

REPUBLIC OF KENYA



Enhancing Accountability

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THE NATIONAL ASSEMBLY

DATE: 17 APR 2024

TABLED BY: Hon Naomi Wagondi
Deputy majority whip
Finlays

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL CEREALS AND PRODUCE BOARD
CAR LOAN FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



NATIONAL CEREALS AND PRODUCE BOARD

CAR LOAN FUND/SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

National Cereals and Produce Board Car loan fund
Annual Report and Financial Statements for the year ended 30th June 2023

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1. Abbreviations, Acronyms and Glossary of Terms

A. Abbreviations And Acronyms

NCPB	National Cereals and Produce Board
MD	Managing Director
SRC	Salaries and Remuneration Commission
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporation
CPA	Certified Public Accountant
ESR	Environmental and Sustainability Report
FY	Financial Year
ICT	Information Communication Technology
WIP	Work In Progress

B. Glossary of Terms

Staff Loans Committee - Members of management entrusted directly with the responsibility and trust for the organisation financial resources.

2. Key Fund information and management

a) Background information

National Cereals and Produce Board Car Loan Fund is established by and derives its authority and accountability from the provisions under Section 84(1), Section 24(4) (5) (6) (7) of the PFM Act, 2012. The NCPB Car Loan Scheme Fund was set in the financial year 2019-2020 as a revolving fund pursuant to the salaries and Remuneration Commission (SRC) Circular Ref No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and Other Public Officers of Government of Kenya, with the Objective of providing a loan scheme for the purpose of Acquisition of Motor Car and Residential property for staff. The Fund is wholly owned by the National Cereals and Produce Board and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/mandate of the Fund is to provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.

The Fund is administered by the Staff Loans Committee. The committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund. The roles of the committee are elaborated as follows:

1. Processing loans and submitting them to the financial institution administering the scheme.
2. Determining and regulating interest rates payable by loan recipients.
3. Liaising with the financial institution to establish a revolving fund for loan disbursement.
4. Overseeing the overall management of the Fund.
5. Monitoring and evaluating the Fund's performance.
6. Approving annual work programs and procurement plans.
7. Recommending investment strategies for surplus funds.
8. Maintaining proper financial records.
9. Receiving external funding sources such as gifts, donations, grants, or endowments.
10. Reviewing and recommending approval of financial statements.

11. Recommending the selection of a financial institution to administer the Fund.
12. Establishing management guidelines and hiring necessary staff to assist in Fund administration.
13. Performing any other functions that are ancillary to the Fund's objectives and purpose.

Vision, Mission, and Core Objectives:

- **Vision:** To become a leading provider of affordable motor car ownership for NCPB employees, enhancing their well-being and quality of life.
- **Mission:** To facilitate access to motor cars through the provision of tailored financial solutions and the development of efficient mobility while maintaining financial sustainability.
- **Core Objectives:**
 1. To provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.
 2. To cater for the administrative expenses of the fund.

e) Staff Loans Committee

Ref	Position	Name
1	Chairperson	Mr. Samuel K. Ndung'u
2	Secretary	Mr. Evans Wasike
3	Committee Member	Mr. John Ngetich
4	Committee Member	Maureen Letting
5	Committee Member	Mr. John Gichuru
6	Committee Member	Mrs. Anne Khisa
7	Committee Member	Ms. Rosemary Kweya
8	Managing Director (MD)	Mr. Joseph Kimote, MBS

The committee is supported by a secretariat composed of the following:

Ref	Position	Name
1	Secretariat	Mr. John Bunyasi
2	Secretariat	Mr. Fred Akelo
3	Secretariat	Mr. Charles Kisilu
4	Secretariat	Mr. Philip Makiti

Key Management

Ref	Position	Name
1	Managing Director (MD) - NCPB	Mr. Joseph Kimote, MBS
2	Fund Chairperson	Mr. Samuel K. Ndung'u
3.	Fund Secretary	Mr. Evans Wasike
4.	Fund Accountant	Mr. John Gichuru
5.	Fund Legal Advisor	Mr. John Ngetich

d) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	NCPB Internal Audit

e) Registered Offices

P.O. Box 30586,
Nyumba ya Nafaka
Machakos Road
Nairobi, KENYA

f) Fund Contacts

Telephone: (254) (20) 536028/555288
E-mail: md@ncpb.co.ke
Website: ncpb.co.ke

g) Fund Bankers

1. Co-operative Bank of Kenya

h) Independent Auditors

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. Staff Loans Committee

Name	Title
1. Mr. Samuel K. Ndung'u	General Manager, Finance and Accounting
2. Mr. Evans Wasike	Head of Human Resource and Administration
3. Mr. John Ngetich	Corporation Secretary and Head of Legal Services
4. Maureen Letting	Senior Officer, Procurement Services
5. Mr. John Gichuru	Head of Finance
6. Mrs. Anne Khisa	Deputy Manager, Services Marketing
7. Ms. Rosemary Kweya	Deputy Manager, Technical Assistant to MD
8. Mr. Joseph Kimote, MBS	Managing Director

4. Management Team

Name	Details of qualifications and experience
<p>1. Managing Director Mr. Joseph Kimote, MBS</p>	<p>Mr. Kimote holds a Master of Business Administration (MBA) from Moi University and a Bachelor of Arts degree in Economics from The University of Nairobi. Before joining the Board, Mr. Kimote was the General Manager at the National Social Security Fund (NSSF). He has held several other leadership positions including Director – Institutional Planning and Development, United States International a University; Project Manager – USAID/EPC Trade Development Programme, and a Senior Consultant at Deloitte & Touche. Joseph is a Full member of the Institute of Directors of Kenya, Kenya Institute of Management and Institute of Human Resource Management. He is also a member of the Board of Directors of Bamburi Cement Limited. He has also previously served as a Board Member National Bank of Kenya Limited, AIC Kijabe Cure International Hospital and Precious Blood Secondary School, Riruta. He has undergone extensive trainings in Advanced Leadership and Corporate Governance Locally and Internationally.</p>
<p>2. Chairperson staff loans committee Samuel K. Ndung’u</p>	<p>Mr. Ndung’u is a holder of a Master’s degree in Business Management (Finance) from the University of Nairobi, and a Bcom graduate of Mangalore University, India. He has a wealth of experience in financial management and accountancy gained from serving both in public and private sectors. He has worked as an Audit Senior at WIA East Africa and with the Nyeri Water and Sewerage Company as head of Internal Audit and as Head of Finance and Administration; a position he held until January 2018. He also worked for Civicon Limited, a leading construction Company as the Chief Accountant. Mr. Ndung’u is a Certified Public Accountant of Kenya, a member of the Institute of Certified Public Accountants (ICPAK), a Certified Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya (ICPSK).</p>
<p>3. Secretary staff loans committee Evans S. Wasike</p>	<p>Mr. Wasike holds a Bachelor’s degree in Human Resource Management from Kenyatta University, Higher Diploma in HRM (KNEC) and a diploma in Labour Studies from Kenya Polytechnic. He is a member of Institute of Human Resource Management (K). He has over 20 years’ experience in human resource practice and having worked in various capacities in Human resources and corporate affairs departments.</p>

5. Chairman's Report

The National Cereals and Produce Board Staff Motor Car Loan Scheme Fund was allocated Kshs. 50,000,000 in FY 2021/2022, which as not utilized adequately during the year owing to the long time taken to procure the Fund Manager.

The Scheme Fund Committee, in liaison with the Co-operative Bank of Kenya (Fund Manager) operationalized the Scheme in the end of 2021/2022 financial year. One member of staff was advanced car loan and purchased a car. One other member of staff received a car loan in the year under review. This has eased the officer's mobility to effectively perform their duties.

The Fund Committee thanks the Board's management for continued support especially during the initial stages in the management of the Scheme Fund. We also congratulate the Co-operative Bank of Kenya for winning the tender to manage the Fund and hope for a cordial relationship for seamless Fund Management.

The committee further reports the following for FY 2022/2023:

- i) Total amount for the loans disbursed to date was Kshs. 4,450,000 (3M under the year of review)
- ii) Total interest earned in the year was Kshs. 69,510
- iii) Total expenses incurred in the year was Kshs. 69,510
- iv) Surplus funds during the year was nil



CPA. Samuel K. Ndung'u, ICPAK NO 3001
STAFF LOANS COMMITTEE CHAIRPERSON

6. Report of the Managing Director

After a successful procurement of Co-operative Bank of Kenya as the Fund Manager, the Scheme was finally operationalized and 2 officers have already benefited by being advanced loans to purchase cars. This has been made possible by effective processing of the car loans by Co-operative Bank (Fund Manager) whose duties are as under stated:

- i. Facilitate the approval of the loan application forms that are received from National Cereals and Produce Board to ensure that they are fully and accurately completed by the applicants
- ii. Manage and be responsible for any risk associated with the disbursed loans
- iii. Disburse the loans within five (5) working days from the date of receipt of requisite documents necessary for the processing of loans
- iv. Credit monthly interest for the utilised funds commensurate to the prevailing market rate (TB) to the fund account.
- v. Advise the National Cereals and Produce Board of any rejections of loan applications
- vi. Credit the fund account with monthly interest from loan proceeds at the rate set out in the NCPB Motor Car Loan Scheme Fund Regulations 2021.
- vii. Provide monthly, quarterly and yearly financial statements of the fund by 20th day of succeeding month.
- viii. Facilitate the process of auditing of the fund transaction by the National Cereals and Produce Board and other relevant government agencies.

Further, the fund status as at 30th June 2023 was as follows:

- a) The total value of the Fund was Kshs. 50,000,000.00
- b) Total amount for the loans disbursed to date was Kshs. 4,450,000.00 (3M under the year of review)
- c) Total loan repayment during the year was Kshs. 778,951.05 .
- d) Total loan balance was Kshs. 3,530,571.45
- e) Total car loan interest for the year was Kshs. 69,510

Congratulations to the National Cereals and Produce Board Motor Car Loan Scheme Fund Committee and Secretariat for working tirelessly beyond their normal duties to operationalize the Scheme as well as Co-operative Bank of Kenya for winning the tender to manage the Fund and hope the company will continue providing excellent services in the management of the Fund.

Finally, with continued support from the National Treasury, it is my hope that the scheme will have enough funds to benefit all members of staff who wish to be advanced car loan to purchase cars for their easy mobility to and from the workplace.



Mr. Joseph Kimote, MBS
MANAGING DIRECTOR

7. Statement of Performance against Predetermined Objectives

Guidance

Introduction

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government Fund's performance against predetermined objectives.

NCPB has 2 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY2023-2024. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Enhance staff mobility by providing car loans to purchase cars

Pillar/theme/issue 2: Enhance staff living conditions by providing housing loans to purchase or construct residential houses

NCPB develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The National Cereals and Produce Board achieved its performance targets set for the FY 2021/2022 period for its 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Enhance staff mobility by providing car loans to purchase cars	Number of car loans advance to staff	Advancing car loans	1 car loan advanced
Pillar/ theme/ issue 2:	Enhance staff living conditions by providing housing loans to purchase or construct residential houses	Number of housing loans advanced to staff	Advancing housing loans	No housing loan advanced

8. Corporate Governance Statement

a. Process of appointment and removal of Administration Committee members

Committee members shall be appointed or removed by receiving of a letter from the Managing Director

b. Roles and functions of the Administration Committee members

- Process all loans in accordance with the existing terms and conditions of borrowing and recommend for approval by the Officer administrating the fund loan applications
- Determine and regulate interest payable by loanees
- Liaise with the financial institution to set up a fund for the disbursement of loans
- Oversee the management of funds
- Monitor and evaluate the performance of the fund
- Approve annual work programmes and procurement plans for the fund
- Recommend the investment of any surplus funds not immediately required for the purposes of realizing the objects and purpose for which the fund was established
- Cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the fund
- Receive any funds gifts, donations, grants or endowments made to the fund
- Consider and recommend approval of the financial statements
- Recommend as when required the procurement of a financial institution to administer the fund on its behalf
- Establish management guidelines and engage such staff as may be necessary to assist the committee and the officer administrating the fund
- Perform any other functions that are ancillary to the objects and purpose for which the fund is established

9. Management Discussion and Analysis

- a. The operational and financial performance of the Fund during the period
- The total value of the fund as at 30th June 2023 was Kshs. 50,000,000.00 while the fund's balance was Kshs. 46,469,428.55
 - The fund records one loan worth Kshs. 3,000,000 advanced to a staff member. The application was successfully processed without any hitch.
 - The expense incurred for the management of the fund in the course of the year was Kshs. 69,510 which is equivalent to the 3% car loan interest charged
- b. Fund's key projects or investments decision implemented or ongoing
- There are no investments undertaken yet as the fund is still in the inception level and activity is being assessed
- c. Number and amount of Loans issued during the period, loans outstanding at end of the period and loans repaid during the period.

Description	2023	2022
Number of Loans Issued during the period	1	1
Amount of Loan issued during the period (Kshs.)	3,000,000.00	1,450,000.00
Loan outstanding at the beginning of the period (Kshs.)	1,309,522.50	-
Loans repaid during the period (Kshs.)	778,951.05	140,477.50
Loan outstanding at the end of the period (Kshs.)	3,530,571.45	1,309,522.50

- d. Fund's compliance with statutory requirements
- The scheme fund's record have been properly kept including records for the fund's books of accounts as per Section B(1) and B(2) of the Fund's Regulations and annual statements for the fund will be prepared and submitted to the National Treasury and the Office of the Auditor General.
- e. Major risks facing the Fund, material arrears in statutory and other financial obligations
- The risk of depletion of fund in the event of staff requesting for loan concurrently may arise if budgetary projections are not well assessed.
- f. Other information considered relevant to the users of the financial statements
- The adaptation of the car loan has not been very good. However, with sensitisation and information to the staff concerning the loan being done, more members may request for the same.

10. Environmental And Sustainability reporting

The Fund has not yet engaged in ESR activities in the year so as to impact to the society. This is due to being very new. The organisation may have not undertaken ESR through its own initiatives but through partnerships with its umbrella organisation. Prospects of engaging in pursuits that conserves the environment, promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives are being considered when the fund stabilizes.

11. Report of Staff Loans Committee

The Staff Loans Committee submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are and continue to be provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.

Performance

The performance of the Fund for the year ended June 30, 2023, is set out on page 1

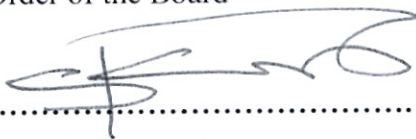
Trustees

The members of the Staff Loans Committee who served during the year are shown on page v (refer to the key Fund information and management page).

Auditors

The Auditor-General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Samuel K. Ndung'u

Chair of the Staff Loans Committee

12. Statement of Management's Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established by Article 230 of the constitution and section 13 of the salaries and remuneration act, 2011 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of the fund;
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and NCPB Car loan scheme regulations and guidelines, 2020. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date.

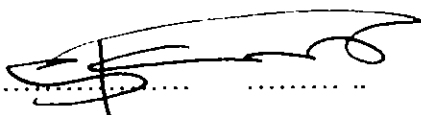
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

The Fund's financial statements were approved by the Board on 18/12 2023 and signed on its behalf by:



Samuel K. Ndung'u

Chairperson of the Staff Loans Committee



Joseph Kimete, MBS

Managing Director

REPUBLIC OF KENYA



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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CEREALS AND PRODUCE BOARD CAR LOAN FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Cereals and Produce Board Car Loan Fund set out on pages 1 to 27, which comprise of the statement of

Report of the Auditor-General on National Cereals and Produce Board Car Loan Fund for the year ended 30 June, 2023

financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Cereals and Produce Board Car Loan Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Cereals and Produce Board Car Loan Fund Regulations, 2021 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Cereals and Produce Board Car Loan Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Loan Committee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with Governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit 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 my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.

- 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 applicable 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 March, 2024


14. Statement of Financial Performance for the year ended 30th June 2023.

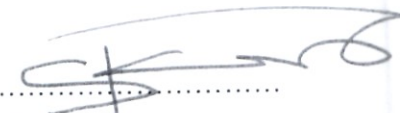
Description	Note	2022/2023 Kshs.	2021/2022 Kshs.
Revenue from non-exchange transactions			
Transfers from other Parent Ministry/ SC/SAGA	6	0	0
		0	0
Revenue from exchange transactions			
Interest income	7	69,410	10,957
Other income	8	100	400
		69,510	11,357
Total revenue		69,510	11,357
Expenses			
Administrative fees (bank)	9	69,410	10,957
Employee costs	9(b)	0	0
Use of goods and services	10	0	0
Depreciation and amortization expense	11	0	0
Finance costs	12	100	400
Total expenses		(69,510)	(11,357)
Other gains/losses			
Gain/loss on disposal of assets	13	0	0
Surplus/(deficit) before tax		0	0
Taxation	14	(0)	(0)
Surplus/Deficit after Tax		0	0

(The notes set out on pages 7 to 26 form an integral part of these Financial Statements).

The financial statements were approved on ... 18/12/2023 by:


.....
Joseph Kimote, MBS
Managing Director

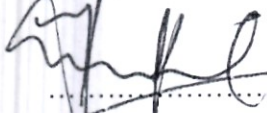

.....
Kipkirui Kemboi
Fund Accountant
ICPAK M/No. 16207



.....
Samuel K. Ndung'u
Chairman of the Car Loan
Committee

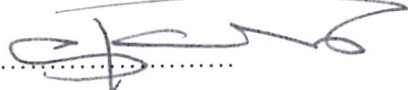
15. Statement of Financial Position as at 30th June 2023

Description	Note	2022/2023 Kshs.	2021/2022 Kshs.
Assets			
Current assets			
Cash and cash equivalents	15	46,469,428.55	48,690,477.50
Receivables from exchange transactions	16	0	0
Receivables from Non- exchange transactions	17	0	0
Prepayments	18	0	0
Inventory	19	0	0
Total Current Assets		46,469,428.55	48,690,477.50
Non-current assets			
Receivables from exchange transactions	16	3,530,571.45	1,309,522.50
Property, plant, and equipment	20	0	0
Intangible assets	21	0	0
		3,530,571.45	1,309,522.50
Total assets		50,000,000.00	50,000,000.00
Liabilities			
Trade and other payables	22	0	0
Total Current Liabilities		0	0
Total liabilities		0	0
Net assets			
Car loan revolving fund		50,000,000.00	50,000,000.00
Accumulated surplus (<i>Reserves</i>)		0	0
Total net assets		50,000,000.00	50,000,000.00
Total net assets and liabilities		50,000,000.00	50,000,000.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 18/12 2023 and signed by:

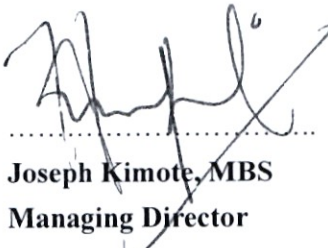

Joseph Kimote, MBS
Managing Director



Kipkirui Kemboi
Fund Accountant
ICPAK M/No. 16207

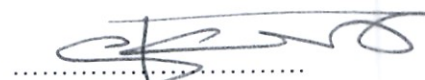

Samuel K. Ndung'u
Chairman of the Car Loan
Committee

16. Statement of Changes in Net Assets for the year ended 30th June 2023

Description	Car Loan Fund Kshs.	Accumulated surplus Kshs.	Total Kshs.
As at 1 July 2021	0	0	0
Surplus/(deficit) for the period	0	0	0
Funds received during the year	50,000,000	0	50,000,000
Transfers	0	(0)	0
As at 30 June 2022	50,000,000	0	50,000,000
Balance as at 1 July 2022	50,000,000	0	50,000,000
Surplus/(deficit) for the period	0	0	0
Funds received during the year	0	0	0
Transfers	0	(0)	0
As at 30 June 2023	50,000,000	0	50,000,000

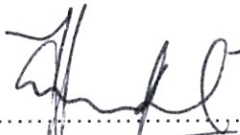

.....
Joseph Kimote, MBS
Managing Director

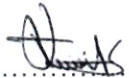

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Kipkirui Kemboi
Fund Accountant
ICPAK M/No. 16207

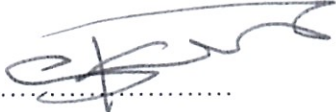

.....
Samuel K. Ndung'u
Chairman of the Car Loan
Committee

17. Statement of Cash Flows for the year ended 30th June 2023

Description	Note	2022/2023 Kshs.	2021/2022 Kshs.
Cash flows from operating activities			
Receipts			
Transfers from other Parent Ministry/ SC/SAGA	6	0	0
Interest received	7	69,410	10,957
Other income	8	100	400.00
Total receipts		69,510	11,357
Payments			
Administrative fees (bank)	9	69,410	10,957
Employee costs	9(b)	0	0
Use of goods and services	10	0	0
Finance cost	12	100	400.00
Total payments		69,510	11,357
Net cash flow from operating activities	23	0	0
Cash flows from investing activities			
Purchase of PPE and intangible assets		(0)	(0)
Proceeds from sale of PPE		0	0
Proceeds from loan principal repayments		778,951.05	140,477.50
Loan disbursements paid out		(3,000,000.00)	(1,450,000.00)
Net cash flows used in investing activities		(2,221,048.95)	(1,309,522.50)
Cash flows from financing activities			
Receipts into the car loan revolving fund		0	50,000,000.00
Net cash flows used in financing activities		(0)	50,000,000.00
Net increase/(decrease) in cash and cash equivalents		(2,221,048.95)	48,690,477.50
Cash and cash equivalents at 1 July	15	48,690,477.50	0
Cash and cash equivalents at 30 June	15	46,469,428.55	48,690,477.50

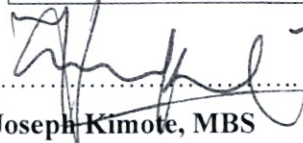

Joseph Kimote, MBS
Managing Director



Kipkirui Kemboi
Fund Accountant
ICPAK M/No. 16207

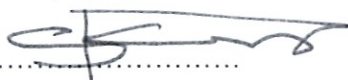

Samuel K. Ndung'u
Chairman of the Car Loan
Committee

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Revenue						
Transfers from other Parent Ministry/ SC/SAGA	0	0	0	0	0	0%
Interest income	69,410	0	69,410	69,410	0	0%
Other income	100	0	100	100	0	0%
Total Revenue	69,510.00	0	69,510	69,510	0	0%
Expenses						
Administrative fees (bank)	69,410	0	69,410	69,410		
Employee cost	0	0	0	0	0	0%
Use of goods and services	0	0	0	0	0	0%
Finance cost	100	0	100	100	0	0%
Expenditure	69,510	0	69,510	69,510	0	0%
Surplus for the period	0	0	0	0		
Capital Expenditure	0	0	0	0	0	0%


 Joseph Kimote, MBS
 Managing Director


 Kipkirui Kemboi
 Fund Accountant
 ICPAK M/No. 16207


 Samuel K. Ndung'u
 Chairman of the Car Loan
 Committee

Budget notes

- *No explanation for there are no differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
- *No explanation of changes between original and final budget since no difference is present. (IPSAS 24.29)*

19. Notes to the Financial Statements

1. General Information

The Car Loan Scheme Fund is established by and derives its authority and accountability from the provisions under Section 84(1), Section 24(4) (5) (6) (7) of the PFM Act, 2012. The Fund is wholly owned by the National Cereals and Produce Board and is domiciled in Kenya. The Fund's principal activity is providing a loan scheme for the purpose of Acquisition of Motor Car.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption Of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS41: Financial Instruments	Applicable: 1 st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> <p>Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

- iii. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

b. Budget information

The original budget for FY 2022/2023 represents a transfer from National Cereals and Produce Board Budget which was approved by the National Assembly.

The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented.

c. Financial instruments

1) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, with less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. Management then follows the procedure required by Regulation 145 of the PFM Act. A financial asset of the Fund is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (*an incurred 'loss event'*)

and that loss event has an impact on the estimated future cash flows of the Fund that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors of the Fund are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

2) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

d. Nature and purpose of reserves

The Fund intends to create and maintains reserves in terms of specific requirements. No reserves are currently maintained and no appropriate policies adopted since there was no cause for the same.

e. Changes in accounting policies and estimates

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

f. Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors, the Fund Managers, and Fund Accountant.

g. Cash and cash equivalents

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

h. Comparative figures

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

i. Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period.

j. Currency

The financial statements are presented in Kenya Shillings (Kshs.).

5. Significant Judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. (*see IPSAS 1.140.*)

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i) The condition of the asset is based on the assessment of experts employed by the Fund
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

Notes to the Financial Statements continued

6. Transfers from the Parent Ministry/SC/SAGA

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Transfers from Government entities– operations	0	0
Payments by Government entity on behalf of the Fund	0	0
Total	0	0

7. Interest income

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Interest Income From Car Loans	69,410.00	10,957.00
Interest Income From Investments	0	0
Interest Income On Bank Deposits	0	0
Other (<i>Specify</i>)	0	0
Total Interest Income	69,410.00	10,957.00

8. Other income

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Insurance recoveries	0	0
Income from Sale of Tender documents	0	0
Miscellaneous income (<i>Specify</i>)	100.00	400.00
Total Other income	100.00	400.00

9. Administrative fees (bank)

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Administrative fees to the bank	69,410.00	10,957.00
Total	69,410.00	10,957.00

9(b) Employee Costs

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Salaries and Wages	0	0
Staff Gratuity	0	0
Staff Training expenses	0	0
Social Security Contribution	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

10. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Loan processing costs	0	0
General office expenses	0	0
Professional services costs	0	0
Administration fees	0	0
Committee allowances	0	0
Printing and Stationery	0	0
Telephone a Communication expenses	0	0
Bank charges	0	0
Audit fees	0	0
Provision for Doubtful Debts	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

11. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible assets	0	0
Total	0	0

12. Finance costs

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Interest on Bank Overdrafts	0	0
Interest on Loans from Banks	100	400
Total	100	400

13. Gain/(loss) on disposal of assets

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Property, Plant, and Equipment	0	0
Intangible Assets	0	0
Total	0	0

14. Taxation

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Income tax charge	0	0
Tax Charged On Interest Income	0	0
Income Tax expense	0	0

15. Cash and cash equivalents

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Car Loan Account	46,469,428.55	48,690,477.50
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	0	0
Others (<i>Specify</i>)	0	0
Total Cash and Cash equivalents	46,469,428.55	48,690,477.50

15 a) Detailed analysis of the cash and cash equivalents in banks approved by National Treasury in line with Section 28 of the PFM Act are as follows:

Financial Institution	Account number	2022/2023 Kshs.	2021/2022 Kshs.
Car Loan Fund			
Co-operative Bank Account	01246007611602	46,469,428.55	48,690,477.50
Fixed Deposit Accounts			
Commercial Bank		0	0
Sub- Total		46,469,428.55	48,690,477.50
On- Call Deposits			
Bank A		0	0
Sub- Total		0	0
Current Account			
Co-operative Bank		0	0
Bank B		0	0
Sub- Total		0	0
Others			
Cash On Hand		0	0
Mobile Money		0	0
Sub- Total		0	0
Grand Total		46,469,428.55	48,690,477.50

16. Receivables from exchange transactions

Description	2022/2023 Kshs.	2021/2022 Kshs.
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	0	0
Non-Current Receivables		
Long Term Loan Repayments Due	3,530,571.45	1,309,522.50
Total Non- Current Receivables	3,530,571.45	1,309,522.50
Total Receivables From Exchange Transactions	3,530,571.45	1,309,522.50

17. Receivables from Non-Exchange transactions

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Transfers From Government Entities/SC	0	0
Transfer From Fund	0	0
Total Receivables From Non-Exchange Transactions	0	0

18. Prepayments

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Prepaid Rent	0	0
Prepaid Electricity Costs	0	0
Other Prepayments	0	0
Total	0	0

19. Inventory

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Consumables	0	0
Other	0	0
Total	0	0

Notes to the Financial Statements continued

20. Property, Plant, and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Cost							
At 1 July 2021	0	0	0	0	0	0	0
Additions	0	0	0	0	-	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	0	(0)	0		0	(0)
At 30th June 2022	0	0	0	0	0	0	0
At 1 st July 2022	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments		0		0		(0)	-
At 30th June 2023	0	0	0	0	0	0	0
Depreciation and impairment							
At 1 July 2021	0	0	0	0	0	0	0
Depreciation for the year	0	0	0	0	0		0
Disposals	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	(0)	(0)	(0)	(0)	(0)		(0)
At 30th June 2022	0	0	0	0	0		0

National Cereals and Produce Board Car loan fund
Annual Report and Financial Statements for the year ended 30th June 2023

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Capital Work in progress	Total
At July 2022	0	0	0	0	0		0
Depreciation	0	0	0	0	0		0
Disposals	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	(0)	(0)	(0)	(0)	(0)		(0)
Transfer/adjustment		0	-	0	-	(0)	(0)
At 30th June 2023	0	0	0	0	0	0	0
Net book values							
At 30 th June 2022	0	0	0	0	0	0	0
At 30 th June 2023	0	0	0	0	0	0	0

Notes to the Financial Statements continued

21. Intangible assets

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Cost		
At beginning of the year	0	0
Additions	0	0
Disposal	(0)	(0)
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
Net book value	0	0

22. Trade and other payables

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Trade payables	0	0
Other payables	0	0
Total trade and other payables	0	0

23. Net cash flows from operating activities

	2022/2023	2021/2022
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	0	0
Adjusted for:		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
Interest income	(69,510.00)	(11,356.90)
Administrative fee	69,410.00	10,956.90
Finance cost	100.00	400.00
Working capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in payables	0	0
Net cash flow from operating activities	0	0

Other Disclosures

24. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements.

e) Market risk

The board intends to put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund's Finance Department is responsible for the development of detailed risk management policies (*subject to review and approval by the Audit and Risk Management Committee*) and for the day-to-day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

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

Sensitivity analysis

The Fund will analyse its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

e) Capital risk management

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Fund capital structure comprises of the following funds:

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Revolving fund	50,000,000.00	50,000,000.00
Accumulated surplus (<i>Reserves</i>)	0	0
Total funds	50,000,000.00	50,000,000.00
Less: cash and bank balances	(46,469,428.55)	(48,690,477.50)
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0%	0%

25. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc

b) Related party transactions

i. Transfers from related parties

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Transfers from related parties	0	0

ii. Key management remuneration

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

This shall be the first audit exercise on the scheme's operation and therefore there are no any follow up on the Auditor recommendations

Fund Manager/Accounting Officer

Date.....14/12/2023.....

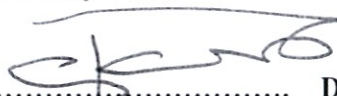
Annex II: Inter-Fund Confirmation Letter

There isn't an inter-fund confirmation letter since the fund was established by an inter-bank transfer from the NCPB CO-OP Bank Account Number 01136007611600 to the Revolving Car Loan Fund CO-OP Bank Account Number 01246007611602. However, the above transfer is supported by the bank statement.

Confirmation of amounts received by Car Loan Fund as at 30th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by NCPB (KShs) as at 30th June 2023				Amount Received by Car Loan Fund (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Bank (C)	Total (D)=(A+B+C)		
317c1262ad41BYy2	23/09/2021	0	0	50,000,000	50,000,000	50,000,000	0
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name: Samuel K. Ndung'u Sign  Date: 14/12/2023

Annex III: Reporting of Climate Relevant Expenditures

Name of the Organization

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex IV: Disaster Expenditure Reporting Template

Date:

Fund

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

11/11/11

