

ECHO NETWORK AFRICA

ANNUAL REPORT

2021

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NOTICE TO ALL MEMBERS

NOTICE is hereby given that the 2022 Annual General Meeting of the Company will be held via electronic means on Friday, 23 September 2022 at 10.00 a.m to transact the following business:

ORDINARY BUSINESS

To read the Notice convening the meeting.

1. Confirmation of quorum and tabling of proxies.
2. To confirm the minutes of the Annual General Meeting held on 29th July 2021.
3. To receive the Chairperson's Report.
4. To receive the Chief Executive Officer's Report.
5. To receive, consider and adopt the audited Financial Statements for the year ended 31 December 2021 together with the Directors' and Auditors' Reports thereon.
6. Election of Directors as follows:-
 - a) To note that Ms. Damaris Gitonga has completed her two terms of three years each in accordance with Article 44 of the Company's Articles of Association and is not eligible for re-election.
 - b) To note that Ms. Emma Mwangola Gituku has completed her two terms of three years each in accordance with Article 44 of the Company's Articles of Association and is not eligible for re-election.
 - c) To appoint Ms. Verity Mbaka Nyaga as a Director as recommended by the Board.
 - d) To appoint Ms. Joyner Eunice Okonjo as a Director as recommended by the Board.
7. To appoint Messrs RSM Eastern Africa, Certified Public Accountants (Kenya) as Auditors of the Company in accordance with Section 721 (2) of the Companies Act 2015 to authorize the Directors to fix their remuneration for the ensuing financial year in accordance with the provision of Section 724(1) of the Companies Act, 2015.
8. To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD



Winnie Jumba

Company Secretary

P O Box 10643 – 00100

NAIROBI

Date: 31 August 2022



GROUP CEO'S WELCOME NOTE

I take this opportunity to welcome all of you, our valued members to our 2022 Annual General Meeting (AGM).

As we are aware, ours has been a long but blessed journey together as we have sought to improve the livelihoods of women and their families. God has truly been gracious to us throughout these decades.

Despite the Covid-19 pandemic, 2021 was our year of being anchored under God's Grace and we are thankful for the progress we made.

I invite you to read this 2021 report which documents ENA's achievements during the fourth year after rebranding.

I thank you.

Jennia

Dr. Jennifer N. Riria,

**PHD, EBS, MBS, HRH/goodwill
Ambassador, ICON/HP,
Chairperson AWLN
Kenyan Chapter, Group CEO
Echo Network Africa**

BOARD OF DIRECTORS PROFILES



Damaris W. Gitonga
Chairperson

Damaris has over 25 years of combined experience in legal, banking, and corporate governance. She is the proprietor of Damaris W. Gitonga & co. The firm offers legal and company secretarial services.

Previously, Damaris worked at the State Law office, Muthoga & Gaturu Advocates, National Water Conservation & Pipeline Corporation and National Bank of Kenya Limited. Damaris is a board member of Kenya Women Microfinance Bank and the Democracy Trust Fund. She also offers leadership in other private companies and a public-school Board of Management.

Damaris is an advocate of the High Court of Kenya, a Company Secretary, a Commissioner for Oaths, an accredited Governance Auditor, and a certified professional mediator.

She is a member of the Women on Boards Network (WOBN), the Law Society of Kenya (LSK) and the Institute of Certified Secretaries (ICS).



**Ms. Selinah Jepkoech
Kibogy-Kandie OGW**
Vice Chairperson

Selinah is currently the Director of Selphi Group of Companies and CEO and Director of Circle Mall, a Private Sector Company, where she provides Leadership in the organizations. She deals with consultancy and training in various fields such as; Capacity Development, Integrity in Organizations, Organization Development, Change Management, Health and Safety, Child Protection, Emergency Response, Volunteers Management, Young People Development and Community Health.

She has 20 years of experience working in education, development and emergency response through governmental and international organizations as well as in local communities. She also served as a board member at Biosafety Appeals Board.

Her academic qualifications include studies in Education and postgraduate studies in Educational Administration and Planning (MED) at the University of Nairobi.

She also has taken courses in management and development from the University of California, Los Angeles (UCLA) in 2008 and Elections Management and Monitoring in 2015.

Ms. Kandie's greatest interest is in capacity development especially in policy making, research, networking, development, and emergency risk reduction. She has experience working in various government ministries, civil society, private sector, public sector and volunteer organizations.

Her greatest ambition is advocating for local solutions for local problems, integrity in organizations, ensuring pre-hospital care is realized in Kenya and by extension save life and managing a good family life.



Dr. Jennifer N. Riria
PhD, EBS, MBS, HRH/Goodwill
Ambassador, ICON/HP, Chairperson
AWLN Kenyan Chapter, Patron DTF
& Group CEO ENA

Dr. Jennifer Riria is the Group CEO of Echo Network Africa (ENA) formerly Kenya Women Holding which is a woman led, women serving development institution that engages in initiatives that empower, position and advocate for women, youth and women with disabilities. Dr. Riria is also the founding member of Kenya Women Holding (ENA), Kenya Women Finance Trust Microfinance Bank and Democracy Trust Fund (DTF). She also served on the global Board of Womens World Banking for over 20 years.

She is distinguished as a Microfinance Banker and Practitioner, Researcher and Gender Specialist. She has led KWFT for over two decades, and propelled it from an unprofitable NGO to a medium sized Bank, serving low income women and their families.

Dr. Riria is the chairperson of the African Women Leaders Network (AWLN) Kenyan chapter and a member of the National Mediators Team and Chairperson of Women Mediation Network Kenya (WMNK).

Dr. RIRIA's INTERNATIONAL AND NATIONAL ACCOLADES

2022

1. Awarded the Eminent Leaders Award by Diversity and Inclusivity Awards (DIAR).
2. Recognized among the 50 Over 50 (Europe, the Middle East and Africa) EMEA most influential women in 2022 by Forbes Africa.

2021

3. Ranked among Kenya's top CEO's in Africa by Kenyan's Online Magazine – September 2021

2020

4. Received the Lifetime Achievement in Banking Award at the Think Business Banking Awards Ceremony
5. Appointed Chairperson Africa Women Leaders Network Kenyan Chapter

2019

6. In appreciation of Dr. Riria's work the ENA Board named one of its investments in Nakuru in her honor. The iconic building will now be called The Jennifer Riria Hub- January 2019.
7. Awarded by World's Women Banking at their 40th anniversary as an influential leader and pioneer in paving the way for women's empowerment – 4th April 2019

2018

8. Received the Lifetime Achievement Award by Africa Women Innovation & Entrepreneurship Forum (AWIEF) – 9th November 2018
9. Awarded Elder of Burning Spear and Trail Blazer 2018 by H.E. President Uhuru Kenyatta – 23rd August 2018
10. Awarded Her Royal Heritage (HRH)/Goodwill Ambassador by Institute of African Royalty (IAR) – 14th August 2018
11. Awarded Institutional award, for overall winner local fundraisers initiative supported by Aga Khan Foundation & USAID.
12. Received a lifetime Achievement Award, for promoting the women and girls agenda by the Government of Mombasa, Kenya.

2017

13. Received the Women of The Decade in Innovation and Leadership Award, by the All ladies league and Women Economic forum (WEF) in New Delhi India on May 8th 2017.

2016

14. Awarded Master Coach for Ernest & Young World Entrepreneur of the Year Forum June 2016.
15. Received The 2016 Oslo Business for Peace Award Honourees in May 2016
16. Received Intellectap Inspiration Award for being a true inspiration in the development sector.

2015

17. Awarded The Lifetime Achievement Award in Financial Services, country winner and Regional Winner at the Africa's Most Influential Women in Business & Government awards 2015.
18. Awarded "Most Outstanding Businesswoman of the year Award" by Africa Economy Builders' Award.

2014

19. Global Entrepreneur of the year Award (Ernst & Young)

- 20. Invited to serve on the Global Council on Girls / Women Leadership Global 2013:
- 21. Received the EY Entrepreneur of the Year 2013 Award, East Africa. 2012:
- 22. Made life Board of Association of Microfinance institutions.
- 23. Awarded “Champion of Democracy” by the Ford Foundation New York. **2011**
- 24. Awarded the “Trail Blazer Award by Marketing Society of Kenya.
- 25. Awarded “Distinguished Pure and Natural Woman Award for her natural grace and commitment to her work and being a pure role model and a source of inspiration to women all over the world.
- 26. Received “Leadership Excellence Award” from Women World Banking 2009:
- 27. Included in 2009/2010 – “WHO’S WHO” of Business Leaders and Professional Registry.
- 28. Received “2009 Business Excellence Award for Financing” from The Corporate Council on Africa.

2007

- 29. Received the Icon – HP Award and was appointed the Ambassador for HP to represent the company in the Build African Schools project.

2006

- 30. Awarded Moran of the Burning Spear (MBS) by the Government of Kenya for contribution to National Development
- 31. Appointed to the Dakar Declaration Steering Committee to advise UNCDF on the African Strategy
- 32. Requested/invited to deliver key-note address at the Harvard Business School Annual African Business Conference

2005

- 33. Appointed to the Public Universities Inspection Board to advise Government’s strategy on streamlining of Higher education (completed its works)
- 34. Appointed to the 2030 Vision Steering Committee. 2004:
- 35. Awarded Certificate for being a founder member of Starehe Girls’ Centre.
- 36. Certificate of Recognition for being a Founder member of Association of Microfinance Institutions (AMFI) in Kenya.
- 37. Awarded Certificate of contribution to National Development, to mark the 25 years of independence in Kenya.
- 38. Distinguished Leadership Award for outstanding service to education for women by the American Biographical Institute.

In addition to the above international, regional and national recognitions, Dr. Riria is looked upon by her large family as the matriarch after her parents’ death. She is a transformative leader who strives for results.

Working with and touching people’s lives is her passion. She launched **THE JENNIFER RIRIA FOUNDATION** in 2016 to enhance her quest for touching lives.



Emma Mwangola Gituku
Director

Emma Mwangola Gituku graduated from the University of Warwick, Coventry UK with an MA in Applied Linguistics. She has taught in a girl's high school and been a university lecturer before joining a parastatal and later moving into the private sector. Her career in Administration spans over 30 years, specializing in communication and strategy.

Emma's key strengths lie in project management, people skills and an exemplary range of communication skills. She is currently in her 17th year of specializing in managing projects consulting with local, regional and international clients.

Her flagship company works to bring international standards in conference and meetings management in Africa, as well as offering public relations and media management agency services.



Jeniffer Nyambura
Director

Jeniffer Nyambura is a mission-driven Operations expert and an entrepreneur. She is the author of the Stepping Up series based in Kenya. She has over a decade of experience in Governance, Finance, Leadership, Training and Mentorship. She has worked in the development sector in several countries and served in multiple boards. While Jeniffer's most impactful growth and learning have been through life experience, she values formal training and education.

She holds a postgraduate degree in Public policy management and earned her undergraduate degree in Finance from Strathmore University. She also holds an Executive MBA and several Certifications in Finance and Governance. Jeniffer is working to build a world in which people are transformed to live a full life having realized their inbuilt capacity.



Ms. Elizabeth Achola Mang'eni
Director

Elizabeth Mang'eni is a Senior Trade Officer with the Ministry of Industrialization, Trade and Enterprise Development in Kenya. She has dedicated her career to empowering women and girls with disabilities by promoting local small entrepreneurship, inclusive job skills training, and programs that educate people with disabilities about business management and savings.

She is passionate about Entrepreneurship because it gives her the risk to push herself beyond her capabilities to see the development and change she seeks to have in her society.

Elizabeth is an alumnus in the 2019 US Professional Fellow Program on Inclusive Disability Employment, 2018 Australian Award African Fellowship Program, and Young Africa Leadership Initiative-2017 Mandela Washington Fellowship. These programs have enabled her to expand her work on inclusive employment and reproductive health support for young women with disabilities.



Dr. Nyambura Koigi,
DBA, FCS, FKIM, MBS
Director

Dr. Nyambura is a consultant in strategy and organization development and works on part time basis with the Nelson Mandela University, Port Elizabeth, SA.

Previously, Nyambura worked in various capacities in the financial sector and led the transformation and digitization process of a state financial institution. She has expertise in management of Pensions Funds and Trusts and is a certified trainer in both corporate governance and mediation. Nyambura holds a Doctorate in Business Administration from the Nelson Mandela University, an MBA and Bachelor's Degree from the University of Nairobi.

She is a Fellow of the Institute of Certified Secretaries and the Kenya Institute of Management. She was awarded with the Order of Moran of the Burning Spear in 2009 by the President of Kenya for her contribution towards the transformation of Public Sector institutions in Kenya as well as leading the Group of Savings Banks from 34 countries in Africa as the Chairperson, and being one of African representatives in the Brussels based World Savings Bank Institute Board.

Nyambura is currently a Board members of several companies and Trusts in both the private and public sector.



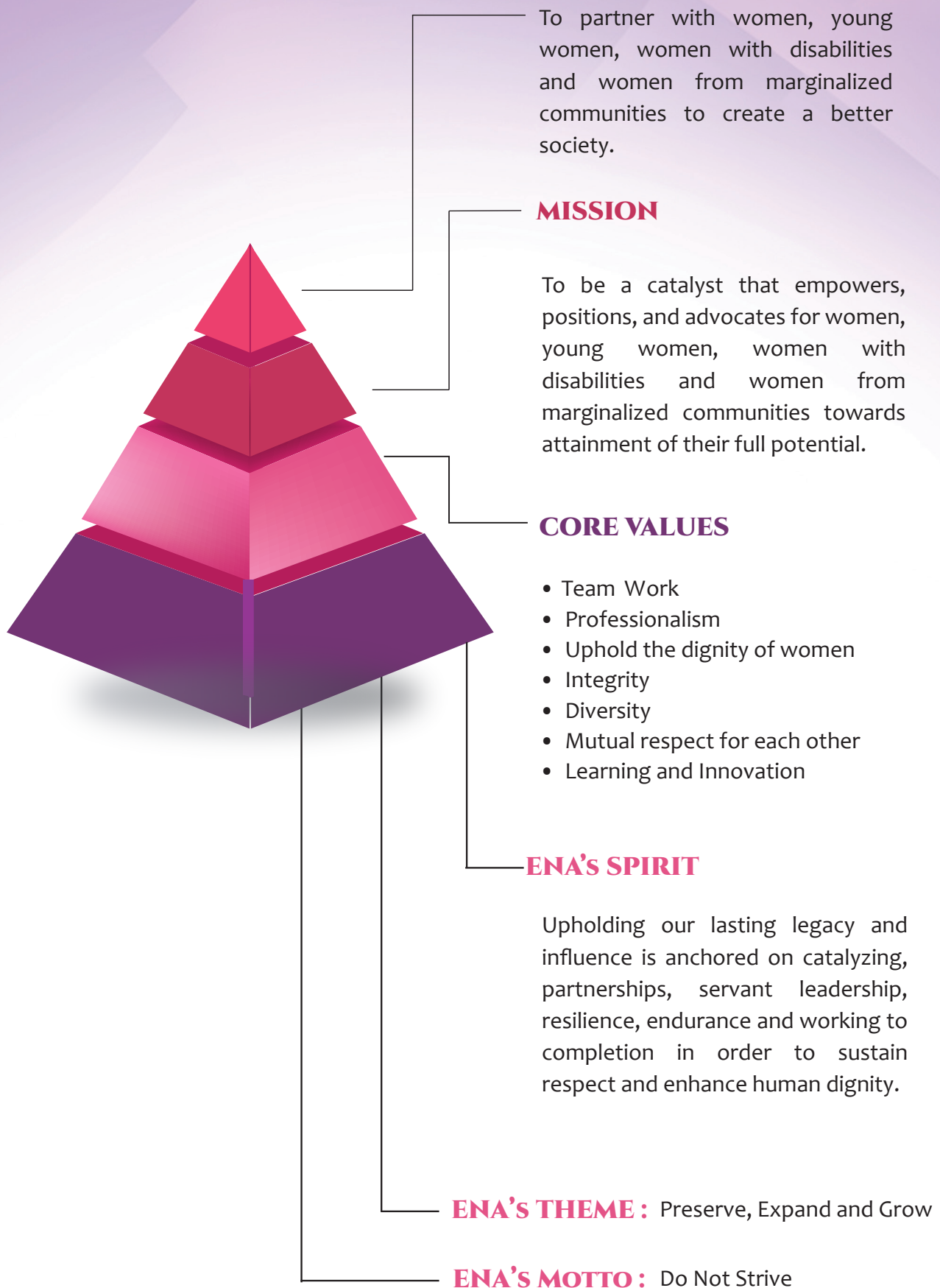
Ms. Ursula Sore Bahati
Director

A Socio-development Gender Specialist with over 18 years' experience managing multifaceted programs supporting women leadership and political participation, HIV&AIDS Coordination, adolescent and youth interventions, women's economic empowerment, community-based development and sexual and reproductive health for men and women.

Ursula has experience in Program Management & Coordination with focus on Strategic Planning, Gender Equality and Social Inclusion Discourse, partnership & Grants management, Proposal Development & resource mobilization, training, capacity Building, Coaching, Mentoring, Staff Management and Development.

She also has adept experience in undertaking gender analysis, gender-sensitive audits. Monitoring & evaluations and knowledge management.

Ursula has experience working with UN Women (UN Women), National Democratic Institute for International Affairs (NDI), National AIDS Control Council (NACC) and research projects of University of Nairobi and University of Manitoba, Canada. She holds a Master of Arts in Population Studies and Research from the Population Studies & Research Institute of the University of Nairobi.





United as one: (L-R) Former Presiding Bishop of CITAM, Dr. David Oginde, Ms. Ursula Bahati, Damaris W. Gitonga, Dr. Jennifer Riria, Mrs. Nancy Oginde, Ms. Selinah Kandie, Dr. Nyambura Koigi, Ms. Elizabeth Mang'eni and Ms. Emma Gituku pose for a group photo after a successful board retreat on 6th December 2021 to strategize on the road to expansion.

THE CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021



Damaris W. Gitonga
Chairperson

INTRODUCTION

Good morning members.

I warmly welcome you to our Annual General Meeting today. Over the last two years, our country lost at least 5,651 people to COVID 19 and had an average positivity rate of 12.5%. We regret that many lives were lost and bearing this in mind, I am truly thankful to God for those of us gathered here today. We are alive, healthy and able to gather-though remotely. The AGM is an important governance, accountability and decision-making forum for the members of Echo Network Africa. We therefore invite you to actively participate and share with us your thoughts and ideas, as we evaluate progress and make decisions that will have an impact on millions of women and girls countrywide.

Even though there has been great reduction to exposure and infections, we must remain vigilant and observe all Government laid protocols for the prevention and management of COVID 19. ENA has remained vigilant at both operational and programming levels, encouraging adherence to protocols at both office and community level. For this reason, we are once again holding a virtual AGM.

OPERATING ENVIRONMENT

The negative impact of the COVID 19 pandemic, on all the sectors of the economy and families, has resulted in loss of business, an increase in mental health challenges and GBV- which cannot be underrated. Just as Kenya was emerging from the pandemic the nation ushered in 2022 with election campaigns, further aggravating the situation. In addition the ongoing war in Ukraine affected the global oil prices. As of 30th June 2022 our inflation stood at 7.9% compared to 5.6% in March 2022 and the cost of essential foods increased sharply. Hence, families are now finding it difficult to put food on their tables, with livelihoods sustained by agriculture and other sources of income recording a substantial decline.

Against this unstable and uncertain local and global political, climatic, social and economic environment, Echo Network Africa (ENA) has remained focused on its mandate and has continued to carry out its catalytic role of positioning women, youth and women with disabilities in the democratic processes, peace building, advocating for the eradication of FGM, period poverty, early marriages and girls in STEM (Science, Technology, Engineering and Mathematics).

KEY ACHIEVEMENTS

One of the key notable achievement of ENA in 2021 was the successful partnership with DTF and AWLN to train and support 150 women to campaign and vie for elective positions in the 2022 General elections which has had demonstrable results as will be highlighted in the GCEO's report.

Also to note is the TUVUKE INITIATIVE Launch in September 2021, during the International day of Peace celebration. The Goal of this initiative is to enhance peace, especially in the conflict prone areas, under the clarion call of "PEACE STARTS WITH ME". In the recent past, we have witnessed the impact of this call and we applaud the ENA leadership and management team for this timely initiative.

Further to note is that ENA is financially healthy and has been recognized locally and globally for the work it's doing in positioning, empowering and advocating for women. Details of ENA's financial status are contained the relevant financial statements that will be presented today.

GOVERNANCE

ENA has continued to observe international good governance principles.

Oversight: Prudent management of resources has continued to be one of Board's top priority. The Audited financial statements for the year 2021 are available on ENA's website and our Auditor's, RSM, present with us today, will take us through the accounts.

Board: Board members retire on a three-year rotational basis. Today, Emma Gituku and myself (Damaris Gitonga,) will be retiring from the Board. I would like to take this opportunity to thank Emma, for her service and wish her well as she retires.

As I retire, I do so with much gratitude to God for the growth and impact in the past 6 years and I am optimistic that ENA will continue to be a leading institution in spearheading the empowerment, positioning and advocacy for women, youth and women with disability in Kenya and the region. There is still much ground to cover in facilitating women leadership at institutional, national global level. In the current context, economic empowerment and improving family livelihoods through focusing on women development presents enormous opportunity for ENA to continue having lasting impact.

I sincerely thank you members, for giving me the opportunity to serve you and for your continued support and trust in the Board and management.

I would like to now record my thanks to the ENA leadership and particularly my fellow board members and the Group Chief Executive Officer for their commitment and devotion to the Vision of ENA. I also want to thank the management team for working with the Board to deliver on the Mission of ENA.

CONCLUSION

ENA's work has continued to thrive because of the generous support National Government-Ministry of Public Service, Youth and Gender Affairs, various County Governments and our development partners-UNWOMEN, MEDA, Open Society Foundation, Uraia Trust, Hanns Sidel, and AMREF. To achieve sustainability as a catalyst, ENA will continue to maintain its non-partisan approach and collaboration with Local Implementing Partners (LIPS).

MAY GOD BLESS ENA, MAY GOD BLESS KENYA.

Ms. Damaris Gitonga

Chairperson

Echo Network Africa

GROUP CEO'S REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2021



Dr. Jennifer N. Riria

PhD, EBS, MBS, HRH/Goodwill
Ambassador, ICON/HP, Chairperson
AWLN Kenyan Chapter, Patron DTF
& Group CEO ENA

ENA continues to thank God for His grace and blessings upon all of us as Board of Directors, Management and Staff.

Despite the economic and health challenges brought on by COVID-19. ENA followed health protocols and guidelines as directed by the authorities and ensured the wellbeing of each employee was given priority. The staff worked from home and were committed towards the achievement of their individual goals as well as working in unison to accomplish ENA's overarching vision and objectives.

Despite the economic challenges, ENA was able to recruit new staff to join the team and continue maintaining a conducive working environment. We are acknowledging staff as the core assets of our institution.

ENA has remained committed to the positioning and inclusion of girls and women in the democratic processes in this country and contributing to the enhancement of their livelihoods.

We do this by working in collaboration with the Local Implementing Partners (LIPs). ENA catalyses development through LIPs. This catalytic approach that ENA adopted has strategically strengthened the capacity of the LIPs to facilitate interventions for change and impact at the community level. We appreciate how the LIPs play their role with dedication. ENA is committed to consistently addressing any challenges that arise so that ENA and the LIPs can jointly deliver sustainable initiatives.

I extend gratitude to each one of you for your continued confidence in the Board, management and staff to initiate initiatives that enable you to transform your lives.

Programme achievements within the year were many. To just but mention a few of these:

ENA continues to catalyse change. When Chief Justice Martha Koome took over her office, ENA, through its LIP, the Democracy Trust Fund (DTF) identified and presented seven priority issues that needed to be addressed in support of women's quest for equality, justice and peace for girls, women and women with disabilities and those living in marginalised communities. This was an attempt to make sure that the CJ addresses matters and supports the existence of a fair and just society where women can achieve their full potential.

- ENA has continued to work closely with many networks in the service of women in this country and the continent. ENA anchors and leads the Africa Women Leaders Network (AWLN). The Group Chief Executive Officer chairs the Kenyan Chapter. This network amplifies women's voices on issues of importance in the country's economic, political and social space.
- ENA's LIP, the DTF, received international recognition as one of the 28 global women's political rights institutions to watch out for. This is an important platform for political concerns for women across the globe.
- ENA's involvement in creating and maintaining space for women leadership in the country intensified with another launch of the training materials "Running to Win" in March 2020 as the curtain raiser for International Women's Day. Since then, more women have been trained online and in person. Through its LIP, DTF, and with support from Development partners like UN Women Hanns Seidel Foundation, URAIA Trust and others, has recorded women's participation in leadership in this country. ENA has now positioned itself as the institution that supports women in political and leadership positioning.
- ENA's peace initiative includes working with Laikipia Women Caucus with support from UN WOMEN. This group was able to host 20 public Barazas, and public convenings as avenues for engaging communities on the need for cohesive and peaceful co-existence. The Network also linked up with District Peace Committee (DPC), chaired by the County Commissioner. Their linkages enabled communities in Laikipia to begin addressing and taking charge of their own peace. ENA mobilised support for the affected families, and this was highly appreciated.
- ENA's efforts to address issues of poverty, Jaboya, women's rights violations and exploitation in Homa Bay have borne results. In collaboration with the Ministry of Fisheries, LIPs, Gender Desks, Ministry of Public Service, Gender, Senior Citizens Affairs and Special Programmes, Beach Management Units and women groups and our development partners, much is happening, although much more needs to be done. The aquaculture model initiative implemented in Homa Bay has facilitated 83 out of the trained 100 women on four beaches, Kaugege, Wakula, Mrongo and Litare establish and maintain cage fish farming. Improved their livelihoods.

In 2021 women made Kshs.988,918. They had never realised this amount of return from the fish business. In addition to the 100 trained, 77 started Omena trade business, retail shops, selling groceries, selling second hand clothes and others have specialities alongside fish farming. The special revolving loan fund has greatly supported these developments. In addition, by establishing Gender Desks on the four beaches, women have begun reporting GBV cases which in the past were not reported, from below 10 a month to 20 cases and

above per month. In 2020 a total of 1,676 cases were reported and 1,773 cases reported in 2021. Linking some of the victims to the respective local authority legal actors has been very important for ENA. Sensitisation on breaking the silence must continue.

- ENA’s emphasis on the prevention of FGM and eradication of period poverty, early marriages and girls dropping out of school has received positive responses from the communities. The call for girls to take up STEM subjects must intensify. Identifying and utilising approaches that support “back to school” for girls who drop out due to teenage pregnancies must intensify. The proof of concept used in Meru which is now being replicated in Narok County shows that this task can be achieved. In collaboration with the community gatekeepers, local government and LIPs on the ground, this evil can be adequately addressed.
- ENA’s visibility and positioning globally continues to increase. ENA has an efficient Communication and Public Relations function. In 2021 ENA received 70 media mentions from different main media houses and consistently on social media amplifying ENA’s work and impact. The ENA website is engaging and robust. Several short programmatic videos which enhance the visibility and branding of ENA are available. These include
 - o Aquaculture Documentary
 - o Girl Excel Global Giving video
 - o TUVUKE “Peace starts with me.”
- ENA is a well-managed institution. All its operations are backed up by a strong and professionally managed Financial Division which watches over all financial matters and ensures timely compliance with statutory reporting. Other functions in the institution work in concert to safeguard the health of the institution’s operations. These include, Programme, Monitoring and Evaluation (PM&E), Audit, Risk Compliance, and Legal. ENA is a strong and well managed institution.
- The staff that work at ENA are qualified professionals. Efforts are consistently made to ensure that they are motivated and cared for. They enjoy a good health coverage and other benefits that other development institutions provide for their staff and their families. These benefits are reviewed occasionally in compliance with national and international talent management principles.

Finally, ENA has one of the most professional and committed Boards ever known. Board members consistently attended Board meetings and impact-fully deliberated, providing guidance to the CEO and the entire institution. They have given management leeway to innovate and implement initiatives expecting transparent and timely reporting. This healthy relationship between Board, led by the chair Mrs Damaris Gitonga must be highly commended. I have drawn inspiration, knowledge, and encouragement from each one of them. We will miss the chairperson, Mrs Damaris Gitonga and Emma Gituku, as they retire from the Board at this

AGM. They were pillars for new ideas and challenging inquiries that, over and over, have led to new thinking among the management.

We will continue to reach out to them as they remain members of ENA. Later in the programme, you shall have an opportunity to vote for new board members to replace those retiring. Board rotation happens every three years in compliance with the institution's Articles and Memorandum of Association.



Better Together: ENA Group CEO, Dr. Jennifer Riria addresses participants during the 2021 encouraged women to embrace sisterhood globally.

To you, our members, on behalf of the ENA team, I promise you that we will manage this institution, grow it, and expand its wings into the African Region. May God Bless our members.

May God bless ENA and May God Bless Kenya.



International Women's Day Celebration on 8th March at Kenya School of Government. She

PROGRAM, COHESION & DEVELOPMENT HIGHLIGHTS

ENA PROGRAMATIC FOCUS AREAS

- 1

WOMEN EMPOWERMENT
(Aquaculture)

To enhance sustainable livelihoods and empowerment of rural women and their family's wellness, health, mental and social wellbeing.
- 2

INNOVATIVE ACCESS TO FINANCE
(Revolving Loan Fund)

To economically empower and position women through alternative access to finance.
- 3

POSITIONING/DEMOCRACY PROGRAMME

To position women to safe guard gains made in gender equality through enhancing their capacity for meaningful participation and engagement in the reform.
- 4

GIRLS EXCEL INITIATIVE

From FGM, Period Poverty, Teenage pregnancies & Early Marriages to excelling in STEM.
- 5

TUVUKE INITIATIVE

Building safer communities in Homa Bay, Meru, Samburu and Marsabit Counties in Kenya.
- 6

SPECIAL PROJECTS

To amplify voices of Kenyan women as advocates of good governance, peace, security and sustainable development.

WOMEN EMPOWERMENT & REVOLVING LOAN FUND



Capacity Building: ENA hosted an exchange training visit on 18th October 2021 at Kenya Marine Fisheries Sangoro for Mrongo Women cage farmers from Mfangano island. The purpose of the training was to enhance knowledge on best aquaculture practices to increase production and maximize profit.

Leave no one behind is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

This rallying call represents the unequivocal commitment of all UN Member States to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that

undermine the potential of individuals and of humanity as a whole.

Despite the adverse challenges affecting girls and women among them; cultural norms, limited resource allocation, lack of opportunities and underrepresentation, women have continued to strive in their businesses.

Much was however achieved in 2021.



Aquaculture Cage Farming

1. The aquaculture program in Homa Bay County directly contributed to improved livelihoods of **83** women from Wakula, Mrongo, Litare and Kaugege women groups who are engaged in cage fish farming. During the reporting period, they harvested a total of **12.9 tons** of fish worthy **Kshs 3,503,182.00**, repaid **Kshs 2,317,474.69** as part of the loan while **Kshs 988,918.05** was their income. **77** women out of the **83** initiated into other income generating activities such as sale of Omena, groceries, dress making and shop keeping.
2. **.00 women** gained knowledge and skills in Financial literacy, Group Leadership & Management, Market Assessment & linkages, Harvesting and Preservation Techniques, and Best Fish Farming Practices.
3. Cage farming enabled them to access fish for sale which was previously a challenge to access. As a result of their involvement in cage farming, the women stopped depending on middlemen for the supply of fish, thus increasing their access and earnings from the sale of fish as well as reducing spread of jaboya and other sexually transmitted diseases.
4. **100 women** were trained and acquired skills in value addition and post-harvesting handling such as making Fish Samosas, Fish Burgers, Fish Fingers and Fish Balls. They mainly sell these to Fishermen along the beaches.
5. There has been increased income at the household level. The average household-level income of the **83** women was increased from **0.6 USD** per day before the project intervention to **1.4 USD** per day. This has enabled the women to take better care of their family needs such as school fees, health needs, food, and other needs.
6. **83 women** gained knowledge on fish treatment, fish feeding regimes, favourable weather conditions for cage fish farming, sampling and post-harvest handling through **188** extension services offered by the Ministry of Fisheries.
7. 10 women have been elected into BMU management compared to zero representation during project start phase. This is due to increased responsiveness of the BMU to need for inclusivity.
8. Increased knowledge of **23 stakeholders (14 females and 9 male)** drawn from the community on GBV reporting path ways. These were trained on prevention of GBV and on the process of linking survivors to services through the GBV referral pathways. During the reporting period, a total of **1773** cases were reported

compared to 1676 in the previous period due to increased GBV cases reporting.

9. During the reporting period, ENA facilitated the broadcast of 10 Radio talk shows by a local radio station, 88.3 FM-Ekialo Kiona, reaching an estimated 3165 participants. The objective of the radio talk shows was to equip women and girls with factual information on Sexual Gender-based Violence (SGBV). The listeners engaged actively through SMS messages, calls, and social media logs.
10. 8 gender focal points together with the LIP continued to carry out awareness sessions and reached 1002 community members, among them 402 men and 592 women, with information on their rights as well as the rights of the children.
11. Women also increased their social capital and developed a strong community fabric. They formed 4 business and economic groups referred to as “Watano” groups where they meet to socialize but more so to save. They then buy household goods.



Value Addition: Kaugege women group are taken through a fish value addition training to help them maximize on profit through development of diversified products on 19th October 2021.

12. A 10 minutes' documentary on the impact of aquaculture on SGBV in Homa Bay County was documented which highlights the achievements and the impact of the program since inception in 2019. The documentary has continued to enhance ENA's visibility among stakeholders as well as enhancing the profile of ENA in aquaculture. To watch this documentary search 'Fishing for Dignity' on YouTube or follow the following link https://youtu.be/CgyLI7cJa_Y



Revolving Loan Fund

1. ENA supported the 4 women groups with a total of 130,000 fingerlings in 2021
2. In 2021, the 4 women groups received a total of Kshs. 4,562,859 to procure fingerlings and fish feeds.
3. The women groups harvested a total of 12.9 tons of fish worth Kshs. 3,503,182.00. Out of the total sales, the women were able to repay a total of Kshs. 2,317,474.69 as part of RLF. They made a total of Kshs. 988,918.05 as profit from the sales.

Women Empowerment – Samburu and Marsabit Counties

33 women groups in Samburu (Wamba 13 groups with a membership of 201 women) and Marsabit (Kalacha 11 groups with a membership of 172 women and Maikona 9 groups with a membership of 234 women) were trained on business management, record keeping, marketing and group leadership skills over the reporting period. As a result, the women groups have intensified and diversified their enterprises specially to cope with the harsh climatic conditions they face.

They have also utilized financial institutions services such as fixed deposits and access to credit to boost their capital. All the women groups have opened joint group bank accounts with the Financial Institutions such as cooperative bank, KWFT, Equity and Solutions SACCO.

A total of 894 women started saving through table banking mechanisms.

Special Projects

ENA established a Special Projects focus area to convene women mediation and peace building efforts. 2 brainstorming sessions were held that identified women mediators and finalized an action plan for the roll out of the initiative.

STORY OF CHANGE

In spite of the female dominated trades, Dokatu Konchora decided to venture into the male dominated field of buying and selling of goats. With support from Echo Network Africa Dokatu saved a good amount of money, borrowed a loan of Ksh.100,000 from the group and with this capital she started her goat selling business. Her market is Nairobi City where she delivers goats twice a month.

From her proceeds she now has a sustainable source of income that supports repayment of the loan she got from the group and has upgraded her house. Dokatu was able to move her family from the traditional 2 roomed house to a 4 roomed house.



Dokatu standing in front of her traditional two bedroomed house.



After

Dokatu standing in front of her 4 bedroomed house with access to electricity after ENA came into her life.

GENDER MAINSTREAMING

In 2021 Echo Network Africa through its Gender Mainstreaming Focus area in partnership with AMREF Health Africa and Kenya Women Parliamentarians Association (KEWOPA), through funding from the European Commission spearheaded Gender inequality interventions in Marsabit and Samburu Counties. The project aimed at strengthening the Civil Society Organizations (CSOs') role, empowering women and girls in decision making process and addressing Gender Based Violence (GBV) in both Counties.

One of the initiative's main objective was to achieve adequate representation of women and girls in leadership and governance positions. This is aimed at catalyzing effective and accountable health, education, economic and political systems in public institutions while reducing the high prevalence of GBV. It further addressed Gender Equality and the specific objectives of increasing the CSOs, county legislators and other stakeholders' capacities to strengthen women's participation in decision making processes.

The expected output of the initiative was to establish a more enabling environment for the fulfillment of women's rights and to achieve tangible improvements on gender equality.

Promoting gender equality and shifting norms and value-sets that limit girls/boys, women/men from fulfilling their potential are mutually reinforcing processes. It is to this end that

- 47 officials from 39 CSOs were equipped and trained on gender mainstreaming, evidence-based advocacy, and development of gender-responsive policies in Marsabit and Samburu Counties
- ENA supported the formation of Samburu CSO Network and Marsabit CSO network.
- 159 fishermen in Homa Bay, and 307 Boda Boda riders in Marsabit county were sensitized on prevention of GBV and teenage pregnancies.



Gender Equality: Participants from a one-day residential workshop convened by ENA pose for a group photo at the end of the workshop. The workshop held on May 13th 2021 the aimed at sensitizing Samburu MCA's on Gender policies.



HONGERA! Hon. Raphael Tuju (2nd Left) receives a Gender Warrior Award as (L-R) Hon Beatrice Elachi (Chief Administrative Secretary , Ministry of Public Service and Gender); Dr Jennifer Riria (Group CEO ENA); Phyllis Obonyo (Chief of Party SADES-K) and Elizabeth Odongo look on. This recognition took place on 6th May 2022.



The Gender Rights Award and Certificate of Recognition presented to Hon. Raphael Tuju by Echo Network Africa on 6th May 2022 for fighting against violence and violation of women's rights.

POSITIONING AND DEMOCRACY PROGRAM



Running to Win: Graduates of the first cohort of the Women's Pathways to Successful Campaigning the of the Commonwealth of Nations (seated at the center), Prof. Margaret Kobia, Cabinet Secretary, Ministry of from right).



program take a group photo on 8th March 2021 with Rt. Hon. Patricia Scotland QC, Secretary General Public Service and Gender (seated third from left) and ENA Group CEO, Dr. Jennifer Riria (seated third

The Positioning and Democracy focus area overall goal is to contribute towards attainment of gender parity in leadership and ensure full access for women at all decision making spaces in Kenya. This focus area works hand in hand with the Democracy Trust Fund, ENA's Local Implementing Partner.

In 2021 the Positioning and Democracy focus area achieved the following milestones

1. Echo Network Africa (ENA) gained global, regional, and local recognition as a key player and influence on women's leadership. Specifically, ENA was recognized by the Washington based Apolitical Foundation as one of only 28 global political institutions women rights institutions while at the Regional and local levels, ENA was made the anchor organization for the Kenyan Chapter of the African Women Leadership Network (AWLN) and continued to anchor and provide leadership to both AWLN -Kenya and the Common Women's Agenda (COWA).
2. In collaboration with the State Department for gender, ENA provided leadership in the development, publication and launch of the first national curriculum for women's leadership under the Title: the "Running to Win" series of training materials. The training contributed to the goal of increasing the number of women aspirants ready to run for elective seats in Kenya's 2022 General Elections.
3. Established a network of over 150 male champions to support gender equality in general and women's leadership ahead of Kenya's general Elections on 9th August 2022.
4. Through DTF, ENA operationalized a new model for supporting women to access political leadership and proved the concept for scaling and expansion in other countries in Africa. By the end of the year, DTF had a Membership of 100 women and savings of up to Ksh 600,000.00
5. Through DTF, ENA mobilized and trained over 900 women who subsequently contributed to amplifying voices of women as advocates for gender inclusive reforms especially during discussions on the Constitutional (Amendment) Bill 2020;
6. Through DTF, ENA contributed to increasing levels of civic awareness on the need for gender inclusive leadership among Kenyans by provided civic and political education to over 852 Kenyans including 151 men and 701 women;
7. In collaboration with other women rights groups, and the Ministry of Public Service, Youth and Gender, ENA identified and presented Seven Priority issues to accelerate attainment of gender justice in Kenya. The Seven Point Plan were presented to the First Female Chief Justice in Kenya, Hon. Martha Koome in order to influence her justice agenda for the country.
8. Through DTF, ENA recruited 160 Women leaders to champion a women friendly agenda in Eight sectors including: Media & Technology, Health, Agriculture, Peace and Security sector, Learning Institutions, and Chamas/Informal Sector, Faith-Based, Trade Unions contributed to the concerns on the status of women in leadership;

9. ENA successfully established and operationalized the Democracy Trust Fund (DTF) as the in-house Local Implementing Partner (LIP) for ENA's political initiatives with a Membership of over 100 women and an operational Savings Plan in place;
10. Established partnerships with three new partners to support ENA's political initiatives. The Partners who included URAIA Trust; Hans Seidel Foundation and the UN Women-Kenya contributed grants of over Ksh 10M during the reporting period.

These grants contributed to enhancing the capacity of ENA to sustain her political initiatives and contributed to the institutions goal of bridging the gender gap in leadership in line with the Sustainable Development Goal number 5 on gender equality.



Her Excellency, Margaret Kenyatta, First Lady of the Republic of Kenya unveils the certificate of ENA's Running to Win program on 8th March 2021.

TUVUKE INITIATIVE



Light Up the World: Dr. Jennifer Riria, GCEO ENA (left), Hon. Beatrice Elachi, Chief Administrative Secretary Ministry of Public Service & Gender (center) and Dr. Anna Mutavati, UN Women Country representative (right) light up candles in commemoration of TUVUKE Initiative launch on 21st September 2021.

The TUVUKE Initiative in 2021 continued amplifying women's voices in peace building processes. The initiative implemented programs on peace, conflict interventions and women participation in electoral processes.

Through the corporate office and local community leaders, TUVUKE helped prevent, mitigate, and respond to politically instigated conflict. The initiative worked with women in Laikipia County through a movement of grassroots women networks in informal settlements, thus empowering communities to take full ownership of their safety contributing significantly to their overall security hence becoming important partners with government security agencies.



Dr. Jennifer Riria launches the Humanitarian Support For Women and Families in Laikipia County on 21st September 2021.

The following were some of its notable achievement:

1. TUVUKE Initiative was re-launched with a focus on increasing women's participation in peace keeping initiatives at all levels.
2. **40 women peace advocates** in Laikipia County were trained on early detection and triggers of conflict and violence, peace keeping processes and influencing different mechanisms to promote peace. They then established the Laikipia women Peace Caucus that has intensified grassroots engagements with communities in the promotion of Peace and Security in the County.
3. They led several public gatherings chaired by the Chairpersons of the peace committees and demanded an end to the conflict in Laikipia County. They held over **20 peace sessions** with diverse groups of young men and women, community leaders, and the public.

GIRLS EXCEL INITIATIVE

Over the past 39 years Echo Network Africa (ENA) has addressed issues that impede on Girls and Women's social, economic and political inclusion in Kenya. Girls and especially those leaving in rural areas face four main challenges; Female Genital Mutilation, Period Poverty, Teenage Pregnancies and Child Marriages. ENA is committed to catalyzing change in this respect.

Some of the notable achievements of the year include:

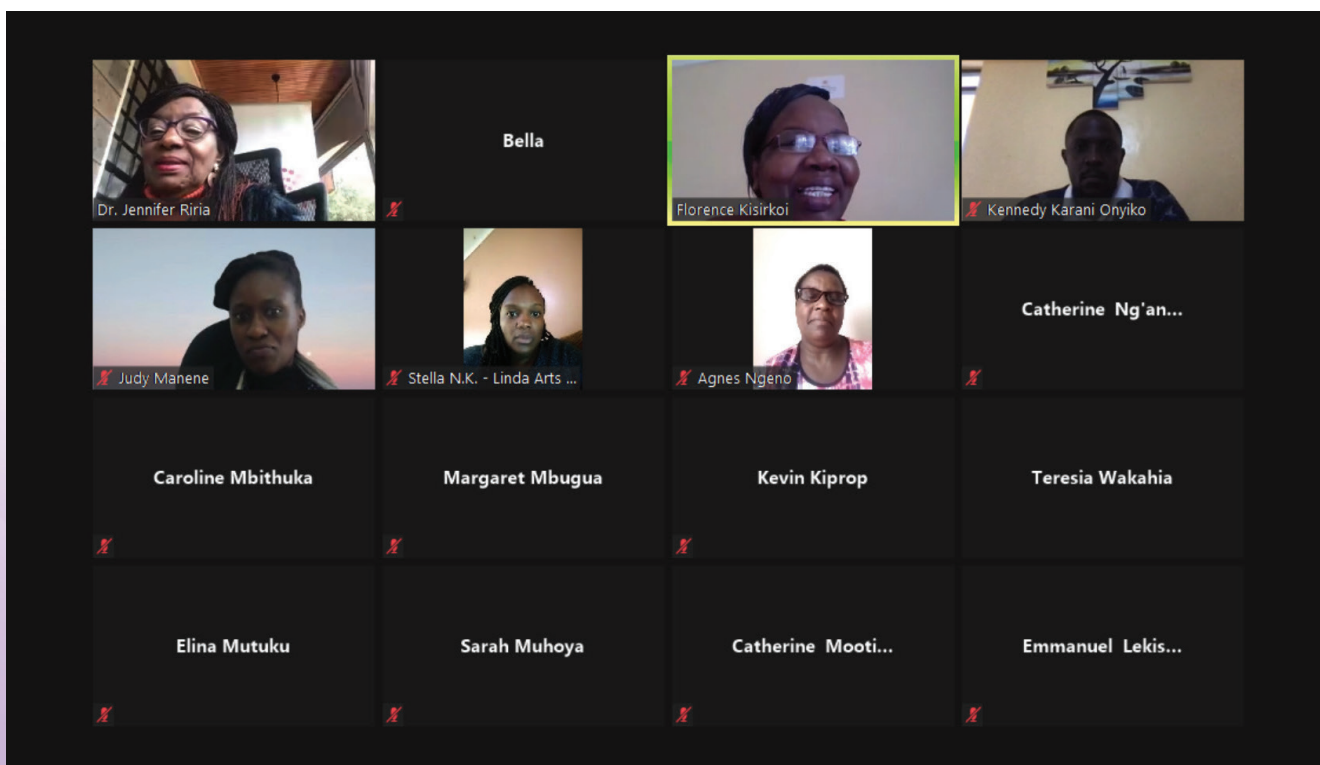
- STEM mentorship of **500 girls** in Kithangari Secondary School enhanced their choice of career paths.
- **500 girls** in Kithangari were trained on Sexual Reproductive Health Rights and received Dada packs, sanitizers, hand washing soap and revisions school materials i.e. geometrical sets and Mathematics books.
- 5 community dialogues conducted reaching 320 members in Kithangari community in Meru County through church group meetings, schools parent meetings and women chama meetings. The dialogues sort to interrogate barriers to girls education, gender based violence and how to overcome them.
- 1 Rapid Assessment on the status of FGM, period poverty teenage pregnancies and uptake and performance in STEM subjects by girls in Narok County held.



Lending a helping hand: ENA donates a projector and laptop to enhance STEM performance in Kithangari Girls Secondary School on 8th November 2021.



Career Alignment: Students from Kithangari Girls Secondary School are taken through a mentorship session on career selection on 8th November 2021.



Catalytic Collaborations: Participants of ENA'S Narok rapid assessment validation workshop taken through key findings on the research presented by Maasai Mara University on July 22nd 2021 .



ECHO NETWORK AFRICA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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Board of directors

Dr Jennifer Riria
Damaris S. Wanjiku Gitonga
Selinah Jepkoech Kobogy
Emma Mwangola Gituku
Elizabeth Achola Mang'eni
Jennifer Nyambura Kamande
Alice Nyambura Koigi
Ursula Lwosi Sore

Group CEO
Chairperson

Company secretary

Winniefred Jumba
Stanford Corporate Services LLP
P.O. Box 10643 - 00100
Nairobi, Kenya.

Registered office

L.R. No. 209/7713
Golf Course, Mucai Drive
Ngong Road
P.O. Box 55919 - 00200
Nairobi, Kenya.

Independent auditor

RSM Eastern Africa LLP
Certified Public Accountants
1st Floor, Pacis Centre
Slip Road, off Waiyaki Way, Westlands
P.O. Box 349 - 00606
Nairobi, Kenya.

Principal bankers

Kenya Women Microfinance Bank Limited
Upper Hill Branch
P.O. Box 4179 - 00506
Nairobi, Kenya.

KCB Bank Limited
Moi Avenue Branch
P.O. Box 48400 - 00100
Nairobi, Kenya.

Standard Chartered Bank Kenya Limited
Yaya Centre Branch
P.O. Box 30003 - 00100
Nairobi, Kenya.

SBM Bank Limited
Kilimani Branch
P.O. Box 34886 - 00100
Nairobi, Kenya.

The Co-operative Bank of Kenya Limited
Nairobi Business Centre
P.O. Box 19555 - 00202
Nairobi, Kenya.

Absa Bank Kenya Limited
Sarit Centre
P.O. Box 30120 - 00100
Nairobi, Kenya.

Legal Advisor

Ogola, Okello & Company LLP
Greenhouse, Next to Adams Arcade
1st Floor, Office Suite 14, Ngong Road
P.O. Box 62550 - 00200
Nairobi, Kenya.

Report of the directors

The directors submit their report together with the audited financial statements of Echo Network Africa Limited (ENA) for the year ended 31st December 2021.

Directorate

The directors who held office during the year and to the date of this report are set out on page 42.

Principal activities

The principal activity of the company is to empower women through non-financial services.

Business review

The Institutional financial performance in 2021 was slightly better than in 2020 despite a declining performance trend over the last three years. The declining performance is due to the slow recovery of the economy emanating from inherent internal and external factors in the country, among them being the Covid-19 challenges, a phenomenon, though subsiding has continued with no certainty as to when it will end. This coupled with Institutional challenges of staff turnover impacted adversely to the performance which would have been otherwise much better.

ENA relies heavily on internally generated funds, grants and local fund raising to undertake operational activities and sustain itself. Due to the Covid19 impacting negatively on the economy, the country just like other countries in the world, has been experiencing massive destruction of the economy in terms of GDP decline and unemployment. Kenya's projected annual economic growth rate in 2021 was 5%. According to the latest World Bank analysis there are good indicators signaling a partial recovery from the COVID-19 pandemic which has caused growth to stall since 2020.

It's important to note that the year 2022 being an electioneering year may be faced with political uncertainty ahead of the August 2022 presidential elections coupled with possible spread of more infectious Covid-19 variants. All these cloud the outlook. Heightened political activities witnessed in the 4th Quarter of 2021 to Q2 2022, are likely to erode investor confidence further impacting adversely on foreseeable economic growth. The outlook remains unusually uncertain and contingent on the course of the pandemic. Policymakers face the challenge of controlling the pandemic, supporting economic recovery, and laying the foundation for resilient and inclusive development, while reducing macro-financial vulnerabilities.

Interest rates have been fairly low but stable (below 10% from 2016) due to prudent monetary and fiscal policy stance. Throughout 2021, Kenya recorded low rates of return on short term financial instruments because of too much liquid cash available in the market due to restrictions and curfews imposed due to COVID 19 challenges. The 91 Day Treasury bill was trading at 6.011%, 182Day Treasury bill at 6.524% and 364Day Treasury bill at 7.464, way below ENA budgeted return of 8%. As a result, some of ENA's funds were invested at a return of 6.75% against budgeted 8%. The Treasury Bonds market, however recorded better returns compared to Treasury Bills. In the period March to October 2021, two 10 year- bonds, three 15year-bonds, one 18year- bond, three 20year- bonds, one 21year- bond and six 25year- bonds had coupon rates ranging between 11.5% to 13.9%. ENA therefore did not invest in these lucrative bonds in the period due to the long tenures which are in contravention of ENA investment policy.

To cushion the Institution from adverse performance of the financial markets, 2.19% of ENA Investment portfolio continued being held into an 11 year Treasury bond at a favorable tax free coupon rate. ENA was able to achieve 99% of the targeted returns in 2021 from short term deposits due to prudent financial management and favorable rates earned above 8%, the budgeted rate of return.

The Jennifer Riria Hub had its share of challenges resulting from the several Covid19 wave attacks that impacted on tenant businesses' and resulted to rent default and huge arrears with some of them closing business totally .The occupancy rate of 50% planned to be achieved by year end did not materialize and only 11% was achieved. The Hub's performance however improved slightly in the year in terms of revenue generation due to existing tenants taking up more space and the few new tenants paying their rents well. This resulted to rent and related incomes realized of Kshs.12.6million against budgeted Kshs.37.7million (33% budget achievement).ENA continued paying for maintenance costs of the Hub instead of the Hub generating enough income to cover its costs.

Report of the directors (continued)**Business review (continued)**

ENA's fundraising efforts in 2021 were enhanced raising total grants received by December to Kshs.27.3 Million compared to Kshs.10.4 Million in 2020 for activities planned in the respective years. The Institution is gaining gradual recognition in the development world as a key player for her catalytic role. During the year there was an increase in Donors who funded or are likely to fund ENA for the first time in 2021/2022 e.g. Grand challenge Canada, AMREF, UNWOMEN, Family Health International, Hanseidel Foundation and AIDS Health care foundation. With adequate and right staffing in the Development Division the Institution will be in a position to source for new opportunities and enhance partnership relationship with existing Donors to attract further funding to support ENA initiatives as a catalytic Development Institution.

The Associate company (KWFT Bank) has not paid dividends for more than 4 years running. In 2019 ENA absorbed Kshs.90.8million in its books and Kshs.360million in year 2020 as a result of impairment of its investment in the bank. However, recovery from this status has started showing good indicators as indicated in the Banks turnaround performance in 2021 .We hope this performance will be enhanced so that the bank can start giving Investors returns for their investments in the Bank.

Risk and mitigation

Risk is inherent in any organization and especially where financial resources are safeguarded and handled. Continuous risk evaluation was undertaken throughout the year to protect the Institution from visible and potential risk factors including risks arising from COVID 19 pandemic.

In light of the Board oversight in risk management, ENA has now institutionalized risk and compliance focus area. It coordinates with other focus areas on identification, assessment, mitigation, monitoring and reporting of risks. It uses an integrated and holistic approach to risk management in the Institution as a basis to achieving effective corporate governance. Other Focus areas respond appropriately to significant business, strategic, operational, finance, compliance and other risks that threaten the achievement of their strategic and operational objectives.

During the audit year the Institution had to cope with some key risks such as;

- Economic conditions impacting negatively on Business growth
- Uncontrollable external factors impacting on Business performance among this being the Covid-19 pandemic that globally affected all businesses.
- Low occupancy rate at the Jennifer Riria Hub and uncertain rents due to unstable market conditions arising from impact of Covid-19 and other adverse economic factors
- Rent default risk
- Revolving Loan fund for Aquaculture farming - inherent risks in the industry
- Poor performance of the Associate Company due to adverse Economic conditions though now picking well in the 2021 performance.
- Inadequate & ineffective Internal Controls-continuously evaluated and enhanced.
- Inconsistent Internal Controls-Addressed through policy guidelines for consistency
- Internal Controls not complying with the changing ENA business and business environment -reviewed continuously in linewith market trends.

ENA will continue developing mitigation strategies against all risks affecting its business

Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:

- (a) There is, so far as the director is aware, no relevant audit information of which the company's auditor is unaware; and

Report of the directors (continued)

Business review (continued)

- (b) The director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Terms of appointment of the auditor

The directors approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 575,000 has been charged to profit or loss in the year.

By order of the board

.....*W. W. W. W.*.....

Director/ Company Secretary

Nairobi*27th April*..... 2022

Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that:

- (a) Show and explain the transactions of the company;
- (b) disclose, with reasonable accuracy, the financial position of the company; and
- (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine 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 company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

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

Approved by the board of directors on 27th April 2022 and signed on its behalf by:

.....

Director

.....

Director

RSM Eastern Africa LLP
Certified Public Accountants

1st Floor, Pacis Centre, Sip Road
Off Waiyaki Way, Westlands
P.O. Box 349 - 00606, Nairobi, Kenya

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ECHO NETWORK AFRICA LIMITED

Opinion

We have audited the accompanying financial statements of Echo Network Africa Limited (the "company"), set out on pages 49 to 69, which comprise the balance sheet as at 31st December 2021, the statement of profit and loss and other comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

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

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ECHO NETWORK AFRICA LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on pages 43 and 44 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Elvis Ogeto, Practising Certificate No. 2303

for and on behalf of RSM Eastern
Africa LLP Certified Public
Accountants
Nairobi

..... 27th April 2022
100/2022

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2021**

| | Note | 2021 KSh'000 | 2020 KSh'000 |
|--|-------------|-------------------------|-------------------------|
| Revenue | 4 | 86,694 | 98,176 |
| Other income | 5 | 20,989 | 10,963 |
| Grant income | 6 | 27,308 | 10,443 |
| Fair value gain/(loss) on revaluation of assets | 7 | 20,167 | (15,999) |
| Administrative expenses | | (186,764) | (179,344) |
| Establishment expenses | | (6,844) | (8,328) |
| Rental expenses | | (9,821) | (9,071) |
| Project expenses | | (19,620) | (8,886) |
| Share of profit/(loss) in associate | 18 | 28,750 | (360,049) |
| Impairment loss in associate | 18 | (28,750) | (72,071) |
| Loss before tax | 8 | (67,891) | (534,166) |
| Tax expense | 9 | (26,234) | (25,074) |
| Loss for the year attributable to members | | (94,125) | (559,240) |
| Other comprehensive income | | | |
| <u>Items that will not be reclassified subsequently to profit or loss:</u> | | | |
| Surplus on revaluation of property and equipment | 11 | 1,796 | 1,796 |
| Deferred income tax relating to items that will not be | 11 | (539) | (539) |
| Other comprehensive income for the year, net of tax | | 1,257 | 1,257 |
| Total comprehensive loss for the year attributable to members | | (92,868) | (557,983) |


BALANCE SHEET AT 31ST DECEMBER 2021

| | Note | 2021 KSh'ooo | 2020 KSh'ooo |
|--------------------------------|------|------------------|------------------|
| EQUITY | | | |
| Fund balance | 10 | 1,586,102 | 1,586,102 |
| Revaluation surplus | 11 | 142,974 | 141,717 |
| Revolving fund reserve | 12 | 10,790 | 6,292 |
| Retained earnings | | 1,689,598 | 1,783,723 |
| Total equity | | 3,429,464 | 3,517,834 |
| Non-current liabilities | | | |
| Deferred tax | 13 | 68,463 | 66,947 |
| | | 3,497,927 | 3,584,781 |
| REPRESENTED BY | | | |
| Non-current assets | | | |
| Property and equipment | 14 | 213,910 | 207,163 |
| Investment property | 15 | 1,255,000 | 1,235,000 |
| Intangible assets | 16 | 34 | 53 |
| Financial assets | 17 | 24,894 | 24,268 |
| Investment in associate | 18 | 929,644 | 929,644 |
| Revolving fund advances | 19 | 7,735 | 6,224 |
| | | 2,431,217 | 2,402,352 |
| Current assets | | | |
| Other receivables | 20 | 109,972 | 120,454 |
| Current tax recoverable | | 10,143 | 12,254 |
| Cash at bank and in hand | 21 | 993,646 | 1,127,187 |
| | | 1,113,761 | 1,259,895 |
| Current liabilities | | | |
| Other payables | 22 | 47,051 | 77,466 |
| Net current asset | | 1,066,710 | 1,182,429 |
| | | 3,497,927 | 3,584,781 |

The financial statements on pages 49 to 69 were authorised for issue by the board of directors on

27th April 2022 and were signed on its behalf by:


.....
Director


.....
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Fund balance KSh'000 | Revolving fund reserve KSh'000 | Revaluation surplus KSh'000 | Retained earnings KSh'000 | Total KSh'000 |
|---|----------------------------|--------------------------------------|-----------------------------------|---------------------------------|------------------|
| At 1st January 2020 | 1,586,102 | - | 140,460 | 2,342,963 | 4,069,525 |
| Loss and comprehensive income for the year | - | - | - | (559,240) | (559,240) |
| Contribution | - | 6,292 | - | - | 6,292 |
| Surplus on revaluation of property and equipment | - | - | 1,796 | - | 1,796 |
| Deferred income tax relating to items that will not be reclassified | - | - | (539) | - | (539) |
| At 31st December 2020 | <u>1,586,102</u> | <u>6,292</u> | <u>141,717</u> | <u>1,783,723</u> | <u>3,517,834</u> |
| At 1st January 2021 | 1,586,102 | 6,292 | 141,717 | 1,783,723 | 3,517,834 |
| Loss and comprehensive income for the year | - | - | - | (94,125) | (94,125) |
| Contribution | - | 4,498 | - | - | 4,498 |
| Surplus on revaluation of property and equipment | - | - | 1,796 | - | 1,796 |
| Deferred income tax relating to items that will not be reclassified | - | - | (539) | - | (539) |
| At 31st December 2021 | <u>1,586,102</u> | <u>10,790</u> | <u>142,974</u> | <u>1,689,598</u> | <u>3,429,464</u> |

STATEMENT CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Note | 2021 KSh'000 | 2020 KSh'000 |
|--|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (94,125) | (559,240) |
| Adjustments for: | | | |
| Tax expense | 9 | 26,234 | 25,074 |
| Depreciation of property and equipment | 14 | 3,574 | 3,802 |
| Amortisation of intangible assets | 16 | 42 | 1,121 |
| (Gain)/loss on disposal of property and equipment | 5 | (2,672) | 271 |
| Fair value (gain)/loss on revaluation of assets | 7 | (20,167) | 15,999 |
| Impairment loss in associate | 18 | 28,750 | 72,071 |
| Share of loss in associate | 18 | (28,750) | 360,049 |
| Operating loss before working capital changes | | (87,114) | (80,853) |
| Decrease/(increase) in other receivables | | 10,482 | (8,361) |
| Decrease in other payables | | (30,415) | (7,961) |
| Cash used in operations | | (107,047) | (97,175) |
| Income tax paid | | (23,146) | (48,014) |
| Net cash used in operating activities | | (130,193) | (145,189) |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | 14 | (8,525) | (4,810) |
| Purchase of investment property | 15 | (459) | (14,925) |
| Purchase of intangible assets | 16 | (23) | - |
| Purchase of financial assets | | - | (21,584) |
| Net movement in revolving fund advances | | (1,511) | (6,224) |
| Proceeds from disposal of property and equipment | | 2,672 | 4,026 |
| Net cash used in from investing activities | | (7,846) | (43,517) |
| Cash flows from financing activities | | | |
| Addition to revolving funds | | 4,498 | 6,292 |
| Net cash generated from financing activities | | 4,498 | 6,292 |
| Net decrease in cash and cash equivalents | | (133,541) | (182,414) |
| Cash and cash equivalents at start of year | | 1,127,187 | 1,309,601 |
| Cash and cash equivalents at end of year | 21 | 993,646 | 1,127,187 |

Financial statements

NOTES

1. Material accounting policy information

The accounting policy information considered material in the preparation of these financial statements is set out below:

a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. They are presented in Kenya Shillings, which is also the functional currency (see (c) below), rounded to the nearest thousand

The financial statements comprise a profit or loss account and other comprehensive income (income statement), balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the profit and loss account. Other comprehensive income is recognised in the statement of other comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the profit and loss account as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to the profit and loss account in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the material accounting policy information summarised below.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset /liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

b) New and revised standards

i) Adoption of new and revised standards

Two Amendments to standards became effective for the first time in the financial year beginning 1st January 2021 and have been adopted by the Company. Neither of the Amendments has had an effect on the Company's financial statements.

Financial statements**NOTES (CONTINUED)****1. Material accounting policy information (continued)****b) New and revised standards (continued)****ii) New and revised standards that have been issued but are not yet effective**

The company has not applied any new or revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2021, and the Directors do not plan to apply any of them until they become effective. Note 23 lists all such new or revised standards and interpretations, with their effective dates, and provides reasonably estimable information relevant to assessing the possible impact that application of them will have on the company's financial statements in the period of initial application.

c) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the company operates), which is Kenya Shillings.

Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the profit and loss account in the year in which they arise, except for differences arising on translation of non-monetary assets measured at fair value through other comprehensive income, which are recognised in other comprehensive income.

d) Revenue recognition

The Company recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Interest income is recognised on a time proportion basis using the effective interest method. Grant income is recognised on receipt.

Registration fees income is recognised at the time of effecting the transaction.

Dividend income is recognised when the right to receive the payment is established.

Rental income is recognised on an accrual basis, based on operating lease contracts with customers.

e) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in

Current tax

Current tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

Financial Statements

NOTES (CONTINUED)

1. Material accounting policy information (continued)

e) Income tax (continued)

Deferred income tax (continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. However, for investment property that is measured using the fair value model, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

f) Financial instruments

Initial recognition

Financial instruments are recognised when, and only when, the Company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

Classification

The company classifies its financial instruments into the following categories:

- i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost;
- ii) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income;
- iii) All other financial assets are classified and measured at fair value through profit or loss;
- iv) Notwithstanding the above, the Company may:
 - a) On initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.
 - b) On initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- v) Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency; and
- vi) All other financial liabilities are classified and measured at amortised cost.

NOTES (CONTINUED)**1. Material accounting policy information (continued)****f) Financial instruments (continued)**

Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions, trade and other receivables, and investments in government securities were classified as at amortised cost;
- Investments in quoted shares were classified by irrevocable election on initial recognition as at fair value through profit or loss statement;

Initial measurement

On initial recognition:

- i) Financial assets or financial liabilities classified as at fair value through profit or loss are measured at fair
- ii) Trade receivables are measured at their transaction price.
- iii) All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

Subsequent measurement

Financial assets and financial liabilities after initial recognition are measured either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification.

Interest income, dividend income, and exchange gains and losses on monetary items are recognised in profit or

Fair value is determined as set out in Note 1(a), Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Impairment

The Company recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

NOTES (CONTINUED)

1. Material accounting policy information (continued)

f) Financial instruments (continued)

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

When a financial asset measured at fair value through other comprehensive income, other than an equity instrument, is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. For equity investments for which an irrevocable election has been made to present changes in fair value in other comprehensive income, such changes are not subsequently transferred to profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

g) Leases

Leases under which the company is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit and loss account on a straight-line basis over the lease term. The Company has not entered into any finance leases.

h) Property and equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment. Land and buildings are subsequently carried at a revalued amount, based on annual valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other items of property and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that it will increase the future economic benefits associated with the item that will flow to the company over those originally assessed and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit and loss account in the year in which they are incurred.

Depreciation is calculated using the reducing balance method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

NOTES (CONTINUED)**1. Material accounting policy information (continued)****i) Investment property**

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the balance sheet date determined by annual valuations carried out by external registered valuers (Level 2). Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

j) Intangible assets

Software licence costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets. Amortisation is calculated using the straight line method to write down the cost of each licence or item of software to its residual value over its estimated useful life.

k) Investment in associate

An associate is an entity over which the group has significant influence, but which it does not control.

Investment in associate is accounted for by the equity method of accounting. Under the equity method, investment in associate is carried in the balance sheet at cost plus share of subsequent profits less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

l) Impairment of non-financial assets

Non-financial assets that are carried at amortised cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

m) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Short term employee benefits

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an employment cost accrual.

o) Post-employment benefit obligations

The company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the profit and loss account in the year to which they relate.

The company also operates a gratuity scheme for its employees. The service cost of the scheme is included in the profit or loss account.

NOTES (CONTINUED)

2. Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain judgements and estimates that may affect the amounts recognised in the financial statements. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. However, actual results may differ from those estimates. The judgements and estimates are reviewed at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available, and any revisions to such judgements and estimates are recognised in the year in which the revision is made.

a) Significant judgements made in applying the company's accounting policies

The judgements made by the directors in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- (i) Classification of financial assets: whether the business model in which financial assets are held has as its objective the holding of such assets to collect contractual cash flows or to both collect contractual cash flows and sell the assets; and whether the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest.

b) Key sources of estimation uncertainty

Key assumptions made about the future and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial

i) *Impairment losses*

Estimates made in determining the expected credit losses on financial assets. Such estimates include the determination of probabilities of default including the use of forward looking information, and of losses given default.

3. Risk management objectives and policies

a) Financial risk management

The company's activities expose it to a variety of financial risks including credit, liquidity and market risks. The company's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the company's performance by setting acceptable levels of risk. The company does not hedge against any risks.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a company-wide basis. The company does not grade the credit quality of financial assets that are neither past due nor impaired.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution. The Company carries out its own assessment of credit risk before investing in treasury bonds and fixed deposits, and updates such assessments at each reporting date.

Credit risk on other receivables is managed by ensuring that credit is extended to entities with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and the credit period for each entity. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

NOTES (CONTINUED)

3. Risk management objectives and policies (continued)

a) Financial risk management (continued)

i) Credit risk (continued)

In assessing whether the credit risk on a financial asset has increased significantly, the Company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual

For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such

- type of instrument
- industry in which the debtor operates
- nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

| | 12-month expected credit losses KSh'ooo | Lifetime expected credit losses (see note below) | | | Total KSh'ooo |
|---------------------------|--|--|----------------|----------------|------------------|
| | | (a) KSh'ooo | (b) KSh'ooo | (c) KSh'ooo | |
| 31st December 2021 | | | | | |
| Financial assets | 21,584 | - | - | - | 21,584 |
| Other receivables | 108,251 | - | 1,750 | - | 110,001 |
| Revolving fund advances | 7,735 | - | - | - | 7,735 |
| Cash at bank | 993,646 | - | - | - | 993,646 |
| Exposure to credit risk | 1,131,216 | - | 1,750 | - | 1,132,966 |
| | | | | | |
| | 12-month expected credit losses KSh'ooo | Lifetime expected credit losses (see note below) | | | Total KSh'ooo |
| | | (a) KSh'ooo | (b) KSh'ooo | (c) KSh'ooo | |
| 31st December 2020 | | | | | |
| Financial assets | 21,584 | - | - | - | 21,584 |
| Other receivables | 118,789 | - | 2,250 | - | 121,039 |
| Revolving fund advances | 6,224 | - | - | - | 6,224 |
| Cash at bank | 1,127,187 | - | - | - | 1,127,187 |
| Exposure to credit risk | 1,273,784 | - | 2,250 | - | 1,276,034 |

NOTES (CONTINUED)

3. Risk management objectives and policies (continued)

a) Financial risk management (continued)

i) Credit risk (continued)

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- (b) financial assets that are credit impaired at the balance sheet date; and
- (c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The company manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

| | Less than one month KSh'000 | Between 1-3 months KSh'000 | Between 3-12 months KSh'000 | Over 1 year KSh'000 |
|---------------------------|-----------------------------------|----------------------------------|-----------------------------------|---------------------------|
| 31st December 2021 | | | | |
| Other payables | 12,902 | - | 30,186 | - |
| 31st December 2020 | | | | |
| Other payables | 9,549 | - | 62,404 | - |

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the company's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from deposits with banking institutions. This exposes the company to cash flow interest rate risk. Management consider that a change in interest rates of 1 basis points in the year ending 31st December 2021 is reasonably possible. If the interest rates on the company's deposit with financial institution at the year-end were to increase/decrease by this number of percentage points, with all other factors remaining constant, the post tax profit and equity would be higher/lower by KSh 6,851,0000 (2020: KSh 7,769,000) respectively.

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

3. Risk management objectives and policies (continued)

a) Financial risk management (continued)

iii) Market risk (continued)

Other price risk

Other price risk arises on financial instruments because of changes in the price of a financial instrument. The company is exposed to other price risk on its investment in quoted shares. Management consider that a change in the market prices of its quoted shares of 10% either way in the year ending 31st December 2021 is reasonably possible. If the price of fair value through profit and loss financial assets decreased/increased by the said percentage, with other factors remaining constant, profit and loss and equity would decrease/increase by KSh 331,000 (2020: KSh 268,400).

Currency risk

The company is not exposed to currency risk.

b) Capital management

The company's objective in managing its capital is to ensure that it supports the development of its business and is able to continue as a going concern, while at the same time maximising the return to its shareholders. The company is not subject to any external capital requirements.

| | 2021 KSh'000 | 2020 KSh'000 |
|---|-----------------|-----------------|
| 4. Revenue | | |
| Interest income on fixed deposits | 86,694 | 98,176 |
| 5. Other income | | |
| Registration fees | 23 | 76 |
| Gain/(loss) on disposal of assets | 2,672 | (271) |
| Dividends received from investments in quoted shares | - | 241 |
| Consultancy income - Gender | 197 | - |
| Rental income | 17,069 | 8,153 |
| Other income | 1,028 | 2,764 |
| | <u>20,989</u> | <u>10,963</u> |
| 6. Grant income | | |
| Aquaculture | 7,631 | 6,389 |
| Corporate | 84 | 179 |
| Other grants | - | 762 |
| Meda | 3,454 | 220 |
| AIDS Healthcare Foundation | 295 | - |
| Hanseidel Foundation | 2,231 | - |
| Uraia | 1,721 | - |
| Amref | 5,410 | - |
| UN Women | 2,481 | - |
| Family Health International | 4,001 | - |
| Democratic Trust Fund | - | 2,893 |
| | <u>27,308</u> | <u>10,443</u> |
| 7. Changes in fair value | | |
| These comprise changes in fair value of: | | |
| Investment property | 19,541 | (14,925) |
| Financial assets measured at fair value through profit and loss | 626 | (1,074) |
| | <u>20,167</u> | <u>(15,999)</u> |

8. Loss before tax

(a) Items charged

The following items have been charged in arriving at loss before tax:

Employee benefits expense (Note 8(b))
Depreciation of property and equipment
Amortisation of intangible assets

| 2021 KSh'000 | 2020 KSh'000 |
|-----------------|-----------------|
| 97,284 | 148,909 |
| 3,522 | 3,816 |
| 43 | 1,122 |

(b) Employee benefits expense

The following items are included in employee benefits expense:

Salaries and wages

Retirement benefit costs:

- National Social Security Fund
- Staff gratuity

| 2021 | 2020 |
|--------|---------|
| 69,197 | 121,211 |
| 76 | 74 |
| 28,011 | 27,624 |
| 97,284 | 148,909 |

The average number of persons employed during the year, by category, were:

| | 2021 Number | 2020 Number |
|---|----------------|----------------|
| Finance | 6 | 6 |
| Programmes | 8 | 7 |
| Information, Communication and Technology | 2 | 2 |
| Corporate | 8 | 8 |
| Talent and administration | 6 | 9 |
| Total | 30 | 32 |

9. Tax expense

Current tax
Deferred tax (Note 13)

Income tax expense

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate of 30% (2020: 25%) as follows:

Loss before tax

Tax calculated at the statutory tax rate of 30% (2020: 25%)

Tax effect of:

Expenses not deductible for tax purposes

Income not subject to tax

Income tax expense

| 2021 KSh'000 | 2020 KSh'000 |
|-----------------|-----------------|
| 25,257 | 24,328 |
| 977 | 746 |
| 26,234 | 25,074 |
| (67,891) | (534,166) |
| (20,367) | (133,542) |
| 75,765 | 153,264 |
| (29,164) | 5,352 |
| 26,234 | 25,074 |

The statutory tax rate was reduced from 30% to 25% for the year of income 2020 by the Tax Laws (Amendment) Act, 2020. The Tax Laws (Amendment) (No.2) Act, 2020 increased the rate back to 30% with effect from 1st January 2021.

10. Fund balance

At start and end of year

| 2021 KSh'000 | 2020 KSh'000 |
|-----------------|-----------------|
| 1,586,102 | 1,586,102 |

The fund balance represents capital fund received from various donors. The fund balance is not distributable.

11. Revaluation surplus

| | 2021 KSh'ooo | 2020 KSh'ooo |
|---|-----------------|-----------------|
| At start of year | 141,717 | 140,460 |
| Surplus on revaluation of property and equipment | 1,796 | 1,796 |
| Deferred income tax relating to items that will not be reclassified | (539) | (539) |
| At end of year | 142,974 | 141,717 |

The revaluation surplus represent increase in the fair value of land and building, net of deferred tax, carried at revalued amounts by Crystal Valuers Limited.

12. Revolving fund reserve

| | 2021 KSh'ooo | 2020 KSh'ooo |
|------------------------------|-----------------|-----------------|
| At start of year | 6,292 | - |
| Contribution during the year | 4,498 | 6,292 |
| At end of year | 10,790 | 6,292 |

The fund balance represents 50% contribution by donors and 50% contribution by the company towards the revolving fund for Aquaculture project . In line with the donors agreement, these funds are set aside and can be only be utilised as advances to women groups undertaking aquaculture activities.

13. Deferred income tax

Deferred tax is calculated using the enacted rate of 30% (2020: 30%). However, the statutory tax rate for the year ended 31st December 2020 was 25% (see Note 9).

Deferred tax assets and liabilities, deferred tax charge in the profit and loss account and in equity are attributable to the following items:

| Year ended 31st December 2021 | At 1st January KSh'ooo | Charged to other comprehensive KSh'ooo | Charged to profit & loss KSh'ooo | At 31st December KSh'ooo |
|---------------------------------------|------------------------------|---|--|--------------------------------|
| Deferred income tax liability | | | | |
| Revaluation of property and equipment | 55,460 | 539 | - | 55,999 |
| Revaluation of investment property | 11,487 | - | 977 | 12,464 |
| Net deferred tax liability | <u>66,947</u> | <u>539</u> | <u>977</u> | <u>68,463</u> |
| Year ended 31st December 2020 | | | | |
| Deferred income tax liability | | | | |
| Revaluation of property and equipment | 55,999 | (539) | - | 55,460 |
| Revaluation of investment property | 10,741 | - | 746 | 11,487 |
| Net deferred tax liability | <u>66,740</u> | <u>(539)</u> | <u>746</u> | <u>66,947</u> |

14. Property and equipment

| | Land and buildings KSh'000 | Computer equipment KSh'000 | Motor vehicles KSh'000 | Furniture, fitting and office equipments KSh'000 | Total KSh'000 |
|--------------------------------------|----------------------------------|----------------------------------|------------------------------|---|------------------|
| At 1st January 2020 | | | | | |
| Cost or valuation | 204,360 | 7,709 | 19,954 | 14,432 | 246,455 |
| Accumulated depreciation | - | (6,549) | (19,236) | (12,000) | (37,785) |
| Net carrying value | 204,360 | 1,160 | 718 | 2,432 | 208,670 |
| Year ended 31st December 2020 | | | | | |
| Opening carrying value | 204,360 | 1,160 | 718 | 2,432 | 208,670 |
| Additions | - | 271 | - | 4,539 | 4,810 |
| Disposal | - | - | - | (4,297) | (4,297) |
| Depreciation charge | 1,796 | - | - | - | 1,796 |
| | (1,796) | (676) | (718) | (626) | (3,816) |
| Closing carrying value | 204,360 | 755 | - | 2,048 | 207,163 |
| At 31st December 2020 | | | | | |
| Cost or valuation | 206,156 | 7,862 | 19,954 | 14,674 | 248,646 |
| Accumulated depreciation | (1,796) | (7,107) | (19,954) | (12,626) | (41,483) |
| Net carrying value | 204,360 | 755 | - | 2,048 | 207,163 |
| Year ended 31st December 2021 | | | | | |
| Opening carrying value | 204,360 | 755 | - | 2,048 | 207,163 |
| Additions | - | 1,149 | 7,345 | 31 | 8,525 |
| Disposals | - | - | (5,752) | - | (5,752) |
| Revaluation | 1,796 | - | - | - | 1,796 |
| Accumulated depreciation on disposal | - | - | 5,752 | - | 5,752 |
| Depreciation charge | (1,796) | (778) | (459) | (541) | (3,574) |
| Closing carrying value | 204,360 | 1,126 | 6,886 | 1,538 | 213,910 |
| At 31st December 2021 | | | | | |
| Cost or valuation | 206,156 | 8,893 | 27,299 | 14,705 | 257,053 |
| Accumulated depreciation | (1,796) | (7,767) | (20,413) | (13,167) | (43,143) |
| Net carrying value | 204,360 | 1,126 | 6,886 | 1,538 | 213,910 |

Leasehold land and buildings were valued (Level 2) on 31st December 2021 by Crystal Valuers Limited, independent valuers, on the basis of open market value. There was no revaluation gain or loss recognised in the

The annual depreciation rates used are as follows:

| | Rate - % |
|---|-------------------|
| Leasehold land | Over lease period |
| Buildings | 10 years |
| Computer equipment | 30% |
| Motor vehicles | 25% |
| Furniture, fitting and office equipment | 12.5% |

15. Investment property

| | Leasehold land KSh'ooo | Buildings KSh'ooo | Total KSh'ooo |
|--------------------------------------|------------------------------|----------------------|------------------|
| Year ended 31st December 2021 | | | |
| At 1st January | 240,000 | 995,000 | 1,235,000 |
| Additions | - | 459 | 459 |
| Fair value gain | - | 19,541 | 19,541 |
| At 31st December | 240,000 | 1,015,000 | 1,255,000 |
| Year ended 31st December 2020 | | | |
| At 1st January | 240,000 | 995,000 | 1,235,000 |
| Additions | - | 14,925 | 14,925 |
| Fair value loss | - | (14,925) | (14,925) |
| At 31st December | 240,000 | 995,000 | 1,235,000 |

The fair value of the investment property is based on the valuation carried out by Crystal Valuers Limited independent valuers, on the basis of open market value (Level 2). The valuer is a registered valuer and has experience in the location and the category of the investment property being valued. The investment property was valued on 31st December 2021.

16. Intangible assets

| | 2021 KSh'ooo | 2020 KSh'ooo |
|-----------------------|-----------------|-----------------|
| Cost | | |
| At 1st January | 8,602 | 8,602 |
| Additions | 23 | - |
| At 31st December | 8,625 | 8,602 |
| Amortisation | | |
| At 1st January | 8,549 | 7,428 |
| Charge for the year | 42 | 1,121 |
| At 31st December | 8,591 | 8,549 |
| Net book value | | |
| At 31st December | 34 | 53 |

Financial statements

NOTES (CONTINUED)

17. Financial assets

| | 2021 KSh'000 | 2020 KSh'000 |
|---------------------|-----------------|-----------------|
| Non- Current | | |
| Treasury bonds | 21,584 | 21,584 |
| Equity instruments | 3,310 | 2,684 |
| | <u>24,894</u> | <u>24,268</u> |

The fair values of government securities are based on prices published by brokers (Level 2).

The categorisation of assets carried at fair value by the levels defined in Note 1(a) is as follows:

| | 2021 KSh'000 | 2020 KSh'000 |
|---|-----------------|-----------------|
| <u>Financial instruments measured at fair value through profit or loss</u> | | |
| Equity instruments | <u>3,310</u> | <u>2,684</u> |
| The movement in the fair value of those assets measured at fair value based on Level 1 were as follows: | | |
| At start of year | 2,684 | 3,758 |
| Gain/(loss) on revaluation recognised in the profit or loss | 626 | (1,074) |
| At end of year | <u>3,310</u> | <u>2,684</u> |

18. Investment in associate

| | | |
|-------------------------------------|----------------|----------------|
| At 1st January | 929,644 | 1,361,764 |
| Share of profit/(loss) for the year | 28,750 | (360,049) |
| Impairment loss | (28,750) | (72,071) |
| At 31st December | <u>929,644</u> | <u>929,644</u> |

The company's has an interest of 25% (2020: 25%) in the equity and voting rights of Kenya Women Microfinance Bank Limited . Kenya Women Microfinance Bank Limited is incorporated in Kenya and is unlisted. The principal place of business is along Mombasa Road, Nairobi.

19. Revolving fund advances

| | 2021 KSh'000 | 2020 KSh'000 |
|--------------------------|-----------------|-----------------|
| At 1st January | 6,224 | - |
| Advances during the year | 4,498 | 6,292 |
| Cash at hand | (2,987) | (68) |
| At 31st December | <u>7,735</u> | <u>6,224</u> |

Financial statements

NOTES (CONTINUED)

20. Other receivables

| | 2021 KSh'000 | 2020 KSh'000 |
|--|-----------------|-----------------|
| Prepayments | 1,721 | 1,665 |
| Other receivables | 108,251 | 118,789 |
| Chase Bank Limited (under receivership) | 1,750 | 2,250 |
| Impairment of Chase Bank Limited balance | (1,750) | (2,250) |
| | <u>109,972</u> | <u>120,454</u> |

Included under other receivables are bank balances held with Chase Bank Limited (under receivership). The bank balance has been reclassified from cash and cash equivalents to other receivables, because they are no longer deemed to be highly liquid investments that are readily convertible to cash.

21. Cash and cash equivalents

| | 2021 KSh'000 | 2020 KSh'000 |
|--|-----------------|------------------|
| For the purpose of the statement of cash flow, cash and cash equivalents comprise the following: | | |
| Cash and current account balances | 14,919 | 17,386 |
| Deposits with financial institutions | <u>978,727</u> | <u>1,109,801</u> |
| | <u>993,646</u> | <u>1,127,187</u> |

22. Other payables

| | | |
|-----------------------------|---------------|---------------|
| Other payables and accruals | 12,902 | 9,549 |
| Provision for gratuity | 25,969 | 56,729 |
| Provision for leave | 4,217 | 5,675 |
| Deferred income | <u>3,963</u> | <u>5,513</u> |
| | <u>47,051</u> | <u>77,466</u> |

23. Related party transactions

The following transactions were carried out with related parties which were related through common share holding and directorships.

The following transactions were carried out with related parties:

| | 2021 KSh'000 | 2020 KSh'000 |
|---|-----------------|-----------------|
| i) Interest income | | |
| Interest from fixed deposit | <u>22,591</u> | <u>29,902</u> |
| ii) Director's remuneration | | |
| - as executives | 58,593 | 54,636 |
| - fees | <u>2,509</u> | <u>2,369</u> |
| | <u>61,102</u> | <u>57,005</u> |
| iii) Key management compensation | <u>82,636</u> | <u>75,074</u> |
| iv) Outstanding balances arising from sale and purchase of goods/services | | |
| Loans and advances to other employees | <u>5,988</u> | <u>16,096</u> |
| Investment in fixed deposits | <u>127,914</u> | <u>245,706</u> |

Financial statements

NOTES (CONTINUED)

23. New and revised financial reporting standards

The Company has not applied the following new and revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2021.

Amendments to IFRS 16 titled Covid-19-Related Rent Concessions Beyond 30th June 2021 (issued in March 2021)

The previous amendment to IFRS 16 permitted the practical expedient to be applied only to reductions in lease payments that did not extend beyond 30th June 2021. This amendment, applicable to annual periods beginning on or after 1st April 2021 allows the practical expedient to be applied to reductions in lease payments that do not extend beyond 30th June 2022.

Amendments to IAS 37 titled Onerous Contracts - Cost of Fulfilling a Contract (issued in May 2020)

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. They are effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022.

Amendments to IAS 16 titled Property, Plant and Equipment: Proceeds before Intended Use (issued in May 2020)

The amendments, applicable to annual periods beginning on or after 1 January 2022, prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing an asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendment to IFRS 1 titled Subsidiary as a First-time Adopter (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)

The amendment, applicable to annual periods beginning on or after 1 January 2022, provides a subsidiary that becomes a first-time adopter later than its parent with an exemption relating to the measurement of its assets and liabilities. The exemption does not apply to components of equity.

Amendment to IFRS 9 titled Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)

The amendment, applicable to annual periods beginning on or after 1 January 2022, to IFRS 9 clarifies the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to IAS 41 titled Taxation in Fair Value Measurements (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)

The amendment, applicable to annual periods beginning on or after 1 January 2022, to IAS 41 removed the requirement to exclude taxation cash flows when measuring fair value. This amendment aligned the requirements in IAS 41 on fair value measurement with those in other IFRS Standards.

Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020)

The amendments, applicable to annual periods beginning on or after 1 January 2023, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)

The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

Supplementary information

SCHEDULE OF OPERATING EXPENDITURE

1. ADMINISTRATIVE EXPENSES

Employment:

Salaries and wages

Staff gratuity

Staff medical insurance

Provision for leave

Staff training

Total employment costs**Other administration expenses:**

Director's Remuneration

Postage and telephone

Entertainment and travel

Printing and stationery

Advertising and marketing expenses

Audit fees

- Current year

Legal and professional fees

Secretarial fees

Motor vehicle running expense

Office expenses

AGM expenses

Subscription

Computer expenses

Loss on foreign exchange

Bank charges and commissions

Total other administration expenses**Total administrative expenses**

2. ESTABLISHMENT EXPENSES

Rent and rates

Insurance

Repair and maintenance

Depreciation of property and equipment

Amortisation of intangible assets

Total establishment expenses

3. RENTAL EXPENSES

Marketing expenses

Repairs and maintenance

Security

Professional fees

Electricity and water

Insurance

Miscellaneous expenses

Total rental expenses**2021**
KSh'000**2020**
KSh'000

69,273

28,011

7,594

(1,459)

503

103,922

61,102

1,634

562

1,688

1,483

678

2,866

113

2,074

3,818

3,320

264

2,224

519

497

82,842

186,764

181

1,824

1,274

3,522

43

6,844

-

3,134

2,543

431

2,262

1,195

256

9,821

65,158

27,624

7,262

2,122

58

102,224

57,005

1,968

998

1,243

391

609

1,011

348

2,712

4,572

3,378

588

1,615

514

168

77,120

179,344

120

1,795

1,475

3,816

1,122

8,328

120

5,457

1,481

623

-

1,195

195

9,071

Supplementary information

SCHEDULE OF OPERATING EXPENDITURE (CONTINUED)

| 4. PROJECT EXPENSES | 2021 KSh'ooo | 2020 KSh'ooo |
|-----------------------------------|-----------------|-----------------|
| Telephone and internet | 988 | 211 |
| Printing and stationery | 435 | 403 |
| Travelling and accommodation | 6,525 | 4,901 |
| Depreciation | 52 | 52 |
| Professional and consultancy fees | 6,110 | 1,827 |
| Miscellaneous project expenses | 5,510 | 1,492 |
| Total project expenses | 19,620 | 8,886 |

ECHO NETWORK AFRICA LIMITED
(A Company Limited by Guarantee)

NOMINATION PAPER

Date:

The Chief Executive Officer
 Echo Network Africa Limited
 PO Box 55919, 00200
NAIROBI

The Company Secretary
 PO Box 10643-00100
NAIROBI

ELECTION OF DIRECTORS
2022 ANNUAL GENERAL MEETING

| Name of person Nominated | Member No | Address and Telephone Contact | Profession | Signature of Person Accepting Nomination |
|--------------------------|-----------|-------------------------------|------------|--|
| | | | | |
| | | | | |
| | | | | |

We, the undersigned, being members of Echo Network Africa Limited hereby nominate the above mentioned member to the Board of Directors.

1. Proposed by Member No
 (Name)

of Signature
 (Address)

2. Seconded by Member No

(Name)
 of Signature
 (Address)

Note:

1. Nomination papers must be in the hands of the Company Secretary, PO Box 10643 - 00100, Nairobi, Kenya or the Chief Executive, at the Company's Head Office, PO Box 55919, 00200 Nairobi by 22nd September 2022.
2. In accordance with the Article 44.1 of the Company's Articles of Association, the Directors of the Company shall be drawn from among women citizens with a banking, Financial management, legal, marketing and entrepreneurship background or any other professional or business background that may be considered useful for the business of the Company.

PROXY FORM

ECHO NETWORK AFRICA LIMITED (A Company limited by Guarantee)

PO Box 55919, 00200

NAIROBI

ANNUAL GENERAL MEETING

23rd September 2022

I/WE _____

Of (Address) _____

being a member of the above Company, hereby appoint:

Of (Address) _____

Whom failing _____

Of (Address) _____

or failing her, the Chairperson of the Meeting, as our/my proxy, to vote for us/me and on our/my behalf at the Annual General Meeting of the members of Echo Network Africa Limited to be held on 23rd September 2022 and at any adjournment thereof.

As witness our/my hand this..... day of2021.

Signed _____

Note:

1. Representation at the meeting will be **strictly** by proxy for group and corporate membership. A proxy form must be duly completed by the group or corporate appointing one representative to attend and vote in its stead.
2. Proxies must be received by the Company Secretary at the Company's Offices, Mucai Drive, Off Ngong Road PO Box 55919, 00200 Nairobi by 8.00 a.m. on 22nd September 2022.

NOTES

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The Jennifer Riria Hub

ENA's ultimate goal is to develop income streams that supplement partner resources in order to achieve continued institutional sustainability. The Jennifer Riria Hub which is one of the institutional investments, is an ultra-modern, state of the art facility developed by Echo Network Africa (ENA).



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