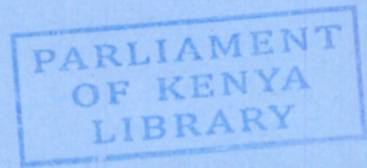


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KIMILILI
CONSTITUENCY**

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 FEB 2026

DAY.

Wednesday

**TABLED
BY:**

*Hon. (Dr.) Robert Pukose,
on behalf of leaders of Majority*

**CLERK-AT
THE-TABLE:**

hennale



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KIMILILI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the entity.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF Kimilili Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Thomas Moracha Ontweka
2.	National Sub-County Accountant	Enos Wanzetse Kondo
3.	Chairman NGCDFC	Hillary B. W. Wafula
4.	Member NGCDFC	Celestine Waliaula
5.	Member NG CDFC	John Sundwa

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kimilili Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Kimilili Constituency Headquarters

NG-CDFHouse
Off Kimilili-ChweleRoad
Kimilili, KENYA.

(e) NGCDF Kimilili Constituency Contacts

P.O. Box 60-50204 KIMILILI
Telephone: (254) 722325799
E-mail: cdkimilili@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kimilili Constituency Bankers

1. Operations Account
The Co-operative Bank of Kenya Ltd.
KimililiBranch
P.O.Box 552-50204 Kimilili

2. Deposit Account
Kenya Commercial Bank
KimililiBranch
P.O.Box 692-50204 Kimilili

3. Project Management Committee Account
The Co-operative Bank of Kenya Ltd.
KimililiBranch
P.O.Box 552-50204 Kimilili

Kenya Commercial Bank
KimililiBranch
P.O.Box 692-50204 Kimilili




(g) Independent Auditor



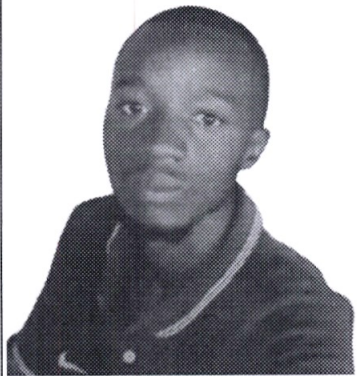
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya



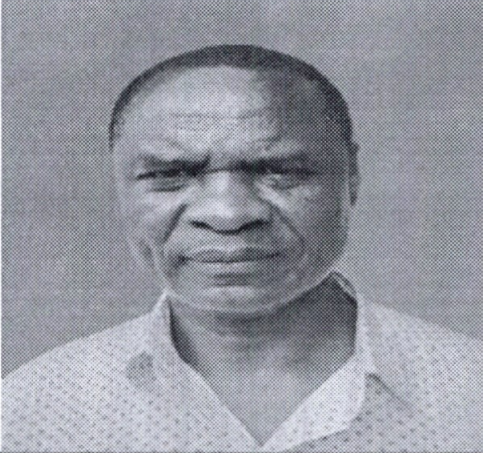
(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
 <p>Hillary B. W. Wafula Chairman</p>	<p>Date of Birth:1953 Academics: Diploma in Education Work Experience; Prior to his appointment as chairperson in December 2017, he served as a TSC Graduate/Approved teacher from 1978 and later as a Principal where he retired in the year 2008. First appointed as NG-CDFC member in 2017 and Re-appointed in 2020 and December 2022 to date.</p>
 <p>Celestine DyeleneWaliaula – Cdfc Secretary</p>	<p>Date of Birth; 1988 Academics:KCSE Work Experience: FIFA licensed in football coaching and currently the Team Manager of Bungoma Queens Football Club. First appointed as NG-CDFC member in 2017 and Re-appointed in 2020 and December 2022 to date.</p>
 <p>Elizabeth Wekesa - Co- opted Member</p>	<p>Date of Birth: 1972 Academics: Certificate in advanced Sales Skills Work Experience: First appointed as NG-CDFC member in 2020 and Re-appointed in December 2022 to December 2024.</p>

 <p>Enock ObwakaMukanda - Nominee of Constituency office</p>	<p>Date of Birth: 1970 Academics & Professional Qualification: Certificate in Project Management Work Experience: Retired Banker. First appointed as NG-CDFC member in 2020 and Re-appointed in December 2022 to December 2024.</p>
 <p>Mary Mutimbia - Female Adult</p>	<p>Date of Birth: 1966 Academics: KCSE Work Experience: Served as Kimilili Community Health Promoter. Appointed as NG-CDFC member in December 2022 to December 2024.</p>
 <p>John WanjalaSundwa - Male Youth</p>	<p>Date of Birth: 1995 Academics & professional qualification: KCSE Work Experience: Youth Co-ordinator. Appointed as NG-CDFC member in December 2022 to December 2024.</p>

	<p>Date of Birth: 1966 Academics & professional qualification: Diploma in Community Development Work Experience: Served as Development officer Action Aid. Appointed as NG-CDFC member in December 2022 to December 2024.</p>
<p>Mary Namaemba Namaswa - Nominee of Constituency Office</p>	<p>Date of Birth: 1950 Academics & professional qualification: Diploma in Cartography Work Experience: Served as a Registered land Surveyor First appointed as NG-CDFC member in 2020 and Re-appointed in December 2022 to December 2024.</p>
	<p>Date of Birth: 30.12.1969 Academics & professional qualification: Master Degree in commerce Work Experience: Served at Kenap EPZ Kenya Limited from 1999-2007 and at tristar EPZ Kenya Limited at 1997-1999.</p>
<p>Wycliffe Simiyu Wepukhulu - PWD Rep</p>	
<p>Thomas Moracha Ontweka - Fund Account Manager</p>	

List of NG-CDF Members who exited during the financial year are as follows. They served for two years (December, 2022 – December, 2024)

- Hillary B. W. Wafula-Chairman- Male Adult
- John WanjalaSundwa- Male Youth
- Mary Mutimbia – Female Adult
- Celestine DyeleneWaliaula- Secretary – Female Youth
- Wycliffe SimiyuWepukhulu- PWD Rep
- Elizabeth Wekesa- Co- opted Member
- Enock ObwakaMukanda- Nominee of Constituency office
- Mary NamaembaNamaswa – Nominee of Constituency Office

4. NG-CDFC Chairman's Report



Hillary B. W. Wafula
KIMILILI NG-CDFC CHAIRMAN

Budget performance against actual amounts

The NGCDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Kshs. 170,469,857 in the financial year 2024/2025.

Education programmes were allocated Kshs.111,939,189 which was 65.7% of the entire budget followed by Bursary schemes at Kshs.25,300,000 14.8% of the total budget.

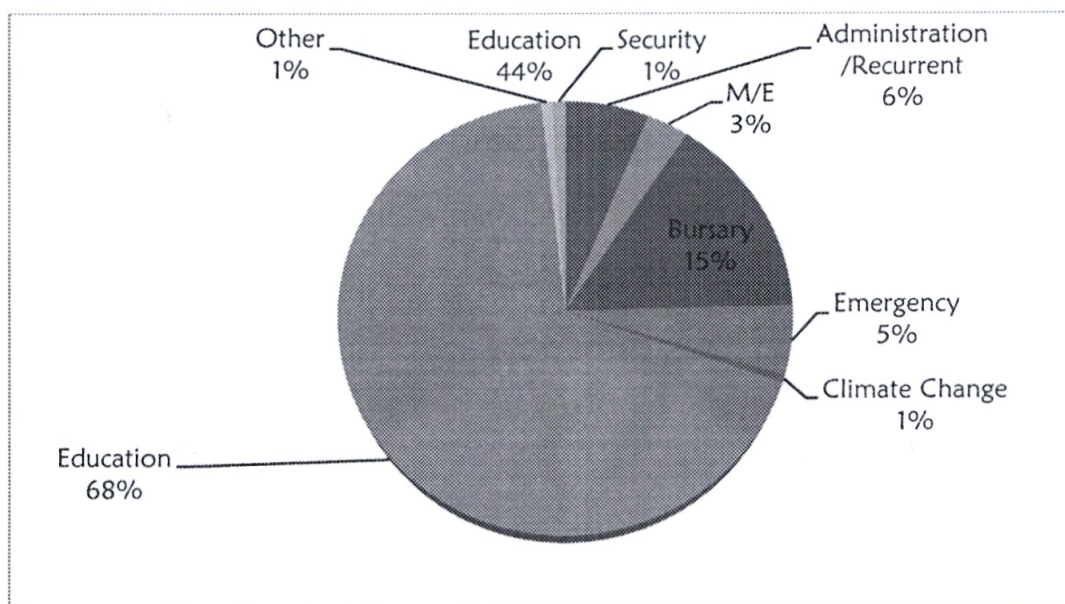


Fig 1: Budget allocation for 2024/2025 per sector.

There was a brought forward balance of previous year’s funds of Kshs. 51,771,716 and previous year’s outstanding disbursement of Kshs. 192,860,465 which led us to have a total of Kshs.415,102,038 astotal budget for the year. The budget allocations in comparison with the expenditure are illustrated as per the chart below:

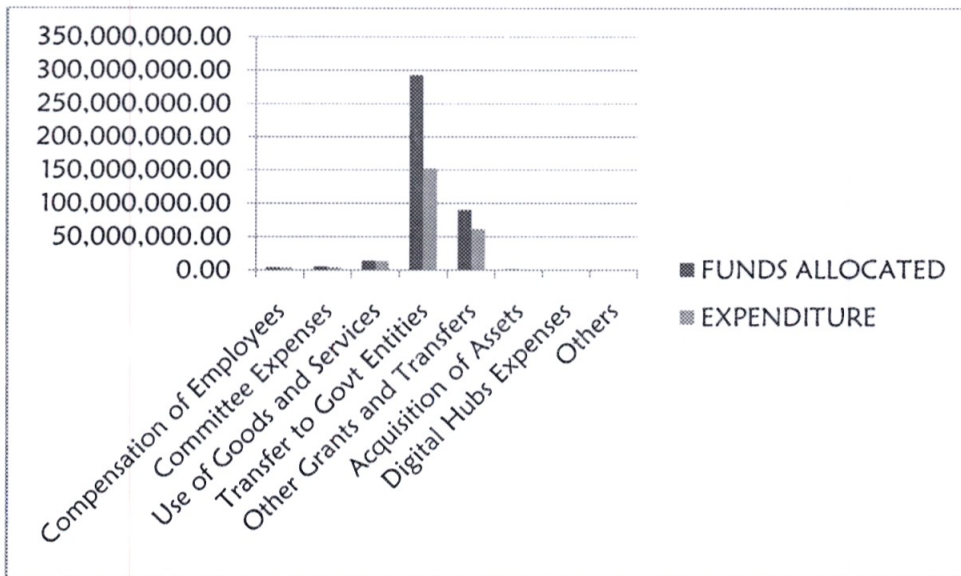


Fig 2: Shows the actual budgeted and Spent funds in the financial year 2024/2025

The constituency having had a total of Kshs. 355,741,252 was able to spend a total of Kshs. 238,048,187 which is 57.2% of the funds allocated. All funds due from Board was disbursed apart from Kshs. 21,688,929 which is still pending approval and the Constituency is working to provide the required documentation for Board to release the funds which are conditionally approved.

The cash book balance at the closure of the year was Kshs. 29,183,212

Achievements of the entity

The NG-CDF has improved the Education and Security infrastructures of Kimilili. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included Climate Change Mitigation programme where some tree seedlings are set to be planted, Security sector funded for construction of Divisional Headquarters, as well as Digital hubs programme.

Photos of some of the successfully implemented projects are displayed below:



Fig 3: Completed one storey building 16 No. Classrooms and administration block at Kamukuywa AC Primary School



Fig 4: Completed one storey building 8 No. Classrooms at Namawanga DEB Primary School

Emerging issues

There are various issues that have some effects on development. These include:

- i) Increasing youth population in the constituency
- ii) Empowerment of women and girls
- iii) Advocacy for national polytechnic in the constituency
- iv) Low ICT penetration in the constituency
- v) Better understanding of the roles of NG-CDF in addressing development matters

Implementation Challenges

Some of the **Challenges** the Constituency faced during the year include receiving more needy bursary applicants than the available budget, numerous complaints due to insufficiently informed members of the public failing to know what category of projects are fundable by NG-CDF and which are not eligible for funding.

The constituency was not able to implement most of the projects due to delay in disbursement of funds by the exchequer. The only projects which were able to be successfully implemented are issuance of Bursaries to both Secondary and Tertiary Institution learners and Education Projects.

Way Forward

The above challenges can be mitigated by Increasing the budget for bursary by making sure the 40% ceiling is fully utilized and increasing the number of community sensitization on the role of NG-CDF through more public participations.



Name: Hillary B. W. Wafula
Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY2024/25

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity’s performance against predetermined objectives.

The key development objectives of the *NGCDF Kimilili Constituency 2022-2027* plan are to:

1. To increase and equip learning institutions with adequate instructional materials and man power
2. To raise literacy levels equitably for both males and females
3. To sensitize the community on the proper use of available resources
4. To sensitize the community and build their capacity to monitor and evaluate projects

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	In FY 2024/25 - Construction of additional structures in 27 Primary Schools (8 classrooms and admin block). Some projects are complete while others are still ongoing. - Bursary beneficiaries at all levels. Approximately 4,000 beneficiaries for secondary schools, 1,500 for tertiary institutions and 50 special categories.

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Security	To provide better working environment for security providers in the constituency	A secure constituency	-Number of Police Stations/posts set up -Number of police houses built. -Number of ACC/Chiefs/Ass. Chief's offices built.	-Construction of Chesamisi AP Camp.
Climate change mitigation activities	Improve access to a more sustainable and conserved environment	Improved sanitation facilities in schools Provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools Number of trees planted	Ongoing planting of 200 fruit trees and fencing of orchard in 5 Schools.
Emergency	Respond to unforeseen emergency situations	Emergency situations responded to	Number of beneficiary institutions	Two schools benefited; Kamasielo Primary School, Renovation of 6 No. Classrooms, St. Michaels Musembe Primary School; Renovation of 3 No. classrooms

6. Governance Statement

a. (NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) The national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members are yet to be gazzeted.

b. NG-CDFC Tenure

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

During the financial year, the tenure of the committee ended in December 2024 and renewed in June 2025 but yet to be gazetted.

c. The Role of the Constituency Committee

The functions of the constituency committee shall be to-

- i. Build the capacity of project management committees and Committee.
- ii. Sensitize the Community on the operations of the Fund;
- iii. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- iv. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- v. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- vi. In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution; (1) consult with relevant government departments to ensure that cost estimates for projects are realistic;
- vii. In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- viii. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;

- ix. Ensure that all projects receive adequate funding and are completed within three years;
- x. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- xi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- xii. Ensure that project reports are prepared and submitted to the Board.

d. Removal of a member

As per the act a member may be removed from office on grounds of: lack of integrity, gross misconduct, embezzlement of public funds, bringing the committee to disrepute, promoting unethical practices, causing disharmony within the committee and physical or mental infirmity.

Decision to remove a member shall be made through a resolution of at least five members of the committee and the member shall be given a fair hearing before the resolution is made.

There hasn't been any removal at Kimilili Constituency.

e. NG-CDFC Induction and training

The NG-CDFC Members shall be inducted upon assumption of office to familiarize them with their functions. A training shall then be conducted for the members in conjunction with other stakeholders of the constituency NG-CDFC including the FAM, DCC and National Sub-county Accountant to further capacity build the members on all nitty-gritty's of the running of NG-CDF.

f. Number of meetings:

NG-CDF Act Section 43 (11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Kimilili Constituency, the NG-CDF Committee conducted 10 meetings and 2 sub-committee meetings.

S/no	Name of committee member	Meetings held									
		21/08/24	23/08/24	30/09/24	03/10/24	24/10/24	06/11/24	14/11/24	21/11/24	10/12/24	11/12/24
1	Hillary B. W. Wafula- Chairman	√	√	√	√	√	√	√	√	√	√
2	Celestine Waliaula - Secretary	√	√	√	√	√	√	√	√	√	√
3	Wycliffe Wepukhulu - Member	√	√	√	√	√	√	√	√	√	√
4	Elizabeth Wekesa - Member	√	√	√	√	√	√	√	√	√	√
5	John Sundwa - Member	√	√	√	√	√	√	√	√	√	√
6	Mary Namaswa - Member	√	√	√	√	√	√	√	√	√	√
7	Enock Obwaka - Member	√	√	√	√	√	√	√	√	√	√
8	Mary Mutimbia - Member	√	√	√	√	√	√	√	√	√	√
9	Dolphin Okondo - DCC Ex-official	√	√	√	√	√	√	√	√	√	√
10	Thomas Ontweka - FAM, Officer of the Board	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

Members' allowances for meetings are Kshs. 5,000 each for members and Kshs. 7,000 for the chair person.

h. Disclose the policy on conflict of interest

Before any meeting is conducted, the members shall go through the agenda to be discussed and if any matter of discussion is of interest to any member of the committee, the member is required to declare conflict of interest and be exempted from the meeting or only that particular matter.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

j. Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The Board stipulates below to guide in risk management;

- NG-CDF Board Operational Risk Management Policy
- The NG-CDF Board Risk Appetite Statement
- NG-CDF Board Enterprise Risk Management Police
- NG-CDF Board Risk register Template
- NG-CDF Board Risk Management reporting Template
- Internal Audit Recommendations.

The NG-CDFC shall adhere to the procedures as guided by all the above tools to ensure proper risk management. The FAM shall ensure monthly attestations on the Board's ERM software on monthly basis and submit Risk Management report on quarterly basis. The FAM shall also update the Risk register periodically upon recommendations of various audit reports.

7. Management Discussion and Analysis

Kimilili Constituency developed the current strategic plan, covering a period of five years(2022-2027). The strategic plan is embedded within Kenya's development agenda. It captures all the frameworks of the constituency.

Operational and financial performance

Below is a table showing financial years' allocations per sector:

Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	8,000,000	7,185,000	9,995,624	10,228,191
Monitoring & Evaluation	3,311,672	2,958,843	4,997,811	5,114,096
Primary Projects	86,585,000	98,585,000	57,822,810	106,693,189
Secondary Projects	11,000,000	-	25,925,666	5,300,000
Security Projects	-	-	-	1,594,283
Bursary and Social Security	20,000,000	20,000,000	29,647,772	25,300,000
Emergency	7,192,207	7,636,190	8,,768,091	8,972,098
Climate Change & Mitigation	500,000	450,000	2,400,000	900,000
Sports	500,000	500,000	-	-
Others	-	900,000	39,998,779	1,300,000
TOTALS	137,088,879	138,215,033	170,778,462	170,469,857

Expenditure



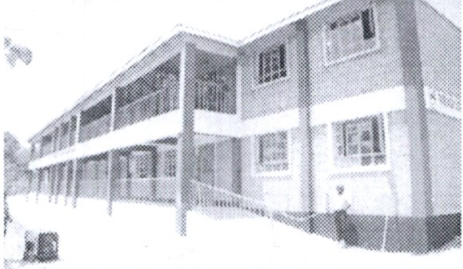
Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	8,563,795	6,403,986	9,144,357	13,244,773
Monitoring & Evaluation	3,291,056	1,975,000	2,920,200	8,368,532
Primary Projects	103,294,000	42,385,720	-	152,407,050
Secondary Projects	14,000,000	2,000,000	-	-
Security Projects	-	-	-	-
Bursary and Social Security	26,916,000	8,576,050	16,263,650	32,449,000

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Emergency	7,600,000	7,404,081	-	4,057,205
Climate Change & Mitigation	500,000	450,000	-	950,669
Sports	500,000	500,000	-	-
Others	-	900,000	-	26,570,959
TOTALS	164,664,851	70,594,837	28,328,207	238,048,188

Key Projects

The Constituency had three major Primary School projects which were completed and in use.

PROJECT NAME	ACTIVITY	PHOTO	STATUS
Bituyu FYM Primary School	Construction of a storey block of 8 No. classrooms.		Completed
Namawanga DEB Primary School	Construction of storey Block of 8No. classrooms		Completed
DarajaMungu Primary School	Construction of storey block of 8No. Classrooms		Completed

Compliance With Statutory Requirements

Kimilili NG-CDF is an entity that is fully guided by the Constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPAD Act 2015 and many other relevant laws and has been in full compliance of the same.

Kimilili NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as You Earn tax among others and the Constituency is committed to operate within the law even in the future.

Major Risks Facing the Fund

- Inadequate human resource capacity
- Inadequate awareness of NG CDF functions
- High poverty and dependency rates
- Dilapidated road network in some parts of the constituency
- Poor security and administration infrastructure in the constituency

Review of the Economy

The Constituency is expected to increase enrolment in primary schools and improved transition to secondary schools and tertiary institutions in the education sector by construction of more structures and provision of bursaries. Further; to improve access to more sustainable environment through climate change and mitigation activities. In addition, constituency focuses to provide better working environment for security providers in the constituency.

Future Development of the Fund

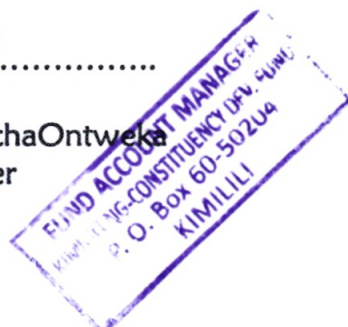
NG-CDF in Kenya is expected to continue focusing on key areas like Education, infrastructure and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the Ward level to enhance access to online opportunities and improve efficiency through automation.

Projects like Security, provision of bursaries, construction of educational infrastructure demonstrate a commitment to community development, improved security, support student education and improve public service.



.....
Name: Thomas Moracha Ontwele
Fund Account Manager



8. Environmental and Sustainability Reporting

Kimilili NG-CDF exists to deliver a strategy which is founded on social sector, namely, Education & Training, Security Sector Support, Climate Change Mitigation, and Digital hubs programmes. This pillar makes special provision for Kenyans with various disabilities and also for marginalized communities.

1. Sustainability strategy and profile -

To ensure the sustainability of Kimilili Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kimilili Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, re-forestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

The constituency uses Climate Change and Mitigation programme as a guiding policy which articulates how to conserve the environment and its components. It has succeeded in planting over 500 trees and installation of water tanks in various learning institutions but is however faced with the challenge of extended drought. To manage biodiversity, the fund has planted indigenous trees. The constituency has also intensified awareness creation and sensitized the community on the fundable projects by NG-CDF including Climate Change Mitigation which is championed by the Agenda of the government of the day. The NG-CDFC has undertaken public participation to sensitize the youth/Community on the impact of drug abuse.

The constituency has ensured security measures by constructing police posts and Divisional Headquarters.

3. Employee welfare

We invest in providing the best working environment for our employees. Kimilili constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Kimilili constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Kimilili Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- b) Good business practices, including cordial Supply chain and supplier relations, by honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Kimilili Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Kimilili Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

Kimilili Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

.....

Name: Thomas Moracha Ontwek
Fund Account Manager.



9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Kimilili Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kimilili Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kimilili Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

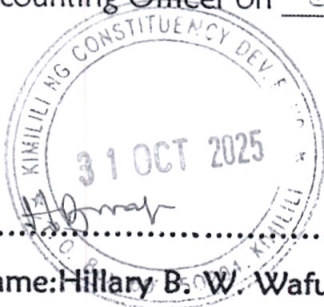
*National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Kimilili Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee 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

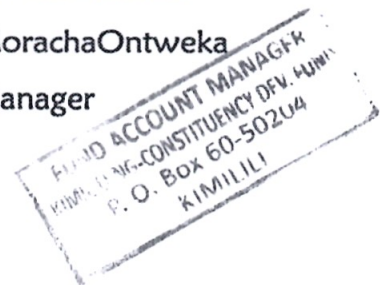
The NGCDF-Kimilili Constituency financial statements were approved and signed by the Accounting Officer on 31/10/ 2025.



.....
Name: **Hillary B. W. Wafula**
Chairman – NGCDF Committee

A handwritten signature in black ink, appearing to read "T. Moracha Ontweka".

.....
Name: **Thomas Moracha Ontweka**
Fund Account Manager



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIMILILI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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; and,
- C. Report on 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Kimilili Constituency set out on pages

*Report of the Auditor-General on National Government Constituencies Development Fund - Kimilili Constituency
for the year ended 30 June, 2025*

1 to 52, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes net assets, statement of cash flows and 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kimilili Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended, 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Misstatement of Gratuity to Contractual Employees

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects employee costs amounting to Kshs.2,887,896. The amount includes gratuity to contractual employees amount of Kshs.149,754. However, the supporting payroll ledger indicate gratuity for the year amounting to Kshs.480,134, resulting in an unexplained variance of Kshs.330,380.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.2,887,896 could not be confirmed.

2. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position and Note 13 to the financial statements reflect cash and cash equivalents balance of Kshs.117,848,992, which includes Project Management Committee (PMC) accounts balance of Kshs.88,533,484, as disclosed in Annex 2 to the financial statements. However, twenty-six (26) PMC accounts amounting to Kshs.26,209,878 were not supported by certificate of bank balances to confirm the account balances as at 30 June, 2025.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.117,848,992 could not be confirmed.

3. Undisclosed Outstanding Tax Arrears

The statement of financial position reflects total liabilities balance of Kshs.13,633,428 as at 30 June, 2025. However, review of records provided for audit revealed that Kenya

Revenue Authority raised demand note totalling Kshs.3,843,985 for the period between 2018 to 2022 financial years which have not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness total liabilities balance of Kshs.13,633,428 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kimilili Constituency 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 qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflect final revenue budget and actual on comparable basis amounts of Kshs.415,257,967 and Kshs.355,741,252 respectively resulting to an under-funding of Kshs.59,516,715 or 14% of budget. Similarly, the Fund expended Kshs.238,048,188 against an actual receipt of Kshs.355,741,252 resulting to an under-expenditure of Kshs.117,693,064 or 33% of actual receipts.

The under-funding and under-expenditure affected the implementation planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matter

In the previous year's audit, the issue of unsupported prior year adjustments was raised under Report on the Financial Statements, and the Management had indicated under the progress on follow up of Auditor's recommendations section of the financial statements that the issue was not resolved. Further, Management has not provided reasons for failure to resolve issue.

Other Information

National Government Constituencies Development Fund Committee is responsible for the Other Information set out on page iii to xxxi which comprise of Key Constituency

Information and Management, NGCDF Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else 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

1. Lack of an Approved Procurement Plan

During the financial year under review, Management did not prepare a procurement plan in accordance Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

In the circumstances, Management was in breach of the law.

Failure to Prepare and Submit Quarterly Financial Reports

During the financial year under audit review, Management did not prepare and submit quarterly financial reports in accordance with Section 83(3) of the Public Finance Management Act, 2012 that requires quarterly financial reports be prepared and

submitted to the Cabinet Secretary responsible and The National Treasury within the timeline of fifteen (15) days after the end of each quarter.

In the circumstances, Management was in breach of the law.

1. Lack of Quarterly Internal Audit Reports

During the financial year under review, the Fund did not provide quarterly audit report from the Internal Audit Unit in accordance with Regulation 173(1) of the Public Finance Management (National Government) Regulations, 2015 which states that each Head of Internal Audit shall prepare a quarterly internal audit report which shall cover areas provided for in guidelines and shall be in the format issued by the Cabinet Secretary.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 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 the Management and National Government Constituencies Development Fund 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, the Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention 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.

National Government Constituencies Development Fund Committee is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I

consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025 Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Total revenue		170,469,857
Expenses		
Employee costs	7	2,887,896
Committee expenses	8	4,970,685
Use of Goods and Services	9	12,632,907
Other Government Units Actual expenditure	10	163,102,154
Other Grants and Transfers Actual expenditure	11	65,660,964
Depreciation and amortization expense	12	15,000
Total expenses		249,269,608
Surplus/(Deficit) for the year		(78,799,751)

The Constituency financial statements were approved by the NGCDFC on 31/10/2025 and signed by:

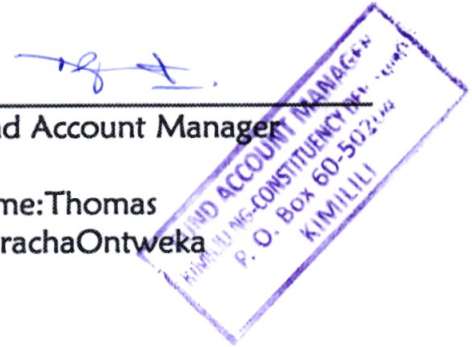
Chairman NG-CDF
Committee
Name: Hillary B. W. Wafula



National Sub-County
Accountant
Name: Enos Kondoa
ICPAK M/No: 31998



Fund Account Manager
Name: Thomas
Moracha Ontweka




National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025



12. Statement Of Financial Position As At 30th June, 2025

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	13	117,848,992	51,927,645
Receivables from Non-Exchange Transactions	14	59,360,786	192,860,465
Total Current Assets		177,209,778	244,788,110
Non-Current Assets			
Property, Plant and Equipment	15	1,257,897	-
Total Non- Current Assets		1,257,897	-
Total Assets (A)		178,467,675	244,788,110
Liabilities			
Current Liabilities			
Third-Party Deposits	16	13,501,132	-
Gratuity provision	17	132,296	1,154,112
Total Current Liabilities		13,633,428	1,154,112
Non-Current Liabilities			
Total Liabilities (B)		13,633,428	1,154,112
Net Assets (A-B)		164,834,247	243,633,998
Represented by:			
Revaluation Reserves		0	0
Accumulated Surplus		164,834,247	243,633,998
Total Net Assets		164,834,247	243,633,998

The Constituency financial statements set out on pages 1 to 6 approved by NG CDFC on 31/10/2025 and signed by:


31 OCT 2025
 Chairman NG-CDF
 Committee
 Name: Hillary B. W. Wafula


31 OCT 2025
 National Sub-County
 Accountant
 Name: Enos Kondoa
 ICPAK M/No: 31998


 Fund Account Manager
 Name: Thomas
 Moracha Ontweka


National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Capital Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	-	51,771,716	51,771,716
Adjustments			
Recognition of Assets	-	193,016,394	193,016,394
Recognition of Liabilities		(1,154,112)	(1,154,112)
As at July 1, 2024		243,633,998	243,633,998
Surplus/(Deficit) For the Year	-	(78,799,751)	(78,799,751)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	-	164,834,247	164,834,247

National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

14. Statement of Cash Flows for the Year Ended 30th June 2025

	Notes	2024/2025
		Kshs
Cashflowsfromoperatingactivities		
Receipts		
Transfers from the NGCDF Board		303,969,536
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		303,969,536
Payments		
Employee costs		3,909,713
Committee expenses		4,970,685
Use of Goods and Services		12,632,907
Other Government Units Certified Works		152,407,050
Other Grants and Transfers		62,854,936
Digital Hubs Expenses		-
Total Payments		236,775,291
Net Cash Flows from/ (used in) Operating Activities	18	67,194,245
Cash flows From Investing Activities		
Purchase of PPE		(1,272,897)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		(1,272,897)
Netincrease/(decrease)incash& Cash equivalents		65,921,348
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		65,921,348
Cash and cash equivalents at 01.07.2024	19	51,927,645
Cash and cash equivalents at 30.06.2025	19	117,848,993

National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	B		C=(a+b)	D	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	51,927,645	192,860,465	415,257,967	355,741,252	59,516,715	86
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	170,469,857	51,927,645	192,860,465	415,257,967	355,741,252	59,516,715	86
Expenses							
Employee costs	5,498,556	(1,091,779)	-	4,406,777	3,909,713	497,064	89
Committee expenses	3,734,341	1,300,000	-	5,034,341	4,970,685	63,656	99
Use of Goods and Services	6,109,391	6,570,114	-	12,779,505	12,632,907	46,598	100
Other Government Units Certified Works	111,993,189	10,316,277	170,307,862	292,617,328	152,407,050	140,210,278	52
Other Grants and Transfers	38,066,381	33,429,816	20,052,603	91,548,800	62,854,936	28,693,865	69
Digital Hubs Expenses	-	-	-	-	-	-	-
Acquisition of Assets	-	1,403,217	-	1,403,217	1,272,897	130,320	91
Others	-	-	-	-	-	-	-
Funds Pending Approval**	5,068,000	-	2,500,000	7,568,000	-	7,568,000	-
Total Expenditure	170,469,857	51,927,645	192,860,465	415,257,967	238,048,188	177,209,779	57
Surplus for the period	-	-	-	-	117,693,064	(117,693,064)	

National Government Constituencies Development Fund (NGCDF)
Kimilili Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Explanatory Notes.

The underutilization for Digital hubs expenses, Acquisition of assets, Other Government Units Certified Works and Others is due to late exchequer releases.

Funds pending approval have not been approved by the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	177,209,779
Less undisbursed funds receivable from the Board as at 30 th June 2025	(59,516,715)
Opening Balance of PMC Accounts	155,929
Cash and Cash Equivalents at the end of the 30th June 2025	117,848,993

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG-CDFC on 31/10/ 2025 and signed by:



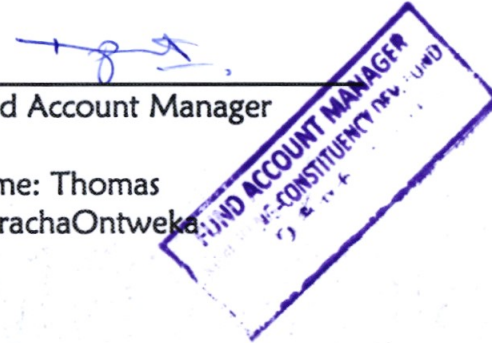
31 OCT 2025
Hillary B. W. Wafula

Chairman NG-CDFC
 Committee
 Name: Hillary B. W. Wafula



31 OCT 2025
Enos Kondoa

National Sub-County
 Accountant
 Name: Enos Kondoa
 ICPAK M/No: 31998



Thomas Moracha Ontweka

Fund Account Manager
 Name: Thomas Moracha Ontweka

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,498,556	(1,091,779)		4,406,777	3,909,713	497,064
1.2 Committee allowances	1,626,341	-		1,626,341	1,562,685	63,656
1.3 Use of goods and services	3,103,295	4,569,080		7,672,375	7,672,375	(0)
Sub-total	10,228,191	3,477,301	-	13,705,492	13,144,773	560,720
2.0 Monitoring and evaluation						
2.1 Capacity building	1,050,000			1,050,000	1,050,000	-
2.2 Committee allowances	2,108,000	1,300,000		3,408,000	3,408,000	-
2.3 Use of goods and services	1,956,096	2,001,034		3,957,130	3,910,532	46,598
Sub-total	5,114,096	3,301,034	-	8,415,130	8,368,532	46,598
4.0 Emergency						
unutilized	8,972,098		173,879	9,145,977	4,057,205	5,088,772
Sub-total	8,972,098	-	173,879	9,145,977	4,057,205	5,088,772
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	15,000,000	1,890,500		16,890,500	16,890,500	-
5.3 Tertiary Institutions	10,000,000	7,969,500		17,969,500	15,483,500	2,486,000
5.4 special needs	300,000	75,000		375,000	75,000	300,000
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	25,300,000	9,935,000	-	35,235,000	32,449,000	2,786,000
7.0 Environment						
Nasianda Primary School	100,000			100,000	-	100,000
Kimilili DEB Primary School	200,000			200,000	-	200,000
Sikhendu Primary School	200,000			200,000	-	200,000
Kamukuywa AC Primary School	200,000			200,000	-	200,000
Siuna Primary School	200,000			200,000	-	200,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
		Kshs	Kshs	Kshs	Kshs	Kshs
Kimilili deb pri		950,200		950,200	943,994	6,206
Makhongefympri. Sch.		200,000		200,000		200,000
Sosiorcpri. Sch.		199,700		199,700	5,650	194,050
Sikhendupri. Sch.		200,000		200,000		200,000
Kamusindercpri. Sch.		200,000		200,000		200,000
Maenifympri. Sch.		200,000		200,000		200,000
Sango baptistpri. Sch.		200,000		200,000		200,000
Lwanda sa pri. Sch.		202,187		202,187		202,187
Siunasapri. Sch.		219,800		219,800		219,800
Kimililifympri. Sch.		201,050		201,050	1,025	200,025
St. Johns miruripri. Sch.		200,000		200,000		200,000
Kamukuywafympri. Sch.		200,000		200,000		200,000
Bituyufympri. Sch.		200,075		200,075		200,075
Sub-total	900,000	3,373,012	-	4,273,012	950,669	3,322,343
8.0 Primary Schools Projects						
Allan Bradley Primary school		1,467	924,460	925,927	-	925,927
BituyuPri		887	9,401,275	9,402,162	9,352,053	50,109
Bituyu Primary School	5,470,000			5,470,000	-	5,470,000
Buko RC Primary School	5,325,800			5,325,800	-	5,325,800
ChelekeiPri		875	5,077,777	5,078,652	-	5,078,652
Chesamisi FYM Primary School	2,859,416	1,331	4,800,000	7,660,747	6,620,943	1,039,804
Chesamisi FYM Primary School	8,726,100			8,726,100	-	8,726,100
Chesamisi FYM Primary School			1,000,000	1,000,000	-	1,000,000
Darajamungupri		1,248	9,401,275	9,402,523	9,277,292	125,231
Darajamungu primary school	3,520,000			3,520,000	-	3,520,000
Kamasielofympri		2,426	10,530,720	10,533,146	9,866,112	667,034
Kambini cc pri		13,563	3,277,995	3,291,558	2,886,301	405,256
Kamukuywa ack			7,300,000	7,300,000	6,977,751	322,249
Kamukuywa ack pri		475	6,761,492	6,761,967	6,092,993	668,973

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bi) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Khwiroro ac pri.		1,291		1,291		1,291
Kibingeifympri.		723		723		723
Kamukuywafym primary school	7,000,800			7,000,800	-	7,000,800
Kamusindefympri			1,483,680	1,483,680	1,329,563	154,117
Kamusindercpri			3,220,033	3,220,033	3,219,506	527
Kamusinga ac pri			14,401,275	14,401,275	15,905,344	(1,504,069)
Kamusinga ac primary school	3,978,999			3,978,999	-	3,978,999
Kibundefympri		2,643	3,611,857	3,614,500	3,280,368	334,131
Kikwechiasempri.		1,161		1,161		1,161
Kimilili deb pri		633	2,592,477	2,593,110	2,342,894	250,215
Kimilili DEB Primary School	8,452,800			8,452,800	-	8,452,800
Kimilili FYM Primary School	3,381,600	1,050		3,382,650	1,025	3,381,625
Kimililirc boys jss		2,400,000		2,400,000	2,277,809	122,191
Kimililircgirls primary school	13,807,572			13,807,572	-	13,807,572
Kimililircpri		(300)	1,382,030	1,381,730	1,378,939	2,791
Kimingichjss			2,400,000	2,400,000	1,025	2,398,975
Kitayirc primary school	4,367,600	2,216		4,369,816	-	4,369,816
Lubokhasajss			2,400,000	2,400,000	1,025	2,398,975
Lukhomebaptistjss			2,400,000	2,400,000	2,050	2,397,950
Lurarebaptistpri.		1,007		1,007		1,007
Lutonyifymjss			2,400,000	2,400,000	2,280,714	119,286
Maenifympri.		1,473		1,473		1,473
Makhongefympri.		400		400		400
Matilifym primary		8,493	2,787,130	2,795,623	2,471,414	324,209
Matilifym primary school	5,955,800	125		5,955,925	-	5,955,925
Matili rc pri. Sch.			6,602,047	6,602,047	5,877,816	724,231
Matisifympri.		1,747		1,747		1,747
Musembe deb pri.		886		886		886
Mwangale deb			2,400,000	2,400,000	1,025	2,398,975

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Nakalirapri		26	17,400,456	17,400,482	17,367,516	32,966
Nakalirarc primary school	6,854,000			6,854,000	-	6,854,000
Namakhele ack pri.		551		551		551
Namasandapri		1,012	2,940,312	2,941,324	2,940,899	425
Namawanga deb pri.		585,109	5,406,391	5,991,500	5,629,961	361,539
Namawanga deb primary school	8,286,800	716		8,287,516	-	8,287,516
Namboanircjss		2,400,000		2,400,000	2,284,734	115,266
Nasioyajss		2,400,000		2,400,000	2,286,538	113,462
Punda junior secondary school	3,223,321			3,223,321	-	3,223,321
Pundapri.			5,465,000	5,465,000	-	5,465,000
Sa nasiandapri			1,577,280	1,577,280	1,532,767	44,513
Sa nasiandapri. Sch.		1,100	11,789,400	11,790,500	9,106,767	2,683,733
Ngolipri.		7,394		7,394		7,394
Sango baptist primary school	2,951,414	136		2,951,550	575	2,950,975
St. Elizabeth sibakalapri.		332		332		332
Sibakalarcjss			2,400,000	2,400,000	1,025	2,398,975
Sikhendupri		10,118	2,773,500	2,783,618	2,651,300	132,318
Sikhendu primary school	5,603,066			5,603,066	-	5,603,066
Siuna primary school	3,928,100			3,928,100	-	3,928,100
St. Joseph kamusindercpri.		375		375		375
Suleiman murunga			13,695,737	13,695,737	14,880,291	(1,184,554)
Suleiman murunga pri. Sch.			304,263	304,263	-	304,263
Suleiman murunga primary school	3,000,001			3,000,001	-	3,000,001
Suleiman murunga mutekesi		1,383		1,383		1,383
Sulwej.i. Jss		2,400,000		2,400,000	2,280,714	119,286
Sub-total	106,693,189	10,254,068	170,307,862	287,255,119	152,407,050	134,848,069
9.0 Secondary Schools Projects (List all the Projects)						
St. John Buko Secondary School	5,300,000			5,300,000	-	5,300,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Namboanifym sec.		2,515		2,515		2,515
St. Lukes boys kimilili		2,988		2,988		2,988
St. Johns buko sec.		193		193		193
Kimililifriends girls sec.		39,189		39,189		39,189
Chesamisiboys sec		17,325		17,325		17,325
				-		-
Sub-total	5,300,000	62,209	-	5,362,209	-	5,362,209
10.0 Tertiary institutions Projects (List all the Projects)						
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Chesamisi AP Camp	1,594,283			1,594,283	-	1,594,283
Kimilili township chiefs office	-	706	-	706		706
Darajamungu ap camp		1,044		1,044		1,044
Sub-total	1,594,283	1,749	-	1,596,032	-	1,596,032
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Purchase of Computers		100,000		100,000	100,000	-
Kimilili NGCDF office Rehabilitation		1,303,217	-	1,303,217	1,172,897	130,320
Sub-total	-	1,403,217	-	1,403,217	1,272,897	130,320
13.0 Others						
Hudumacentre	1,300,000	20,120,055	19,878,724	41,298,779	25,398,062	15,900,717
				-		-
Sub-total	1,300,000	20,120,055	19,878,724	41,298,779	25,398,062	15,900,717
Funds pending approval**						
Strategic Plan		-	2,500,000	2,500,000		2,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Khwiroro Primary School	1,500,000			1,500,000		1,500,000
Makhonge Primary school	768,000			768,000		768,000
Allan Bradley Primary school	1,300,000			1,300,000		1,300,000
Matili RC Primary school	1,500,000			1,500,000		1,500,000
AiA	-			-		-
Sub-total	5,068,000	-	2,500,000	7,568,000	-	7,568,000
Total	170,469,857	51,927,645	192,860,465	415,257,967	238,048,188	177,209,779

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kimilili Constituency principal activity is to promote socio-economic development at the constituency level and reduce poverty.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The NG-CDF Kimilili has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Kimilili has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties).

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF 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 2025.*

There were no new and amended standards issued in the financial year.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not Applicable</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> <p>Not Applicable</p>

<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not Applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not Applicable</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not Applicable</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not Applicable</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not Applicable</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early*

Not Applicable

4. Summary of 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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

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

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 each period.

Rental income

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

b) Budget information

The original budget was approved by Parliament on 30th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an 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 and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-

exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f.) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net

assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

g) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

h) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

i) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

j) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

l) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

m) Related parties

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

n) 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity'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. State all judgments, estimates, and assumptions made:

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. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,369,902
Gratuity to contractual employees	149,754
Employer Contributions Compulsory national social security schemes	288,131
Employer Contributions Compulsory Housing levy	32,073
Employer contributions to National Industrial Training Authority	1,350
Other Specify	46,687
Total	2,887,896

8. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	2,679,385
Other Committee expenses	2,291,300
Total	4,970,685

9. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	93,920
Communication, supplies and services	352,700
Domestic travel and subsistence	2,528,645
Training expenses	807,200
Hospitality supplies and services	947,672
Office and general supplies and services	3,331,820
Fuel, oil & lubricants	1,180,888
Bank charges	28,386
Routine maintenance – vehicles and other transport equipment	290,014
Other operating expenses	2,021,662
Capacity Building	1,050,000
Total	12,632,907

10. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	163,102,154
Total	163,102,154

11. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	16,890,500
Bursary – tertiary institutions	15,483,500
Bursary – special schools	75,000
Climate change mitigation projects	950,669
Emergency projects Actual Expenditure	4,057,205
Huduma Centre	28,204,090
Total	65,660,964

12. Depreciation and Amortization Expenses

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Description	2024/2025
	Kshs
Property Plant and Equipment	15,000
Intangible Assets	-
Total	15,000

13. Cash and Cash Equivalents

Name Of Bank and Account No.	30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>The Co-operative Bank of Kenya, Kimilili Branch AC No. 01141470264700 (Operations account)</i>	29,183,212	51,771,716
<i>Kenya Commercial Bank Kimilili Branch, AC No. 1338981021 (Deposit account)</i>	132,296	-
<i>The Co-operative Bank of Kenya, Kimilili Branch & Kenya Commercial Bank Kimilili Branch, (PMC accounts)</i>	88,533,484	155,929
Total	117,848,992	51,927,645

14. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
		Kshs		Kshs
Transfers from NGCDFB		59,360,786		192,860,465
Total		59,360,786		192,860,465
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Statement 1st July 2024	% of the total
Less than 1 year	42,469,857	72%	97,254,503	50%
Between 1-2 years	2,500,000	4%	81,215,033	42%
Between 2-3 years	2,302,050	4%	2,302,050	1%
Over 3 years	12,088,879	20%	12,088,879	6%
Total	59,360,786	100%	192,860,465	100%

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15. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	100,000	-	1,172,897	1,272,897
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	100,000	-	1,172,897	1,272,897
Depreciation And Impairment								
Opening Depreciation		-			-			-
Depreciation	-	-	-	-	15,000	-	-	15,000
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	15,000	-	-	15,000
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	85,000	-	1,172,897	1,257,897

Note;

- i. Computer was depreciated for 6 months since it was delivered in January, 2025
- ii. The amount of Kshs.1,172,897 was for renovation of existing building and therefore could not be depreciated separately.

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

15 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

16. Third-Party deposits

	2024/2025	2023/2024
	KShs	Kshs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	15,561,132	-
Retention paid during the Year (C)	(2,060,000)	-
Closing Retention as at 30th June D= A+B-C	13,501,132	-

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	13,501,132	-	-	%
1-2 years	-	-	-	%
2-3 years	-	-	-	%
Over 3 years	-	-	-	%
Total	13,501,132	-	-	

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17. Gratuity Provision

Description	2024/2025	2023/2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	1,154,112	-
Gratuity held during the year	149,754	1,154,112
Gratuity paid during the year	(1,171,570)	-
Total Gratuity Provision 30th June (A+B-C)	132,296	1,154,112

18. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	(78,799,751)
Adjusted for:	
Depreciation	15,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	133,499,679
Changes in deferred income	-
Changes in Third party deposits	13,501,132
Changes in gratuity provision	(1,021,816)
Changes in payments received in advance	-
Net cash flow from operating activities	67,194,245

19. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity 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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity 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 Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/25)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	59,360,786	59,360,786	-	-
Bank balances	117,848,992	117,848,992	-	-
Total	177,209,778	177,209,778	-	-
As at 30 June (2023/24)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	192,860,465	192,860,465	-	-
Bank balances	51,927,645	51,927,645	-	-
Total	244,788,110	244,788,110	-	-

Financial Risk Management

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 Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from the board. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	13,501,132	13,501,132
Deferred income	-	-	0	0
Gratuity Provision	-	-	132,296	132,296
Total	-	-	13,633,428	13,633,428
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,154,112	1,154,112
Total	-	-	1,154,112	1,154,112

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity 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

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prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity'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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/25			
Euro	10%	-	-
USD	10%	-	-
2023/24			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses 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. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs0 (Current FY: Kshs0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs0 (Current FY – Kshs0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30thJune 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

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Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	163,576,350	243,633,998
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances	117,848,992	51,927,645
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing		

20. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,679,385	3,941,950
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	303,969,536	80,000,000
Total	306,648,921	83,941,950

21. Events after the Reporting Period

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

22. Ultimate And Holding Entity

The Kimilili Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	2,000,000	-	-	2,000,000
Buildings and structures	15,092,057	1,172,897	-	16,264,954
Transport equipment	7,835,145	-	-	7,835,145
Office equipment, furniture, and fittings	2,760,398	-	-	2,760,398
ICT Equipment and Other ICT Assets	110,000	100,000	-	210,000
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	27,797,600	1,272,897	-	29,070,497

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Annex 2 –PMC Bank Balances As At 30th June 2025

PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
ALLAN BRADLEY PRI.	CO-OP BANK KIMILILI	01141470733000	1,467	1,467
BITUYU FYM PRI.	CO-OP BANK KIMILILI	01141687446001	50,109	887
BITUYU FYM PRI.	CO-OP BANK KIMILILI	01106874460002	200,075	75
CHELEKEI PRI.	CO-OP BANK KIMILILI	01141644164000	5,078,652	875
CHESAMISI BOYS SEC	CO-OP BANK KIMILILI	01141096859500	17,325	17,325
CHESAMISI FYM PRI.	CO-OP BANK KIMILILI	01141687775100	1,039,804	1,331
DARAJA MUNGU AP CAMP	CO-OP BANK KIMILILI	01141687216700	1,044	1,044
DARAJA MUNGU SA PRI.	CO-OP BANK KIMILILI	01141687810500	125,231	1,248
KAMASIELO FYM PRI.	CO-OP BANK KIMILILI	01141687465801	667,034	2,426
KAMASIELO FYM PRI.	CO-OP BANK KIMILILI	01106874658001	4,231,988	-
KAMBINI CC PRI.	CO-OP BANK KIMILILI	01141470664000	405,256	13,563
KAMUKUYWA AC PRI.	CO-OP BANK KIMILILI	01100501137001	322,249	-
KAMUKUYWA AC PRI.	CO-OP BANK KIMILILI	01139050113700	668,973	475

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
KAMUKUYWA FYM PRI.	CO-OP BANK KIMILILI	01104700926002	200,000	-
KAMUSINDE FYM PRI.	CO-OP BANK KIMILILI	01100501721002	154,117	-
KAMUSINGA AC PRI.	CO-OP BANK KIMILILI	01106875049001	2,474,930	-
KHWIRORO AC PRI.	CO-OP BANK KIMILILI	01141470689400	1,291	1,291
KIBINGEI FYM PRI.	CO-OP BANK KIMILILI	01141470840500	723	723
KIBUNDE FYM PRI.	CO-OP BANK KIMILILI	01141470535300	334,131	2,643
KIKWECHI ASEM PRI.	CO-OP BANK KIMILILI	01141687371200	1,161	1,161
KIMILILI DEB PRI.	CO-OP BANK KIMILILI	01141470732600	250,215	633
KIMILILI DEB PRI.	CO-OP BANK KIMILILI	01104707326001	6,206	200
KIMILILI FRIENDS GIRLS SEC.	CO-OP BANK KIMILILI	01141049767600	39,189	39,189
KIMILILI FYM PRI.	CO-OP BANK KIMILILI	01104705072003	3,381,625	1,050
KIMILILI FYM PRI.	CO-OP BANK KIMILILI	01104705072002	200,025	1,050
KIMILILI HUDUMA CENTRE	CO-OP BANK KIMILILI	01101861278001	14,600,717	-
KIMILILI RC BOYS PRI.	CO-OP BANK KIMILILI	01101085685002	122,191	-

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
KIMILILI RC GIRLS PRI.	CO-OP BANK KIMILILI	01100501146001	2,791	(300)
KIMILILI RC GIRLS PRI.	CO-OP BANK KIMILILI	01100501148002	8,807,572	-
KIMILILI TOWNSHIP CHIEFS OFFICE	CO-OP BANK KIMILILI	01141470522900	706	706
KIMINGICH PRI.	CO-OP BANK KIMILILI	01101153636001	2,398,975	-
KITAYI RC PRI.	CO-OP BANK KIMILILI	01141050116500	2,216	2,216
LUBOKHA SA PRI.	CO-OP BANK KIMILILI	01101114855001	2,398,975	-
LUKHOME BAPTIST PRI.	CO-OP BANK KIMILILI	01101099443001	2,397,950	-
LURARE BAPTIST PRI.	CO-OP BANK KIMILILI	01141049488700	1,007	1,007
LUTONYI FYM PRI.	CO-OP BANK KIMILILI	01101103689001	119,286	-
LWANDA SA PRI.	CO-OP BANK KIMILILI	01141687850000	202,187	2,187
MAENI FYM PRI.	CO-OP BANK KIMILILI	01141469093400	1,473	1,473
MAKHONGE FYM PRI.	CO-OP BANK KIMILILI	01141470403300	400	400
MAKHONGE FYM PRI.	CO-OP BANK KIMILILI	01104704033001	200,000	-
MATILI FYM PRI.	CO-OP BANK KIMILILI	01141470878000	324,209	8,493

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
MATILI RC PRI.	CO-OP BANK KIMILILI	01100503378001	724,356	125
MATISI FYM PRI.	CO-OP BANK KIMILILI	01141687917800	1,747	1,747
MUSEMBE DEB PRI.	CO-OP BANK KIMILILI	01139469235200	886	886
MWANGALE DEB PRI.	CO-OP BANK KIMILILI	01101094506002	2,398,975	-
NAKALIRA RC PRI.	CO-OP BANK KIMILILI	01141644180501	32,966	26
NAMAKHELE ACK PRI.	CO-OP BANK KIMILILI	01141687356700	551	551
NAMASANDA PRI.	KCB KIMILILI	1245876231	425	1,012
NAMAWANGA DEB PRI.	CO-OP BANK KIMILILI	01141687295501	362,255	716
NAMBOANI FYM SEC.	CO-OP BANK KIMILILI	0114168772800	2,515	2,515
NAMBOANI RC PRI.	CO-OP BANK KIMILILI	01106879034001	115,266	-
NASIANDA SA PRI.	CO-OP BANK KIMILILI	01106874456001	44,513	-
NASIANDA SA PRI.	CO-OP BANK KIMILILI	01106874456002	2,683,733	1,100
NASIOYA SA PRI.	CO-OP BANK KIMILILI	01100497364001	113,462	-
NGOLI PRI.	CO-OP BANK KIMILILI	01141470098500	7,394	7,394

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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
SANGO BAPTIST PRI.	CO-OP BANK KIMILILI	01141470101700	2,950,975	136
SIKHENDU PRI.	CO-OP BANK KIMILILI	01141469183000	132,318	10,118
SIUNA SA PRI.	CO-OP BANK KIMILILI	01141470947900	219,800	19,800
SOSIO RC PRI.	CO-OP BANK KIMILILI	01100501704001	194,050	(300)
ST. ELIZABETH SIBAKALA PRI.	CO-OP BANK KIMILILI	01141688026100	332	332
ST. ELIZABETH SIBAKALA PRI.	CO-OP BANK KIMILILI	01101101579001	2,398,975	-
ST. JOHNS BUKO SEC.	CO-OP BANK KIMILILI	01141469793100	193	193
ST. JOSEPH KAMUSINDE RC PRI.	CO-OP BANK KIMILILI	01141469785400	902	375
ST. JOSEPH KAMUSINDE RC PRI.	CO-OP BANK KIMILILI	01141469785401	200,000	-
ST. LUKES BOYS KIMILILI	CO-OP BANK KIMILILI	01141469503300	2,988	2,988
ST. MICHAELS MUSEMBE PRI.	CO-OP BANK KIMILILI	01106443952001	3,557	-
SULEIMAN MURUNGA MCCK PRI.	CO-OP BANK KIMILILI	01104700897001	2,119,709	-
SULEIMAN MURUNGA MUTEKESI PRI.	CO-OP BANK KIMILILI	01141470089700	1,383	1,383
SULWE JI PRI.	CO-OP BANK KIMILILI	01101125589001	119,286	-


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PMC	Bank	Account number	Bank Balance Current 2024-25	Bank Balance Comparative 2023-24
CHESAMISI FYM PRI.	CO-OP BANK KIMILILI	01101125589321	5,726,100	-
KAMUKUYWA FYM PRI.	CO-OP BANK KIMILILI	01101125589322	5,000,800	-
KIMILILI DEB PRI.	CO-OP BANK KIMILILI	01101125589323	5,452,800	-
MAENI FYM PRI.	CO-OP BANK KIMILILI	01101125589324	200,000	-
NAMAWANGA DEB PRI.	CO-OP BANK KIMILILI	01101125589325	5,286,800	-
SANGO BAPTIST PRI.	CO-OP BANK KIMILILI	01101125589326	200,000	-
SIKHENDU PRI.	CO-OP BANK KIMILILI	01101125589327	200,000	-
ST. JOHNS MIRURI PRI.	CO-OP BANK KIMILILI	01101125589328	200,000	-
TOTAL			88,533,484	155,929

REPUBLIC OF KENYA



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CLERK-AT THE-TABLE:	<i>Loronele</i>

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
MAGARINI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2025**