

THE KENYA SCOUTS
ASSOCIATION

ANNUAL REPORT AND
FINANCIAL STATEMENT

2017

Prepared In Accordance With Accrual
Basis of Accounting Method under
the International Public Sector
Accounting Standards (IPSAS)

The Kenya Scouts Association
Annual Reports and Financial statements
For the year ended 30 June 2017

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I. Background

The Kenya Scouts Association is an educational, voluntary, and non-political movement for young people open to all without distinction of origin, race, creed, tribe and gender. It is an Education for peace, national and international cohesion and development through young people.

Kenya Scouts Association was established by an Act of Parliament Cap 219 of the Laws of Kenya and is the largest youth organization in Kenya catering for young people between the ages 6-26 years with a membership of over 1000,000 scouts and 40,000 adult leaders in 2015. It is a registered member of the World Organization of Scout Movement (WOSM) whose headquarters is based in Malaysia and Geneva.

The Kenya Scouts Association, since its inception in 1910 has grown to a dynamic Youth Movement in Kenya today and continues to mould and impact the lives of the young people in Kenya. It has maintained, improved and upgraded relevant structures and infrastructure so as to facilitate quality scouting.

The Association aims at developing the youth at their formative ages so that they become responsible citizens through physical, social, intellectual and spiritual development.

Kenya Scouts Association is the only National Scout Organisation in Kenya with its membership of (over 1000,000 boys and girls and 40,000 Adult Leaders) being part of the global youth movement with over 40 million members worldwide.

Vision

Creating a Better World.

Mission

Educating young people to play a constructive role in society.

Purpose

To contribute to the development of young people in achieving their full physical, intellectual, emotional, spiritual and social potentials, and character formation; equipping them with knowledge skills and positive attitudes useful to themselves and their local, national and international communities.

Core Values of the Organization

Our Strength lies in the fundamental Principles of Scouting found in the Scout promise and law:






The Fundamental Principles

Duty to God – commitment to a Supernatural being

Duty to others – loyalty to ones country in harmony with the promotion of Local, National and International peace and cooperation

Duty to Self - responsibility for self-development

ii. Key Management

	Photo	Name/Title	Profile
1.		Mr Charles Ray Musau Chief Commissioner	DOB 1968, University Graduate Speciality: Finance Administration Length of service 4.5 years
2.		Ms Lydia Kiburu Deputy Chief Commissioner/ Chairman, Strategic Planning & Management	DOB 1969 University Graduate Speciality: Communications Length of Service: 4.5 years
3.		Mr Patrick Ngenga National Treasurer	DOB 1968 University Graduate Speciality: Accountant Length of Service: 1.5 years
5.		Mrs. Rachael M. Murugi Chairman, Board of Trustees	DOB 1961 University Graduate Speciality: Lawyer Length of Service: 4.5 years
6.		Mr Moses Ochieng Danda National Executive Commissioner	DOB 1965 University Graduate Speciality: Education Administration Length of service: 3.5 years

a) Headquarters

P.O. Box 41422
Rowallan Scout Camp,
Jamhuri Park, Kibera Drive
Nairobi, Kenya

b) Contacts

Telephone: (254) 2020819
E-mail: info@kenyascouts.org

c) BANKERS

Equity Bank Ltd.
P. O. Box 75104 – 00200
NAIROBI

Kenya Commercial Bank Ltd
P. O. Box 46950
NAIROBI

I&M Bank
P. O. Box 30238
NAIROBI

Barclays Bank
P. O. Box 30120 - 00100
NAIROBI

d) Independent Auditors

Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

e) Principal Legal Adviser

Eugene Wamalwa
P.O Box 10539-00100
Nairobi

III. CHIEF SCOUT'S STATEMENT



I welcome you to the 2018 session of the Kenya Scout Council Annual General Meeting. It is already one year since this mantle was passed to me by my brother Hon. Francis Ole Kaparo. I am very glad that we have all made it back here to review the performance of our Movement for the past one year, and make decisions that will govern the Movement for the next one year.

An annual general meeting is the opportunity for stakeholders to congregate and take account of the milestones so far made in the past one year and sometimes even further back into the significant past. As I stand here today I am very confident because I know great achievements have been made and the Association is in a good place both in terms of its programmes, finances and its global standing among its peers in the world movement.

During my one year stint I have interacted with the members of the National Scout Board, members of Secretariat, some national trainers including those from other countries of Africa, and most importantly with the Scouts both at the Rowallan camp and in Nyeri during the Founder's Day celebrations. I have also been able to inspect our facilities at Embu Centre, Rowallan Camp and Baden Powel Memorial Park in Nyeri.

I have developed a deep understanding of the Movement and the organization. I have witnessed how Scouting as an educational opportunity for young people has attracted many young Kenyans in schools and other institutions who really enjoy the game of Scouting but most importantly is how being Scouts has impacted positively on their lives and of those around them. I recognize the sizeable number of adults, mostly teachers, who are willing to volunteer to support the Scouts enjoy the experience of scouting. These two must complement each other very well to make Scouting impactful.

As an Organization, Kenya Scout Association has enhanced its governance through strengthening its structures, policies and procedures. Though it is not affiliated to any government ministry it is classified by the government as a semi-autonomous government agency hence the audit by the Office of the Auditor General and Treasury.

Therefore, dear delegates, as adults who are privileged to belong to the highest decision-making organ of the Association we must clearly understand these two facets of the Association so that we are able to play our roles effectively. As members of the Kenya Scouts Council, we are to receive reports by the National Scout Board on how they have managed the Association on our behalf.

Last year we joined an Association that had made great strides both in management of its programs and its finances.

CHIEF SCOUT'S STATEMENT (CONTINUED)

We joined an Association that had received many continental and global awards for its achievements in management of scouting generally. We joined an Association that had hit a world record by attaining a very high score of 90.2% from SGS, a global NGO that audits the governance and management of Non-Governmental Organizations. SGS had been contracted by the World Organization of the Scout Movement through an initiative called GSAT (Global Support Assessment Tool). It gave us a confirmation that we are observing best practices in the management of the Association.

I am enumerating these to demonstrate to you that the Association has set the standards so high that our biggest challenge going forward will be to maintain those standards and then strive to move them even higher. My question to you, therefore is: have you endeavored to maintain the said standards back at your localities where you are entrusted with leadership of the Movement?

I am glad the Association has completed and revised its 2013-2017 Strategic Plan and has already gone ahead to prepare another one to cover the years 2018-2020. It is always good to take audit of where we have come from so that we plan more efficiently our next steps. Remember, however, that strategic plans only make sense when they are lifted off the paper and implemented. On paper, they are just statements of intent. We must all, therefore, join hands to implement it once it is disseminated and its implementation rolled out.

As Kenya Scout Council we need to create a strong Scout brand. This is not a brand of colors and taglines, but a brand of character. When I was young my mother always told me to run like a Scout, eat like a Scout, walk like a Scout, and basically to do everything like a Scout. I grew up to believe that all the good things were done by Scouts. I still believe that Scouting as a brand stands for discipline, orderliness, honesty, Godliness, speed, and usefulness. We need to continue upholding these values.

Note that these are the soft skills that will help you to achieve your objectives. We as leaders need to ensure we build these values as aspects of the Scout brand. We will therefore have no problem attracting strategic partners with whom we can deliver the mandate of the Association.

Let me recognize the Government through the Ministry of Education for the role it has played in supporting the Association. It has not only funded KSA through grant-in-aid but has also supported the Association by giving it access to the young people who are mostly in the educational institutions. The Teachers' Service Commission has been a great partner of the Association as some of the senior staff at the HQ are seconded from the TSC. I also wish to recognize all other partners including KDF, NCIC, NACADA, Equity Bank, KFCB among others who have continually worked with the Kenya Scouts Association. I am glad that the MOE, KDF and TSC have actually nominated senior officers to the National Scout Board.

In conclusion I want to take note of the fact that this AGM has a plan to elect a new Chief Commissioner as Mr. Ray Musau, on his own accord, is retiring. I want to thank him very much for steering the Association so steadily for the last six years as Chief Commissioner. I want to pray that God grants him success in his future endeavors and invite him to support Scouting in other ways that he finds good. As the saying goes "Once a Scout always a Scout".

For us who remain we must ensure that we elect a progressive individual who will fit well in the shoes of the out-going Chief Commissioner. It is my prayer that we will conduct a very peaceful and transparent election that will give us the best candidate from among the six contenders.

CHIEF SCOUT'S STATEMENT (CONTINUED)

And for the candidates, please note that you are joining existing structures and systems. You are not coming in to create your own systems that suit your needs. You are like the pilot of a large plane.

The plane already has its systems both electronic, electric and mechanical. A pilot cannot change them. What will show your expertise is how well you will make use of the systems to take KSA to the next level swiftly, safely and still guarantee comfort for your passengers. The honor is for you delegates to choose the type of candidate I am describing.

God bless you all.



PROF. JACOB T. KAIMENYI, EGH
CHIEF SCOUT

IV. REPORT OF THE CHIEF COMMISSIONER



It is about one year since we promulgated a new Kenya Scouts Association Constitution and had the assumption to office of an 80% new group of leaders both at Board and at the county level. We have witnessed a lot of activities particularly targeting young people and I am convinced that we have lived our mandate. You may remember last year I cautioned that three years is a very short time and if one does not begin to work in earnest then not much will have been achieved by the end of their term of office. We only have two years to go now so we all need to ask ourselves what we have done in the past one year.

This is a session of the Annual Kenya Scouts Council meeting in which I am supposed to particularly report the progress of the Association in the last one year. However, this will be a report with a difference because we just came to the end of our Strategic Plan 2013-2017 and I would wish to highlight, in my report, our performance in regard to that strategic plan as a precursor to unveiling the new Strategic Plan 2018-2020. I will divide my report into a few broad areas of focus:

Youth Program and Training

We all know that whatever else we do in this Association, Youth Program and Training remain our core business. All other activities and intervention are only meant to provide means and support for proper delivery of the two. It must never be lost on us that Scouting is an educational Movement for young people supported by adults.

In the last 5 years of the Strategy we had planned to raise both the quantity and the quality of both the youth program aspects and those of adult training. In the Youth Program we had planned to register 4 million Scouts whom we were to take through a quality dynamic, need based Youth Program, expose them internationally through international Jamborees and other gatherings and the exchange programs and ensure they attain the highest badges.

Many activities were organized and implemented by you and we had various levels of achievements in all that was planned (*see detailed SP report matrix*). It is important to particularly note that we did not register 4 million Scouts but reached over 1.4 million which represented 35% achievement score. The impact of this is:

- More young people in Kenya are now consuming the Youth Program;
- We have achieved global recognitions from WOSM
- There is increased interest from partners in working with KSA
- There has been marked rise in sale of Scout uniform, proceeds from which support the KSA budget.

REPORT OF THE CHIEF COMMISSIONER (CONTINUED)

In adult training we had intended to reduce the ratio of Scout Leaders to Scouts from 1:150 to 1:32. However, we only managed to bring it down to 1:74 which is an achievement level of about 50%. The import of this is that the quality of youth program implementation has improved. This was particularly exemplified by a social impact survey that was carried out in May 2017 that found Scouting to be most impactful on the development of the young persons in Kenya. That is exactly what Scouting meant to do: impact positively on the lives of the young people.

Governance

With the promulgation of the new KSA constitution the Association has continued to grapple with challenges of devolution. Through various committees it has managed to have decisions made and actioned to move the Association forward. Management of the conduct of adults was improved by the formation of Ethics Committee and later the Adult Resources Committee. We now have a predictable way in which adults who come into Scouting are selected, processed, on-boarded, reassigned, and exited. The POR and other attendant policies have been revised to regulate the conduct thereof of all adults in Scouting.

Institutional Sustainability

Some of the key pillars in the 2013-2017 Strategic Plan were focused on ensuring institutional sustainability. The focus areas were development of camps and sites, ensuring all KSA property is secured and forging partnerships with institutions that have shared objectives with the Association.

Over the five years, improvements were made in Embu Centre, Kilifi Centre, Siaya Centre and Rowallan Camp. Rowallan and Kilifi were secured with a perimeter wall and chain link respectively. The Ngong Scout Centre was also fenced and a gate erected. More investment on KSA facilities has been slowed down majorly by lack of land ownership documents. Most challenging has been Miritini Centre. Plans are still underway to develop physical infrastructure in Bungoma, Embu, Nyeri, Busia, Machakos, Uasin Gishu, Kilifi and Miritini.

In the area of forging strategic partnerships the Association may not have raised direct money from them but had its youth program enriched by working with institutions such as Equity Bank, NBK, NCIC, NACADA, Kenya Film Classification Board, Communications Authority of Kenya, Kenya Defence Forces, among others.

I also wish to recognize a special category of partners with whom we have worked very closely:

- Kenya Girl Guides Association
- World Scout Bureau – Africa Support Centre

We also remain very indebted for the support we have received from the Ministry of Education and the Teachers' Service Commission. In the last five years the MOE gave an annual grant in aid to KSA of Ksh 77.5 million. TSC on the other hand seconded three officers to serve at the KSA HQ as senior staff. This has ensured that pedagogy is maintained in the development of learning materials and preparing educational programs for the young people.

REPORT OF THE CHIEF COMMISSIONER (CONTINUED)

Human Resource

An institution cannot go very far if it does not have a strong Secretariat. In the last five years, the National Executive Committee, later, the National Scout Board has endeavored to build a strong and professional secretariat that has supported it to achieve its mandate. It is my conviction that as we move on as an Association we must put in place mechanism to develop a well-trained, motivated and result driven Secretariat. In this case the Board will be left to perform its role of giving strategic direction and policy while the secretariat implements the strategy.

Awards and Recognitions

I will not be fair to Board members and the rest of the delegates if I do not enumerate the continental and global awards that the Association has achieved in the last five years. We all deserve to have bragging rights because of these achievements:

- SGS/GSAT accreditation in 2016.
- Achieving position one in Africa and 6th globally in regard to size of Scout memberships
- Position one on an NSO that has registered 'Absolute Growth' within three years. This recognition was received during the World Scout Conference in Azerbaijan in 2017.
- Position one 'An NSO that has achieved highest increase of young people' within three years. This was also awarded during the World Scout Conference in Azerbaijan in 2017.
- A continental award for the NSO that has achieved 'Best Growth and Development' in the Africa region. This was presented during the 2018 Africa Scout Day in Harare, Zimbabwe.

We all need to be proud of ourselves for making it possible for the Association to achieve all these recognitions within a period of five years.

Strategic Plan 2018-2020

Having learnt critical lessons during the implementation of the 2013-2017 Strategic Plan the National Scout Board charted a progress plan for the next three years in a document called 'Strategic Plan 2018-2020'.

This is a well-researched plan that is leaner, taking a shorter period of only 3 years and is aligned to the SDGs, Vision 2030 and the WOSM triennial plan.

It has only 5 key focus areas (*see detailed document*)

- Innovating Scouting
- Social and Environmental Impact
- Communications and Relations
- Governance
- Institutional Sustainability

The general strategic objectives of this SP were:

- Recruit Scouts, provide them with a good program and sufficient trained leaders to guide them;

REPORT OF THE CHIEF COMMISSIONER (CONTINUED)

- Ensure what the Scouts do are impactful in the communities they come from;
- Be able to effectively tell the story of scouting internally and externally.
- Ensure the Association is well managed as is provided for by the Constitution and other laws of the land.
- Be able to sustain itself and build even a bigger resource base.

This plan, at the very inception, was shared with all members of the Scout Council for input. It is now complete and ready for dissemination and implementation. The Board will roll out a plan for dissemination in April.

Conclusion

Let me conclude by recognizing the role all of you delegates have played in your various capacities to build this Association to where it is now. I want to give special thanks to the National Scout Board for running the Association on behalf of the Kenya Scout Council. I also want to recognize the fact that we now have the Teacher' Service Commission, the Kenya Defence Force, the Judiciary, National Police Service as part of our Board.

I also want to recognize the critical role played by the Executive Committee of the National Scout Board chaired by Ms Lydia Kiburu that has worked very closely with the Secretariat to ensure Board decisions are implemented. Alongside the EXCOM is the Secretariat that has exhibited high levels of professionalism to support the volunteers in achieving the mandate of the Association. Congratulations to all of you in the Board, the Committee and the Secretariat.

Finally, as I exit the position of Chief Commissioner today I want to say that I leave a fulfilled person. I am satisfied to have done my best. A lot of things still remain unfinished. It is my belief that the incoming Chief Commissioner will work hand in hand with the Board and the Council to ensure the Association progresses steadily to become a leading NSO in the world. It is my hope that the delegates will exercise their constitutional rights to elect the next leader without any problems. Scouting is non-political and as such we must conduct ourselves with great decorum as we conduct the elections.

I want to conclude by saying that I am very proud to have worked with two very prominent people in the position of Chief Scout; Hon Kaparo and Prof. Kaimenyi. I benefited from their leadership and I know the current Chief Scout will continue to provide great leadership to the Association moving forward.

BRAVO!



Ray Charles Musau
Chief Commissioner

V. TREASURER'S REPORT (CONTINUED)



It is my pleasure to present to you key highlights regarding our financial performance and position in the year under review.

I remain very optimistic and encouraged by the potential that KSA has to transform this country through its work with the youth.

Financial performance highlights for the year ended 30 June 2017

Dear delegates, I would like to present the highlights of the Association's financial performance during the year under review as compared to the previous period. Below are the key highlights:

Statement of comprehensive Income

Revenue

Total revenue stood at Kshs. 129,776,454 which was a significant increase from last year's revenue by 68.34%. This increase is attributed to receipt of delayed government grant from the previous year.

During the year under review we generated program revenue of Kshs. 3,681,978.10 compared to last year's 3,566,917 a representing 3.23% growth. The net profit for the Scouts Shop stood at Kshs. 15,580,876 from Ksh. 23,550,814 representing a 33.84% decline, this was attributed high stock shortages necessitated by delays in order delivery by the engaged suppliers.

KSA currently has two major revenue streams, these includes the government grant and incomes generated from operational activities i.e. camp centers, scouts shop sales, program and training fees. The graph below shows income for the last four years where non grant income has generally remained steady owing to the government grant

Revenue Diversification

A significant portion of our revenue amounting 77.5m representing 74.95% of all total revenue, was from the Grant in Aid from the government and I want to thank the Patron so much for this.

That said, it is important for us to note that over reliance on a single income source is a risk to the Association and as such the National Scouts Board, working closely with the Secretariat, needs work on ways to diversify the Association's income streams to ensure sustainability.

This comes at a time when we are in transition from the previous strategy 2013-2017 to the next that covers 2018-2020. With implementation of the new strategy the income base will definitely grow as we

TREASURER'S REPORT (CONTINUED)

plan to improve our Camps & Sites and open a number of shop branches country wide to sell our Scouts Uniform.

The below graph shows our income over the last four years excluding the government grant. It captures a trend analysis of other revenue streams which include; Messengers of peace WOSM, gain on foreign exchange, gain on sale of motor vehicle, Interest from investment in treasury bills, sundry revenue, investment receipts from shop and extended scouting programs. Conclusively, you can see there is a lot of potential in Camps & Sites and Scouts shop.

The above graph shows our income over the last four years. The figure for 2013/14 covered 18 months as we were changing our financial period from Jan/Dec to July/June in line with the government financial period. Others includes; Messengers of peace WOSM, gain on foreign exchange, gain on sale of motor vehicle, Interest from investment in treasury bills, sundry revenue, investment receipts from shop and extended scouting programmes.

Expenses

Total expense for the year was Kshs. 90,435,132 as compared to Kshs. 69,073,981 during the last financial period, a 27.58% increase attributed to activities not undertaken in the previous period which have now been implemented.

A significant part of this increase is attributed to an increase in amounts spent on training departments of Kshs. 3,192,934 compared to Kshs 791,741 in the previous period, this was necessitated by trainings not conducted in the previous year being executed in the year under review. There was also an increase on land rates from Kshs. 43,268 to 2,613,189 as a result of revaluations which led to a significant increase in our asset worth. On international events we spent Kshs. 3,470,290 as opposed to Kshs. 1,541,639 in the previous period. Committee meeting was 7,681,800 compared to 5,385,034 in the previous period owing to various activities.

Statement of Financial position (Balance Sheet)

Current Assets.

There was an 89.95% upsurge on our current assets to close at Kshs. 120,082,728 compared to 62,381,578 in the previous financial period. This was attributed to the increase in cash & cash equivalents from 27,511,489 to 92,583,101 which was as a result of receiving delayed funds from the previous period.

There was a drop in County Scout Support as counties begun to account for funds received. Inventories stood at 22,569,613 compared to Kshs. 20,220,466 in the previous period which was attributed to purchases close to year end. The organization is working on improving its processes to avoid bulk purchases at the end of the year.

On the property plant and Equipment, a significant increase was realized on the net worth owing to revaluation of assets to close at Kshs 1,819,765,396 compared to the previous period where the value stood at Kshs. 818,736,884. This clearly shows the assets had been grossly undervalued.

TREASURER'S REPORT (CONTINUED)

Property ownership & valuation

Below is a bar graph showing asset base for the last four years



From the above growth, you can clearly see that the revaluation of assets indeed showed that we had undervalued our assets. The current asset base is at Kshs. 1,819,765,396.

In addition, there is an urgent need to secure documentation such as title deeds & other ownership documents of all property owned by KSA. This is being followed actively with the ministry of Lands & Housing.

Payables

Our current liabilities increased from 445,205 to 2,327,715 owing to increased scout's uniform purchases close to year end.

Conclusion

Ladies and gentlemen, I want to conclude by stating that KSA has immense potential. The wide membership and the large amounts of resources only need harnessing to grow KSA to be one of the leading Organization in the region.

We must therefore take definite steps in diversifying our resources. This can be achieved by investing in our various camps & centers, enhancing sales by creating more branches countywide to sell Scouts uniform and work closely with counties to support some activities. There is unexploited potential at county level in terms of resource mobilization. Successful implementation of the next strategy 2018-2020 will definitely transition KSA to the next level especially in enhancing its revenue streams.

Lastly, it would be important to note that there was a delay in starting of the financial audit review for the period and therefore as the audit is still ongoing, we will present unaudited accounts.

Patrick Ngenga
National Treasurer

VI. CORPORATE GOVERNANCE STATEMENT



The Kenya Scouts Association is committed to implementing good corporate governance principles and adhere to integrity, high ethical values and professionalism in all its activities. As at 30th June 2017, the National Scout Board (hereafter referred to as the Board) was made of 18 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and eighteen (13) other members: four (4) of whom are elected by the teams (Youth Programme, Training, Administration, and County Youth Leaders), Six appointed for their special professional skills. And four (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

Prior to the promulgation of the new KSA Constitution towards the end of the 2nd quarter of the financial year on 6th Dec 2018 the Board (then called the National Executive Committee) had nine (10) committees that exercise delegated responsibilities, namely: Audit & Risk Management, Finance, Youth Program, Adult Training, Resource Mobilization, Camps and Sites, Security & Special Programs, Corporate Communications & ICT, Ethics & Quality Assurance, and finally Strategic Planning and Management (which includes Human Resource).

The National Board's skills and collective experience engenders healthy oversight over Management. The division of responsibilities between the Chairman and the Chief Executive is clearly established and adhered to.

The Board members are provided with necessary resources to undertake their duties. Appropriate induction is offered to all Board members on appointment and on an on-going basis. The terms of reference for each of the Board's committees are available.

Board and Committee papers are supplied to members on time, in appropriate form and quality to facilitate effective deliberations and all the Board members have access to relevant information through the office of the Chief Executive.

A handwritten signature in black ink, appearing to read 'Moses Ochieng Danda'.

Moses Ochieng Danda
National Executive Commissioner

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

This report is about how the KSA takes account of its economic, social and environmental impact in the way it operates as a Movement. By demonstrating our commitment to community social development we aim to align our activities, purpose, and strategy with the needs of our members, whilst embedding such responsible and ethical principles into everything we do.

The elements of this report cover our approach in dealing with our members and the local community principles in an effort to support reducing our energy, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

Environment

Protection on the environment in which we live and operate is part of Kenya Scouts Association's values and principles and we consider it to be sound business practice. Care for the environment is one of our key responsibilities and an important part of the way we work.

During 2016/17, the Association was committed to:

- Complying with all relevant environmental legislation, regulations and approved codes of practice.
- Continued to work with the Government in planting over 50 million trees countrywide.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Managing and disposing of all waste in a responsible manner.
- Providing training for staff so that we all work in accordance within an environmentally aware culture.
- Regularly communicating our environmental performance to our employees and other significant stakeholders.
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.

The National Secretariat will ensure that the Association reduces the environmental impact on the Association by:

- Sourcing and buying locally to save fuel costs wherever possible.
- Ensuring all lights and equipment is switched off when not required.
- Ensuring that water is used efficiently.
- Using scrap paper for drafts and notes
- Printing in mono and double sided wherever possible.
- Sourcing recycled materials wherever possible.

Local Community

The National Scout Board will also ensure that our work with the local community involves:

- Working with and supporting local charities

CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CONTINUED)

- Encouraging volunteer work in community activities.

During year 2016/17, a number of initiatives were undertaken within the local community including support in Community projects within Kibera Slums, and allowing the use of the Rowallan Scout playing fields to be used as training grounds by two soccer teams from the same slums.

Responsibility to Stakeholders

The National Executive Committee also ensures that we deal responsibly, openly and fairly with members and potential members by:

- Being open and honest about our activities
- We listen to our members to help us improve the Scouting activities.

The operational and ultimate responsibility for the commitment to our community social development lies with the National Scout Board. Every employee of the Association is expected to give their full co-operation to the above principles in their activities at work.



Moses Ochieng Danda
National Executive Commissioner

Approval of the financial statements

The Association's financial statements were approved by the board on 29 September 2017 and signed on its behalf by:



Ray Charles Musau

Chief Commissioner



Patrick Ngenga

National Treasurer



Moses Danda

National Executive Commissioner

VIII. REPORT OF THE INDEPENDENT AUDITORS

IX. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2017

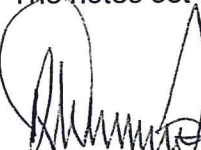
	Notes	2017 KSHS	2016 KSHS
Revenue from Non - Exchange transactions			
Grant from Government	2	96,875,000	38,750,000
Messengers of Peace-WOSM	3	1,381,051	1,081,483
Programmes Revenue	4	3,681,978	3,566,917
Gain on foreign Exchange	8	-	6,001
		101,938,032	43,404,401
Revenue from exchange transactions			
Camps & Sites	5	10,848,939	8,329,472
Sundry Revenue	6	288,000	538,991
Extended Scouting Programmes	10	1,120,608	945,793
Net Profit/(Loss) from Shop	9	15,580,875	23,550,814
		27,838,422	33,365,070
Total Revenue		129,776,454	76,769,471
Expenses			
Programmes Expenses	11	9,083,274	10,924,867
Training Expenses	12	3,192,934	-
Messengers of Peace-WOSM	22	760,615	894,883
Committees & Meetings	13	7,681,800	5,385,034
County Scouts Support	31	895,070	2,361,473
International events	14	3,470,290	1,541,639
Salaries and Staff Benefits	15	20,614,379	20,205,635
Other staff expenses	16	4,951,887	2,913,437
Establishment/Secretariat	17	18,282,187	17,876,085
Communication & Corp Affairs	18	2,049,561	-
Ethics & Awards	19	5,041,407	-
Rent and Rates	20	2,613,189	-
Depreciation: Property, Plant & Equipment's	27(a)	6,064,469	6,024,934
Amortization of intangible assets	27 (b)	845,992	845,992
Headquarters expenses for camps & sites	21	560,685	100,000
Loss on Revaluation		4,327,393	-
Total Expenses		90,435,132	69,073,979
Surplus for the period		39,341,322	7,695,492

The notes set out on pages 25 to 41 form an integral part of the Financial Statements

X. STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	2017 KSH	2016 KSH
ASSETS			
Current Assets			
Cash & cash equivalents	23	92,583,101	27,511,489
Receivables from Exchange Transaction	24	2,849,921	12,203,125
Receivables from Non- Exchange Transaction	25	576,301	47,636
Inventories	26	22,569,613	20,220,466
County Scout Support	31	1,503,792	2,398,862
		120,082,728	62,381,578
Non - Current Assets			
Property, plant & equipment	27(a)	1,819,765,396	818,736,884
Intangible Assets	27 (b)	281,997	1,127,989
		1,940,130,121	882,246,451
TOTAL ASSETS			
LIABILITIES			
Current Liabilities			
Payables and Accruals	29	2,327,715	445,205
Other payables	30 (a)	669,239	3,091,757
Un Expended Grant	30 (c)	19,375,000	
		22,371,954	3,536,962
NET ASSETS			
		1,917,758,167	878,709,489
FUNDS			
General Fund	32 (b)	909,734,623	871,363,097
Revaluation Reserve	32 (a)	1,006,753,186	6,156,501
Restricted Fund	28	1,270,358	1,189,892
		1,917,758,167	878,709,490

The notes set out on pages 25 to 41 form an integral part of the Financial Statements


Victor Owuor Radido
Chief Commissioner


Patrick Ngenga
National Treasurer


Moses O Danda
National Executive Commissioner

The Kenya Scouts Association
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XI. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2017

	General Fund	Revaluation Reserve	Restricted Fund	Total
	KSHS	KSHS	KSHS	KSHS
At 1 July 2015	865,894,616	6,156,501	1,299,617	873,350,734
Surplus for the period	7,695,492	-	-	7,695,492
Prior year adjustment	(2,227,010)	-	-	(2,227,010)
Net movement during the period	-		(109,725)	(109,725)
Balance as at 30th June 2016	871,363,097	6,156,501	1,189,892	878,709,491
Balance as at 30.06.2016	871,363,097	6,156,501	1,189,892	878,709,490
Surplus for the period	39,341,322	-	-	39,341,322
				-
Net movement during the period	-	1,001,581,995	80,466	1,001,662,461
Transfers to/from accumulated surplus				-
Prior year adjustment	(969,796)	(985,310)	-	(1,955,106)
Balance as at 30th June 2017	909,734,623	1,006,753,186	1,270,358	1,917,758,167

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XII. STATEMENT OF CASHFLOWS
For the year ended 30 June 2017

	Note	2017 KSH	2016 KSH
Cash Flows From Operating Activities			
Receipts			
Receipts from Government	2	96,875,000	38,750,000
Messengers of Peace-WOSM	3	1,381,051	1,081,483
Programme Receipts	4	3,681,978	3,566,917
Camps & Sites	5	10,848,939	8,329,472
Extended Scouting Programmes Sales	10	2,151,650	945,793
Sundry Revenue	6	288,000	538,991
Shop Sales	9	55,304,668	-
Cash Received from Restricted Fund	28	1,098,700	-
Decreases in receivables	24	9,353,204	-
Increase in receivables from non exchange transactions	25	(528,665)	-
Increase in Inventories	26	(2,349,147)	-
Increases in Payables and accruals	29	1,882,510	-
Decrease in other payables	30(a)	(2,422,518)	-
		179,565,370	53,212,656
Payments			
Programme Expenses	11	9,083,274	10,924,867
Cost of materials-ESP	10	1,000,242	-
Other Expenditure -ESP	10	30,800	-
Training Expenses	12	3,192,934	-
Messengers of Peace-WOSM	22	760,615	894,883
Committees & Meetings	13	7,681,800	5,312,677
County Scout Support	31	895,070	2,361,473
International Events	14	3,470,290	1,541,639
Salaries & Staff Benefits	15	20,614,379	20,205,635
Other Staff Expenses	16	4,951,887	2,913,437
Establishment	17	18,282,187	17,876,085
Communication & Corp Affairs	18	2,049,561	-
Ethics & Awards	19	5,041,407	-
Rent and Rates	20	2,613,189	-
Headquarters expenses for camps & sites	21	560,685	100,000
Shop Purchases	9	41,997,784	-
Shop Operating expenses	9	789,606	-
Cash payment from Restricted Fund	28	1,018,234	-
		124,033,944	62,130,696
Net Cash generated from Operating activities		55,531,426	(8,918,041)
Cash Flows from investing activities			
Purchase of Property and equipment	27	(9,318,435)	(913,090)
Net cash used in investing activities		(9,318,435)	(913,090)
Cash Flows from Financing Activities			
Unexpended grant	30 (c)	19,375,000	-
Net cash flows from financing activities		19,375,000	-
Net increase /(Decrease) in cash and cash equivalents		65,071,612	(9,831,131)
Cash and cash equivalents at beginning of the year		27,511,490	37,342,621
Cash and cash equivalents at the end of the year		92,583,102	27,511,490

XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30 June 2017

	ORIGINAL & FINAL BUDGETS	ADJUSTMENTS	REVISED BUDGET	ACTUAL ON COMPARABLE BASIS	VARIANCE	REMARKS
Revenue	KSHS			KSHS	KSHS	
Government Grant	77,500,000		77,500,000	96,875,000	19,375,000	Grant for year 2016/2017 received in year 2017/2018
Shop	12,000,000		12,000,000	15,580,875	3,580,875	
BP House rent	2,160,000		2,160,000	288,000	(1,872,000)	The tenants were evicted to pave way for renovation
Programme Department	14,870,000		14,870,000	3,681,978	(11,188,022)	
Training & Development	2,274,000		2,274,000	-	(2,274,000)	The revenue was captured under programme expenses
Projects & Partnership	16,250,244		16,250,244	1,979,827	(14,270,417)	
Ethics & Awards	1,000,000		1,000,000	-	(1,000,000)	
Camps & Sites	17,910,000		17,910,000	10,848,939	(7,061,061)	
Others	10,420,000		10,420,000	-	(10,420,000)	
Total Revenue	154,384,244		154,384,244	129,254,619	(25,129,625)	
Expenses						
Programme	31,826,050	(4,800,000)	27,026,050	9,083,274	17,942,776	
International Events	-		-	3,470,290	(3,470,290)	
Training & Development Department	6,792,572	-	6,792,572	3,192,934	3,599,638	The revenue was captured under programme expenses
Projects & Partnership	2,081,000	-	2,081,000	760,615	1,320,385	This was as a result of a new project Messengers of Peace
Ethics & Awards	5,200,000	2,000,000	7,200,000	5,041,407	2,158,593	
Security & Special Programmes	3,566,000	-	3,566,000	-	3,566,000	
Camps & Sites	22,707,470	9,550,000	32,257,470	-	32,257,470	The expenditure captured under secretariat
Secretariat & Staff Cost	43,383,458	1,250,000	44,633,458	43,848,452	785,006	Within the Limit
Meetings	6,484,000	2,940,000	9,424,000	7,681,800	1,742,200	Within the Limit
Communication & ICT Department	4,350,202	1,060,000	5,410,202	2,049,561	3,360,641	
County Funds / Grants	19,500,000	(10,000,000)	9,500,000	895,070	8,604,930	Funds to counties were stopped due to accounting difficulties by county officials
BP Land Rates	700,000	2,000,000	2,700,000	2,613,189	86,811	This was settled in the following financial year
BP Shop Expenses	2,132,900	-	2,132,900	-	2,132,900	Shop expenses are captured at Head quarter
Headquarters expenses for camps & sites	-			560,685	(560,685)	Centre support not budgeted for
Depreciation & Amortisation	-			6,910,461	(6,910,461)	Not a cash item
Total Expenses	148,723,652	4,000,000	152,723,652	86,107,739	66,615,914	
Surplus / (Deficit) for period				43,146,881		

XIV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of accounting

The financial statements are prepared in accordance and comply with Accrual Basis of Accounting under International Public Sector Accounting Standards (IPSAS) .The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Association. The financial statements have been prepared on under the historical cost convention basis. The cash flow is prepared using direct method. Financial statements are prepared on accrual basis.

b) Summary of significant Accounting Policies

i. Revenue Recognition

The Association recognizes income and revenue when earned. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

ii. Receivables

Receivables are stated at nominal value, less provision for any amounts to be irrecoverable

iii. Sales of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it's probable that the economic benefits or service potential associated with the transaction will flow to the Association.

iv. Rental Income

Rental Income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms and included in the revenue.

c) Budget Information

The annual budget is prepared on the accrual basis, that is, all planned costs and incomes are presented in a single statement to determine the needs of the Association.

d) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement costs of the components of an existing investment property

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

at the time that cost is incurred if the recognition criteria are met and excludes the cost of day-to-day maintenance of investment property. The association did not re-invest in treasury bills in year 2017

e) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. The cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

f) Depreciation

Property, plant and equipment are initially recorded at cost/valuation. Depreciation is calculated on reducing balance basis to write down the cost of each asset to its residual value over its predetermined useful life. The annual depreciation rates in use are as shown below:

Building	2.5%
Motor Vehicles	25%
Computers	30%
Furniture & Fittings	12.5%
Equipment and Machinery	12.5%
Amortization	30%

We do not depreciate land and work in progress. The Association depreciates assets at the end of the year regardless of the date of acquisition.

g) Leases

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or if lower, at the present value of the future minimum lease payments.

h) Inventories

Inventories are measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is measured at the lower cost and current replacement value.

i) Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
(CONTINUED)**

economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

j) Contingent Liabilities

The Association 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 can be made of the amount of the obligation.

k) Contingent Assets

The Association does not recognize a contingent asset, but discloses details of possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association. Expenditure on acquired ERP software programs is capitalized and amortized on the straight-line basis over their expected useful lives, normally not exceeding three years.

l) Intangible assets

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

m) Reserves

The Association creates and maintains reserves in terms of specific requirements

n) Employee Benefits

The Association contributes to the National Social Security Fund (NSSF). The contributions are determined by the Kenyan statutes and such contribution during the period was limited to Ksh 200 per employee per month. The Association's contributions to the above are charged to revenue statement in the period to which they relate.

o) Related Parties

The Association regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Association or vice versa.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
 (CONTINUED)**

p) Cash and Cash Equivalents

Cash and cash equivalents comprises of 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. For the

purposes of these financial statements, cash and cash equivalents also include short term imprests and advances to authorized officers and /or institutions which were not surrendered or accounted for at the end of the financial year.

q) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the period ended 30, June 2017.

r) Bad Debts

Bad debts are written off when all reasonable steps to recover them have been taken without success in the year in which they are identified as irrecoverable.

s) Trade Payables

Payables are stated at nominal values less amounts not expected to be payable.

t) Tax Status

The Association is exempted from payment of Income Tax under Section 13 (2) of the Income Tax Act (Cap 470)

u) Liquidity risk management

Liquidity risk is the risk that the association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation. The Association manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

	2017	2016
	KSHS	KSHS
2 Government grant		
Transfer during the year	96,875,000	38,750,000
	<u>96,875,000</u>	<u>38,750,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
3 Partners' Contribution		
Messengers of Peace-WOSM	1,381,051	1,081,483
	<u>1,381,051</u>	<u>1,081,483</u>
4 Programmes Revenue		
Youth Programmes Certificates	837,210	1,219,212
Competition Fees	303,000	720,245
Founderee & Centenary	510,000	485,150
Roveree	-	8,000
Registration	1,961,588	679,110
Training Certificates	70,180	455,200
	<u>3,681,978</u>	<u>3,566,917</u>
5 Camps & Sites Revenue		
Embu	7,404,171	5,585,337
Kilifi Camp	20,000	33,119
Rowallan Camp	3,312,670	2,537,290
Machakos	111,400	109,600
Nyeri	698	(383,005)
Siaya Centre	-	-
Miritini	-	447,130
	<u>10,848,939</u>	<u>8,329,471</u>
6 Sundry Revenue		
B.P. House Rent	288,000	360,000
Other Sundries	-	178,991
	<u>288,000</u>	<u>538,991</u>
8 Exchange rate gain		
KCB US\$ A/C No. 1112620192	USD	
Opening Balance 2015 (rate-98.6394)	2,480	-
Closing Balance 2016(rate-101.1022)	2,479	-
Gain	<u>-</u>	<u>244611</u>
		<u>250612</u>
		<u>6,001</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
9		
Gross Revenue from Shop	KSHS	KSHS
Sales of Scouts Uniforms & Camping gears	55,304,668	54,816,050
Cost of Sales		
Opening Stock	19,506,016	7,198,579
Add : Purchases	41,997,784	41,293,751
Less: Closing Stock	(22,569,613)	(19,506,016)
	38,934,187	28,986,314
Gross Profit	16,370,481	25,829,736
Less Operating Expenses	(789,606)	(2,278,922)
Net Profit/(Loss) from Shop Operations	15,580,875	23,550,814
10		
Extension Scouting Programmes-(ESP)		
Sales	2,151,650	2,823,581
Cost of Sales: Materials	(1,000,242)	(1,852,270)
Expenses: Other	(30,800)	(25,518)
Net Profit	1,120,608	945,793
11		
Programmes Expenses		
Certificates	776,500	535,147
Competition	2,386,823	1,402,561
Founderee	690,800	1,632,081
Roveree	-	33,477
Jamboree	347,867	-
RRI	-	81,019
Registration	-	60,660
National Youth Forum	427,004	640,933
Peace Walk	-	526,509
Work Camp & Service week	280,180	-
ESP Camp	121,200	-
Workshops & Conferences	3,509,700	5,081,660
National Day Celebrations	86,000	-
Gifts & Donations	457,200	138,055
	9,083,274	10,132,102

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
12 Training Expenses		
Wood badge	1,872,734	791,741
Training of Trainers	1,320,200	-
	<u>3,192,934</u>	<u>791,741</u>
13 Committees & Meetings' Expenses		
Annual general Meeting	1,835,500	1,423,078
Special General Meeting	1,551,850	-
Management & Strategy Planning	514,500	568,811
National Executive Committee	1,245,000	709,101
Programme Committee	332,710	95,138
Task Force Committee	683,642	1,041,750
Other Committees	-	1,547,156
Camps & Sites	218,520	-
Embu Centre	18,000	-
Consultative meetings	258,808	-
National Youth Committee	165,920	-
Training committee	167,200	-
Adult Resources Committee	31,650	-
County Forum	574,500	-
Ethics Committee Meeting	72,300	-
Project & Partnerships Committee	11,700	-
	<u>7,681,800</u>	<u>5,385,035</u>
14 International events	<u>3,470,290</u>	<u>1,541,639</u>
	3,470,290	1,541,639
15 Salaries and Staff Benefits		
Salaries & Wages	18,450,749	19,225,679
Gratuity Payments	2,163,630	979,956
	<u>20,614,379</u>	<u>20,205,635</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

16	Other Staff Expenses	2017 KSHS	2016 KSHS
	Medical Expenses	3,336,160	1,364,415
	Staff Welfare	1,415,727	1,545,967
	Other Staff Expenses	200,000	3,055
		<u>4,951,887</u>	<u>2,913,437</u>
17	Establishment /Secretariat Expenses		
	Transport	249,601	1,556,184
	Communication	691,262	-
	Postage & Courier	405,592	-
	Office Stationery	284,164	262,366
	Printing and Reproduction	881,412	822,696
	Subscription Fees to WOSM	522,500	505,685
	Utilities	2,582,052	3,011,903
	Bank and Mpesa Charges	298,131	231,465
	Audit Cost	958,981	565,000
	Professional Fees	1,080,853	641,149
	Repairs and Maintenance	2,860,225	2,972,097
	Safety and Security	276,310	496,602
	Vehicle Expenses	1,306,661	1,200,870
	Cleaning & sanitation	161,882	356,424
	Hotel Expenses	3,905,541	3,291,049
	Chief Scout/Commissioner Embu County Share from the Centre	271,800	190,628
	Insurance	395,426	-
	Retreat	306,394	-
	Land	700,000	-
		143,400	-
		<u>18,282,187</u>	<u>16,104,118</u>
18	Communication & Corp Affairs		
	Advertisement	105,335	-
	ASK Show	125,000	10,735
	Software/ICT	871,222	1,499,263
	Website Maintenance	264,000	-
	Documentary	27,000	-
	Financial Annual Report	177,750	1,027
	Sign	33,060	-
	Internet	446,194	-
		<u>2,049,561</u>	<u>1,511,025</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
19 Ethics & Awards		
Patrons day and Awards	5,041,407	218,700
Elections & Inductions	<u>5,041,407</u>	<u>218,700</u>
20 Rent and Rates	<u>2,613,189</u>	<u>43,268</u>
21 Headquarters expenses: For Camps & Sites		
Siaya Classroom	500,000	-
Kilifi Support	60,685	-
Machakos scouts center tree nursery project		100,000
	<u>560,685</u>	<u>100,000</u>
22 Messengers of Peace-WOSM	<u>760,615</u>	<u>894,883</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
23 Cash and Cash Equivalents		
Cash in Hand	132,599	-
Barclays Bank - A/C No. 0821086574	-	(6,600)
Barclays Bank - A/C No. 0821086558	524,536	524,536
Equity Bank Operations - A/C No. 1170299559323	2,787,809	3,218,015
Equity Bank Main - A/C No.1510260829573	47,325,795	1,822,997
I & M Bank - A/C No. 00200081541201	573,416	253,880
KCB US Dollar - A/C No. 1112620192	250,612	250,612
KCB Moot 1 - A/C No. 1108788971	252,969	163,344
KCB MOYA - A/C No. 1112039279	-	(1,904)
 Pay bill - 963350	 21,597,741	 11,043,896
 Centre & Camps Accounts		
Embu Centre, Equity Bank - A/C No. 1510262146188	2,968,244	2,612,403
Kilifi Centre, Equity Bank - A/C No. 1510262196329	4,054	4,054
Machakos Centre, Equity Bank - A/C No. 1510262146295	34,936	61,290
Rowallan Camp, Equity Bank - A/C No. 1510262213835	3,810,167	2,328,048
Siaya Centre, Equity Bank - A/C No. 1510262146312	31,700	31,700
Nyeri Centre, Equity Bank - A/C No. 1510262146255	301,858	186,388
Miritini Centre, Equity Bank - A/C No. 1510263534201	1,680,882	1,681,102
USD Account Equity-A/C No. 1510263534342	49,830	48,665
 Shop Accounts		
Barclays Bank - A/C No, 0821086582	940,744	864,572
Equity Bank - A/C No. 1510260829601	7,670,478	2,291,595
Equity Agency - 0240260966845	17,486	17,486
Equity Agency 0242260966777	115,410	115,410
 County Scouts Accounts		
Equity Bank Moi Ave. 0470299631441	892,452	-
Equity Bank Digo Rd. X0460260829332	16,900	-
Equity Bank Ukunda 0440299855857	1,030	-
Equity Bank Kilifi X1060260558291	2,488	-
Equity Bank Hola 1210261728682	(353)	-
Equity Bank Voi X0790199841491	85,692	-
Equity Bank Marsabit 1010263753429	486	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
Equity Bank Meru X0140299676919	950	-
Equity Bank Embu X0190260582809	275,414	-
Equity Bank Mwingi X0590299807418	178	-
Equity Bank Machakos X0600299440683	(186)	-
Equity Bank Makueni X0670260526282	5,411	-
Equity Bank Nyeri X0110299412126	139,215	-
Equity Bank Kerugoya X0100261501981	90	-
Equity Bank Kenol 0890299866034	5	-
Equity Bank Kiambu X0640299879876	21,605	-
Equity Bank Tharaka Nithi 0210260531258	(246)	-
Equity Bank Lodwar X0990299794598	5,955	-
Equity Bank Kitale X0330299803872	(445)	-
Equity Bank Eldoret X1090299732441	1,093	-
Equity Bank Marakwet 1530262518517	135	-
Equity Bank Nandi X0490160498135	(57)	-
Equity Bank Laikipia X0270299893639	1,478	-
Equity Bank Kenyatta Ave. X0310299799759	4,771	-
Equity Bank Kilgoris X1230260686584	760	-
Equity Bank Kajiado 0470299821797	978	-
Equity Bank Kericho X0280260575592	1,690	-
Equity Bank Bomet X1220260596882	53	-
Equity Bank Kakamega X0500199795563	182	-
Equity Bank Bungoma 0480299890183	133	-
Equity Bank Busia X0780299736496	1,230	-
Equity Bank Siaya X0970299806239	44,595	-
Equity Bank Kisumu X0290299600596	902	-
Equity Bank Homa Bay X0980299806473	225	-
Equity Bank Migori 1160299798021	1,883	-
Equity Bank Kisii X0510299806612	4,420	-
Equity Bank Nyamira '0520161101153	(360)	-
Equity Bank Nyahururu X0160299855276	(326)	-
Equity Bank Kapenguria X1070299789412	268	-
Equity Bank Eldama Ravin X1310299841416	(256)	-
Equity Bank Mbale X0960199833363	1,905	-
Equity Bank Wajir 1030276350845	471	-
	92,583,101	27,511,489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

	2017	2016
	KSHS	KSHS
24 Receivables from Exchange Transaction		
BP Shop Debtors	2,649,921	4,246,557
Receivable from Bosco Sombe	200,000	200,000
Other Receivables		3,583,990
Prepaid Insurance-APA Insurance	-	1,364,415
BP House Rent		2,368,763
Embu Scouts Centre	-	439,400
County Support Balances		-
	2,849,921	12,203,125
25 Receivables from Non- Exchange Transaction		
Staff Salary Advances	576,301	47,636
	576,301	47,636
26 Inventories		
Rowallan	16,534,815	16,520,742
Tailoring	2,160,590	714,450
BP Shop	3,874,208	2,985,275
Total	22,569,613	20,220,466

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27 Fixed Assets

27(a)	Cost/Valuation	Land		Buildings		Motor vehicles		Computers		Furniture, Fixtures & Fittings		Equipment		Work in Progress		Total	
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	As at 01/07/2013 KSA & Shop combined	687,756,800	115,977,716	2,917,266	1,060,743	1,996,604	2,434,457	-	-	-	-	-	-	-	-	812,143,586	
	Additions	-	7,422,700	2,346,500	952,320	953,590	622,083	-	-	-	-	-	-	-	-	12,297,193	
	Disposals	-	-	(750,000)	-	-	-	-	-	-	-	-	-	-	-	(750,000)	
	As at 30/06/2014	687,756,800	123,400,416	4,513,766	2,013,063	2,950,194	3,056,540	-	-	-	-	-	-	-	-	823,690,779	
	Additions	-	-	2,000,000	867,100	792,945	128,000	1,727,700	-	-	-	-	-	-	-	5,515,745	
	Disposals	-	-	(3,135,000)	-	-	-	-	-	-	-	-	-	-	-	(3,135,000)	
	Adjustment	-	9,595,834	2,367,734	1,263,820	742,606	1,099,530	-	-	-	-	-	-	-	-	15,069,524	
	As at 30/06/2015	687,756,800	132,996,250	5,746,500	4,143,983	4,485,745	4,284,070	1,727,700	-	-	-	-	-	-	-	841,141,048	
	Additions	-	-	-	95,000	97,600	720,490	6,456,470	-	-	-	-	-	-	-	7,369,560	
	Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	As at 30/06/2016	687,756,800	132,996,250	5,746,500	4,238,983	4,583,345	5,004,560	8,184,170	-	-	-	-	-	-	-	848,510,608	
	Revaluation Gain/Loss	976,043,200	25,203,750	-	(3,051,283)	335,045	(4,098,250)	-	-	-	-	-	-	-	-	1,001,581,995	
	Additions	-	-	4,990,000	1,077,185	85,000	-	3,166,250	-	-	-	-	-	-	-	9,318,435	
	Disposals	-	-	-	-	(985,310)	-	-	-	-	-	-	-	-	-	(985,310)	
	Adjustment	-	-	-	-	4,018,080	-	-	-	-	-	-	-	-	-	1,858,425,728	
	As at 30/06/2017	1,663,800,000	158,200,000	10,736,500	2,264,885	4,018,080	906,310	11,350,420	-	-	-	-	-	-	-	1,858,425,728	
	Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	As at 01/07/2013 KSA & Shop combined	-	9,595,834	1,617,734	1,263,820	742,606	1,099,500	-	-	-	-	-	-	-	-	14,319,494	
	Disposals	-	-	(750,000)	-	-	-	-	-	-	-	-	-	-	-	(750,000)	
	Charge for the year	-	-	1,128,442	603,919	368,774	382,068	-	-	-	-	-	-	-	-	2,483,203	
	As at 30/06/2014	-	9,595,834	1,996,176	1,867,739	1,111,380	1,481,568	-	-	-	-	-	-	-	-	16,052,697	
	As at 01/07/2014 KSA & Shop combined	-	9,595,834	1,996,176	1,867,739	1,111,380	1,481,568	-	-	-	-	-	-	-	-	16,052,697	
	Disposals	-	-	(1,959,375)	-	-	-	-	-	-	-	-	-	-	-	(1,959,375)	
	Adjustment	-	3,085,010	937,500	379,146	92,826	137,441	-	-	-	-	-	-	-	-	4,631,923	

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Charge for the year	-	3,007,885	703,206	569,129	410,192	333,133	-	5,023,545
As at 30/06/2015	-	15,688,729	1,677,507	2,816,014	1,614,398	1,952,142	-	23,748,790
As at 01/07/2015 KSA & Shop combined	-	15,688,729	1,677,507	2,816,014	1,614,398	1,952,142	-	23,748,790
Disposals							-	-
Charge for the year		2,932,688	1,067,880	1,271,695	371,118	381,552	-	6,024,934
As at 30/06/2016	-	18,621,417	2,745,387	4,087,709	1,985,516	2,333,694	-	29,773,724
Depreciation value								
Disposals		-	-	-	-	-	-	-
Charge for the year		3,489,465	1,997,778	323,156	254,070			6,064,469
Revaluation Loss				(2,900,009)		(1,427,384)		(4,327,393)
As at 30/06/2017	-	22,110,882	4,743,165	1,510,856	2,239,586	906,310	-	31,510,800
Net Book Value							-	
As at 30/06/2017		1,663,800,000	136,089,118	5,993,335	754,029	2,763,804	-	11,350,420
As at 30/06/2016		687,756,800	114,374,833	3,001,113	151,274	2,597,829	2,670,866	8,184,170

27 (b)

	INTANGIBLE ASSETS-ERP System		
	2017 KSHS	2016 KSHS	2015 KSHS
Cost	2,819,973	2,819,973	2,819,973
30th June	2,819,973	2,819,973	2,819,973
Amortization			
1st July	1,691,984	845,992	-
Charge for the year	845,992	845,992	845,992
30th June	2,537,976	1,691,984	845,992
Net Book Value	281,997	1,127,989	1,973,981

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28 Restricted Funds Details	(a) 01.07.2016 KSHS	(b) Transfers KSHS	(c) Payments KSHS	d=a+b-c 31.06.2017 KSHS
Barclays ESP A/C No - 0821086558	524,536	-	9,158	515,378
I & M CRS - A/C No - 00200081541201	253,550	-	-	253,550
KCB Dollar A/C No - 1112620192	250,366	-	-	250,366
KCB MOOT 1 A/C No - 1108788971	163,344	1,098,700	1,009,076	252,968
KCB MOYA A/C No - 1112039279	(1,904)	-	-	(1,904)
	1,189,892	1,098,700	1,018,234	1,270,357

28(b) Movement in the Restricted Fund

Balance at at 1.7.2016	1,189,892
Balance at 31.06.2017	<u>1,270,357</u>
	80,465

29. Payables and Accruals
Details of Creditors

	2017 KSHS	2016 KSHS
G4S Security Services	-	60,321
Japeth Wambae	-	300,000
PCEA Jitegemea Press	59,400	
Nairobi Water Company	35,818	18,884
Reliancy Kenya	-	66,000
Shop Accounts Payables		
Jomack Crafts	117,640	-
Ankar Textile	427,054	-
Muasons Enterprises	91,000	-
Equator Apparels Ltd	20,400	-
Trendy Link Ltd	458,068	-
Mt. Kenya Sardine	209,860	-
Joska Metal Works	247,000	-
Embu Scouts Centre		
Mellabe Ent	20,710	-
Mary Mueni	22,100	-
Lorna Wanjiru	12,000	-
Samuel Munene	3,900	-
Scouts shop	417,287	-
Betha Supplies	50,750	-
Rens Enterprises	46,455	-
Jatomy Enterprises	63,952	-
Rentokil Initial	2,157	-
Harriet Nyaga	3,800	-
Orange Telkom- Embu Centre	12,064	-
NHIF Embu scouts centre	6,300	-
	2,327,715	445,205

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	2017 KSHS	2016 KSH
30 (a) Other Payables		
Office of Auditor General	565,000	348,000
Kenya Revenue Authority	104,239	104,239
KSA Staff Gratuity (Note 27)	-	2,259,943
Canada Moot deposits	-	195,380
Prequalification deposits	-	141,000
UK Explorers Mission	-	43,195
	669,239	3,091,757
30 (b) Gratuity: balance as at 1/7/2016	2,259,943	3,669,343
Payments during the year	(2,259,943)	(1,409,400)
Balance as at 30/06/2017	-	2,259,943

30 (c) Unexpended Grant

Government grant received in advance on 30 June. **19,375,000** -

31 County Grant Support		Opening Balance -1st July 2016	Supported During the year	Closing Balance-30 June 2017
Name	Kshs	Kshs	Kshs	Kshs
1 Baringo County	15,131			15,131
2 Busia County	55,188	-		55,188
3 Embu County	68,705	68,705		-
4 Garisa County	110,500	-		110,500
5 Homa Bay County	155,470	155,470		-
6 Isiolo County	20,000	-		20,000
7 Kajiado County	124,260	-		124,260
8 Kericho County	180,000	80,000		100,000
9 Kiambu County	(13,840)	(13,840)		-
10 Kilifi County	7,400			7,400
11 Kirinyiga County	136,170	-		136,170
12 Kisii County	109,800	50,768		59,032
13 Kitui County	43,055	-		43,055
14 Kwale County	65,870	65,870		-
15 Makueni County	38,600	-		38,600
16 Marakwet County	119,000	119,000		-
17 Meru County	43,360	43,360		-
18 Migori County	1,560	1,560		-

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(CONTINUED)

	Name	Opening Balance -1st July 2016	Supported During the year	Closing Balance-30 June 2017
		Kshs	Kshs	Kshs
19	Mombasa County	170,000	154,925	15,075
20	Muranga County	31,140	31,140	-
21	Narok County	111,600		111,600
22	Nyamira County	108,750	-	108,750
23	Nyandarua County	41,353	-	41,353
24	Nyeri County	149,875	20,773	129,102
25	Siaya County	17,830		17,830
26	Taita Taveta County	123,000	27,779	95,221
27	Tharaka Nithi County	53,585	-	53,585
28	Turkana County	41,500		41,500
29	Uasin Gishu County	150,000	89,560	60,440
30	Vihiga County	70,000	-	70,000
31	West Pokot County	50,000	-	50,000
		2,398,862	895,070	1,503,792

This represents cash given to counties to run scouting activities in the counties. It has not been accounted.

	2017	2016
	KSHS	KSHS
32 (a) Movement in Revaluation Reserve		
Opening Balance	6,156,501	6,156,501
Revaluation of PP & E	1,001,581,995	-
Prior Year Adjustment	(985,310)	
Closing Balance	1,006,753,186	6,156,501

Revaluation reserve relates to revaluation of the fixed assets of the association. It was done by Nile Real Appraisers E.A Ltd during the financial year.

32 (b) General Fund

The fund represents cumulative results realized over the years from general operations.

Movement in General Funds	2017	2016
	KSHS	KSH
Opening Balance	871,363,097	865,894,616
Surplus	39,341,322	7,695,492
Prior Year Adjustment	(969,796)	(2,227,010)
Closing Balance	909,734,623	871,363,097

