

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
REPORT TO THE SCHEME MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

AUDITOR

MD LIGHT & ASSOCIATES
Certified Public Accountants
Mombasa Road, SkyGo House
P.O.Box 46852-00100
Nairobi, Kenya

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**ZIMELE GUARANTEED PERSONAL PENSION PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS
TRUSTEE AND ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TRUSTEE

Kingsland Court Trustee Services Ltd
Flamingo Towers, 1st Floor
Corner Mara Road/Hill Lane, Upper Hill
P.O Box 10285-00100
Nairobi, Kenya

ADMINISTRATOR

Pacific Insurance Brokers (EA) Ltd
The Insurance Centre, Rose Avenue
Off Dennis Prit Road
P.o Box 50565-00200
Nairobi, Kenya

FUND MANAGER

Zimele Asset Management Company Limited
Ecobank Towers, 7th Floor
Muindi Mbingu Street
P.o Box 76528-00508
Nairobi, Kenya

CUSTODIAN

KCB Bank Kenya Limited
Kencom House, Head Office
P.o Box 48400-00100
Nairobi, Kenya

AUDITOR

MD Light & Associates
Certified Public Accountants
Mombasa Road, SkyGo House
P.O.Box 46852-00100
Nairobi, Kenya

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
ANNUAL REPORT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

INCORPORATION AND REGISTERED OFFICE

The scheme began its operations in September 2009 and is registered under the Retirement Benefits Act, 1997. The registered office is at Ecobank Towers, 7th Floor on Muindi Mbingu Street, Nairobi

INVESTMENT OBJECTIVES

The main purpose of the Scheme is to provide an investment for people to build savings for use in retirement in accordance with the provisions of Retirement Benefits Act and the regulations made thereunder. The investment objective of the Scheme is to generate long term capital growth through investing the members' contributions in fixed income securities and other investments in accordance with the provisions of the Retirement Benefits Act and the regulations made thereunder.

CHANGE TO INCORPORATION DOCUMENTS

There were no changes made to the incorporation documents (Trust Deed and Rules of the Scheme) during the period.

TOTAL VALUE OF THE FUND AS AT 31ST DECEMBER 2023

The market value of the fund as at 31st December 2023 was Kshs **414,638,744**

MEMBERSHIP

Membership of the Scheme as at year end was as follows:

	2023	2022
	Members	Members
At start of year	2,488	687
Entrants	2475	1,813
Exits	(5)	(12)
At end of year	<u><u>4,958</u></u>	<u><u>2,488</u></u>

AUDITOR

MD Light & Associates Certified Public Accountants, who were appointed during the last Annual General Meeting, have expressed their willingness to continue in office.

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
SCHEME GOVERNANCE DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Trustees in office

Name of Trustee	Age	Category	No. of Meetings attended during year	Certified (Yes/No)	Highest Qualification	Membership of other Trustee Boards
(Corporate Trustee) Kingsland Court Trustee Services Limited	N/A	Independent	Four	Yes	N/A	Yes

2. Dates of Trustee Board Meetings

The trustee held three board meetings with service providers and one Annual General Meeting of members of the Scheme during the year ended **31 December 2023**. The board meetings were held on the dates set out below:

- (a) 15 June 2023- Trustee Meeting
- (b) 5 September 2023- Trustee Meeting
- (c) 11 December 2023 – Trustee Meeting

3. Composition of Trustee Board - N/A – Corporate Trustee

4. Committees of the Board - N/A – Corporate Trustee

The Corporate Trustee’s main body for discharging its duties is its Corporate Trustee Services Committee (“CTSC”). This body operates very much like a trustee board and meets formally at least once per quarter. CTSC reviews the schemes’ operations and governance under the broad headings of “Finance and Investments”, “Governance, Audit and Risk” and “Member Administration, Relations and Services” focusing on reports from the service providers as well as other material. Service providers and representatives of the founder attend these meetings.

5. Fiduciary responsibility statement

The Corporate Trustee is the governing body of the **Zimele Guaranteed Personal Pension Plan** and is responsible for the corporate governance of the Scheme. The Trustee is responsible for ensuring that the administration of the scheme is conducted in the best interests of the scheme’s members and the sponsor. To achieve this, the trustee embraces its fiduciary responsibility by:

- (a) Acting honestly and not improperly using inside information or abuse its position;
- (b) Exercising the highest degree of care and diligence in the performance of its duties that a reasonable person in a like position would exercise in the circumstances; and
- (c) Performing its duties with the requisite degree of skill.

The scheme has complied with the laws, regulations and guidelines that govern retirement benefits schemes and the scheme’s business operations.

6. Responsible corporate citizenship

The scheme is 100% invested in a segregated basis and has not been involved in any activity that may undermine the well-being of the sponsor, members or the community in which it operates.

7. Key outcomes

The Trustee seeks to achieve the following:

- (a) Building trust with the members and sponsor of the scheme so that they are satisfied with the administration of the scheme;
- (b) Supporting innovation and developing solutions that meet the members’ and sponsor’s needs; and
- (c) Ensuring that the scheme’s administrative processes remain transparent and accessible to members and the sponsor.

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
SCHEME GOVERNANCE DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustee will measure the progress towards these outcomes through:

- (a) Triennial members' survey score. The Trustee is yet to conduct a survey to monitor the progress and success of this;
- (b) Regular Reports, feedbacks and meetings with the Sponsor. The Trustee discussed with the Sponsor regulatory matters and scheme activities during their quarterly meetings.

8. Annual general meeting

The Scheme Annual General Meeting for FY2022 was held on **8 June 2022**, a sufficient number of members attended the meeting. All concerns and questions from attending members were adequately addressed by the Trustee and services providers present.

9. Members' sensitization

Members were sensitized regarding various options available to them following release of legal notices allowing member to access their benefits for purposes of home purchases at the Annual General Meeting.

10. Trustee remuneration policy

The Trustee was remunerated in accordance with the contract entered between the Trustee, Kingsland Court Trustee Services Limited and Zimele Asset Management Company Limited. All Scheme expenses are borne by the Scheme.

Signed
(Chairperson)



Dated 28.03.2024



Report of the Independent auditor to the members of Zimele Guaranteed Personal Pension Plan for the year ended 31 December 2023

Opinion

We have audited the accompanying financial statements of Zimele Guaranteed Personal Pension Plan, set out on pages 7 to 15, which comprises of the Statement of Net Assets available for Benefits, Statement of Changes in Net Assets and Statements of changes in funds and reserves and Cashflows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the scheme are prepared, in all material respects, in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefit Act.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Trustees, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. There were no Key Audit Matters.

Other information

The trustees are responsible for the other information. The other information includes report of the Trustees, statement of trustees' responsibilities, fund manger's commentary report of the custodian among others.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and the requirements of the Retirement Benefit Authority Act and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 skepticism throughout the audit. We also:

i) identify and assess the risk of material misstatement of 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 is not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

ii) 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 organisation's internal control.

iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

iv) conclude on the appropriateness of management's use of the ongoing concern basis of the accounting and, based on the audit evidence obtained, whether a material uncertainty exist 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 exist, 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 auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

v) 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 legal requirements.

As required by the Retirement Benefit Authority Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the organisation, so far as appears from our examination of those books; and

iii) The Statement of Net Assets available for Benefits and Statement of Changes in Net Assets respectively in this report, are in agreement with the books of account.

*The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Daniel Dimba-P/No.1973***


MD LIGHT & ASSOCIATES

**Certified Public Accountants
Nairobi, Kenya**

 2024

ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Changes in Net Assets available for Benefits

	Notes	2023 Kshs	2022 Kshs
Income from dealings with members			
Contributions received	5	90,135,753	72,965,459
Outgoings from dealings with members			
Benefits	6	(73,719,199)	(54,592,152)
Net additions from dealings with members		<u>16,416,554</u>	<u>18,373,307</u>
Return on Investments			
Investment income	7	47,630,491	39,786,220
Net return on Investments		<u>47,630,491</u>	<u>39,786,220</u>
Administrative expenses	8	(1,893,045)	(2,630,917)
Investment Management expenses	9	(9,135,297)	(7,632,986)
Prior year adjustments		-	(1,127,782)
Impairments- other cummulative call accounts		-	(3,737,500)
Impairment of Chase Bank deposits		(796,036)	(796,036)
		<u>(11,824,377)</u>	<u>(15,925,221)</u>
Unrealised gains/ Losses			
Revaluation Gain/ Loss on bonds		(21,225,253)	(10,084,874)
Increase in net assets for the year		<u>30,997,414</u>	<u>32,149,432</u>
Net assets available for benefits at start of the year		383,641,330	351,491,897
Net Assets available for Benefits at end of year		<u>414,638,744</u>	<u>383,641,330</u>

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023**

Statement of Net assets available for benefits as at 31 December 2023

	Notes	2023 Kshs	2022 Kshs
Assets			
Treasury Bonds	11	312,940,752	266,257,532
Corporate Bonds	11	812,157	900,000
Cash and Fixed Deposits	12	39,900,000	36,296,036
Investment in Unit Trust	13	59,633,140	80,148,437
		413,286,049	383,602,005
Current Assets			
Custodian and Collection accounts	14	1,973,689	560,320
Interest Receivables	15	659,814	880,009
		2,633,503	1,440,329
Liabilities			
Payables and Provisions	16	1,280,808	1,401,004
TOTAL NET ASSETS		414,638,744	383,641,330
FINANCED BY:			
Members' Account and Reserve Fund		414,638,744	383,641,330

The financial statements set out on pages 10 to 18 were approved by the Trustee on 28.03.....2024 and signed on their behalf by:

.....
Trustee

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement of Changes in Equity

	Net Unit Holders Funds	Net Surplus	Changes in Fair Value of Investment	Total
	Kshs	Kshs	Kshs	Kshs
For the year 2022				
As at 1st January 2022	241,690,104	94,710,143	15,091,650	351,491,897
Opening balance equity	(1,127,782)	-	-	(1,127,782)
Impairments on calls	-	(3,737,500)	-	(3,737,500)
Net contributions	18,373,307	18,641,407	-	37,014,714
As at 31st December 2022	258,935,629	109,614,050	15,091,650	383,641,330
For the year 2023				
As at 1st January 2023	258,935,629	109,614,050	15,091,650	383,641,330
Net contributions	16,416,554	14,580,861	-	30,997,414
As at 31st December 2023	275,352,183	124,194,911	15,091,650	414,638,744

The Net Unit Holders Fund represents the movement in contributions received and benefits paid to members

Impairments- other cumulative calls are as a result of its carrying amounts exceeds its recoverable amount in the books.

ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Cash Flows

	2023	2022
	Kshs	Kshs
Cashflow from Operating Activities		
Contributions received	90,135,753	72,965,459
Benefits paid	(73,719,199)	(54,592,152)
Expenses paid	(11,028,341)	(10,263,903)
Impairment of chase bank deposits	(796,036)	(796,036)
Impairments- cumulative calls	-	(3,737,500)
Prior year adjustments	-	(1,127,782)
	<u>4,592,176</u>	<u>2,448,086</u>
Working Capital		
(Increase)/ Decrease in receivables	220,195	5,775,276
Increase/ (Decrease) in payables	(120,196)	450,249
	<u>99,998</u>	<u>6,225,524</u>
Changes in working capital		
	<u>4,692,174</u>	<u>8,673,611</u>
Net cashflow from Operating Activities		
Cashflow from Financing Activities		
Investment income received	47,630,491	39,786,220
Change in market value of investment	-	-
Revaluation gains/ Losses in bonds	(21,225,253)	(10,084,874)
	<u>26,405,238</u>	<u>29,701,346</u>
Cash flow from financing activities		
Cash flow from Investing Activities		
Treasury / Corporate Bonds	(46,595,377)	(58,052,232)
Cash and Fixed Deposits	(3,603,964)	(10,966,464)
Investment in unit trust	20,515,297	29,742,301
	<u>(29,684,044)</u>	<u>(39,276,395)</u>
Net cash flow from Investing Activities	<u>(3,278,806)</u>	<u>(9,575,049)</u>
Net cash Inflow / Outflow	1,413,368	(901,439)
Cash and cash equivalents at start of year	560,320	1,461,759
Cash and Cash equivalents at end of year	<u><u>1,973,686</u></u>	<u><u>560,320</u></u>

ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Notes

1. Basis of preparation of the financial statements

i) Basis of preparation

The financial statements are presented in Kenya Shillings (KSh), and are prepared under the historical cost convention, as modified by the carrying of investments at fair value.

ii) Statement of compliance

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards and the Retirement Benefits Act 1997 as amended and the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000.

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay benefits that fall due after the end of the financial year.

iii) New and revised standards

IFRS 9 Financial Instruments (issued in July 2014) – This standard will replace IAS 39 (and all the previous versions of IFRS 9) effective for annual periods beginning on or after 1 January

2. Accounting policies

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

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Contributions

Contributions from the members are accounted for in the period to which they fall due.

(c) Interest income

Interest income is accounted for in the period in which it is earned.

(d) Benefits payable

Benefits payable to seceding members are accounted for in the period to which they fall due.

(e) Benefit transfers

Benefit transfers are recognized in the period in which members join from other schemes or leave for other schemes.

3. Significant judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including exceptions of future events that are believed to be reasonable under the circumstances. There are no estimates or judgements made that give rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes (continued)

4. Financial risk management disclosures

The scheme's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates and interest rates. The scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the scheme does not hedge any risks. Risk management is carried out by the Fund Manager, Zimele Asset Management Company Limited (ZAMCO). ZAMCO identifies, evaluates and manages financial risks, with emphasis on specific areas such as interest rate risk, credit risk and investing excess liquidity.

Market risk

(i) Foreign exchange risk

The scheme has no investments in offshore markets or in foreign currency and is therefore not exposed to foreign exchange risk arising from various currency exposures.

(ii) Cashflow and fair value interest rate risk

The scheme does not hold any interest bearing financial liability or overdraft at a variable rate

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on his obligations resulting in financial loss to the scheme and arises principally from the scheme's investments and contributions receivable. The fund does not have any significant concentrations of credit risk. The approved issuer assesses the credit quality of each investment, taking into account its credit rating. Individual risk limits are set based on internal or external ratings in accordance with limits set by the trustees.

(iv) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated benefit payments. The trustees agree with the approved issuer on the amount to be invested in assets that can be easily liquidated.

5. Contribution Income	2023	2022
	Kshs	Kshs
Members - Contributions	90,135,753	72,965,459
	<u>90,135,753</u>	<u>72,965,459</u>
6. Withdrawal benefits	2022	2022
	Kshs	Kshs
Pensions paid	<u>73,719,199</u>	<u>54,592,152</u>

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes continued

7. Investment Income	2023	2022
	Kshs	Kshs
Income from Treasury Bonds	36,454,873	28,977,778
Interest on Calls	4,988,803	1,854,364
Interest on corporate bonds	103,669	75,818
Interest in Unit Trust investment	6,184,703	8,257,699
Realised gain/ loss on sale of T. Bonds	(101,557)	612,123
Other income	-	8,438
	<u>47,630,491</u>	<u>39,786,220</u>
8. Administrative Expenses	2023	2022
	Kshs	Kshs
RBA levy	829,277	1,470,460
Bank charges	113,650	51,398
Audit fees	119,184	119,185
Trustee fees	663,893	826,674
Administration and processing	167,040	163,200
	<u>1,893,045</u>	<u>2,630,917</u>
9. Investment Management Expenses	2023	2022
	Kshs	Kshs
Fund manager fees	8,011,607	6,551,298
Custody fees	1,123,690	1,081,688
	<u>9,135,297</u>	<u>7,632,986</u>
10. Impairment of Chase Bank	2023	2022
	Kshs	Kshs
Impairment of Chase Bank (Note 17)	<u>796,036</u>	<u>796,036</u>
11. Treasury / Corporate Bonds	2023	2022
	Kshs	Kshs
Opening balance as at 01.01.2023	266,257,532	-
Additions	70,460,030	-
Disposal	(2,450,000)	-
Realized Gain / loss on disposal	(101,557)	-
Revaluation gain / loss	<u>(21,225,254)</u>	-
Closing balance as at 31.12.2023	<u>312,940,752</u>	<u>266,257,532</u>
Unrealized gains and losses are not part of distributable income to members. The bond revaluation reserve is not distributable.		
Corporate Bonds	<u>812,157</u>	<u>900,000</u>

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes (continued)

12. Cash and Fixed Deposits	2023	2022
	Kshs	Kshs
SBM Bank (K) Limited	-	-
Chase Bank in Recievership	-	796,036
Call deposit investments	39,900,000	35,500,000
	<u>39,900,000</u>	<u>36,296,036</u>
13. Investment in Unit Trust	2023	2022
	Kshs	Kshs
Investment in Zimele Money Market Fund	<u>59,633,140</u>	<u>80,148,437</u>
14. Custodians and Collection account balances	2023	2022
	Kshs	Kshs
KCB Custody	1,973,689	560,320
National Bank	-	-
	<u>1,973,689</u>	<u>560,320</u>
15. Interest Receivables	2023	2022
	Kshs	Kshs
Interest receivable on Corporate Bonds	33,747	37,088
Interest receivable on Term Deposits	626,067	842,921
	<u>659,814</u>	<u>880,009</u>
16. Payables and Provisions	2023	2022
	Kshs	Kshs
Custody fees payable	96,678	87,657
RBA levy fees payable	829,277	767,283
Trustees fees Payable	235,668	471,896
Audit fees Payable	119,184	74,168
	<u>1,280,808</u>	<u>1,401,004</u>

**ZIMELE GUARANTEED PERSONAL PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes (continued)

17 IFRS 9 Disclosures

The fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is any objective evidence that an impairment loss on receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cashflows discounted at the financial assets original effective interest rate. The carrying amount of asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of changes in net assets.

i) Impairment :	Carrying value 01/01/2023	Impairment @ 20%	Carrying value 31/12/2023
Chase bank balance	<u>796,036</u>	<u>(796,036)</u>	-

The impairment rate applied is 20%, to be amortized over a useful life of 5 years on straightline basis

ii) Expected Credit Loss (ECL):

The fixed deposits in the year comprise of cash and demand deposits as follows;

Effect of IFRS 9 on the Fixed Deposits

Time Bands	Band 1 Within 30 days	Band 2 31 - 60	Band 3 61- 90	Band 4 91-120	Band 5 Over 120
ECL Rate	0.00%	0.05%	0.10%	0.15%	0.20%
Deposit Amount	21,864,794.65				796,036
Lifetime ECL		-	-	-	1,592.07
Lifetime ECL (2023)					1,592.07
Change					- 0.00