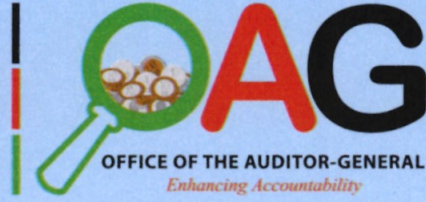


REPUBLIC OF KENYA



REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2026

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OF

TABLED
BY:

Opp. Leader of the
Majority Party
HON. OWEN BATHA MP

CLERK-AT
THE-TABLE:

MERCY CHUMO

THE AUDITOR-GENERAL

ON

STORES AND SERVICES FUND

FOR THE YEAR ENDED 30 JUNE, 2025

STATE DEPARTMENT FOR PUBLIC WORKS



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

11 DEC 2025

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**MINISTRY OF LANDS, PUBLIC WORKS, HOUSING & URBAN
DEVELOPMENT**

STATE DEPARTMENT FOR PUBLIC WORKS

STORES AND SERVICES FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2025**

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

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1. KEY STORES AND SERVICES FUND INFORMATION AND MANAGEMENT**(a) Background Information**

The stores and services fund established in 1960 vide Treasury circular No. 12/57/02 with an initial capital of Kshs.15million was set up for the running of Supplies Branch operations. By then the organization focused its activities on purchase of bulk fuel and stores items for resale to public bodies achieving bulk discounts and savings in a monopoly model that reserved entire classes of common user items for procurement by Supplies Branch alone. Non-store items such as motor vehicles and equipment were advertised and circularized also as reserved categories exclusively by Supplies Branch.

The administration of 11 countywide depots and running of fuel pumps in most of the District Headquarters of Kenya created a complex organization of activities with a large staff complement, vehicle establishment, including delivery trucks and a vibrant fund that extracted a 0.00375% commission to cover operating costs. Additionally, Treasury circular CFN.12/18/01 of 1961 accorded the Supplies Branch the role of investigating prices, the quality and the source of items. Functionally, in addition to obtaining bulk discount from economies of scale, the Supplies Branch established standards for all common user items in liaison with concerned agencies and departments of Government to ensure obtaining of standardized items at best price.

In 1984, the emergence of the Districts Focus for Rural Development and the World Bank sponsored economic liberalization policies of 1990 significantly affected the monopoly of Stores and Service Fund resulting in loss of standardization and leading to varied pricing of goods and services in Government, increased costs and duplicitous processes for procuring similar goods and services. For Stores and Services Fund, this led to dead stock, obsolescence, redundancy and running down of the fund due to inactivity.

In addition, the PPDA of 2005 and regulations (2006) left a legal lacuna in the operations of Stores and Services Fund which as the Treasury Circular Regime was overtaken by

legislation gave no obligation to its operations. The fund has therefore been marginally operational and records unclear during a brief hiatus that saw it transferred to Office of the President and also Treasury in the 1980's and 90's before being returned to Works.

The strategic importance of the function was nonetheless recognized by Government resulting in Task-forces in 2004, 2011/12, 2016 and lately one in 2019. Cabinet directives have been issued in 2019 to review the business model and modalities to activate the organization.

The direction for the fund implies the dropping of the stores and warehousing model in favour of a virtual system which is ICT driven and conversion of the warehouse into leaseholds to public entities and rendering of the fund into an operating budgetary system that runs programmed activities as opposed to the current parallel systems where the organization is funded by State Department budget while the fund remains inactive.

(b) PRINCIPAL ACTIVITIES

The principal activity/mission/ mandate of the Stores and Services Fund is to ensure that the Government realizes savings in the procurement of common-user items/services both effectively and efficiently through annual and two yearly contracts obtained through open tenders and provision of other supply chain management solutions for government.

VISION

To be a leading institution in provision of Supply Chain solutions in the region and beyond.

MISSION

To offer affordable, reliable and quality goods, works and services in a responsive model/system powered by best practices that realizes value for money for the public.

THE MANDATE

1. To obtain Framework agreements for Common User Items (CUIs) for use by Procuring Entities in the public sector.

2. To prepare and manage Framework Contracts & Agreements (FWC&A) for Common User Items (CUIs), whereby suppliers commit to provide indefinite amounts but actual contracts will only exist after “call-offs” by the procuring entities;
3. To provide procurement agency services to public entities within National Government;
4. Identification and classification of Common User Items (CUIs), in consultation with the National Treasury [NT]; and PPRA
5. Establishment of a coding system for the common user items used by Public Entities for the public sector
6. Ensure that the agreements and contracts provide adequate quality supplies and services at competitive prices;
7. Maintain and publish register and database of suppliers of common user items (CUIs);
8. Manage an electronic infrastructure of common user items and build the capacity of suppliers/user
9. Procurement and disposal services on behalf of MDAs;
10. To advise on consortium buying for public sector.
11. Source and manage the supply of Petroleum, Oils and Lubricants (P.O.L.) for Government
12. Administer Inventory management and stock control systems (for limited stock)
13. Develop, promote and support the training of staff of the Organization;
14. Undertake capacity building of the Supplier base in liaison with other stakeholders;
15. Manage warehousing and storage facilities, including leasing the facilities on behalf of Government
16. Prudent management of resources at the disposal of the Organization; and
17. Any other functions as may be advised through a gazette notice by the Cabinet Secretary.

b. Key Management

The *stores and services Fund's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Principal Secretary	Joel P. L. Arumonyang
2.	Head, Supplies Branch	Michael Lesimam

- | | | |
|----|-----------------------------|-----------------------------|
| 3. | Senior Deputy Director SCMS | Kenneth Mwangi |
| 4. | Head of Accounting Unit | Samson Benson Mutere Ongalo |

c. 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.	Principal Secretary	Joel P. L. Arumonyang
2.	Head, Supplies Branch	Michael Lesimam
3.	Senior Deputy Director SCMS	Kenneth Mwangi
4.	Head of Accounting Unit	Samson Benson Mutere Ongalo

**KEY STORES AND SERVICES FUND INFORMATION AND MANAGEMENT
(Continued)**

d. Stores and Services Fund Headquarters

P.O Box 30743 - 00100
Supplies Branch - Likoni
Industrial Area
Nairobi, Kenya

e. Stores and Services Fund Contacts

Telephone: 020-2140020 / 020-2150020
E-mail: info@suppliesbranch.go.ke
Website: [www. Suppliesbranch.go.ke](http://www.Suppliesbranch.go.ke)

f. Stores and Services Fund Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000

City Square 00200
Nairobi, Kenya



g. Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya




h. Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS

 <p>Joel P. L. Arumonyang</p>	<p>Director 1: Principal Secretary As the Principal Secretary for the State Department of Public Works, I am tasked with providing strategic policy direction and oversight for the development, rehabilitation, and maintenance of government buildings and public infrastructure. My role encompasses the coordination of construction projects, standardization of building codes, and the regulation of contractors, engineers, architects, and quantity surveyors to ensure compliance with national standards.</p>
 <p>Michael Lesimam</p>	<p>Director 2: Head, Supplies Branch As Secretary Administration for Supplies Branch under State Department for Public Works I am responsible for administrative functions and logistical support to ensure smooth operations. I prioritize transparency, accountability and effective resource management.</p>

3. MANAGEMENT TEAM

<p>1. Head, Supplies Branch</p>  <p>Michael Lesimam</p>	<p>As Secretary Administration for Supplies Branch under State Department for Public Works I am responsible for administrative functions and logistical support to ensure smooth operations. I prioritize transparency, accountability and effective resource management</p>
<p>2. Assistant Director Supplies Chain Management</p>  <p>Evans O. Achimba</p>	<p>Born in 1966, holds a BA (Economics) from University of Nairobi and is pursuing Masters of Procurement and Logistics at JKUAT. Has served for 18 years in procurement within office of the President, State Department of Infrastructure and Kenya Prisons. He has undertaken extensive trainings within the Treasury Supply Management system, Quality Management systems by SGS, E-Procurement by Crown Agent, Senior Management Financial Management and various workshops also as a facilitator.</p>
<p>3. Head of Accounting Unit</p>  <p>CPA Samson B. M. Ongalo Senior Deputy Accountant General</p>	<p>Financial Accounting Mr. Samson B. M. Ongalo joined the State Department for Public Works in March, 2023 as the Head of the Accounting Unit. He holds a Masters Degree in Business Administration (Finance) from the University of Nairobi, a Bachelor of Commerce degree (Accounting) from Catholic University of East Africa; as well as being a Certified Public Accountant of Kenya (CPA (K)). He has over 20 years' working experience in government as an Accountant.</p>

4. CHAIRMAN'S REPORT

The year ending 30th June 2025 has marked the continuation of changes anticipated in the Cabinet directive of 2019 to revamp the Stores and Services Fund and also the 2019 regulations to the PP & DA (2015) for Treasury to give direction on the institutional arrangement for procurement of common user items under section 7(3) PPADA. Notably the Stores and Services Fund operated historically on a string of Treasury Circulars and the Financial Regulations which were not totally eclipsed by the PPDA (2005) and PP & DA (2015) but required strengthening to give meaning to the revamping of the organization as a compelling means for obtaining framework contracts for goods and services that are common to Government at competitive prices and optimum quality in an efficient model.

It is therefore with this goal that the Cabinet gave direction for National Treasury and the State Department of Public Works to staff the organization at high level and commence a comprehensive reform program based on earlier task force recommendations. This is still in process despite delays occasioned by Covid-19 restrictions during the period. Previous low staffing levels had led to low levels of performance, slow processing and review of tenders and failure to sustain a niche in the arena of competitive and efficient administration of common user item procurement.

With the posting of a Secretary Administration (CSG4) to head the Stores and Services Fund and a Senior Deputy Director Supplies Chain Management (CSG5) during the year 2019 and accompanying Senior and mid-level officers the organization of Stores and Service Fund has taken off, and further staffing is anticipated.

One of the key achievements of this team has been the launching of a website containing vital information including current contracts, supplies and prevailing prices of the same.

This opening up has resulted in reduction of paperwork and increased transparency as manual documents have been known to be altered and abused. The savings occurring from this cannot be gainsaid.

Some previously uncompleted tenders have been successfully finished in record time and improvements noted in the Infrastructure and general organization of the Supplies Branch

Internet connectivity which was a challenge has been accomplished by concerted effort through laying of fiber internet connection to the facility and networking in general during this period.

Funding and equipping for the organization still stands at a low level with need to invest in basic infrastructure, technology, transport and equipment. This is however administered through the State Department budget as the fund has technically speaking, been nonfunctional.

With further anticipated growth in the staffing level the investment in the organization must grow and policies be put in place to give primacy to the Stores and Services Fund as the prime mover of the activities of Supplies Branch.


Joel P. J. Arumonyang
Chairman

Stores and Services Fund

Annual Reports and Financial Statements for the year ended June 30, 2025

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The year ending 30th June, 2025 for the purposes of the stores fund has not been strictly reportable, however not to say that business is low, but the business model has changed drastically with the organization seeking to redefine the use of the fund.

In the current regime contracted items fell into two categories, store items and non-store items with the former attracting a 0.0375% commission while buying, warehousing and resupplying. The latter are bought straight by MDAs from suppliers. With the moving away from warehousing and stocking to virtual posting of contracts there is no interphase for fund transactions. This can be remedied once we embark on a model and ICT platform that could enable electronic extraction of commission. These are however subject to findings of the current taskforce on reform and adoption by statute.

The initial staffing establishment of 145 staff which has never been achieved was not only untenable under the downturn of the organization, but no longer feasible for an organization shifting from warehousing to virtual inventory management.

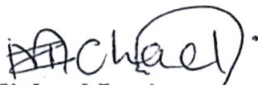
The current staff of twenty (20.) needs to grow to at least 100 staff over a three-year period to operate all the branches and engage in the total scope of activities including pre-advertising and post award which entail continuous processes.

The dichotomous nature of the financial operations of Stores and Services Fund do not do full justice to the financial statement due to the dependence of the organization on one hand to finite resources in the current/development votes of the State Department for which there is great competition internally and the running of a separate account, The Stores Fund, which gives a very limited side of the story and whose statement will by its very nature conceal many variables contained in the Voted Account of the State Department.

This anomaly needs to be addressed to enable the Stores and Services Fund operate optimally with control over its resource and exercise budget propriety which this statement requires. The

anticipated staffing therefore to support this model will include dedicated accounting, finance, ICT, Human Resources and Administration to give the independence and accountability demanded by this Financial Statement. The task force report of 2016 and submission to cabinet anticipate an investment of Kshs. 1.4 Billion over three years' period which includes the revamping of physical infrastructure, placement of an appropriate ICT platform, staffing, ISO certification training and equipping among other costs. The anticipated EG pay system proposed for procurement by Treasury may cushion this budget. The current arrangement however needs to be addressed so that the budget domiciled in the State department for Supplies Branch shifts to the fund and give justification to Audit in the logic of IPSAS.

This prayer is currently challenged by the prevailing economic downturn as well as ministerial envelope limitation which management is alive to.



Michael Lesimam
Chief Executive Officer

6. CORPORATE GOVERNANCE STATEMENT

The Stores and Services Fund currently operates as a Department within the State Department of Public Works within the Ministry of Lands, Housing, Urban Development and Public Works and is domiciled within the Supplies Branch.

Staff and personnel are subject to all prevailing guidelines in the Human Resource manual for Public Service, The PFM Act (2017) PP & DA (2015) and Regulations (2019) and are bound to perform within guidelines set out in annual performance contracts entered with the principals of the Ministry and the Head of State.

The Stores and Service Fund is committed to the highest levels of transparency, value for money and inclusivity embracing Government directives of 30% minimum business to women and youth, and priority of business for buy Kenya, Build Kenya.

7. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY REPORTING

The organization has continuously hosted attachés, Interns and casuals in performing its mandate functions, but also for maintenance of forested areas and greenery ensured inclusion of youth and women in the tasks and performance also of contracted services.



Michael Lesimam
Chief Executive Officer

8. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the stores and services Fund's affairs.

Principal activities

The principal activities of the Stores and Services Fund are to ensure that the Government realizes savings in the procurement of common-user items/ services both effectively and efficiently through use of framework contracts obtained on basis of economies of scale.

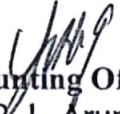
Results

The results of the stores and services Fund for the year ended June 30, 2025 are set out on page 1

Auditors

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

By Order of the Board


Accounting Officer
Joel P. L. Arumonyang

Stores and Services Fund

Annual Reports and Financial Statements for the year ended June 30, 2025

9. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 84 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, require the Administrator to prepare financial statements in respect of that stores and services Fund, which give a true and fair view of the state of affairs of the stores and services Fund at the end of the financial year and the operating results of the stores and services Fund for that year. Management is also required to ensure that the Stores and Services Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the stores and services Fund. The Fund's Management is also responsible for safeguarding the assets of the stores and services Fund.

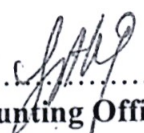
Management is responsible for the preparation and presentation of the Stores and Services Fund's financial statements, which give a true and fair view of the state of affairs of the stores and services Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Stores and Services Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the stores and services Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

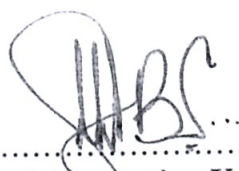
The Management accept responsibility for the Stores and Services Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that the stores and services Fund's financial statements give a true and fair view of the state of stores and services Fund's transactions during the financial year ended June 30, 2025, and of the stores and services Fund's financial position as at that date. The Management further confirm the completeness of the accounting records maintained for the stores and services Fund, which have been relied upon in the preparation of the stores and services Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of Management to indicate that the Stores and Services 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 Stores and Services Fund's financial statements were approved by the Board on 8th Dec 2025 and signed on its behalf by:


.....
Accounting Officer
Joel P. L. Arumonyang


.....
Head of Accounting Unit
Samson Benson Mutere Ongalo
ICPAK Member Number: 3128

REPUBLIC OF KENYA

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HEADQUARTERS
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STORES AND SERVICES FUND FOR THE YEAR ENDED 30 JUNE 2025 – STATE DEPARTMENT FOR PUBLIC WORKS

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 Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. 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.

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Stores and Services Fund set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025, and the statement of performance, statement of changes in 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.

Report of the Auditor-General on Stores and Services Fund for the year ended 30 June, 2025 – State Department for Public Works

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Non-compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statements revealed disclosure omissions and errors while the financial statements were not strictly prepared in accordance with the approved Public Sector Accounting Standards Board (PSASB) Reporting Template. It was noted that page headers were not reflected in all pages, the date of approval of the financial statements was not indicated and the Fund's Accounting Officer and Head of Supplies passport photo were not attached; and the report not signed by the Chief Executive Officer.

In the circumstances, Management was in breach of the PSASB reporting template.

2. Unsupported Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,232,261 as disclosed in Note 7 to the financial statements. The balance has been outstanding for long (over three years) casting doubt on its recoverability yet no provision for bad and doubtful debts has been made in financial statements. Further, debtors supporting schedules were not provided for audit review.

In the circumstances, the accuracy and recoverability of the receivables balance could not be confirmed.

3. Unsupported Inventories

The statement of financial position and as disclosed in Note 8 to the financial statements reflects inventories balance of Kshs.197,048,168. However, supporting stock sheets and ledgers were not provided for audit review. Further, the stocks balance has remained the same for many years implying that the stocks may have become obsolete resulting to loss of public funds.

In the circumstances, the accuracy and existence of the inventory balance could not be confirmed.

4. Unsupported Trade and Other Payables

The statement of financial position reflects an amount of Kshs.76,808,202 in respect of trade and other payables from exchange transactions as disclosed in Note 9 to the financial statements. Included in the amount is Kshs.19,641,489 relating to a suspense account balance that was not supported by analysis/or documents indicating the source of the suspense.

Further, trade and other payables from exchange transactions balance of Kshs.76,808,202 includes payments received in advance amounting to Kshs.57,166,713 which was not supported by way of bank statements and/or a schedule indicating dates when the deposits were made.

In the circumstances, the accuracy, existence and completeness of trade and other payables balance could not be confirmed.

5. Long Term Portion of Borrowing/Unsupported Bank Overdraft

The statement of financial position reflects borrowings/bank overdraft from CBK amounting to Kshs.283,595,154 as disclosed in Note 10 to the financial statements. However, no supporting documents or explanation was given regarding the nature, purpose, and approval of the overdraft. Further, the overdraft has been outstanding for a long time and may have attracted interest and penalties resulting to loss of public funds. Management is in contravention of Regulation 83(3) of public Finance Management (National Government) Regulations, 2015 which provides that the National Government overdraft at the Central Bank of Kenya shall be retired by the end of the financial year.

In the circumstances, the accuracy and regularity of the bank overdraft balance could not be confirmed.

6. Sustainability of Services for the Stores Fund

The statement of financial performance reflects sale of goods balance of Kshs.35,899. This is an indication of a very low activity level. Further, the statement of financial position reflects total assets of Kshs.199,335,815 against liabilities balance of Kshs.360,403,356 resulting to a negative working capital of Kshs.161,103,440. Non-current liabilities also include a long outstanding bank overdraft of Kshs.283,595,154 which has not been analyzed and settled to improve the liquidity of the Fund. Further, there was no budgetary allocation for the Fund as evidenced by nil balances in the statement of comparison of budget and actual amounts. Management should assess the viability of the Fund with a view to winding up process.

Although the Statement of Directors' Responsibilities in page xvii of the financial statement shows the Fund as a going concern, the future operations of the Fund depends on the recommendations of the Supplies Branch Transition Committee as all other parameters indicate that the Fund cannot sustain its activities.

In the circumstances, the continued existence of the fund is dependent on government financial assistance.

7. Unresolved Prior Year Issues

In the audit report of previous year, several issues were raised under Emphasis of Matter and in the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. The issues remained unresolved contrary to the provisions of Section 149(2)(l) of the Public Finance Management Act, 2012 which require

the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

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

Auditor-General's Responsibilities for the Audit

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

10 December, 2025


Stores and Services Fund

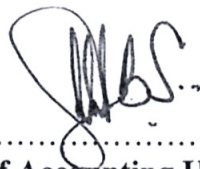
Annual Reports and Financial Statements for the year ended June 30, 2025

11. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	FY2024/25 KShs	FY2023/24 KShs
Revenue from non-exchange transactions			
Revenue from exchange transactions			
Sale of Goods	4	35,899	43,742
Total revenue		35,899	43,742
Expenses			
Use of goods and services	7	-	-
Total expenses		-	-
Surplus/(deficit) for the year		35,899	43,742

The notes set out on pages 5 to 41 form an integral part of these Financial Statements


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Accounting Officer
Joel P. L. Arumonyang


.....
Head of Accounting Unit
Samson Benson Mutere Ongalo
ICPAK Member Number: 3128

Stores and Services Fund

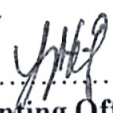
Annual Reports and Financial Statements for the year ended June 30, 2025

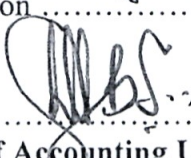
12.STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	FY2024/25	FY2023/24
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	6	1,055,386	1,019,487
Receivables from Exchange Transactions	7	1,232,261	1,232,261
Inventories	8	197,048,168	197,048,168
Total assets		199,335,815	199,299,916
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	9	76,808,202	76,808,202
Non-current liabilities			
Long term portion of borrowings	10	283,595,154	283,595,154
Total liabilities		360,403,356	360,403,356
Net assets			
Revolving Fund		120,975,370	120,975,370
Accumulated surplus		(282,042,911)	(282,078,810)
Total net assets and liabilities		199,335,815	199,299,916

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on ^{8th Dec}.....2025 and signed

by

.....

Accounting Officer
 Joel P. L. Arumonyang

.....

Head of Accounting Unit
Samson Benson Mutere Ongalo
ICPAK Member Number: 3128

13. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital fund	Accumulated surplus	Total
		KShs	KShs
Balance as at 1 July 2024	120,975,370	(282,122,553)	(161,147,183)
Surplus for the period	-	43,742	43,742
Revaluation gain			
Balance as at 30 June 2024	120,975,370	(282,078,811)	(161,103,441)
Balance as at 1 July 2024	120,975,370	(282,078,810)	(161,103,441)
Surplus for the period	-	35,899	35,899
Balance as at 30 June 2025	120,975,370	(282,078,810)	(161,103,441)

Note:

- For items that are not common in the financial statements, the stores and services Fund should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*

Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances need to be done.

14. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	FY2024/25 KShs	FY2023/24 KShs
Cash flows from operating activities			
Receipts			
Receipts from other operating activities	6	35,899	43,742
Total Receipts		35,899	43,742
Payments			
General expenses	7	-	-
Total Payments		-	-
Net cash flow from operating activities		35,899	43,742
Cash flows from financing activities			
Payment on deposits		-	-
Net Cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		35,899	43,742
Cash and cash equivalent at 1 JULY	8	1,019,487	975,745
Cash and cash equivalents at 30 JUNE	8	1,055,386	1,019,487

(IPSAS 2 allows the stores and services Fund to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation

Sales amount in the cash flow relates to the amounts on commissions received during the financial year.

The amounts of the sale amounts are derived from the advance payment account from MDAS and relates to the financial year in review.

15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

16. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Stores and Services Fund is established by and derives its authority and accountability from PFM Act. The stores and services Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The stores and services Fund's principal activity is to ensure that the Government realizes savings in the procurement of common-user items/services both effectively and efficiently through bulk Purchasing, hence realizing the economies of scale.

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 judgement in the process of applying the stores and services Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations 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. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an stores and services Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between the stores and services Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representative and comparability of the information that a reporting stores and services Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the stores and services Fund; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the stores and services Fund's financial performance, financial position and cash flows.

Stores and Services Fund
Annual Reports and Financial Statements for the year ended June 30, 2025

Standard	Effective date and impact:
	The fund does not operate a social security benefit scheme hence not affected by the revisions in this standard

(iii) Early adoption of standards

The Stores and Services Fund did not early – adopt any new or amended standards in year 2023.

a) Revenue recognition

i. Revenue from non-exchange transactions

Fees, taxes and fines

The stores and services Fund recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the stores and services Fund and the fair value of the asset can be measured reliably.

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 stores and services Fund and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from exchange transactions

Rendering of Services

The stores and services Fund recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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 Stores and Services Fund.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the stores and services Fund's right to receive payments is established.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget Information

The original budget for FY 2024-2025 was approved by the National Assembly on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the stores and services Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the stores and services Fund did not record additional appropriations 2024-2025 budget following the governing body's approval.

The stores and services Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Stores and services Fund operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Taxes (Continued)

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Stores and Services Fund

Annual Reports and Financial Statements for the year ended June 30, 2025

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable stores and services Fund and the same taxation authority. The stores fund is a non-profit making organization and as such has not incurred any tax liability in the period.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and Payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or Payables in the statement of financial position.

The stores and services fund did not apply any taxes nor was it liable for the payment of any taxes as a result of its operations in the year under review

d) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. The fund did not have investments in property as at the time of preparing this report

e) 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 stores and services Fund 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Stores and services Fund. 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 Stores and services Fund 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.

Stores and Services Fund

Annual Reports and Financial Statements for the year ended June 30, 2025

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 Stores and services Fund 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 Stores and services Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. The fund did not enter into lease arrangements in the period under review.

g) 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.

h) Research and Development Costs

The Stores and services Fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Stores and services Fund can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
 - Its intention to complete and its ability to use or sell the asset
 - How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Research and Development Costs (Continued)

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit. The fund did not undertake any research in the financial year

i) Financial Instruments

1. Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of Financial Assets

The Stores and Services Fund assesses at each reporting date whether there is objective evidence that a financial asset or an stores and services Fund of financial assets is impaired. A financial asset or a stores and services Fund of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the stores and services Fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in

surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) 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:

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Stores and services Fund.

k) Provisions

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

Stores and Services Fund

Annual Reports and Financial Statements for the year ended June 30, 2025

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 Stores and services Fund 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.

l) Contingent liabilities

The Stores and services Fund 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.

m) Contingent assets

The Stores and services Fund 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 Stores and services Fund 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Nature and purpose of reserves

The Stores and services Fund creates and maintains reserves in terms of specific requirements.
Stores and services Fund to state the reserves maintained and appropriate policies adopted.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Stores and services Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an stores and services Fund pays fixed contributions into a separate stores and services Fund (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.

q) 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.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Related parties

The Stores and Services Fund regards a related party as a person or an stores and services Fund with the ability to exert control individually or jointly, or to exercise significant influence over the Stores and services Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Service concession arrangements

The Stores and services Fund analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Stores and services Fund recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Stores and services Fund also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

v) Comparative figures

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

w) Events after the reporting period

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.

3 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Stores and services Fund 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 Stores and services Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

b) Useful lives and residual values

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SALE OF GOODS

Description	2024-2025	2023-2024
	KShs	KShs
Sale of goods		
Sales of Stores	35,899	43,742
Total revenue from the sale of goods	35,899	43,742

Revenue is recognized when common user items are received by Stores and Services Fund on behalf of MDA's and goods are inspected and accepted by inspection and acceptance committee in the presence of MDA respective and significant risk transferred to the buyer. Supplies Branch charges a commission of 0.0375 on the value of invoice for all common user items and 50 cents for fuel sold to MDA's.

5 GENERAL EXPENSES

Description	2024-2025	2023-2024
	KShs	KShs
Consumables	-	-
Total general expenses	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 CASH AND CASH EQUIVALENTS

Description	2024-2025	2023-2024
	KShs	KShs
Current account	1,055,386	1,019,487
Total cash and cash equivalents	1,055,386	1,019,487

8 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account name	2024-2025	2023-2024
		KShs	KShs
a) Current account			
Central Bank of Kenya		1,055,386	1,019,487
Sub- total		1,055,386	1,019,487

7 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2024-2025	2023-2024
	KShs	KShs
Current receivables		
Stores and Fuel	1,232,261	1,232,261
Other exchange debtors	-	-
Total current receivables	1,232,261	1,232,261
Non-current receivables		
Long term debtors	-	-
	-	-
Total non-current receivables	-	-
Total receivables	1,232,261	1,232,261

Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Between 1-2 years	-	%	-	%
Over 3 years	1,232,261	100%	1,232,261	100%
Total	1,232,261	100%	1,232,261	100%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	1,232,261	1,232,261
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	1,232,261	1,232,261

8 INVENTORIES

Description	2024-2025	2023-2024
	KShs	KShs
Other goods held for resale	197,048,168	197,048,168
Total inventories at the lower of cost and net realizable value	197,048,168	197,048,168

9 TRADE AND OTHER PAYABLES

Description	2024-2025	2023-2024
	KShs	KShs
Suspense	19,641,489	19,641,489
Payments received in advance	57,166,713	57,166,713
Total trade and other payables	76,808,202	76,808,202

Ageing analysis: (Trade and other payables)	Current FY		Comparative FY	
		% of the Total		% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	76,808,202	100%	76,808,202	100%
Total (tie to above total)	76,808,202		76,808,202	

10 BORROWINGS

Description	2024-2025	2023-2024
	KShs	KShs
CBK Overdraft at beginning of the period	283,595,154	283,595,154
Domestic borrowings during the year	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	283,595,154	283,595,154

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The analyses of the overdraft are as follows:

Description	2024-2025	2023-2024
	KShs	KShs
External Borrowings		
Domestic Borrowings		
Kenya Shilling loan from Central Bank of Kenya	283,595,154	283,595,154
Total balance at end of the year	283,595,154	283,595,154

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Description	2025	2024
	KSh	KSh
Short term borrowings(current portion)	-	-
Long term borrowings	283,595,154	283,595,154
Total	283,595,154	283,595,154

11 FINANCIAL RISK MANAGEMENT

The Stores and Services Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The stores and services Fund'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 stores and services Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	1,232,261	1,232,261	1,232,261	-
Total	1,232,261	1,232,261	1,232,261	-
At 30 June 2025				
Receivables from exchange transactions	1,232,261	1,232,261	1,232,261	-
Bank balances	1,055,386.	1,055,386	-	-
Total	2,287,647	2,287,647	1,232,261	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the stores and services Fund's statement of financial position)

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 stores and services Fund has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The stores and services Fund has significant concentration of credit risk on amounts due from Customers

The board of directors sets the stores and services Fund'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 stores and services Fund's directors, who have built an appropriate liquidity risk management framework for the management of the stores and services Fund's short, medium and long-term funding and liquidity management requirements. The stores and services Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the stores and services Fund 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Liquidity Risk Management

	Less than 1 month	Between 1-5 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables(Payment received in Advance)	-	-	57,166,713	57,166,713
Total	-	-	-	-
At 30 June 2025				
Trade payables (Payment received in Advance)	-	-	57,166,713	57,166,713
Total	-	-	57,166,713	57,166,713

(iii) Market Risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the stores and services Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The stores and services Fund'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 stores and services Fund's exposure to market risks or the manner in which it manages and measures the risk.

(a) Foreign Currency Risk

The stores and services Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices

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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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Market Risk Continued

The carrying amount of the stores and services Fund's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial assets	199,299,916	-	199,299,916
Receivable from Exchange Transactions	1,232,261	-	1,232,261
Cash	1,019,487	-	1,019,487
Inventories	197,048,168	-	197,048,168
Total financial assets			

The stores and services Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial assets	2,287,647	-	2,287,647
Cash	1,055,386	-	1,055,386
Debtors	1,232,261	-	1,232,261
Total financial assets	2,287,647	-	2,287,647
Financial Liabilities			
Trade and other payables	360,403,356	-	360,403,356
Reserves	(282,042,911)	-	(282,042,911)
Total financial liabilities	78,360,445	-	78,360,445
Net f asset/(liability)	(76,072,798)	-	(76,072,798)

Foreign Currency Sensitivity Analysis

The following table demonstrates the effect on the stores and services Fund'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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Foreign currency sensitivity analysis (Continued)

	Change in currency	Effect on profit	Effect on equity
2023			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

a) Interest rate risk

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

Management of interest rate risk

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

b) Sensitivity analysis

The stores and services Fund 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.

The stores & services fund does not have deposits and investments that are subject to interest rate risk the overdraft facility extended has not been subjected to interest on the outstanding amount

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 *stores and services Fund'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).
- 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 stores and services Fund 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:

There were no transfers between levels 1, 2 and 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2024	2023-2024
	KShs	
Revaluation reserve		-
Retained earnings	(282,122,553)	(282,122,553)
Capital reserve	120,975,370	120,975,370
Total funds	(161,147,183)	(161,147,183)
Total borrowings	283,595,154	283,595,154
Less: cash and bank balances	(975,745)	(975,745)
Net debt/(excess cash and cash equivalents)	282,619,409	282,619,409
Gearing	57%	57%

14. RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the stores and services Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the stores and services Fund, holding 100% of the stores and services Fund's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the stores and services Fund, both domestic and external. Other related parties include:

- i) The National Government;
- ii) Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works

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Government of Kenya (Continued)

- iii) Key management;
- iv) Board of directors;

Transactions with related parties	2024-2025	2023-2025
	Kshs	Kshs
a) Sales to related parties		
Sales of goods to MDAs	-	-
Sales of services	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the CEO	-	-
Compensation to key management	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. SEGMENT INFORMATION

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an stores and services Fund to present segmental information of each geographic region or department to enable users understand the stores and services Fund's performance and allocation of resources to different segments)

16. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent li	2024-2025	2023-2024
	Kshs	Kshs
Court case against the stores and services Fund	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

17. CAPITAL COMMITMENTS

Capital commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

18. EVENTS AFTER THE REPORTING PERIOD

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

19. ULTIMATE AND HOLDING STORES AND SERVICES FUND

The stores and services Fund is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of lands housing and urban development. Its ultimate parent is the Government of Kenya.

20. Currency


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


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17. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame (Put date when you expect the issue to be resolved)
1	Inventories	Differences in closing balances	Accounting Officer – Joel P. L. Arumonyang CBS	Not Resolved	-
2	Bulk purchase stores	Differences in bulk purchase	Accounting Officer- Joel P. L. Arumonyang, CBS	Resolved	-
3	Bulk purchase stores and Fuel	Accuracy of bulk purchase to be confirmed	Accounting Officer – Joel P. L. Arumonyang,, CBS	Resolved	-
4	Trade and Other Payables	Unpaid purchases were excluded from trade	Accounting Officer – Joel P. L. Arumonyang,, CBS	Resolved	-
10	Sale of Goods	Stock not presented for audit review	Accounting Officer- Joel P. L. Arumonyang, CBS	Resolved	-

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Accounting Officer
 Joel P. L. Arumonyang

.....

Head of Accounting Unit
 Samson Benson Mutere Ongalo
 ICPAK Member Number: 3128

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APPENDIX II: PROJECTS IMPLEMENTED BY THE STORES AND SERVICES FUND

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor contribution	Separate reporting required as per donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

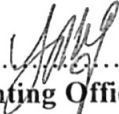
Status of Projects completion

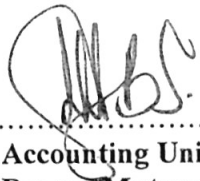
No Project being implemented.

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APPENDIX III: INTER-STORES AND SERVICES FUND TRANSFERS

The above amounts have been communicated to and reconciled with the parent Ministry
N/A


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Accounting Officer
Joel P. L. Arumonyang


.....
Head of Accounting Unit
Samson Benson Mutere Ongalo
ICPAK Member Number: 3128

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES-N/A



The following table shows the results of the experiment. The data is presented in a table format with columns for 'Time (min)', 'Temperature (°C)', and 'Concentration (g/L)'. The values are as follows:

Time (min)	Temperature (°C)	Concentration (g/L)
0	20	0.1
10	25	0.2
20	30	0.3
30	35	0.4
40	40	0.5
50	45	0.6
60	50	0.7
70	55	0.8
80	60	0.9
90	65	1.0

The results show a clear positive correlation between time and concentration. As time increases, the concentration also increases, indicating a steady rate of change.

4.1