



**Mazingira Welfare and Sports
Association**

MAZINGIRA WELFARE ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

DECEMBER 31, 2023

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

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1. Acronyms and Glossary of Terms

Chairperson	Chairperson of the Management Committee
PS	Principal Secretary
Secretariat	Employees of the Association and Desk Officers
IPSAS	International Public Sector Accounting Standards
NEMA	National Environment Management Authority
KFS	Kenya Forest Service
PFM	Public Finance Management
AGM	Annual General Meeting
CSR	Corporate Social Responsibility
MDAS	Ministries Departments and Agencies
W.E.F.	With Effect From
ICT	Information & Communication Technologies
ADMS	Accounting Database Management System

2. Key Entity Information and Management

(a) Background information

Mazingira Welfare Association is a nonprofit making Welfare Association established in the year 1995 under the Ministry of Environment, Climate Change and Forestry, registered with the Office of the Registrar of Societies, Kenya. The Principal Secretary in the Ministry of Environment is by virtue of his Official position, the Patron of Mazingira Welfare Association. The Management Committee is responsible for the general policy and strategic direction of the Association.

The Objectives:

The Welfare is a staff organization and has no political ambitions or affiliation.

The objectives of the Welfare are to: -

- a) Foster and encourage members' participation in Welfare's activities.
- b) Source and maintain funds through voluntary contributions, subscriptions, investments and ensure prudent management of the resources.
- c) Solicit for financial support from available external sources for the Welfare.
- d) Advance loans and grants to members of the Welfare subject to availability of funds;
- e) Acquire, lease, charge, sell/dispose-off and mortgage both movable or immovable property/assets for the interest of the members;
- f) Support the socio-economic development projects of the Welfare/members through access to affordable loans and appropriate technical skills.

Vision

To be a Welfare Association of excellence in financing and creating wealth for our members.

Mission

To increase countrywide membership through mobilization and offering affordable financial products for sustainable socio-economic development

Mandate

- (i) To foster and encourage members participation in Welfare's activities.
- (ii) To solicit for financial support from available external sources for the Welfare.
- (iii) To source and maintain funds through voluntary contributions, subscriptions, investments and ensure prudent management of the resources.
- (iv) To acquire, lease, charge, sell/dispose-off and mortgage both movable and immovable property/assets for the interest of members.
- (v) To advance loans and grants to members of the welfare subject to availability of funds.
- (vi) To support the socio-economic development project of the welfare through access to affordable loans and appropriate technical skills.

Core Values

- (i) **Professionalism:** Maintain high standards and professional competence in the discharge of duties/ service delivery.
- (ii) **Integrity:** Committed to promoting honesty, transparency and accountability.
- (iii) **Teamwork:** Committed to embrace a consultative and collaborative approach in discharging the mandate.
- (iv) **Customer Focus:** Customer driven and focused service delivery by honoring commitments to members.
- (v) **Respect to the Rule of Law:** Committed to good governance in the implementation of the Welfare policies and other legal frameworks.

(b) Key Management

The *Association* day-to-day management is under the following key organs:

- Principal Secretary
- The Management Committee
- The Welfare Manager

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 31st December 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Chairperson	Ms. Esther Lokwei
2	Secretary	Mr. Kenneth Odhiambo
3	Treasurer	Ms. Peninnah Njuguna
4	Vice-Chairperson	Ms. Charity Munyasya
5	Assistant Treasurer	Ms. Miriam Sindiyo
6	Manager	Mr. Erick Nyaga
7	Accountant	Mr. Solomon Njane

(d) Fiduciary Oversight Arrangements

Social Economic Development Sub- Committee	Finance and HR Sub-Committee
1. Ms. Salome Machua - Chairperson	1 Mr. Kenneth Odhiambo - Chairperson
2. Mr. Zebedeo Ongoro - Alternate Chair	2 Ms. Peninah Njugunah - Alternate Chair
3. Ms. Charity Munyasya - Member	3 Ms. Miriam Sindiyo - Member
4. Mr. Emmanuel Kuloba - Member	4 Mr. James Kirembu - Member
5. Mr. Davice Otieno - Member	5 Mr. Wesley Langat - Member
6. Mr. Japheth Orege - Member	6 Ms. Lucy Kaari - Member
7. Mr. Erick Nyaga - Member	7 Ms. Vivian Amatta - Member
	8 Mr. Erick Nyaga - Member

(e) Entity Headquarters

P.O. Box 10097-00100
N.H.I.F. Building 11th Floor
Ragati Road
NAIROBI, KENYA
Telephone (257) 714130269
Email: info@mazingirawelfare.org
Website: www.mazingirawelfare.org

(e) Entity Bankers (all banks)

- | | |
|---|--|
| <p>1. Kenya Commercial Bank
Moi Avenue
P.O. Box 48400
GPO 00100
NAIROBI, KENYA</p> | <p>2. Kenya Commercial Bank
Capital Hill
P.O Box 48400
GPO 00100
NAIROBI, KENYA</p> |
|---|--|

(f) Independent Auditors

Muriithi Isaac Wanjohi
The National Treasury
P.O. Box 58991-00200
NAIROBI, KENYA

(g) Legal Adviser

S.Ngara & Associates
Karen Plaza
P.O. Box 3138-00502
Karen, Kenya.

3. Statement of Governance

The Welfare is governed as stipulated by Mazingira Welfare Constitution and By-Laws. The internal management of the Welfare operations is guided by the Welfare Hand book.

(i) The Patron

The Principal Secretary in charge of the State Department of Environment and Climate Change is by virtue of his official position the Patron of the Welfare as provided in the By-Laws.

(ii) The Management Committee

Members of the Committee are nominated, appointed or elected as provided in the By-Laws as shown here under;

The current Management Committee comprises of the following;

- | | | |
|-------------------------|---|--|
| 1) Ms. Esther Lokwei | - | Chairperson (Appointed – Environment) |
| 2) Ms. Charity Munyasya | - | Vice-Chairperson (Nominated –KFS) |
| 3) Mr. Kenneth Odhiambo | - | Secretary (Appointed – Environment) |
| 4) Ms. Peninah Njugunah | - | Treasurer (Appointed – Environment) |
| 5) Ms. Miriam Sindiyo | - | Asst. Treasurer(Co-opted - Accounts) |
| 6) Mr. Erick Nyaga | - | Asst.Secretary/Manager (Co-opted –Mazingira) |
| 7) Mr. James Kirembu | - | Member (Nominated – Mining) |
| 8) Mrs. Salome Machua | - | Member (Nominated – NEMA) |
| 9) Mr. Zebedeo Ongoro | - | Member (Elected Rep – Water) |
| 10) Mr. Japheth Orege | - | Member (Elected Rep – Mining) |
| 11) Mr. Emmanuel Kuloba | - | Member (Elected Rep – KFS) |
| 12) Mr. Wesley Langat | - | Member (Elected Rep – KFS) |
| 13) Ms. Lucy Kaari | - | Member (Elected Rep – Environment) |
| 14) Ms. Vivian Amatta | - | Member (Elected Rep – NEMA) |
| 15) Mr. Davice Otieno | - | Member (Elected Rep – WRA) |

(iii) Functions and Powers of the Management Committee

In accordance with the Welfare’s Constitution, the Management Committee shall:-

- a) Be responsible for the management of the Welfare and may give directions to the office bearers as provided for in the Constitution.
- b) Have powers to appoint sub-committees with Terms of References (TORs) as deemed fit.
- c) The Management may also constitute ad-hoc committees to deal with emerging issues.
- d) Authorize financial disbursements on behalf of the Welfare.

- e) Responsible for the recruitment of members, sensitization and publicity of the Welfare.
- f) Establish and abolish offices of the Welfare accordingly; appoint persons to hold or act in those offices and confirm to their appointments;
- g) Handle disciplinary cases, whilst promoting the values and principles of the Welfare.
- h) Responsible for the administration and management of the Welfare of members and staff to promote efficient and effective service delivery.

4. Statement by the Chairperson

1. Introduction

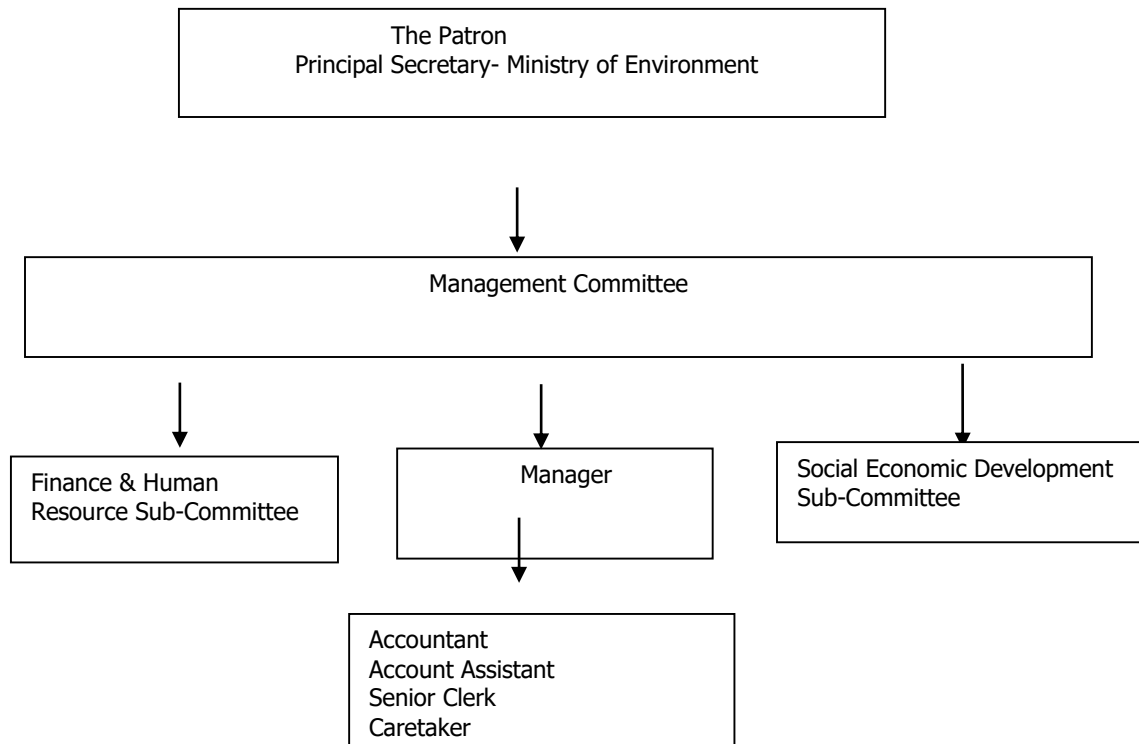
Mazingira Welfare Association is a non-profit making Welfare Association established in the year 1995 under the Ministry of Environment, Climate Change and Forestry. The PS in the Ministry of Environment is by virtue of his Official position, the Patron of the Association. The Management Committee is responsible for the general policy and strategic direction of the Association.

Since inception the Association has been headed by various Patrons and 17 Chairpersons in the past 29 years. The current Management Committee consist of both nominated and elected members from various Ministries and major departments. (List of members is provided in 3 (ii)).

The current Chairperson took over from Mr. Sangura during the last quarter of the financial year 2023 therefore the Committee was chaired by the previous Chairman for most part of the respective financial year.

The Association operates under a system of corporate governance that enhances accountability and long term sustainability.

Organizational Structure



2. Membership

The Association started with a membership strength of **500** during inception and has since grown to over **5,000** members across the Country. Membership is open to all employees of the ministries, departments and agencies (MDAS), County Governments or any other Parastatal or Project under the government of Kenya. The current rates for registration fee and monthly contribution are **kshs.200.00** and **kshs.700.0** respectively.

3. Benefits to members

Qualified members are able to access and benefit from the following products offered by the Association;

- (i) Interest free loans at the provided terms and conditions. Currently the limits are Kshs.100,000.00 and Kshs.30,000.00 for normal and emergency loans respectively.
- (ii) Grants/benevolent funds upon bereavement at the provided rates and conditions. The current rates for the benevolent funds /grants:
 - a. Member - 35,000/=
 - b. Spouse - 30,000/=
 - c. Child - 25,000/=
- (iii) Members are entitled for refund of 50% of total contributions upon retirement, dismissal or demise at the provided rates and conditions.
- (iv) Members are eligible to benefit from various projects undertaken by the Association. Several members have been able to acquire and own plots at affordable prices from the Association.

3. Meetings

(i) Committee Meetings

The Management Committee holds monthly meetings to transact the Association's business, which includes consideration of loan applications, ratification of grants and refund of 50% contributions upon retirement /dismissal/death and any other issue that is of benefit to the members.

The Management Committee comprises two sub-Committees namely the Finance & HR and the Development sub-Committee which often meet as directed by the management committee to deal with issues affecting the daily operations of the Association.

(ii) Annual General Meeting

The annual general meeting is held annually to consider the audited accounts and annual budgets among other important items affecting the members.

4. Achievements and Challenges

a) Achievements

- (i) Growth in monthly revenue collections on members' contributions from the previous year by 10%
- (ii) Recruitment of over 1600 new members thus expected growth in membership strength by 40 % in the coming financial year.
- (iii) Successful implementation of reviewed loan limits and other benefits to members by 40% from previous year rates.
- (iv) Over 10 members connected and supplied with borehole water in Phase I project.
- (v) Members were able to access and benefit from loans, grants and refunds amounting to Kshs122,603,738.00 compared to the previous year amount of Kshs.85,795,138.00.

The Association has experienced sustainability and growth over the years due to the following;

- (i) Good Governance and management free from political affiliations.
- (ii) Effective service delivery to members has been the pillar to sustain the membership strength during the harsh economic times.
- (iii) Recruitment of more members has increased the membership strength subsequently leading to proportional growth in revenue collections.
- (iv) Successful completion of Welfare projects for the benefit of members has improved the social economic development of members.
- (v) Offering attractive products to members such as interest free loans, grants and refund of contributions compared to other Welfare Associations

b) Challenges

The following challenges were experienced by the Association during the financial year;

- (i) High cost of living and taxes by the Government which has led to member's voluntary withdrawal from the Association.
- (ii) Poor remittances of members deductions by various Ministries and departments
- (iii) The process of securing a clean parcel of land for our members took long due to the unforeseeable circumstances.

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**The Chairperson
Management Committee
Mazingira Welfare Association**

5. Statement by the Manager

1. Budget Performance analysis

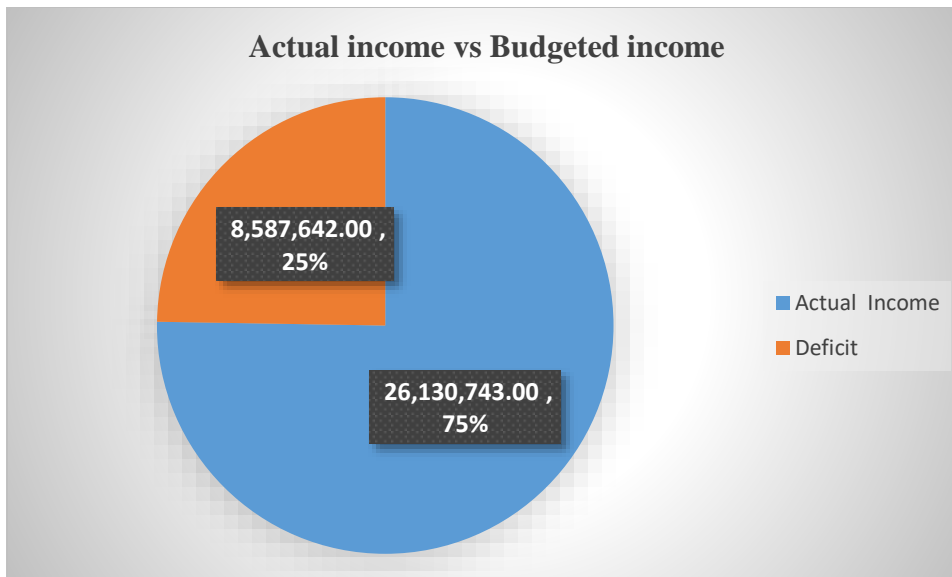
The annual income budget was not effectively realized as estimated at the start of the financial year. The Association collected Ksh.25,012,358.00 against the budgeted amount of Kshs.33,600,000.00 which was a 78% mainly due to the following reasons;

- (i) Membership strength of 4,000 members was not attained as targeted.
- (ii) Challenges experienced during implementation of monthly contribution increment from kshs.500.00 to Kshs.700.00 to all members.

The annual expenditure budget was effectively and prudently utilized hence there were no significant variances on the items of expenditure. The overall budget utilization was at 96% of the estimated budget.

Comparison for the actual income received versus the annual budget is as shown below;

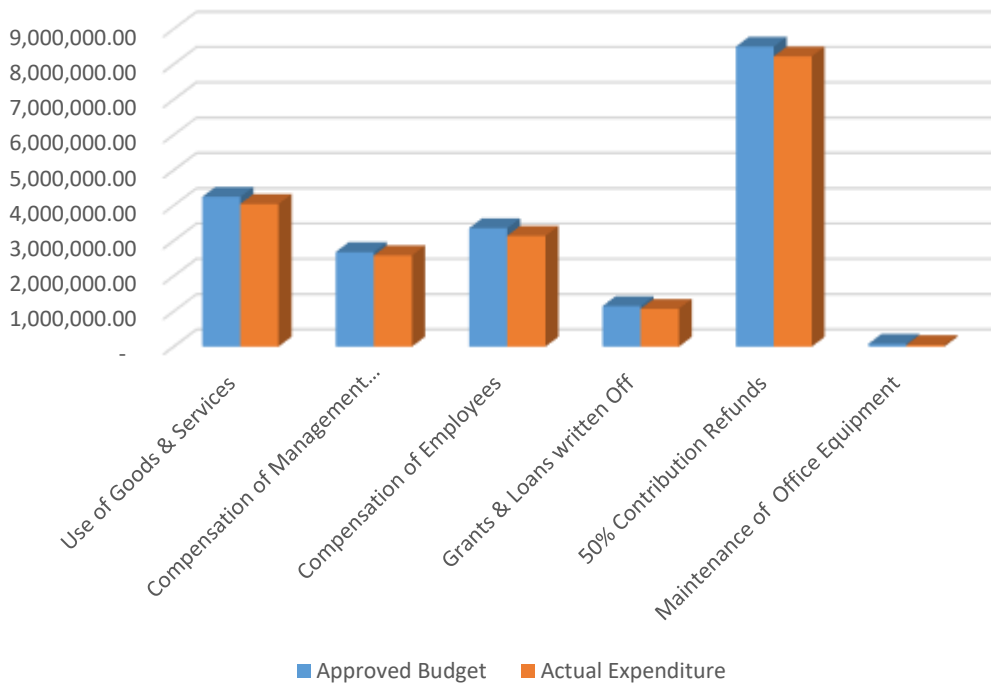
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Contribution from members	33,600,000.00	-	33,600,000.00	25,012,358.00	8,587,642.00	74%
Miscellaneous receipts	-	-	-	1,118,385.00	-	-
Total Receipts	33,600,000.00		33,600,000.00	26,130,743.00	8,587,642.00	78%



Comparison for the actual expenditure versus the annual budget is as shown below;

Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Use of Goods & Services	4,075,000.00	170,000.00	4,245,000.00	4,041,797.50	203,202.50	95%
Compensation of Management Committee & other officers	2,480,000.00	200,000.00	2,680,000.00	2,587,100.00	92,900.00	97%
Compensation of Employees	3,325,000.00	30,000.00	3,355,000.00	3,141,612.00	213,388.00	94%
Grants & Loans written Off	1,500,000.00	(350,000.00)	1,150,000.00	1,071,320.00	78,680.00	93%
50% Contribution Refunds	8,500,000.00	-	8,500,000.00	8,221,838.00	278,162.00	87%
Maintenance of Office Equipment	130,000.00	(50,000.00)	80,000.00	47,670.00	32,330.00	60%
Total Payments	20,010,000.00	-	20,010,000.00	19,111,337.50	898,662.50	96%

Actual expenditure vs the Budget



2. Achievements during the year

- (i) Growth in monthly revenue collections on members' contributions from the previous year by 10 %.
- (ii) Recruitment of over 1600 new members thus expected growth in membership strength by 40 % in the coming financial year.
- (iii) Successful implementation of reviewed loan limits and other benefits to members by 40% from previous year rates.
- (iv) Over 10 members connected and supplied with borehole water in Phase I project.
- (v) Members were able to access and benefit from loans, grants and refunds amounting to Kshs122,603,738.00 compared to the previous year amount of Kshs.85,795,138.00.

3. Emerging issues, challenges and risk management strategies

- (i) Majority of the outstanding debts are as a result of failure to remit the deductions by various departments/Counties for the past years some dating upto the year 2010. The departments/Counties have failed to clear their outstanding debts despite frequent demand notes being sent to them. The debts have affected the financial position of the Association for a long period.
- (ii) Following the implementation of the reviewed loan limit and the introduction of emergency loans for members, the cumulative monthly expenditures have exceeded the monthly revenue collections by the Association due to the higher amounts issued and increased members applying for the loans. It is expected that the financial position will stabilize in the near future after majority of members have benefited from the loans thus the number applications will decrease. The secretariat should ensure that monthly contribution rate of kshs700.00 applies to all members so as to increase the revenue collections.
- (iii) A possibility of increased loan applications to unsustainable levels especially after the newly recruited KFS members start submitting their loan applications. This may be caused due to the big variance on the income received from the new members within the six months period (Kshs.4, 200.00) versus the amount applied/qualified for (kshs.90,000.00)
- (iv) The Association having not succeeded to secure a parcel of land by end of the financial year for members who had paid the required amount on proposed Phase VI land project. The Committee has been committed to ensure a suitable parcel of land is secured for the members as promised.
- (v) The need for a strategic plan for the Association to aid in effective management.
- (vi) Increased voluntary withdrawal by members citing financial constraints hence decrease in membership strength.

4. Implementation challenges and recommendations

- (i) The Committee has been making follow up on the outstanding debts through their respective PS/CEO, however no commitment by them to clear the debts. lately measures have been put to ensure that monthly deductions are remitted promptly by the respective departments even though some departments fail to adhere but through frequent follow up they eventually remit the deductions. The Committee will continue to make follow up on the outstanding debts till they are cleared.

- (ii) There are challenges in adjusting the monthly contributions to the reviewed limit due to financial constraints on members' disposable income and sometimes the employers failing to implement the new rates on members' deductions. Members who are not able to contribute to the new limit should be subjected to the benefits associated to the rate at which they are contributing.
- (iii) In the event a large number of new members apply for loans within the same period, the finances may not sustain the payments for all the applied loans hence the Committee may consider approving loans for the new members on piece meal basis subject to availability of funds until the number of loan application stabilizes.
- (iv) The Committee has worked hard on the proposed Phase VI land project and of late has secured a suitable parcel of land for the members. The project is on -going and is expected to be finalized by the end of year 2024.
- (v) The Committee is working towards ensuring the Association has a functional strategic plan by the end of the year 2024.
- (vi) Despite the challenges of financial constraints experienced by members which resulted to increased monthly withdrawal cases, the Committee has been committed to undertaking massive recruitment and awareness campaigns aimed at sustaining existing members and recruiting new members for the growth and development of the Association.

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The Manager

Mazingira Welfare Association

6. Management Discussion and Analysis

(a) Operational performance

The Management Committee is mainly responsible for administration and overall management of the Association among other important duties such as:

- (i) Recruitment of members, sensitization and publicity of the Association.
- (ii) Establish and abolish offices of the Welfare accordingly; appoint persons to hold or act in those offices and confirm to their appointments;
- (iii) Authorize financial disbursements on behalf of the Welfare

The current management Committee comprises of 15(fifteen) members who are both elected and nominated as provided in the By-Laws. The Management Committee is further divided into two sub-Committee which work directly under the instructions of the main Committee. The Committee resolutions are usually implemented by the Secretariat through the Manager .The Secretariat mainly consist of the staff who are full time employees of the Association. The staff are responsible for the daily operations and service delivery to members. Currently, the Association is run by a staff of four (4) full time employees:

- | | | |
|---------------------------|---|--------------------|
| (i) Mr. Erick Nyaga | - | Manager |
| (ii) Mr. Solomon Njane | - | Accountant |
| (iii) Ms. Cindy Akinyi | - | Accounts Assistant |
| (iv) Ms. Christine Wambua | - | Senior Clerk |

In addition, the Association engaged a Caretaker on casual basis (Mr. Sylvester Wambalamba) to take care of the Association's Water Project in Phase I Kitengela site.

There are additional five desk officers engaged on temporary basis to assist the staff in running the affairs of the Association particularly in matters related to the payroll from their respective Departments and Ministries as indicated below;

- | | | |
|--------------------------|---|-------------|
| (i) Mr. Peter Nchuru | - | Environment |
| (ii) Ms. Eunice Njeru | - | KFS |
| (iii) Mr. Martin Okwachi | - | Water |
| (iv) Ms. Florence Mbaka | - | Mining |
| (v) Mrs. Agnes Wanjiku | - | NEMA |

There are (6) Liaison Officers usually elected by members from their respective Counties where membership strength of the respective Counties exceeds 100 members. The list of liaison officers for the year under review is as shown below;

County		Name of Liaison Officer
(i) Kisii	-	Mr. Abel Osoro Bebo
(ii) Machakos	-	Ms. Winfred Munyoki
(iii) Nakuru	-	Ms. Nancy Ndubi
(iv) Laikipia	-	Mr. Alex Kabuki
(v) Nyeri	-	Mr. Johnah Waigwa
(vi) Makueni	-	Ms. Rose Mutua

□

Over the years the Committee has worked diligently to ensure that members are effectively served and the operation standards maintained by all parties involved. The Committee within its mandate has ensured the following for smooth running of the Association;

- (i) Prudence utilization of funds within the approved budgets.
- (ii) Customer satisfaction through effective service delivery by all parties concerned. Members needs especially loans, grants and refunds are promptly approved and paid to beneficiaries on time.
- (iii) Improved staff performance and motivation through training and appraisals.
- (iv) Enhancing recruitment and awareness campaigns for the past few years to curb the rising withdrawal due to financial constraints experienced by members. Introduction of brochures and branded pens has played a big part in the recruitment drive.
- (v) Improvement of social economic Welfare for members by ensuring they acquire affordable parcels of land suitable for settlement and development. This has attracted more members to join the Welfare and sustain existing members.

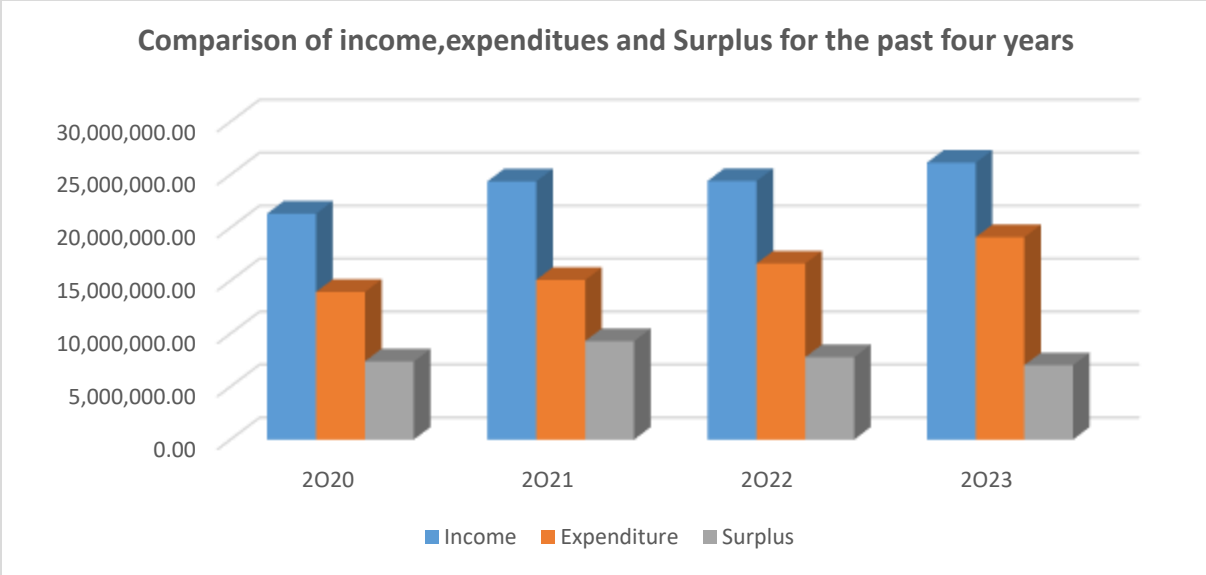
To ensure the above were achieved various changes and developments were recently effected as shown below;

- (i) Review of the By-laws, Constitution and operating manuals in the year 2021 provided a basis for these achievements.
- (ii) Review of the products offered to members which enhanced higher benefits such as loan limit increment and grants rates increased by 40%.
- (iii) Ensuring that monthly Committee meetings are held on time to approve loan applications and pass resolutions for various items of deliberation for members Welfare. Introduction of online payments has enhanced timely service delivery to members. Introduction of virtual meetings during the Covid-19 pandemic thus enhanced smooth running of normal operations of the Association.
- (iv) Promoting representation of members where one of the departments that met the threshold was awarded a position for a Committee member thus promoting effective service delivery to members within the department.
- (v) Despite the harsh economic period experienced during the pandemic the Committee completed a borehole project in Kitengela to provide water and promote more settlements and developments by beneficiaries of Phase I land project.

(b) Financial performance

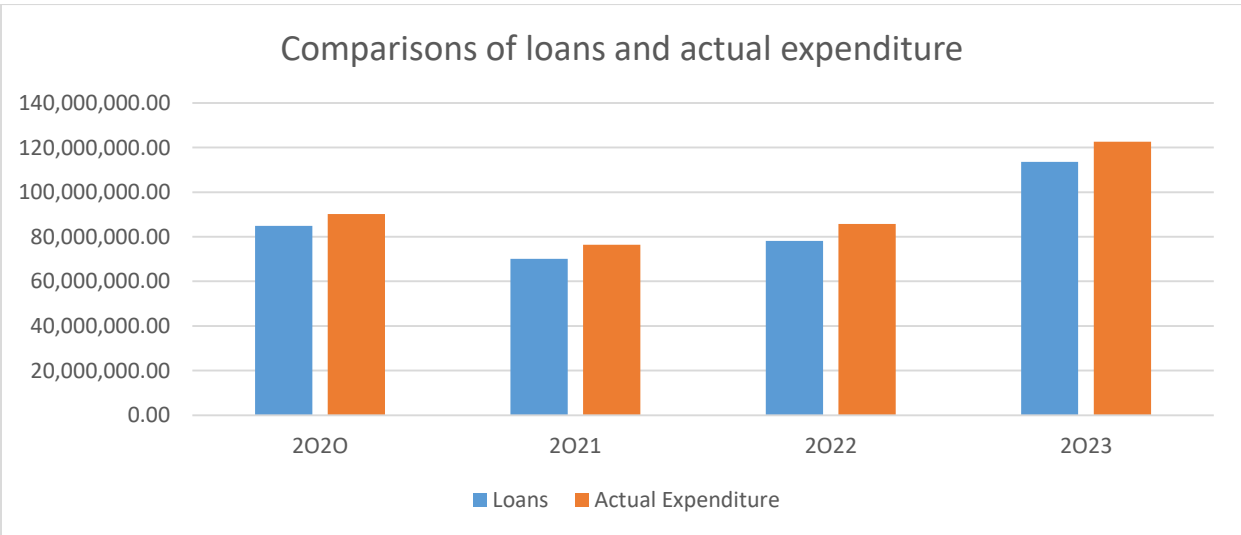
The Association has experienced growth in revenue for the past few years however this has resulted to a corresponding proportional increase in expenditures as shown below;

Year	2020	2021	2022	2023
Income	21,318,930.00	24,361,680.00	24,400,355.00	26,130,743.00
Expenditure	13,935,519.00	15,067,074.00	16,616,132.00	19,111,337.00
Surplus	7,383,411.00	9,294,606.00	7,784,223.00	7,019,406.00



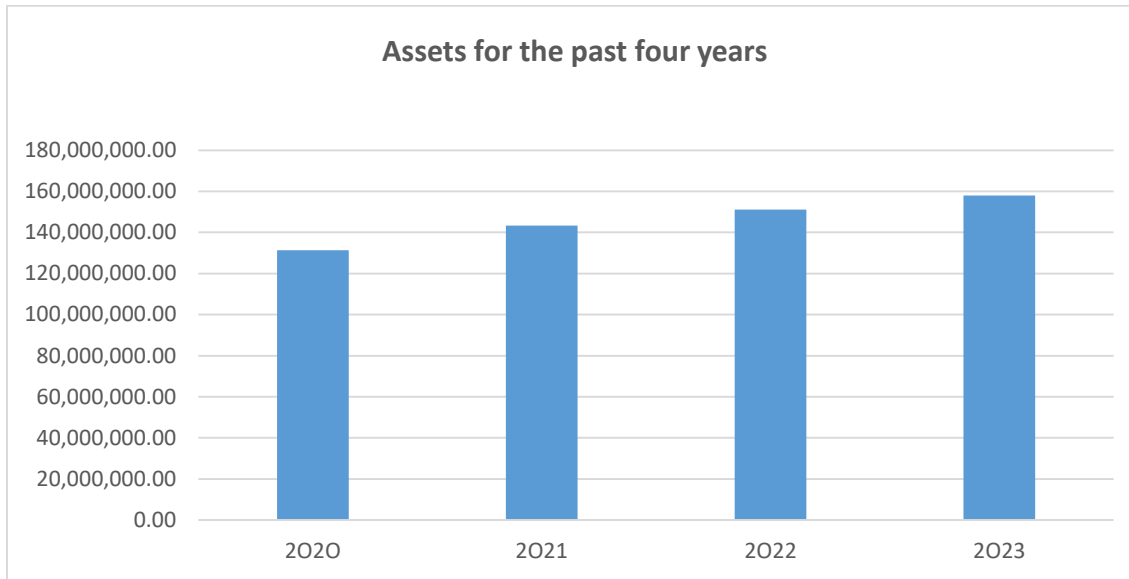
The breakdown of payments on grants, loans disbursed and 50% refund during the last three (3) years is as shown below: -

Year	Grants	Loans	50% Refund	Total (Kshs)
2020	485,000.00	84,817,250.00	4,858,290.00	90,160,540.00
2021	805,000.00	70,165,400.00	5,497,006.00	76,467,406.00
2022	615,000.00	78,105,700.00	7,074,438.00	85,795,138.00
2023	820,000.00	113,561,900.00	8,221,838.00	122,603,738.00



The Association has experienced increase in total assets hence a reflection of growth in the past four years as shown below;

Year	2020	2021	2022	2023
Assets	131,295,373.00	143,393,798.00	151,144,363.00	157,976,147.00



(c) List of Projects implemented by Mazingira Welfare Association in the past five years

Ref	Project Name	Principal activity of the project	Year	Source of funds	Status & Costs
1	PHASE V Nguluni/Koma In Kangundo Road	40 acres Land project sub- divided into 276 plots for beneficiaries(members)	2018	Members deposits	Completed Kshs.70,369,436.00
2	KITENGELA Borehole Water project	Fully equipped solar powered borehole and a Security house	2021	Association accumulated funds & sale of utility plots	Completed Kshs.8,438,679.00
3	PHASE VI Joska –Sunshine in Kangundo Road	10 acres Land project subdivided into 76 plots for beneficiaries(members)	2023	Members deposits Kshs.16,581,610.00	In- progress Estimated total costs Kshs.35,900,000.00

The Committee is planning to accomplish the following by the end of the year 2024;

- (i) Completion of Phase VI land project
- (ii) Preparation of a strategic plan for the Association.

7. Environmental and Sustainability Reporting

Mazingira Welfare operates on the following main mandates/objectives;

- I. To source and maintain funds through voluntary contributions, subscriptions, investments and ensure prudent management of the resources.
- II. To advance interest free loans and grants to members of the welfare subject to availability of funds.

The Association has been consistent in offering services to members in the long term (over 29 years) mainly due to the following;

- (i) Good governance and management
- (ii) Maintain high performance and operational standards
- (iii) Creating awareness and improving reputation to members and other stake holders
- (iv) Transparency and accountability to members and ensuring financial sustainability is maintained
- (v) Creating awareness and recruiting more members for growth and development.

a) Sustainability strategy and profile

The Association is not affiliated to any political organization however changes in political regimes has resulted to change in legal frameworks and policies. Recently the Association has been affected by the newly introduced taxes on civil servants. This has affected their disposable income thus they are unable to access our products.

In the long run the Association has experienced challenges related to macroeconomic changes /trends .Low rate of employment by the Government which has affected the growth in membership strength of the Association mainly because our members are drawn from employees' of government organizations Inflation over the years resulted to high cost of living has generally affected our members' financial stability. This has affected the disposable income of our members some opting to withdraw from the Association.

The following changes/measures have been introduced to ensure sustainability on our members.

- (i) Loan repayment period extended to a longer period to allow members pay their loan at a lower rate through the disposable income.
- (ii) Improved products to members such as increasing loans and grants limits to a higher figure due to the high cost of living

b) Environmental performance /climate change/ mitigation of natural disasters

The Association has been promoting the Government policy on climate change by encouraging and implementing planting of trees on various land projects and other sites. Use of solar energy to provide power to the borehole water project hence no air pollution. The Association also has adhered to Waste management policy where documents are disposed through recyclable methods.

c) Employees Welfare

The Association has ensured adherence to the spirit and intent of the Employment Act of Kenya Cap 226. The Act compels the Management Committee to adhere to the provisions. The Management Committee is the main organ responsible for all recruitments, appointments, confirmations and promotions of all Welfare Staff. The Committee has ensured that the recruitment process is guided by the values and principles of the Welfare, and that the staff appointed meets the requirements as indicated below;

- (i) Qualifications for holding or acting in the office,
- (ii) Experience and achievements attained by the candidate,
- (iii) Conduct of the candidate in view of relevant code of conduct, ethics and integrity,
- (iv) Individual performance of the candidate,
- (v) The appointments is done in a fair and transparent manner and with fair competition and diversity representation; the overriding factors shall be merit.
- (vi) Afford equal opportunities for appointment, training and advancement at all levels for gender mainstreaming, members of the marginalised communities, and persons living with disabilities. (PWDs).

The employee undergo a continuous performance assessment by their supervisors to monitor, evaluate and improve work performance. The Appraisal also helps to assess the learning and development needs of staff on timely basis. The employees are fully facilitated to attend short courses to learn more skills and promote career advancement.

The employees are usually paid service gratuity upon expiry of their employment contract (3 years).

d) Operational practices/ Market place practices

Mazingira Welfare maintains good business practices to its customers/ suppliers of goods and services by ensuring the following;

- (i) Competitive qualifications for suppliers
- (ii) User friendly environment and good relations
- (iii) Guarantee and honoring of contracts and agreements
- (iv) Flexible to its customers/members especially on payment terms

e) Community Engagements-

The Associations does not have a CSR policy however it maintains good relations with the society and also promotes planting of trees within the surroundings.

8. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for an Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed in the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *Mazingira Welfare Association* is responsible for the preparation and presentation of the Welfare financial statements, which give a true and fair view of the state of affairs of the Welfare for and as at the end of the financial year ended on December 31, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *Mazingira Welfare Association* accepts responsibility for the Welfare financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Welfare's* financial statements give a true and fair view of the state of Welfare's transactions during the financial year ended December 31, 2023, and of the Welfare's financial position as at that date. The Accounting Officer in charge of the *Mazingira Welfare Association* further confirms the completeness of the accounting records maintained for the *Welfare*, which have been relied upon in the preparation of the Welfare's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Mazingira Welfare Association* confirms that the Welfare has complied fully with financial regulations and funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Welfare's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *Mazingira Welfare Association* financial statements were approved and signed by the Accounting Officer on _____ 2024.

.....
Ms. Esther Lokwei
The Chairperson
Management Committee

.....
Mr. Erick Nyaga
The Manager
Mazingira Welfare

9. Report of the Independent Auditor of the Financial Statements for *Mazingira Welfare Association for the year ended 31st December 2023.*

To Members of Mazingira Welfare Association,

I have audited, the accompanying financial statements of Mazingira Welfare Association which comprise of the statement of financial position as at 31 December 2023, the Statement of income and expenditure and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of Mazingira Welfare Association.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the selected accounting policies (disclosed in note 1), 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards on Auditing. The standards require compliance with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for an audit opinion.

Audit opinion.

In my opinion, the financial statements of Mazingira Welfare Association for the year ended 31 December 2023 give a true and fair view of the state of financial affairs of the Association.

**Isaac Wanjohi
Certified Public Accountants (K)**

6th June 2024

10. Statement of Receipts and Payments for the Year ended 31st December 2023

Description	Note	Current FY 2023	Comparative FY 2022
		Kshs	Kshs
Receipts			
Contributions from members	1	25,012,358.00	22,874,355.00
Miscellaneous receipts	2	1,118,385.00	1,526,000.00
Total Receipts		26,130,743.00	24,400,355.00
Payments			
Use of Goods & Services	3	4,041,798.00	3,424,366.00
Compensation of Management Committee & other officers	4	2,587,100.00	2,353,500.00
Compensation of Employees	5	3,141,612.00	2,879,883.00
Grants & Loans written Off	6	1,071,320.00	845,075.00
50% Contribution Refunds	7	8,221,838.00	7,074,438.00
Maintenance of Office Equipment	8	47,670.00	38,870.00
Total Payments		19,111,338.00	16,616,132.00
Surplus/Deficit		7,019,406.00	7,784,223.00
25% Transfer to Reserve Fund		1,754,851.00	1,946,056.00
Net Surplus/(Deficit)		5,264,555.00	5,838,167.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:

.....
Ms. Esther Lokwei	CPA K Solomon N. Kamau	Mr. Erick Nyaga
The Chairperson	The Accountant	The Manager
Management Committee	Mazingira Welfare	Mazingira Welfare

11. Statement Of Financial Assets And Financial Liabilities As At 31st December 2023

Description	Note	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
		Kshs	Kshs
Assets			
Non- Financial Assets			
Land	9	6,000,000.00	12,051,369.00
Buildings & Borehole	10	8,389,709.00	7,454,124.00
Office Equipment	11	118,507.00	118,674.00
Total Non-Financial Assets		14,508,216.00	19,624,167.00
Financial Assets			
Debtors	12	21,977,833.00	24,637,123.00
Loans to Members	12	105,768,113.00	67,890,672.00
Cash and cash equivalents			
Bank balances	13A	29,381,885.00	13,992,401.00
Fixed deposit account	13A	-	25,000,000.00
Imprests and advances	13B	30,000.00	-
Total financial assets		157,157,831.00	131,520,196.00
Financial liabilities			
Land deposit from members	14	(13,689,900.00)	(-)
Net Assets		157,976,147.00	151,144,363.00
Represented by			
Forest Welfare Fund	15	2,855,508.00	2,855,508.00
Registration fee	16	618,000.00	556,200.00
25% Reserve fund	17	38,724,729.00	37,219,298.00
Accumulated members contributions	18	115,777,911.00	110,513,357.00
Net financial position		157,976,147.00	151,144,363.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:

.....

Ms. Esther Lokwei	CPA K Solomon N. Kamau	Mr. Erick Nyaga
The Chairperson	The Accountant	The Manager
Management Committee	Mazingira Welfare	Mazingira Welfare

12. Statement of Cash Flows For The Year Ended 31st December 2023

Description	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Operating Activities			
Receipts			
Contribution from Members	1	25,012,358.00	22,874,355.00
Miscellaneous receipts	2	1,118,385.00	1,526,000.00
Total Receipts		26,130,743.00	24,400,355.00
Payments			
Use of Goods & Services	3	4,041,798.00	3,424,366.00
Compensation of Management Committee & other officers	4	2,587,100.00	2,353,500.00
Compensation of Employees	5	3,141,612.00	2,879,883.00
Grants & Loans written Off	6	1,071,320.00	845,075.00
50% Contribution Refunds	7	8,221,838.00	7,074,438.00
Maintenance of Office Equipment	8	47,670.00	38,870.00
Total Payments		19,111,338.00	16,616,132.00
Net receipts/(payments)		7,019,406.00	7,784,223.00
Adjusted For:			
Decrease/(Increase) in accounts receivable*	19	(35,497,573.00)	(3,648,319.00)
Increase/(Decrease) in land deposits	20	13,751,700.00	-
Net Cash Flow from Operating Activities		(14,726,467.00)	4,135,904.00
Cash flow From Investing Activities			
Proceeds from sale of assets	A1	6,051,369.00	
Acquisition of assets	A1	(935,418.00)	(7,454,124.00)
Net Cash Flows from Investing Activities		5,115,951.00	(7,454,124.00)
Cash flow From Financing Activities		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(9,610,516.00)	(3,318,220.00)
Cash & Cash Equivalent at Start of The Year	13	38,992,401.00	42,310,621.00
Cash & Cash Equivalent at End of The Year	13	29,381,885.00	38,992,401.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:

.....
Ms. Esther Lokwei	CPA K Solomon N. Kamau	Mr. Erick Nyaga
The Chairperson	The Accountant	The Manager
Management Committee	Mazingira Welfare	Mazingira Welfare

13. Statement of Comparison of Budget and Actual Amounts for FY2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Contribution from members	33,600,000.00	-	33,600,000.00	25,012,358.00	8,587,642.00	74%
Miscellaneous receipts	-	-	-	1,118,385.00	-	-
Total Receipts	33,600,000.00		33,600,000.00	26,130,743.00	8,587,642.00	78%
Payments						
Use of Goods & Services	4,075,000.00	170,000.00	4,245,000.00	4,041,797.50	203,203.00	95%
Compensation of Management Committee & other officers	2,480,000.00	200,000.00	2,680,000.00	2,587,100.00	92,900.00	97%
Compensation of Employees	3,325,000.00	30,000.00	3,355,000.00	3,141,612.00	213,388.00	94%
Grants & Loans written Off	1,500,000.00	(350,000.00)	1,150,000.00	1,071,320.00	78,680.00	93%
50% Contribution Refunds	8,500,000.00	-	8,500,000.00	8,221,838.00	278,162.00	87%
Maintenance of Office Equipment	130,000.00	(50,000.00)	80,000.00	47,670.00	32,330.00	60%
Total Payments	20,010,000.00	-	20,010,000.00	19,111,338.00	898,663.00	96%
Surplus/ Deficit	13,590,000.00	-	13,590,000.00	7,019,406.00	6,570,595.00	52%

(a) **Variance analysis:**

The expenditure budget was effectively utilized (96%) hence no significant variances

The actual income received significantly reduced from the expected income due to adjustments of monthly contribution from Kshs.500.00 to Kshs.700.00 for various members not being effected accordingly. This also affected the expected surplus for the year.

(b) **Reallocations within the year:**

The changes between the original and final budget are as results of re-allocation of funds from budget items such as Grant, Loans written off and Maintenance of office equipment to other budget items such as use of goods/services, Compensation of Management Committee/other officers and Compensation of employees.

The entity financial statements were approved on _____ 2024 and signed by:

.....
Ms. Esther Lokwei	CPAK Solomon N.Kamau	Mr. Erick Nyaga
The Chairperson	The Accountant	The Manager
Management Committee	Mazingira Welfare	Mazingira Welfare

14. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include land deposits. The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the *Mazingira Welfare Association*. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by *Mazingira Welfare Association* for the years presented.

a) Recognition of Receipts

The *Entity* recognises all receipts from the various sources when the event occurs, and the related cash has been received.

(i) Income from members' contributions

Contributions from members are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving *entity*.

(ii) Miscellaneous receipts

These include interest from fixed deposit account, interest charged on land debtors, receipts from sale of land application/registration forms and housing designs. These are recognized in the financial statements the time cash is received.

b) Recognition of payments

The *Entity* recognises all payments when the event occurs, and the related cash has been paid out by the *Entity*.

i) Compensation of Employees

Salaries and wages, allowances, gratuity and statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Compensation of Management Committee and other officers.

Sitting allowances and Professional Assistance allowances are recognized in the period when the compensation is paid

iii) Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iv) Grants and loans written off

Benevolent funds (Grants) to members and loans written off from deceased members are recognized as payment in the period in which they are paid.

v) 50% Contribution refunds

50% Contribution refunds to members who exit the Association by; retirement, resignation, demise or on voluntary withdrawal are recognized as payments in the period in which they are paid.

vi) Maintenance of office equipment

Expenditure on maintenance of office equipment, Database Management System and ICT is recognized as payment in the period in which they are paid for.

vii) 25% Transfer to reserve fund

This is a legal provision on financial institutions that 25% of the Surplus/Profits should be set aside to meet any unexpected future cost or financial obligations that may occur. The reserve fund is not recognized as a payment in the period in which it's provided for. However it's accumulated together in the same account with members' contributions.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at Kenya Commercial Bank at the end of the financial year.

Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. These imprest payments are recognized as payments when fully accounted for by the imprest holder. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

d) Members' land deposits

For the purposes of these financial statements, land deposits held on behalf of members have been recognized on an accrual basis (as accounts payables).

e) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by members during Annual General Meeting in *August 2023 for the period 1st January 2023 to 31st December 2023* as provided in the By-Laws. The Management Committee in the month of October 2023 approved re-allocation adjustments to the approved budget for the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

f) Comparative Figures

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

g) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended *31st December, 2023*.

h) Prior Period Adjustment

There were no errors corrected during the prior financial period.

i) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The *entity* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Notes to the Financial Statements

1 Contribution from Members

Description	<i>Insert</i>	<i>Insert Comparative</i>
	<i>Current FY</i>	<i>FY</i>
MONTH	Kshs	Kshs
JANUARY	1,719,711.00	1,904,300.00
FEBRUARY	1,959,703.00	1,817,300.00
MARCH	1,558,577.00	1,359,950.00
APRIL	2,007,482.00	1,823,650.00
MAY	4,497,576.00	1,765,750.00
JUNE	801,450.00	1,440,150.00
JULY	2,137,397.00	1,787,300.00
AUGUST	2,432,380.00	2,230,550.00
SEPTEMBER	1,663,166.00	2,448,050.00
OCOBER	3,183,288.00	1,583,777.00
NOVEMBER	1,762,125.00	2,229,697.00
DECEMBER	1,289,503.00	2,483,881.00
Total	25,012,358.00	22,874,355.00

(The main income of the Association is derived from monthly contributions by members through their respective payrolls. The current year contributions significantly increased due to the reviewed rate of monthly contribution from Kshs.500.00 to Kshs.700.00 w.e.f. October 2022)

2 Miscellaneous Receipts

Description	<i>Insert</i>	<i>Insert</i>
	<i>Current FY</i>	<i>Comparative</i>
	Kshs	Kshs
Interest Received from fixed Deposit Account	997,685.00	1,275,000.00
Interest received from Land Debtors	6,500.00	250,000.00
Receipts from Sale of Housing Designs	1,000.00	1,000.00
Receipts from sale of land registration forms and registration fees	113,200.00	-
Total	1,118,385.00	1,526,000.00

(Income generated from interest received from the fixed deposit account and other incomes from the Associations projects are treated as miscellaneous incomes. The current financial year miscellaneous income significantly reduced due to withdrawal of funds from the fixed deposit account w.e.f. July 2023 and land debtors not clearing their outstanding balances)

3 Use of Goods and Services

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Hospitality supplies and services	318,813.00	189,923.00
Travel & Accommodation	394,353.00	195,002.00
Recruitment, Awareness and advertising services	836,000.00	597,300.00
Telephone expenses	211,400.00	194,500.00
Annual General meeting(AGM) expenses	599,691.00	490,585.00
Extraneous allowances	371,000.00	423,200.00
Training expenses	193,430.00	193,400.00
Audit fees	30,000.00	35,000.00
Bank Charges	76,981.00	108,573.00
Office Operations/Incidentals	29,370.00	20,143.00
Postages	4,090.00	21,960.00
Stationery	347,670.00	328,780.00
Organizational Development	629,000.00	626,000.00
Total	4,041,798.00	3,424,366.00

(The overall expenditure on use of goods for the current year significantly increased due to massive recruitment exercises carried out during the year thus expenditures on items such as Travel & accommodation, Hospitality and recruitment & awareness significantly increased)

4 Compensation to Management Committee & other officers

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Sitting allowances	2,198,100.00	1,991,500.00
Professional assistance	389,000.00	362,000.00
Total	2,587,100.00	2,353,500.00

(Expenditure compensation to Management Committee increased due to increase in the number of Committee members from 13 in the previous year to 15 in the current financial year)

5 Compensation to Employees

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Basic salaries of Employees on contract	1,649,962.00	1,557,728.00
Personal allowances paid as part of salary (House, Commuter ,Medical ,Leave)	1,111,020.00	984,300.00
Service gratuity on expiry of contract	291,537.00	279,567.00
Employer contributions to compulsory national social security schemes	63,720.00	58,288.00
Employer contributions to compulsory Housing & NITA levies	25,373.00	-
Total	3,141,612.00	2,879,883.00

(Increase in compensation to employees significantly increased due to four (4) full time employees in the current financial year whereas in the comparative year there were three (3) full time employees for half the financial period. Additional staff joined in June 2022)

6 Grants & loans written off

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Grants/Benevolent funds	820,000.00	615,000.00
Loans written off	251,320.00	230,075.00
Total	1,071,320.00	845,075.00

(Grants/benevolent funds significantly increased due to the recently reviewed rates w.e.f. December 2022 for payment of such benefits)

7 50% Contribution refunds

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
MONTH	Kshs	Kshs
JANUARY	1,531,589.00	469,228.00
FEBRUARY	562,943.00	590,049.00

MARCH	487,955.00	379,587.00
APRIL	214,285.00	617,042.00
MAY	273,100.00	310,220.00
JUNE	367,925.00	451,296.00
JULY	450,241.00	1,181,231.00
AUGUST	1,075,858.00	1,166,010.00
SEPTEMBER	761,950.00	721,995.00
OCOBER	883,909.00	885,220.00
NOVEMBER	486,125.00	302,560.00
DECEMBER	1,125,958.00	-
Total	8,221,838.00	7,074,438.00

(Refunds on contributions increased for the current year due to the increased rates of contribution by members and the increased withdrawal cases due to financial constraints)

8 Maintenance of office equipment

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Maintenance of office equipment	30,000.00	38,870.00
ICT & maintenance of ADMS	17,670.00	-
Total	47,670.00	38,870.00

(No significant increase during the current financial year)

9 Land

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Land	6,000,000.00	12,051,369.00
Total	6,000,000.00	12,051,369.00

(These are the utility plots reserved in the name of the association .Detailed schedule showing the land details is in Annex 1)

10 Buildings & Borehole

Description	<i>Insert</i> <i>Current FY</i>	<i>Insert</i> <i>Comparative</i> <i>FY</i>
	Kshs	Kshs
Borehole ,solar power, tower and tanks	5,249,984.00	5,249,984.00
Power house construction	366,570.00	366,570.00
Fence, Security /Caretaker house & latrines construction	1,378,570.00	1,267,935.00
Water connection to clients(cumulative)	741,,910.00	210,780.00
Caretaker wages (cumulative)	652,675.00	358,855.00
Total	8,389,709.00	7,454,124.00

(These are constructions on borehole, powerhouse and security house for the borehole project whose estimated costs is shown above)

11 Office equipment

Description	<i>Insert</i> <i>Current FY</i>	<i>Insert</i> <i>Comparative</i> <i>FY</i>
	Kshs	Kshs
Office equipment	118,507.00	118,674.00
Total	118,507.00	118,674.00

(These are cost of equipment such as Computers furniture and fittings which have been amortized and any new purchase added to arrive at the final figure)

12 Financial Assets

Description	<i>Insert</i> <i>Current FY</i>	<i>Insert</i> <i>Comparative</i> <i>FY</i>
	Kshs	Kshs
MONTH		
BAL B/F	92,527,795.00	88,879,476.00
Land debtors	7,950,569.00	8,200,569.00
Unremitted deductions from various institutions	16,323,239.00	16,686,554.00
January 2023 loans	12,151,000.00	4,103,600.00
February 2023 loans	10,839,000.00	7,492,000.00
March 2023 loans	7,956,600.00	5,779,000.00
April 2023 loans	9,901,300.00	6,520,000.00

May 2023 loans	8,145,000.00	5,550,000.00
June 2023 loans	9,442,000.00	5,353,000.00
July 2023 loans	7,994,000.00	5,315,000.00
August 2023 loans	11,998,000.00	6,651,000.00
September 2023 loans	8,853,500.00	7,382,800.00
October 2023 loans	7,814,000.00	5,532,000.00
November 2023 loans	7,779,000.00	3,335,400.00
December 2023 loans	10,716,000.00	15,091,900.00
Less: Repayments	(102,645,057.00)	(99,344,504.00)
Balance c/d	127,745,946.00	92,527,795.00

(Debtors include amounts not remitted by various institutions/employers after deduction from members and other outstanding debts on land purchase by members. There was significant decrease in the debtors due to recovery of land debts from the payroll and follow up on unremitted amounts from various departments. Loans outstanding from members are also treated as accounts receivables at the end of the financial period. The outstanding loans significantly increased due to the increased loan limits for members and the extended repayment period from 18 to 24 months.)

13 Cash and Bank Accounts

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Accounts (Note 19 A)	29,381,885.00	38,992,401.00
Cash on hand (Note 19 B)	30,000.00	-
Total	29,411,885.00	38,992,401.00

13A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	FY 2023	Comparative FY2022
			Kshs	Kshs
Mazingira Welfare and Sport Association KCB-Moi Avenue 1107652499	(Kshs)	Main Operations account	21,791,140.00	13,992,401.00

Mazingira Welfare Association KCB-Capital hill 1294481665	(Kshs)	Projects Account	7,590,745.00	-
Mazingira Welfare Association KWFT-Upper hill 1005442331	(Kshs)	Fixed Deposit Account	-	25,000,000.00
Total			29,381,885.00	38,992,401.00

13B: Imprests and Advances

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Office Imprest	30,000.00	0
Total	30,000.00	0

(The imprest is usually surrendered and paid after the end of the month hence running to the following month.)

14 Members' Land Deposits

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Land Deposits	13,689,900.00	0
Total	13,689,900.00	0

(These are accumulated deposits by members being contributions towards a land project but were held in trust by the Association till finalization of the projects transactions)

15 Forest Welfare Fund

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Forest Welfare Fund	2,855,508.00	2,855,508.00
Total	2,855,508.00	2,855,508.00

(These are funds received from the Forest Welfare as capital during inception of Mazingira Welfare Association)

16 Registration fee

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Registration fee	618,000.00	556,200.00
Total	618,000.00	556,200.00

(This is the accumulated fee charged on new members joining the Association. Currently the rate is at Kshs.200.00 for each member. In the current financial year 309 members joined the Association)

17 25% Reserve fund

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
25% Reserve Fund	38,724,729.00	37,219,298.00
Total	38,724,729.00	37,219,298.00

(This is the accumulated 25% of the surplus for various year which is usually a provision set aside to meet any unexpected future cost or financial obligations)

18 Accumulated members Contributions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Members Contributions	115,777,911.00	110,513,357.00
Total	115,777,911.00	110,513,357.00

(This is the accumulated net surplus for various years which is the accumulated balances for active members contributions that help to run the Association)

19 (Increase)/ Decrease in account receivables

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Receivables As At 1 st January	92,527,795.00	88,879,476.00
Receivables As At 31 st December	128,025,367.00	92,527,795.00
(Increase)/ Decrease in Receivables (C=(B-A))	35,497,573.00	3,648,319.00

(Receivable as at 1st January for Current FY should be the same as receivable as at 31st December for previous FY)

20 Increase/ (Decrease) in Land Deposits

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Land Deposits As At 1 st January	-	-
Land Deposits As At 31 st December	13,689,900.00	-
Increase/ (Decrease) In Land Deposits	13,689,900.00	-

21 Other Important Disclosures

16.1 Progress on follow up of Prior Years Auditor’s recommendations.

The following is the summary of issues raised by the Auditor during the prior year and management comments that were provided.

Ref. No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1	Bank reconciliation (Receipts in bank statements not recorded in the Cash book amounting to kshs.4,646,867.95)	These are deductions from members whose schedules had not been received from various departments/Ministries/counties but payment already received in the bank. Staff were tasked to make a follow up to ensure pending received are cleared with the bank and cashbook.	Partly resolved.	30 th June 2024
2	Outstanding debts accumulated to Kshs.24,637,123.15 in the current financial year	Kshs. 16,686.554.15 was outstanding debt from various organisations/employers.Much of this debt has appeared in previous years mainly because Departments/Ministries such as Water-7,752,589.30,Water Resource Authority-5,228,514.90 and County Governments-2,477,867.40 have failed to clear the debts despite frequent follow ups by the Office. Kshs.7,950,569.00 are outstanding debts for members on various land projects. The amount has significantly reduced from Kshs.13,135,309.00 in the previous year since monthly recoveries were effected on majority of the cases.	Partly resolved Recoveries on progress	31 st December 2025
3	Membership strength Decreased to 3781 from 3838 yet there were recruitment	Despite the Committee making thorough efforts in recruitment of new members the membership strength decreased due to the increased withdrawal cases caused by the tough economic times, however the Committee enhanced a	Resolved Current membership is over 5,000 members(Co	-

Ref. No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	exercises carried out by the Committee	massive recruitment exercise for the newly employed KFS rangers where over 1600 members were recruited. Terms on voluntary withdrawals were recently reviewed to discourage withdrawal cases where refund on voluntary withdrawal was curbed to 10 years of active membership.	continuous recruitment & awareness campaigns are essential to retain the membership strength)	
4	Book-keeping and accounts where anomalies in bank reconciliation should be fast-tracked and cleared.	Staff were tasked to ensure continuous follow up and receipt of monthly by-products/recovery schedules from various ministries/departments, ensure monthly reconciliations are done on timely basis and immediate follow up on all pending items.	Partly resolved Most of pending items cleared.	30 th June 2024

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Ms. Esther Lokwei
The Chairperson
Management Committee

.....
CPA K Solomon N. Kamau
The Accountant
Mazingira Welfare

.....
Mr. Erick Nyaga
The Manager
Mazingira Welfare

Annex 1 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Phase I utility plots	3,401,369.00	-	2,375,000.00	-	2,000,000.00
Phase II utility plots	2,900,000.00	-	2,300,000.00	-	900,000.00
Phase III utility plots	2,950,000.00	-	2,650,000.00	-	300,000.00
Phase IV utility plots	1,600,000.00	-	-	-	1,600,000.00
Phase V utility plots	1,200,000.00	-	-	-	1,200,000.00
	12,051,369.00		7,325,000		6,000,000.00
Buildings, structures & borehole (Phase one Kitengela-details on note 10)	7,454,124.00	935,585.00	-	-	8,389,709.00
Office equipment, furniture and fittings	118,674.00	-			118,507.00
Total					

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Association.)

Annex 2 – List of Projects implemented by Mazingira Welfare Association

Ref	Project Name	Principal activity of the project	Year	Project consolidated in these financial statements(yes/no)
1	Phase I Kitengela Near Kag University	32 acres Land project subdivided into 213 plots for beneficiaries(members)	2010	Yes
2	Phase II Isinya Near Isinya Ketraco/ Umma University	50 acres Land project subdivided into 370 plots for beneficiaries(members)	2012	Yes
3	Phase III Isinya Near Isinya Ketraco/ Umma University	50 acres Land project subdivided into 368 plots for beneficiaries(members)	2013	Yes
4	Phase IV Oletepesi In Magadi Road	100 acres Land project subdivided into 319 plots for beneficiaries(members)	2014	Yes
5	Phase V Nguluni/Koma In Kangundo Road	40 acres Land project subdivided into 276 plots for beneficiaries(members)	2018	Yes
6	Kitengela Borehole Water project	Fully equipped solar powered borehole to connect beneficiaries of Phase I land project with water and a Security house	2021	Yes
7	Phase VI	10 acres Land project subdivided into 76 plots for beneficiaries(members)	2024 (in progress)	Yes

