

KWFT CSOP TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

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Trustees - CSOP

Ms. Grace Madoka - Trustee/Chairperson
Dr. Jennifer Riria - Managing Trustee
Mr. Mwangi Githaiga - Trustee
Mrs. Sharynne Mbai - Trustee
Ms. Joyner Okonjo - Trustee (Appointed on 19/05/2023)
Mrs Damaris Gitanga - Trustee (Resigned on 22/02/2023)
Ms. Elina Mutuku - Alternate Trustee

Registered office

Akira House,
Kiambere Road, Upperhill
P.O. Box 4179 - 00506
Nairobi,
Kenya.

Independent auditor

Kariuki Thuo & Company
Certified Public Accountants
4th Floor, Equity Plaza, Thika
P.O. Box 2130 - 01000
Thika,
Kenya.

Principal bankers

Kenya Women Microfinance Bank Limited
Akira House
Kiambere Road, Upper Hill
P.O. Box 4179 - 00506
Nairobi.

The trustees present submit their report together with the audited financial statements of KWFT CSOP Trust (the 'trust') for the year ended 31st December 2022.

Establishment of the Trust

KWFT CSOP Trust was established by Echo Network Africa (ENA), the sponsor on 15th September 2014.

Principal activities of the Trust

The principal activity of the trust is to facilitate compensation to clients and shareholders interest in a partnership aimed at growing the business for their mutual benefit through giving the clients an opportunity to purchase shares of Kenya Women Microfinance Bank Limited.

Trustee

The current trustees are as shown on page 2.

Auditors

Kariuki Thuo and Company, having expressed their willingness, continue in office.

By order of the Board of Trustees



.....
Trustee

12/06/2023
..... 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees are responsible for preparing the trust accountability statement for each financial period which shows a true and fair view of the financial transactions of the trust for the period and the trust balance for that period. The trustees are also required to ensure that the trust keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust. The trustees are also responsible for safeguarding the assets of the trust.

The trustees are responsible for the preparation of the trust accountability statement that gives a true and fair view in accordance with the accounting policies described on the notes to the trust accountability statement, and for such internal controls as the trustees determines are necessary to enable the preparation of trust accountability statement that is free from material misstatements, whether due to fraud or error.

The trustees accept responsibility for the annual trust accountability statement, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the trust deed. The trustees are of the opinion that the trust accountability statement gives a true and fair view of the financial affairs of the trust. The trustees further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the trusts accountability statements, as well as adequate systems of internal financial control.

The trustees also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Trust's ability to meet its obligations, the Trustees are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Funds ability to meet its obligations.

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

Approved by the board of trustees on 12th June 2023 and signed on its behalf by:

.....
Dinnia
Trustee

.....
MBG
Trustee



Kariuki Thuo & Company

Certified Public Accountants

"We Do it Well"

4th Flr, Equity Plaza Building, Commercial Street, Thika
1st Floor, Kensingia House, office B16, Murang'a Road Next To Guru Nanak Hospital, Nairobi
E: info@kariukithuoandcompany.co.ke, W: www.kariukithuoandcompany.co.ke

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KWFT CSOP TRUST

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of KWFT CSOP Trust which comprise the Trust accountability statement and a summary of significant accounting policies and other explanatory information set out on pages 6 to 8.

In our opinion the financial statements of KWFT CSOP Trust for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the financial reporting provisions of KWFT CSOP Trust trust deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the financial statements

The Trustees are responsible for the preparation of the financial statements in accordance with the financial reporting provisions of trust deeds, and for such internal control as the trustees determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust'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 ISAs 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.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 Trust's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- conclude on the appropriateness of the Trustees' 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 Trust'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 the auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner responsible for the audit resulting in this independent auditor's report was **CPA John Kariuki**, Practising Certificate No. 2233.



Kariuki Thuo & Company
Certified Public Accountants



Kenya

..... *12/06/* 2023

TRUST ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 Shs	2021 Shs
Receipts			
Revenue from trading CSOP shares	5	6,366	7,143
Payments			
Administrative expenses	6	<u>(292,695)</u>	<u>(509,328)</u>
Net deficit for the year carried forward		(286,329)	(502,185)
Surplus at start of year		<u>625,801</u>	<u>1,127,986</u>
Trust balance carried forward		<u><u>339,472</u></u>	<u><u>625,801</u></u>
Represented by:			
Payables	7	(419,333)	(624,433)
Receivables	8	5,766	24,212
Bank balance		<u>753,039</u>	<u>1,226,022</u>
		<u><u>339,472</u></u>	<u><u>625,801</u></u>

The financial statements on pages 6 to 8 were approved for issue by the Board of Trustees on 12th June 2023 and were signed on its behalf by:

Binnia

Trustee

Amogh

Trustee

NOTES

1. Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with accounting policies described in the notes to the financial statements. The principal accounting policies adopted are set out below:

Basis of accounting

The trust accountability statement is prepared on a cash receipts and disbursements basis.

2. Control

Under the terms of the Trust Deed, the trust is controlled by the trustees who are directors and members of Kenya Women Microfinance Bank Limited and Echo Network Africa (RNA), both companies incorporated in Kenya.

3. Dividends

There were nil dividends in the year ended 31st December 2022 (2021: nil).

4. Units purchased

	2022 Shs	2021 Shs
Client share Ownership Programme (CSOP) (45,485,700 shares at Shs. 33 per share)	<u>-</u>	<u>-</u>

5. Revenue from trading of CSOP Shares

These amounts represent income earned by KWFT as commission for acting as an intermediary for trade of CSOP units at the NSE OTC platform.

	2022 Shs	2021 Shs
Revenue from trading CSOP shares	<u>6,366</u>	<u>7,143</u>

6. Expenses

Board allowances and expenses	50,000	444,433
Communication expenses	153,100	-
Printing and stationery costs	1,949	4,895
Bank charges	1,446	-
Audit fee	40,000	60,000
Underprovision of previous years audit fees	<u>46,200</u>	<u>-</u>
	<u>292,695</u>	<u>509,328</u>

NOTES (CONTINUED)

	2022 Shs	2021 Shs
7. Payables		
Audit fee	40,000	180,000
Other payables	<u>379,333</u>	<u>444,433</u>
	<u><u>419,333</u></u>	<u><u>624,433</u></u>

Other payables relate to board allowances and expenses for the year ended 31st December 2022 paid by Echo Network Africa on behalf of KWFT CSOP Trust.

8. Receivables

	2022 Shs	2021 Shs
Receivables	<u>5,766</u>	<u>24,212</u>
	<u><u>5,766</u></u>	<u><u>24,212</u></u>

The amounts relate to trading commissions that had not been received from NCBA bank by close of the year.

9. Currency

The financial statements are presented in Kenya Shillings (Shs)