,920,885)
Profit for the year	-	11,961,271	11,961,271
At end of year	<u>600,000</u>	<u>6,042,568</u>	<u>6,642,568</u>
Year ended 31 December 2023			
At start of year	600,000	6,042,568	6,642,568
Contributions	2,400,000	-	2,400,000
Drawings	-	(24,355,809)	(24,355,809)
Profit for the year	-	28,876,414	28,876,414
At end of year	<u>3,000,000</u>	<u>10,563,173</u>	<u>13,563,173</u>

The significant accounting policies on pages 10 to 13 and the notes on pages 14 to 17 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

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STATEMENT OF CASH FLOW

	Note	2023 Shs	2022 Shs
Operating activities			
Cash generated from operations	12	28,074,565	10,922,501
Tax paid		-	-
Net cash generated from operating activities		<u>28,074,565</u>	<u>10,922,501</u>
Investing activities			
Purchase of equipment	7	(1,474,697)	(638,000)
Asset disposal net movement		19,745	-
PPE & ammortisation adjustment		(3,374)	-
Purchase of software	8	-	-
Net cash (used in) investing activities		<u>(1,458,326)</u>	<u>(638,000)</u>
Financing activities			
Current account		(24,355,809)	(7,925,560)
Capital injected during the year		<u>2,400,000</u>	-
Net cash (used in) financing activities		<u>(21,955,809)</u>	<u>(7,925,560)</u>
Increase in cash and cash equivalents		<u>4,660,431</u>	<u>2,358,941</u>
Movement in cash and cash equivalents			
At start of the year		3,947,802	1,588,861
Increase in cash and cash equivalents		<u>4,660,431</u>	<u>2,358,941</u>
At end of the year	10	<u>8,608,232</u>	<u>3,947,802</u>

The significant accounting policies on pages 10 to 13 and the notes on pages 14 to 17 form an integral part of these financial statements.

Report of the independent auditors - pages 4 and 5.

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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) Basis of preparation

The financial statements are prepared on a historical cost basis in accordance with International Financial Reporting Standards (IFRS).

b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The partnership recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the partnership's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The partnership bases its estimation on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

- i) Sales of goods and services are recognised upon delivery of products and customer acceptance.

c) Property and equipment

All equipment is initially recorded at cost and thereafter stated at historical cost less 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 partnership 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 income statement during the financial year in which they are incurred.

Depreciation on other assets is calculated on straight line 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>
Equipment	12.5
Computers	30.0
Furniture and fitting	12.5

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenyan Shillings (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

e) Financial assets

The partnership's financial assets which includes guarantees, cash and cash equivalents and trade and other receivables fall into the following category:

- **Loans and receivables:** financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the balance sheet date. All assets with maturities greater than 12months after the balance sheet date are classified as non-current assets. Such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the income statement.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the partnership commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the partnership has transferred substantially all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are taken into account for determining operating profit

f) Financial liabilities

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Borrowings are classified as financial liabilities.

g) Retirement benefit obligations

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

h) Accounting for leases

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Impairment of trade receivables is recognised in the income statement under administrative expenses when there is objective evidence that the partnership will not be able to collect all amounts due per the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default in payments are considered indicators that the trade receivable is impaired. The impairment provision is based on the difference between the carrying amount and the present fair value of the expected cash flows, discounted at the effective interest rate.

Receivables not collectible are written off against the impairment provision. Subsequent recoveries of amounts previously written off are credited to the income statement under administrative expenses in the year of their recovery.

k Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 3 months, net of bank overdrafts and money market lines.

In the balance sheet, bank overdrafts are included within borrowings in current liabilities.

l) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

m Taxation

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

n Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the income statement under finance costs.

Borrowings are classified as current liabilities unless the partnership has unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Capital

Partners injections are classifies as capital employed.

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NOTES TO THE FINANCIAL STATEMENTS

	2023 Shs	2022 Shs
1. Revenue		
Assurance	50,816,082	37,363,979
Consultancy	18,186,240	8,919,219
Training and other income	<u>5,163,330</u>	<u>5,230,000</u>
	<u><u>74,165,653</u></u>	<u><u>51,513,198</u></u>
2. Operating profit		
The following items have been charged in arriving at operating profit:	2023 Shs	2022 Shs
Staff costs (Note 3)	-	-
Depreciation of equipment	182,230	258,000
Auditors' remuneration	<u>40,000</u>	<u>40,000</u>
- current year		
3. Staff costs	Shs	Shs
Salaries and wages and related costs	<u>8,196,701</u>	<u>3,386,120</u>
4. Tax		
Current tax	<u><u>-</u></u>	<u><u>-</u></u>
The tax on the partnership's (loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:		
Profit before tax	<u>28,876,414</u>	<u>11,961,271</u>
Tax calculated at a tax rate of graduated scale after share of profits.	-	-
Tax effect of:		
- Expenses not deductible for tax	<u>-</u>	<u>-</u>
- Tax losses carried forward	<u>-</u>	<u>-</u>
Tax charge	<u><u>-</u></u>	<u><u>-</u></u>
5. Partners capital	2023 Shs	2022 Shs
At start of year	600,000	600,000
Felix Wamai Kariuki	800,000	-
Nicholas Kathiari	800,000	-
Patrick Kwagara Mwirigi	<u>800,000</u>	<u>-</u>
At end of year	<u>3,000,000</u>	<u>600,000</u>
6. Partners Current Account		
Opening Balance	6,042,568	2,002,182
Drawings	(24,355,809)	(7,920,885)
Share of profits	<u>28,876,414</u>	<u>11,961,271</u>
Total	<u>10,563,173</u>	<u>6,042,568</u>

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NOTES TO THE FINANCIAL STATEMENTS

7. Equipment

Cost	Furniture &			Total Shs
	Equipment Shs	fittings Shs	Computers Shs	
At start of year	121,411	622,790	774,000	1,518,201
Additions	171,000	1,303,697	-	1,474,697
Disposal	-	(29,500)	-	(29,500)
At end of year	<u>292,411</u>	<u>1,896,987</u>	<u>774,000</u>	<u>2,963,398</u>
Depreciation				
At start of year	36,105	139,654	227,687	403,446
Adjustments	20,875	14,792	(39,465)	(3,799)
Disposal	-	(9,755)	-	(9,755)
Charge for the year	<u>44,061</u>	<u>182,230</u>	<u>258,000</u>	<u>484,291</u>
At end of year	<u>101,040</u>	<u>326,921</u>	<u>446,222</u>	<u>874,182</u>
NBV 31 December 2023	<u>191,371</u>	<u>1,570,066</u>	<u>327,778</u>	<u>2,089,215</u>
NBV 31 December 2022	<u>85,307</u>	<u>483,135</u>	<u>546,313</u>	<u>1,114,755</u>

8 Intangible Assets

	Software Shs
Cost	
At start of year	15,300
Additions	-
At end of year	<u>15,300</u>
Depreciation	
At start of year	9,350
Adjustment	425
Charge for the year	<u>5,100</u>
At end of year	<u>14,875</u>
NBV 31 December 2023	<u>425</u>
NBV 31 December 2022	<u>5,950</u>

9. Trade and other receivables

	2023	2022
	Shs	Shs
Trade receivables	5,812,372	10,352,860
Deposits & prepayments	464,331	139,550
Other receivables	<u>2,337,406</u>	<u>1,675,567</u>
	<u>8,614,109</u>	<u>12,167,978</u>

The carrying amounts of the partner's trade and other receivables are denominated in Shs.

The partners' credit risk arises primarily from trade receivables and other receivables.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents	2023	2022
	Shs	Shs
NCBA Bank	8,606,060	3,943,332
Cash in hand	2,172	4,471
	<hr/>	<hr/>
	8,608,232	3,947,803
	<hr/>	<hr/>

For the purpose of the cash flow statement, cash and cash equivalents comprise the above.

11. Trade and other payables	2023	2022
	Shs	Shs
Trade payables	2,793,860	91,246
Other payables	630,309	5,624,872
Accruals	2,324,639	4,877,799
	<hr/>	<hr/>
	5,748,808	10,593,917
	<hr/>	<hr/>

12. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations	2023	2022
	Shs	Shs
Profit before tax	28,876,414	11,961,271
Depreciation on equipment	484,291	245,264
Software amortization	5,100	4,675
Adjustments for:		
Changes in working capital:		
- trade and other receivables	3,553,869	(10,567,664)
- trade and other payables	(4,845,109)	9,278,955
	<hr/>	<hr/>
Cash generated from operations	28,074,565	10,922,501
	<hr/>	<hr/>

13 Financial risk management

The partnership's activities expose it to a variety of financial risks: market risk (interest rate risk),credit risk and liquidity risk.

The partnership's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the partnership's financial performance.

Risk management is carried out by the partnership. The partners identifies, evaluates and hedges financial risks in close co-operation with various staff in the organisation.

(a) Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their position, past experience and other factors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Risk management objectives and policies(continued)

Financial risk management

None of the financial assets that are fully performing has been renegotiated in the last year.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet obligations as they fall due. The partnership ensures its inflows and outflows are matched sufficiently to minimise its exposure on liquidity risk.

14. Capital management

The partnership's objectives when managing capital are:

- to provide an adequate return to partnership by pricing products and services commensurately with the level of risk;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for partners and benefits for other stakeholders; and
- to maintain a strong asset base to support the development of business.

The partnership sets the amount of capital in proportion to risk. The partnership manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the partnership may adjust the amount of share of profit paid to partners, return capital to partners, sell assets to reduce debt. Consistently with others in the industry, the partnership monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Capital comprises all components of equity (i.e. capital and retained earnings).

15. Events after the balance sheet date

There are no material events after the balance sheet date which require to be disclosed.

16. Deferred tax

No provision has been made for deferred tax as there are no material temporary timing differences.

17. Provision for employee entitlements

No provision has been made for employee entitlements as the amounts involved are not material.

18. Country of incorporation

The partnership is registered in Kenya under Registrar of Business Names Act and is domiciled in Kenya.

19. Presentation currency

These financial statements are presented in Kenya Shillings (Shs).

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OTHER OPERATING INCOME AND EXPENDITURE

ADMISTRATION EXPENSES	2023 Shs	2022 Shs
Employment:		
Salaries and wages	7,084,241	2,949,942
Staff welfare	427,525	-
Staff training	684,935	436,178
	<u>8,196,701</u>	<u>3,386,120</u>
Other administration expenses		
Consultancy charges	24,819,960	24,122,178
Audit fees	80,000	80,000
Telephone, communication and postage	1,399,600	1,336,516
Electricity	53,630	12,986
Advertising and marketing	1,198,500	2,670,000
Internet expenses	160,696	174,673
Travel and accommodation	4,489,081	3,933,357
Printing and stationeries	874,535	1,160,820
Subscriptions	21,945	36,146
Tender fees	211,395	59,027
Miscellaneous expenses	503,693	494,091
Rent & rates	1,415,917	817,330
	<u>35,228,953</u>	<u>34,897,123</u>
Total other administration expenses		
	<u>43,425,654</u>	<u>38,283,243</u>
OPERATING EXPENSES		
Depreciation	484,291	245,264
Software amortization	5,100	4,675
Insurance and licenses	347,204	369,370
Repairs and maintenance	333,700	472,350
Security	1,170,295	1,091,659
	<u>1,170,295</u>	<u>1,091,659</u>
Finance costs		
Bank charges	243,289	166,350
Interest on Capital accounts	450,000	-
Unrealised exchange loss/(gain)	-	10,675
	<u>693,289</u>	<u>177,025</u>