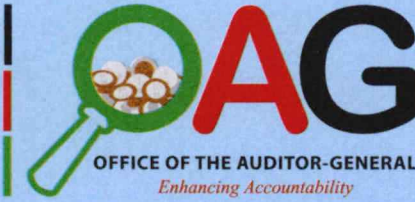
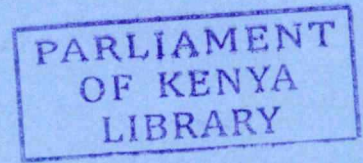


REPUBLIC OF KENYA



**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**BARINGO COUNTY EXECUTIVE  
MORTGAGE SCHEME FUND**

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

	PAPERS LAID
DATE	02/12/2025
TABLED BY	J.M.L.
COMMITTEE	-
CLERK AT THE TABLE	Cheng





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## **BARINGO COUNTY EXECUTIVE MORTGAGE SCHEME FUND**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Baringo County Executive Mortgage Scheme Fund**  
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**1. Acronyms, Abbreviations, and Definition of Key Terms**

**A: Acronyms and Abbreviations**

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year-** Means the prior period.

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**2. Key Entity Information and Management**

**(a) Background information**

Baringo County Executive Mortgage Scheme Fund is established by and derives its authority and accountability from Public Finance Management (Baringo County Executive Members Mortgage Scheme Fund Regulations 2016) on 22<sup>nd</sup> February 2016. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to provide a mortgage scheme for the purchase, development, renovation or repair of residential property by members of the County Executive as is prescribed by the Salaries and Remuneration Commission in their letter dated 27 November 2013.

The Fund's principal activity is the provision of loans and mortgages to the Members of County Executive and ensuring that loans advanced are recovered.

**(b) Principal Activities**

The principal mandate of the Fund is to continue in provision of loan scheme for the purchase, development, renovation or repair of residential property by members of the County Executive as prescribed by the Salaries and Remuneration Commission. The funds' vision is to provide quality life to its' members through quality loan book.

**(c) Key Management**

The Fund's day-to-day management is under the following key organs:

Ref	Name	Position
1	Reuben Rutto	Chairperson
2	Wilson Cheserek Ruto Zachary Kiprotich Jacob Chepkwony Joseph Korir Gikono Kiptoo Patricia Tororei	Committee Members
3	David Rerimoi	Fund Administrator

**Baringo County Executive Mortgage Scheme Fund**  
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**(d) Fiduciary Management**

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

Ref	Name	Position
1	Gikono Kiptoo	Chief Officer Finance
2	David Rerimoi	Fund Administrator/ Head of Finance
3	Francis Karimi	Fund Accountant

**(e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	Catherine Kibet
2	Staff Mortgage and car Loan Advisory Committee	Patricia Tororei

**(f) Fund Headquarters**

P.O Box 53-30400  
AFC Building  
Kabarnet –Iten Road  
Nairobi, Kenya

**(g) Entity Contacts**

Telephone:(254) 053-22115  
E-mail: baringocountyexecutive@gmail.com  
Website: www.baringoexecutive.go.ke

**(h) Entity Bankers**

Kenya Commercial Bank  
Kabarnet Branch  
P.O. Box 175-30400  
Kabarnet  
A/C No. 1179329708

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Key Entity Information and Management (continued)**

**(i) Independent Auditor**


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

**(j) Principal Legal Adviser**

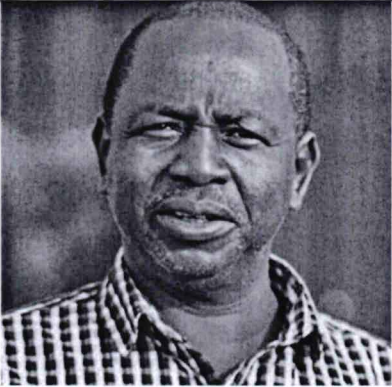
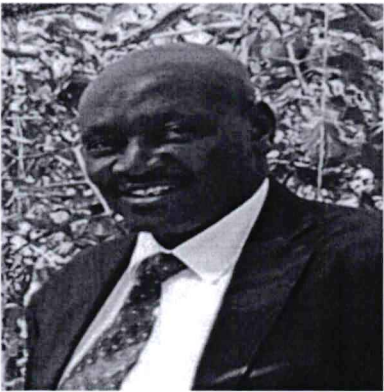
- i) The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya
  
- ii) County Attorney  
P.O Box 53-30400  
Office of the Governor  
Kabarnet Referral Hospital Road  
Kabarnet, Kenya

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**



**3. The Fund Committee**

Name	Details of qualifications and experience
<p>1. Reuben Cheruiyot Rutto</p> 	<p>Hon. Reuben Rutto holds a Master of Urban Development degree from University of Nairobi and bachelor’s degree in Building Science from University Nairobi. He is also a computer user Support Professional. He has attended Policy formulation and Implementation at Kenya Institute of Administration, Environmental Impact Assessment, Senior Management Course (KSG), Strategic Leadership Development Programme (KSG) and Qualitative and Data Analysis using SPSS (UON). Before joining Baringo Cabinet, he worked in Arc-One Consult Ltd as a Managing partner. Previously he worked with Judiciary as Deputy Director Building Services, Bungoma</p> <p>County as County Public Works Officer and Ministry of Roads and Public Works Headquarters as Ag Chief Supt Architect.</p> <p>He is a Member Board of Architects and Quantity Surveyors, Member Architectural Association of Kenya, Member Environmental Institute of Kenya and Member Town and County Planners Association of Kenya. Further, he is Board Chairman Baringo Technical Institute, Kapsogo Schwenk Secondary and Kapropita Girls High School.</p>
<p>2. Wilson Cheserek Ruto</p>	<p>Hon. Wilson Ruto holds a Master of Business Administration degree from Moi University and bachelor’s degree in Commerce from Marathwada University in India. Before joining Baringo Cabinet, he worked in Access Bank Kenya, PLC as a General Manager having risen from Branch Manager and a Manager</p>

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**


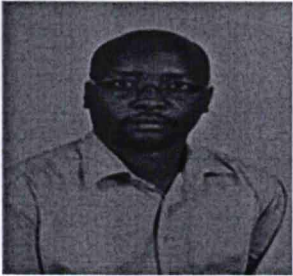

	<p>corporate Banking. Hon. Ruto also worked at Oriental Commercial Bank as branch manager. He also worked as an Assistant Projects Officer in ICDC Central Province. He is Certified Trustee College of Insurance, Certified Trustee Access Bank Kenya PLC and a Fit and Proper Person Certification Central Bank of Kenya.</p>
<p>3. Zackary Kipsang Kiprotich</p>	<p>Hon. Zachary Kiprotich holds a Bachelor’s Degree from Kenyatta University and a CPA part III. He has worked with Christian Children’s Fund as the Project Development Officer in charge of Sponsor relating to community Mobilization, project implementation, Monitoring and evaluation, budgeting, planning and project appraisal. Previously he had worked at Kimani Kerretts Certified Public Accountants as an Auditor.</p>
	<p>4. Jacob Chepkwony</p> <p>H.E Jacob Chepkwony holds a Master’s of science in Applied Mathematics from Egerton University, Njoro Campus and a Bachelor of Education (Science) with specialty in Education, Mathematics and Physics. He is currently undertaking Doctor of Philosophy in Applied Mathematics from University of Eldoret.</p> <p>Hon.Chepkwony started his teaching career on January 1997 at Sacho High School and later became a senior graduate teacher at Kapropita Girls High school from January 2005 to December 2006.</p> <p>After leaving the teaching career, HE. Chepkwony joined the Ministry of youth affairs and sports in January 2007 as a district youth officer and rose through the ranks until he became assistant director, youth training in the state department of vocational and technical training in 2017. He has also taught at Moi University and University of Eldoret (Chepkoilel) since</p>

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

	<p>2005 to 2012 as a part time lecturer having taught students ranging from 1<sup>st</sup> to 4<sup>th</sup> years. He brings on board 20 years' experience in public service in the field of education, training and management which is very instrumental in steering the County's affairs.</p>
<p>5. David Rerimoi</p> 	<p>Year of birth 1980 Key Qualifications: Masters in Business Administration(UON) ,BCOM,CPA(K) Senior Management Course, SLDP</p>
<p>6. Joseph Korir</p>	<p>Member of the Committee. Chairman Public Service Board</p>
<p>7. Gikono Kiptoo</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT),BCOM,CPA(K) Senior Management Course.</p>
<p>8. Patricia Tororei</p>	<p>Member of the Committee. County Attorney</p>

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**4. Key Management Team**

Name	Details of qualifications and experience
<p>1. Gikono Kiptoo</p> 	<p>Chief Officer Finance and Revenue Management Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT),BCOM,CPA(K) Senior Management Course.</p>
<p>2. David Rerimoi</p> 	<p>Director Accounting Services. Fund Administrator. Year of birth 1980 Key Qualifications: Masters in Business Administration(UON) ,BCOM,CPA(K) Senior Management Course, SLDP</p>
<p>3. Nicholas Kiprotich</p> 	<p>Chief Accountant Year of birth 1981 Key Qualifications: Masters in Business Administration(UON) ,BCOM Senior Management Course, SLDP</p>

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**5. Chairman's Statement**

It is my pleasure to present the Baringo County Executive Members Mortgage Scheme Fund performance report for the year ended 30<sup>th</sup> June 2025. The report presents the performance of the Fund over the past year. During the year under review, the fund did not witness a change in the composition of its board and management team apart from our County Attorney Mr. Julius Tarus. Unfortunately, we lost Mr. Julius Tarus within the financial year and his position is currently held by Patricia Tororei in acting capacity.

During the period under review, the total income from interest and other operating activities was Kshs. 2,623,423 while total expenses were Kshs. 1,184,488. During the year ended 30<sup>th</sup> June 2025, mortgage disbursements was Kshs. 10,700,000 and a total of Kshs.22,581,176 was received as proceeds from loan principal repayments. During the year ended 30<sup>th</sup> June 2025, the Fund realized a surplus of Kshs. 1,438,935.

The Fund intends to transfer its lending activity to a reputable Commercial Bank. During the course of the year, the fund engaged the services of auctioneers to recover arrears. In the FY 2024/2025 I am glad to inform the stakeholders that the rate of loan repayments default has been on down ward trend apart from loans that were advanced at the inception time of the Fund.

As we look ahead, our focus is centred on three key pillars

- 1) Sustainable Growth. We wish to expand our loan book focusing on permanent and pensionable staff who lately has shown great interest on our loan product.
- 2) Innovative approach- in the period under review, we had not fully concluded our engagement with commercial banks on way forward on transfer of our loan product to them but we look forward to conclude this process before the end of December 2025.
- 3) Member Centric Focus – our members are the core business of this Fund. We will continue to focus on them and offer the best and affordable loan product in our County.

In conclusion, the Fund Committee is dedicated to the highest standard of good governance and fiducially responsibility. I would like to extend my gratitude to my fellow Fund Committee members for their strategic guidance and oversight in the period under review.


I also wish to express my profound appreciation to our Management team and Staff for their hard work, professionalism and unwavering commitment in the period under review.

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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Finally, to our valued members and County staff at large, thank you for your continued trust and support. We are honoured to facilitate you to access loans for purchase or develop residential property for a successful future.



Name..... **SYMON KIU TA** .....Signature.....  .....Date... **18/11/2025** .....

Chairperson of the Fund

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**6. Report of the Fund Administrator**

It is yet another time for me to present the Baringo County Executive Members Mortgage Scheme Fund financial statements for the year ended 30<sup>th</sup> June 2025. The financial statements present the financial performance of the Fund over the past year in detail. The fund management team remained to be Gikono Kiptoo, David Rerimoi, Nicholas Kiprotich and Francis Karimi. During the period under review, the fund did not receive any additional Fund capital from the exchequer unlike prior financial year.

Total income was Kshs. 2,623,423 (2023/2024 was Kshs. 2,552,936). For the year under review, total expenses were Kshs. 1,184,488 while in the year 2023/2024 was Kshs. 1,823,049. The total expenses included bank charges and administrative costs. During the year ended 30<sup>th</sup> June 2025, the fund realized a surplus of Kshs. 1,438,935 compared to Kshs. 729,888 in FY 2023/2024. During the year ended 30<sup>th</sup> June 2025, a total of Kshs. 10,700,000 was disbursed but a total of Kshs. 22,581,176 was received as proceeds from loan principal repayments. The total current receivables from exchange transactions were Kshs. 45,259,066 (Kshs. 39,888,436 in FY 2023/2024). Long term loan repayments due were Kshs. 51,489,435 (Kshs. 69,252,693 in FY 2023/2024). Bank balances increased from Ksh 12,444,550 in FY 2023/2024 TO Ksh 26,276,299 in the year under review. Asset base increased insignificantly from Ksh 121,585,679 in FY 2023/2024 to Ksh 123,024,800 in the year under review with net assets being Ksh 123,024,800 due to lack of external funding.

The Loans Management Committee plans to disburse loans in the future to the members of staff subject to the availability of funds. The physical progress of the fund has not been impressive based on recovery and legal adherences. Therefore, the committee plans to strengthen loan controls by engaging financial institutions so as to ensure full compliance to loan requirements otherwise value for money will not be realized.

From the above financials, it is clear that the fund budgetary allocation is not consistent. Baringo County Executive Members Mortgage Scheme Fund faced a myriad of challenges while implementing its strategic objectives. Key challenge was allocation of limited resources to an ever-increasing demand. This curtailed the scope of impact the fund could have made. Further, the fund has laid strategies to increase its revenue by partnering with several financial institutions. To effectively manage risk, the fund through its committee has adopted the following risk management strategies: risk identification, risk analysis, risk evaluation, risk treatment, risk monitoring, risk avoidance, risk reduction and risk sharing. This was adopted from Baringo County Risk Management Policy.

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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In conclusion, FY 2024/2025 was a fair year in general despite defaulted loan that had been previously issued with poor collateral charging. The Fund has maintained appropriate books of accounts in the period under review and the disclosures in the financial statement are consistent with the information provided by management. I thank all Members and staff in the entire County Executive for their continued commitment and dedication through hard work in repaying their loans.

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**7. Statement of Performance against Predetermined Objectives for FY 2024/2025**

Baringo County Executive Mortgage Scheme Fund has three strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are aligned with Kenya’s Vision 2030 strategic Pillars:

Pillar1: Economic Pillar

Pillar2: Social Pillar

Pillar 3: Political Pillar

Baringo County Executive Mortgage Scheme Fund develops its annual work plans based on the above 3 pillars. Assessment of the Committee performance against its annual work plan is done on a quarterly basis. Baringo County Executive Mortgage Scheme Fund achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the table below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Economic Pillar	Maintain a constant fund growth and minimize losses from default	Change in financial parameters like asset base, defaulted loans, surplus and income	Asset base, surplus and income increased, defaulted loans increased	Asset base increased by 1.169% Income increased by 2.686% Surplus increased by 49.275% defaulted loans increased
Social Pillar	Maintain justice and fairness in loan approval	Gender balance in loan approval. Balance in staff cadres. Loan award to disabled	Fairness and transparency in loan award to both genders, all staff cadres and disabled	The disbursement was balanced depending on ability in payslip

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

				and terms of service.
Political Pillar	Minimal political interference during appraisal	Objectivity during appraisal, disbursement and interest on loans.	Subject employees to the same conditions of loan appraisal and cost	All employees were subjected to the same conditions.

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**8. Corporate Governance Statement**

Baringo County Executive Members Mortgage Scheme Fund remains committed to the highest standards of corporate governance and ethics in order to deliver long term and sustainable stakeholder value. It continues to adhere to its obligations as a public entity in Kenya in compliance with Code of Corporate Governance Practices.

The primary role of Baringo County Executive Members Mortgage Scheme Fund is to:

- Process applications for loans in accordance with the existing terms and conditions of borrowing;
- Liaise with the housing company (if any) to set up a revolving fund for the disbursements of the loans; and
- Supervise the day-to-day running of the Fund so as to achieve sustainable long-term success.

The Committee is solely responsible for its agenda. However, it is the responsibility of the chairman and the fund administrator to come up with the annual committee work plan and an agenda for the meetings. Baringo County Executive Members Mortgage Scheme Fund meets at least four times a year and the meetings are structured in a way that allows for open discussions. During financial year 2024-2025, the Loans Management Committee held 3 meetings. The meetings of the Committee are convened by the Chairperson or in the absence of the Chairperson, by a member designated by the Chairperson and shall be convened at such times as may be necessary for the discharge of the Committee's functions. The quorum for a meeting of the Committee shall be Chairperson and any other three members.

Comprehensive board papers are prepared and circulated to all fund committee members for all substantive agenda items at least two weeks prior to the meeting. This allows time for the committee members to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meetings.

The Board Charter is critical to the funds governance framework, and offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the fund management committee and its individual members; Powers delegated to the fund committees; Matters reserved for final decision-making and approval by the fund management committee; Policies and practices of the fund management on matters of corporate governance, committees' declarations and conflict of interest, conduct of fund and fund committee meetings; and Nomination, appointment, induction, on-going training and performance evaluation of the fund and its committees.

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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The committee members and chairman are obligated to fully disclose any real or potential conflict of interest, which comes to any committee's attention, whether direct or indirect. The statutory duty to avoid situations in which the committee have or may have interests that conflict with those of the fund has been observed by the board in the financial year under review. All business transactions with all parties, committee or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a committee member that a matter concerning the fund may result in a conflict of interest, obligates the fund committee member to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

Baringo County Executive Members Mortgage Scheme Fund committee members are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders and to respect the diverse cultures of the Kenyan people. The fund adopted Baringo County Government code of conduct. When joining the Fund management, committee members are provided with a copy of the code and must commit to abide by its requirements.

Committee members undergo regular training and education to enable them fulfil their responsibilities. All members receive an induction upon joining. This provides an overview of the fund, new developments in the environment in which the fund operates, accounting and financial reporting developments, as well as any regulatory changes. Committee members are appointed depending on the departmental representation however the committee is made up of employees on contract and permanent terms. This ensures that there is continuity at all times. The annual financial statements of the Fund are subject to audit by the Auditor- General. Fund committee members are paid sitting allowance as the management of the fund is within their mandate.

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**9. Management Discussion and Analysis**

Baringo County Executive Mortgage Scheme Fund is established by and derives its authority and accountability from Public Finance Management (Baringo County Executive Members Mortgage Scheme Fund Regulations 2016) on 22<sup>nd</sup> February 2016. During the fiscal year ended 30<sup>th</sup> June 2025, the Fund successfully navigated a challenging economic environment characterised by low loan uptake by members. Despite this we delivered a strong performance primarily driven by:

- Growth on our mortgage portfolio by offering loans with adequate security.
- Effective risk management by advancing loans to members with proven loan repayment track hence reducing loan defaults.

Total income was Kshs. 2,623,423 (2023/2024 was Kshs. 2,552,936). For the year under review, total expenses were Kshs. 1,184,488 while in the year 2023/2024 was Kshs. 1,823,049. The total expenses included bank charges and administrative costs. During the year ended 30<sup>th</sup> June 2025, the fund realized a surplus of Kshs. 1,438,935 compared to Kshs. 729,888 in FY 2023/2024. During the year ended 30<sup>th</sup> June 2025, a total of Kshs. 10,700,000 was disbursed but a total of Kshs. 22,581,176 was received as proceeds from loan principal repayments. The total current receivables from exchange transactions were Kshs. 45,259,066 (Kshs. 39,888,436 in FY 2023/2024). Long term loan repayments due were Kshs. 51,489,435 (Kshs. 69,252,693 in FY 2023/2024).

The major risk facing the Fund is loan default in case of the death of a member. However, this risk has been mitigated by insuring all the members' loans for the benefit of the member of the scheme. This ensures that in the unfortunate death of a member of the Fund, the loan balance due to the Fund will be reimbursed by the insurance company. Further, the fund has never met its statutory obligation on the Fringe Benefit tax. This is also a major risk to the fund.

Where a repayment of loan is not made in accordance with the terms and conditions of the Regulations, the sums of money due and owing to the Fund shall be recoverable by the Loans Committee, without prejudice to any other remedy, in civil proceedings in the High Court.

All mortgages granted to the Members are currently being recovered through the payroll check-off system from the members' monthly emolument. There is currently no major financial improbity as reported by internal audit/Board audit committee, external auditors, or other County Government Agencies providing oversight. The summarised performance statistics over the years is depicted in the table below.

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

PERFORMANCE INDICATOR	FINANCIAL YEARS			
	2024/2025 KSH, Million	2023/2024 KSH, Million	2022/2023 KSH, Million	2021/2022 KSH, Million
Total Interest income	2.62	2.55	1.6	1.5
Total assets	123.0	121.5	64.7	63.9
Revolving fund	121.5	64.8	63.3	61.7
Disbursement	10.7	62.8	7.5	9
Recoveries	22.58	17	4.1	5

## **10. Environmental and Sustainability Reporting**

Baringo County Executive Members Mortgage Scheme Fund exists to transform lives. We recognize that Corporate Social Investment (CSI) issues are of increasing importance to our stakeholders. Thus, a tradition that ensures we operate our business in a responsible manner at all times for the benefit of our customers, staff, suppliers, and the wider community. We exercise CSI by partnering with and investing in communities to find sustainable solutions. We also encourage employees of Baringo County Government to take part in CSI initiatives aimed at improving the standards of living of the communities that they come from. Our CSI activities for the financial year under review are disclosed herein.

### **i) Sustainability strategy and profile**

Sustainable efforts adopted by the fund include recycling, reducing and reuse programs. Further, the fund has adopted responsible disposal and promotion of sustainable consumption of building materials. Specifically, members are encouraged to adopt green energy and building as part of environmental conservation and fight against the adverse effect of climate change.

### **ii) Environmental performance**

Baringo County Executive Members Mortgage Scheme Fund aims to minimize any harmful effects and consider the development and implementation of environmental standards that are compatible with the topography of Baringo County. As such, we strongly encourage the internationally established 3 Rs: Reduce, Re-use and Recycle. Through the County department of Environment, the fund has a policy to guide its operations. Further, fund regulations stipulate adoption of environmentally compatible buildings and respect for environment. We seek to identify opportunities to optimise consumption of energy, water and other natural resources by striving to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing negative impact of waste on the environment.

### **iii) Employee welfare**

Hiring process is guided by the Human Resource Manual. This is undertaken by the department of Human resource after receiving request from Baringo County Executive Members Mortgage Scheme Fund. Staff are trained periodically on professional issues.

**iv) Market place practices-**

**a) Responsible competition practice.**

Baringo County Executive Members Mortgage Scheme Fund has maintained responsible competition practices by adopting various strategies. Code of ethics and anti- corruption declaration form is used to reduce instances of corruption malpractices. Open tenders, framework contracts and quotations are used to maintain fair competition amongst suppliers. Declaration of conflict of interest is usually adopted to avoid instances where stakeholders interfere with the activities of the fund.

**b) Responsible Supply chain and supplier relations**

Baringo County Executive Members Mortgage Scheme Fund maintains good business practices with suppliers through timely provision of information, prompt payments, good communication and proper record keeping of supplier documents. This has resulted in harmonious relationship.

**c) Responsible marketing and advertisement**

During members' awareness and loan recovery, Baringo County Executive Members Mortgage Scheme Fund ensures that advertisements are structured in such a manner that it does not infringe the rights of citizens and also ensures that confidentiality is kept.

**d) Product stewardship**

While making mortgage loans approval, Baringo County Executive Members Mortgage Scheme Fund committee ensures that members' rights and interest are protected apart from adhering to the recommended quality standards for the purpose of ensuring safety of beneficiaries.

**v) Corporate Social Responsibility /Community Engagements**

Training staff on mortgage loan.

Advisory services to its members on green building technology.

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**11. Report of the Fund Committee**

The Fund Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which shows the state of the Baringo County Executive Mortgage Scheme Fund affairs.

**i) Principal activities**

The principal activities of the Fund continued to be provision of loan scheme for the purchase, development, renovation or repair of residential property by members of the County Executive as prescribed by the Salaries and Remuneration Commission.

**ii) Results**

The results of the Entity for the year ended June 30, 2025, are set out on page 1 to 9.

**iii) Fund Committee**

The members of the Fund Committee who served during the year are shown on page Vi to Viii.

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the Baringo County Executive Mortgage Scheme Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2025.

By Order of the Board

.....  
**Name**  
**Secretary to the Committee**



**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**12. Statement of Fund Committee Responsibilities**

Section 167 of the Public Finance Management Act, 2012 and Baringo County Executive Members Mortgage Scheme Fund Regulations 2016 require the Fund Committee to prepare financial statements in respect of Baringo County Executive Members Mortgage Scheme Fund which give a true and fair view of the state of affairs of the fund at the end of the financial year and the operating results of the fund for that year. The Fund Committee are also required to ensure that the fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the fund. The Fund Committee is also responsible for safeguarding the assets of the fund.

The Fund Committee are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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 Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Fund Committee accept responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Baringo County Executive Members Mortgage Scheme Fund Regulations 2016. The Fund Committee are of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Fund Committee further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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In preparing the financial statements, the Fund Committee have assessed the Fund's ability to continue as a going concern. Nothing has come to the attention of the Fund Committee to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:

.....  
  
**Name: Reuben Kutto**  
**Chairperson of the Fund Committee**  


.....  
  
**Name: Gikono Kiptoo**  
**Accounting Officer**  


# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
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P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY EXECUTIVE MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Baringo County Executive Mortgage Scheme Fund set out on pages 1 to 64, which comprise of the statement of financial position at 30 June, 2025 and the statement of financial 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. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo County Executive Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Loan Defaulters**

The statement of financial position reflects Kshs.45,259,066 and Kshs.51,489,435 in respect of current receivables from exchange transactions and non-current receivables from exchange transactions respectively totalling to Kshs.96,748,501 and as disclosed in Note 29 to the financial statements. However, included in the balances were loan balances of Kshs.14,739,366 owed by fifteen (15) former county executive committee members and staff who were in default of repayments. In addition, the Loan Management Committee had not repossessed the beneficiaries' properties and no steps have been taken to recover these long outstanding loans.

In the circumstances, the completeness, recoverability of the loan balances of Kshs.14,739,365 as at 30 June, 2025 could not be confirmed.

#### **2. Inaccuracy of the Loan Principal Repayments**

The statement of the cash flows reflects proceeds from loan principal repayments of an amount of Kshs.22,581,176. However, loan schedule provided revealed repayments totaling to Kshs.22,102,086 resulting to an unexplained and unreconciled variance of Kshs.479,020.

In the circumstances, the accuracy and completeness of the loan principal repayments balance of Kshs.22,581,176 as at 30 June, 2025 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of amounts of Kshs.2,800,000 and Kshs.2,623,423 respectively, resulting to an under-funding of an amount of Kshs.176,577 or 6 % of the budget. Further, the Management spent an amount of Kshs.1,184,488 against an actual receipt of Kshs.2,623,423 resulting to under-utilization of Kshs.1,438,935 of the actual receipt.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on the delivery of services to the residents of Baringo County. residents.

### **2. Imbalanced Budget**

The statement of comparison of budget and actual amounts for the year under review reflects total income budget of Kshs.2,800,000 and total expenditure budget of Kshs.1,300,000 resulting to variance of Kshs.1,500,000. The budget imbalance is contrary to the provisions of section 31(c) of the Public Finance Management (County Governments) Regulations 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit of the previous year, three issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of the Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. These include default on loan balances, failure to charge security on properties on mortgages provided and long outstanding receivables. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

## **Other Information**

The Management are responsible for the Other Information set out on page iii to xxiii which comprise of Key Entity Information and Management, Fund Committee, Key Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Committee and Statement of Fund Committee's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Failure to Charge Security on Properties on Mortgages Provided**

The statement of cashflows reflects loan disbursements paid out of Kshs.10,700,000. However, there were no charges registered on the title deeds financed through the Fund of Kshs.10,700,000. As a result, the Fund may not be able to recover the outstanding loan balances in an event of default on repayments. This is contrary to Regulation 19 (1b) of the Public Finance Management (Baringo County Government Mortgage Scheme Fund) Regulations 2023 which states that states that the responsibilities of the mortgage institution shall be to charge security on properties acquired through mortgage from the Fund to protect the interests of the Fund and act as a custodian of such charges.

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

## **2. Implementation of Audit Recommendations**

The financial statements did not include report on the progress made in implementing prior year auditor's recommendations contrary to the reporting framework prescribed by the Public Sector Accounting Standards Board. This was contrary to Section 53 (1) of the Public Audit Act of 2015 which stipulates that the relevant Accounting Officer of a state organ or public entity should take the relevant steps to implement the recommendations of parliament on the report of the Auditor-General within three months after Parliament has considered and made recommendations on the audit report or give explanations in writing to the Parliament on why the report has not been acted upon.

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

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

#### **Basis for Conclusion**

##### **Long Outstanding Receivables**

The statement of financial position reflects balance of Kshs.45,259,066 and Kshs.51,489,435 in respect of current receivables from exchange transactions and non-current receivables from exchange transactions totalling to Kshs. 96,748,501. However, the balances include long outstanding receivables totaling to Kshs.7,230,688 dating back to the year 2016. Management did not provide evidence of any debt recovery strategies applied by the Fund to recover the long outstanding debts.

In the circumstances, the effectiveness of internal controls in relation to debt management could not be confirmed.

## **Basis for Conclusion**

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

## **Responsibilities of the Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 terminate the Fund or 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**

**20 November, 2025**

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	-	-
Public contributions and donations	7	-	-
Transfers in-kind	8	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Interest income	9	2,623,423.00	2,552,936.67
Rendering of services	10	-	-
Rental revenue from facilities and equipment	11	-	-
Fees and other charges	12	-	-
Other income	13	-	-
<b>Total revenue</b>		<b>2,623,423.00</b>	<b>2,552,936.67</b>
<b>Expenses</b>			
Use of goods and services	14	1,184,488.00	1,823,048.50
Employee costs	15	-	-
Board Expenses	16	-	-
Depreciation and amortization expense	17	-	-
Repairs and maintenance	18	-	-
Contracted services	19	-	-
Grants and subsidies	20	-	-
Finance costs	21	-	-
<b>Total expenses</b>		<b>1,184,488.00</b>	<b>1,823,048.50</b>
<b>Surplus/deficit from operating activities</b>		<b>1,438,935.00</b>	<b>729,888.17</b>
<b>Other gains/(losses)</b>			
Gain/Loss on sale of assets	22	-	-
Gain/Loss on foreign exchange transactions	23	-	-
Gain /Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
<b>Surplus/ (deficit) before tax</b>		<b>1,438,935.00</b>	<b>729,888.17</b>
Taxation	26	-	-
<b>Surplus/(deficit) for the Year</b>		<b>1,438,935.00</b>	<b>729,888.17</b>
<b>Net Surplus for the year</b>		<b>1,438,935.00</b>	<b>729,888.17</b>

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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The notes set out on pages 10 to 62 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 9 were signed on behalf of the Board of Directors/Fund committee by:


**Name: Reuben Rutto**  
**Chairman Fund Committee**

**Date**


**Name: Gikono Kiptoo**  
**Accounting Officer**

**Date**


**Name: David Rerimoi**  
**Head of Finance**

**ICPAK M/No: 6624**

**Date**

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**15 Statement of Financial Position as at 30 June 2025**

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	27	26,276,299.00	12,444,550.55
Prepayments	28	-	-
Receivables from Exchange Transactions	29	45,259,066.00	39,888,436.60
Receivables from Non-Exchange Transactions	30	-	-
Inventories	31	-	-
Investments in financial assets	32	-	-
<b>Total Current Assets</b>		<b>71,535,365.00</b>	<b>52,332,987.15</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	29	51,489,435.00	69,252,692.81
Investments in financial assets	32	-	-
Property, Plant and Equipment	33	-	-
Intangible Assets	34	-	-
Investment Property	35	-	-
<b>Total Non- Current Assets</b>		<b>51,489,435.00</b>	<b>69,252,692.81</b>
<b>Total Assets (A)</b>		<b>123,024,800.00</b>	<b>121,585,679.96</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	36	-	-
Refundable Deposits from Customers	37	-	-
Current Provision	38	-	-
Finance Lease Obligation	39	-	-
Deferred Income	40	-	-
Employee Benefit Obligations	41	-	-
Current Portion of Borrowings	42	-	-
Taxation	43	-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	38	-	-


**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Non-Current Employee Benefit Obligation	41	-	-
Borrowings	42	-	-
Service Concession Liability	44	-	-
Deferred Tax Liabilities	45	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>123,024,800.00</b>	<b>121,585,679.96</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		1,438,935.00	5,533,563.20
Revolving Fund		121,585,723.00	116,052,160.00
Capital Fund		-	-
<b>Net Assets</b>		<b>123,024,658.00</b>	<b>121,585,723.20</b>

The financial statements set out on pages 10 to 62 were signed on behalf of the Board of Directors by:



**Name: Reuben Rutto**  
Chairman Fund Committee



**Name: Gikono Kiptoo**  
Accounting Officer



**Name: David Rerimoi**  
Head of Finance

Date

Date

ICPAK M/No: 6624  
Date

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

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1,2023</b>	-	-	<b>4,803,675.03</b>	<b>60,052,160.00</b>	-	<b>64,855,835.03</b>
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	729,888.17	-	-	<b>729,888.17</b>
Funds received During the year	-	-	-	56,000,000.00	-	<b>56,000,000.00</b>
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
<b>As at June 30, 2024</b>	-	-	<b>5,533,563.20</b>	<b>116,052,160.00</b>	-	<b>121,585,723.20</b>
<b>As at July 1, 2024</b>	-	-	<b>5,533,563.00</b>	<b>116,052,160.00</b>	-	<b>121,585,723.00</b>
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	1,438,935.00	-	-	<b>1,438,935.00</b>
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	(5,533,563.00)	5,533,563.00	-	-
Capital/development grants received during the year	-	-	-	-	-	-
<b>As at June 30, 2025</b>	-	-	<b>1,438,935.00</b>	<b>121,585,723.00</b>	-	<b>123,024,658.00</b>

**Baringo County Executive Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**17. Statement of Cash Flows for the year ended 30 June 2025**

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		-	-
Public contributions and donations		-	-
Interest received		3,135,021.00	1,883,226.47
Rendering of services		-	-
Rental revenue from facilities and equipment		-	-
Fees and other charges		-	-
Other income( <i>specify</i> )		-	-
<b>Total receipts</b>		<b>3,135,021.00</b>	<b>1,883,226.47</b>
<b>Payments</b>			
Use of goods and services		(1,184,448.00)	(1,823,048.50)
Employee costs		-	-
Board Expenses		-	-
Repairs and maintenance		-	-
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
<b>Total payments</b>		<b>(1,184,448.00)</b>	<b>(1,823,048.50)</b>
<b>Net cash flows from/(used in) operating activities</b>	46	<b>1,950,573.00</b>	<b>60,177.97</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE		-	-
Purchase of Intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		22,581,176.00	17,071,078.58
Loan disbursements paid out		(10,700,000.00)	(62,825,000.00)
Purchase of investments		-	-
Proceeds from sale of investments		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>11,881,176.00</b>	<b>(45,753,921.42)</b>
<b>Cash flows from financing activities</b>			
Revolving fund receipts		-	56,000,000.00
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

**Baringo County Executive Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Net cash flows from financing Activities</b>		-	<b>56,000,000.00</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>13,831,749.00</b>	<b>10,306,256.55</b>
<b>Cash and cash equivalents at the beginning (1<sup>st</sup> July 2024)</b>	27	12,444,550.00	2,138,294.36
<b>Cash and cash equivalents at the end (30<sup>th</sup> June 2025)</b>	27	<b>26,276,299.00</b>	<b>12,444,550.91</b>

**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from Other Governments entities	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Interest income	2,800,000.00	-	2,800,000.00	2,623,423.00	176,577.00	94%
Rendering of Services	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Fees and other charges	-	-	-	-	-	-
Other Income ( <i>specify</i> )	-	-	-	-	-	-
<b>Total Receipts</b>	<b>2,800,000.00</b>	-	<b>2,800,000.00</b>	<b>2,623,423.00</b>	<b>176,577.00</b>	<b>94%</b>
<b>Payments</b>						
Use of Goods and Services	1,300,000.00	-	1,300,000.00	1,184,488.00	115,512.00	91%
Employee costs	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-
Grants and Subsidies	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
<b>Total Expenditure Payments</b>	<b>1,300,000.00</b>	-	<b>1,300,000.00</b>	<b>1,184,488.00</b>	<b>115,512.00</b>	<b>91%</b>
<b>Capital Expenditure Payments</b>	-	-	-	-	-	-
<b>Surplus for the period</b>	<b>1,500,000.00</b>	-	<b>1,500,000.00</b>	<b>1,438,935.00</b>	<b>61,065.00</b>	<b>96%</b>

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	<b>1,438,935.00</b>
1	Reason for differences- Basis of Accounting	511,598.00
2	Reason for differences – Timing	12,444,550.00
3	Reason for differences- Investing Activities	11,881,176.00
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>26,276,259.00</b>

**Notes:**

- a) Basis of Accounting- The financial statements are prepared on accrual basis but the statement of cashflow is on direct method. Kshs. 511,598 is the difference between the actual Interest received of Kshs. 3,135,021 in the Statement of Cashflow and the actual Interest income earned of Kshs. 2,623,423 in the Statement of Financial Performance.
- b) Timing Differences – Kshs. 12,444,550 is the opening cash and cash equivalent at the start of the period under review.
- c) Investing Activities- Kshs. 11,881,176 represent the positive cashflows from the Investing Activities in the Statement of Cashflows.

## **19. Notes to the Financial Statements**

### **1. General Information**

Baringo County Executive Mortgage Scheme Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 and Baringo County Executive Members Mortgage Scheme Fund Regulations 2016. The fund is wholly owned by the Baringo County Government and is domiciled in Kenya. The fund's principal activity is lending funds for the purchase, development, renovation or repair of residential property by members of the County Executive as prescribed by the Salaries and Remuneration Commission

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The financial statements have been prepared in accordance with the PFM Act 2012, Baringo County Executive Members Mortgage Scheme Fund Regulations 2016, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**3. Adoption of New and Revised Standards**

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

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*iii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees and other charges**

The *Entity* recognizes revenues from fees and other charges 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 Entity 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 *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity recognizes revenue from the 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.

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the County Assembly on 8<sup>th</sup> August 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 Entity upon receiving the respective approvals to conclude the final budget. The Entity did not record any additional appropriations on the 2024/2025 budget following the governing body's approval. The Entity'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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

**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 *Entity* 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.

**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 reassessed 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

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substantively enacted at the reporting date. 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 *Entity* and the same taxation authority.

***Sales tax***

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

- i) 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.
- ii) 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.

**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. 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.

**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 Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

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

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

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

**h) Research and development costs**

The *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* can demonstrate:

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

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.

### **Financial instruments**

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

#### **a) Financial assets**

##### **Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

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

### **b)Financial liabilities**

#### **Classification**

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

#### **i)Inventories**

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

**j)Provisions**

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

**k)Contingent liabilities**

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

**l)Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**m)Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**n)Changes in accounting policies and estimates**

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

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**q) 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 the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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**r) Related parties**

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

**s) Service concession arrangements**

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents.**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Transfers from Other Government entities**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants	-	-
<b>Total Unconditional Grants</b>	-	-
<b>Conditional Grants amortised/ transferred to revenue</b>		
Development Grant	-	-
Operational Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	-	-

**b) Transfers from Ministry/County Departments**

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY)	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/County Department	-	-	-	-	-
Ministry	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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**7. Public Contributions and Donations**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations	-	-
<b>Total Transfers and Sponsorships</b>	-	-
<b>Reconciliation of Public Contributions and Donations</b>		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

**8. Transfers in-kind.**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Payments by Ministry/County Department on behalf of the entity	-	-
Others	-	-
<b>Total Transfers in-kind</b>	-	-

**9. Interest income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest on loans	2,623,423.00	2,552,936.67
Others	-	-
<b>Total Interest income</b>	<b>2,623,423.00</b>	<b>2,552,936.67</b>

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**10. Rendering of Services**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Training Fees	-	-
Others	-	-
<b>Total Revenue from The Rendering of Services</b>	-	-

**11. Rental Revenue from Facilities and Equipment**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Operating Lease Revenues	-	-
Contingent Rentals*	-	-
<b>Total Rentals</b>	-	-

**12. Fees and other charges**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Fees	-	-
Charges from defaults	-	-
Others	-	-
<b>Total Fees and other charges</b>	-	-

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**13. Other Income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest on cash investments and fixed deposits	-	-
Interest on Bank balances	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Bad debts recovered	-	-
Miscellaneous incomes ( <i>specify</i> )	-	-
<b>Total Other income</b>	-	-

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**14. Use of Goods and Services**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Electricity	-	-
Water	-	-
Subscriptions	-	-
Advertising	-	-
Admin Fees	-	-
Audit Fees	-	-
Conferences and Delegations	-	-
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	-	-
Insurance	-	678,630.00
Legal Expenses	-	-
Licenses and Permits	-	-
Postage	-	-
Printing and Stationery	-	-
Hire Charges	-	-
Rent expenses	-	-
Security Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	-	-
Training	-	-
Travel, Subsistence & Other Allowances	1,179,500.00	-
Bank charges	4,948.00	9,273.50
Other program support expenses(refund to car loan)	-	1,135,145.00
<b>Total</b>	<b>1,184,488.00</b>	<b>1,823,048.50</b>

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**15. Employee Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Extraneous	-	-
Other employee related costs *	-	-
<b>Employee costs</b>	-	-

**16. Board Expenses**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and Accommodation	-	-
Other Allowances	-	-
<b>Total</b>	-	-

**17. Depreciation and Amortization Expense**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	-	-

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**18. Repairs and Maintenance**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers	-	-
Others (specify)	-	-
<b>Total Repairs and Maintenance</b>	-	-

**19. Contracted Services**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
<b>Total Contracted Services</b>	-	-

**20. Grants and Subsidies**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
<b>Total Grants and Subsidies</b>	-	-

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**21. Finance Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	-	-

**22. Gain/Loss on Sale of Assets**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	-	-

**23. Gain/Loss on foreign exchange transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
<b>Total Gain/Loss</b>	-	-

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**24. Gain/ (loss) on Fair Value Investments**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	-	-

**25. Impairment Loss**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	-	-

**26. Taxation**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
<b>Deferred tax: [note 44]</b>	-	-
Original and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

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**27. Cash and Cash Equivalents**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Bank balances	26,276,299.00	12,444,550.55
On - Call Deposits	-	-
Fixed Deposits Account ( <i>below 3 months</i> )	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>26,276,299.00</b>	<b>12,444,550.55</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>a) Bank balances</b>			
Kenya Commercial Bank	1179329708	26,276,299.00	12,444,550.55
Bank		-	-
<b>Sub- Total</b>		<b>26,276,299.00</b>	<b>12,444,550.55</b>
<b>b) On - Call Deposits</b>			
Bank		-	-
Bank		-	-
<b>Sub- Total</b>		-	-
<b>c) Fixed Deposits Account</b>			
Bank		-	-
Bank		-	-
<b>Sub- Total</b>		-	-
<b>d) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>26,276,299.00</b>	<b>12,444,550.55</b>

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**28. Prepayments**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**29. Receivables from Exchange Transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Current Receivables</b>		
Loan interest receivable	1,697,771.00	2,248,595.60
Current Loan Repayments Due	41,587,701.00	35,850,421.95
Fees and other charges due	-	-
Other (Accounts Receivables)	1,973,594.00	1,789,419.04
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>45,259,066.00</b>	<b>39,888,436.60</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	51,489,435.00	69,252,692.81
<b>Total Non- Current Receivables</b>	<b>51,489,435.00</b>	<b>69,252,692.81</b>
<b>Total Receivables from Exchange Transactions</b>	<b>96,748,501.00</b>	<b>109,141,129.41</b>

**(b) Ageing analysis for Receivables from exchange transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	29,932,972.00	31%	30,371,836.80	76%
Between 1- 2 years	1,757,740.00	2%	2,073,524.80	5%
Between 2-3 years	1,648,025.00	2%	2,105,080.00	5.7%
Over 3 years	63,409,764.00	66%	5,337,995.00	13.3%
<b>Total (a+b)</b>	<b>96,748,501.00</b>	<b>100%</b>	<b>39,888,436.60</b>	<b>100%</b>

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**(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

Impairment allowance/ provision	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**30. Receivables from Non-Exchange Transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Specify	-	-	-	-
<b>Total receivables</b>	-	-	-	-
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>Current FY</b>	<b>% of the total</b>	<b>Compa rative FY</b>	<b>% of the total</b>
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

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**31. Inventories**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable stores	-	-
Other goods held for resale	-	-
Catering	-	-
Others (specify)	-	-
Less: allowance for impairment	-	-
<b>Total inventories at the lower of cost &amp; net realizable value</b>	-	-

**Detailed Disclosure on Inventories**

	FY 2024/2025	FY 2023/2024
<b>Opening balance</b>	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
<b>Closing balance</b>	-	-

**32. Investments in financial assets**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

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**d) Movement of Equity Investments**

Impairment allowance/ provision	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

**e) Shareholding in other entities**

For investments in equity share listed under note 31 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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**33. Property, Plant and Equipment**

Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	-	-	-	-	-	-	-	-	-
As At 1July (FY 2023/24)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June (FY 2023/24)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June (FY 2024/25)</b>	-	-	-	-	-	-	-	-	-
Depreciation And Impairment									
At 1July ( FY 2023/24)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> (FY 2024/25)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June (Current FY)</b>	-	-	-	-	-	-	-	-	-
Net Book Values									
<b>As at 30<sup>th</sup> June (FY 2023/24)</b>	-	-	-	-	-	-	-	-	-

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Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June ( FY 2024/25)	-	-	-	-	-	-	-	-	-

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**Valuation**

Land and buildings/ Equipment were valued by valuers in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020).

**(b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment	-	-	-
Furniture and Fittings	-	-	-
Others	-	-	-
<b>Total</b>	-	-	-

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorecycles	-	-
Computers and Related Equipment	-	-
Office Equipment	-	-
Furniture and Fittings	-	-
Others	-	-
<b>Total</b>	-	-

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**34. Intangible Assets**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**35. Investment Property**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

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**36. Trade and Other Payables**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	-		-	
<b>Ageing analysis: (Trade and other payables)</b>	<b>FY 2024/2025</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**37. Refundable Deposits from Customers**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	-		-	
<b>Ageing analysis: (Refundable deposits)</b>	<b>FY 2024/2025</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
<b>Under one year</b>	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

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**38. Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-	-
Additional provisions during the year	-	-	-	-	-
Provision utilised during the year	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
<b>Total provisions at the end year</b>	-	-	-	-	-
<b>Analysed as:</b>					
Current Provisions	-	-	-	-	-
Non-Current Provisions	-	-	-	-	-

**39. Finance Lease Obligation**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
<b>Total</b>	-

**Analysed as:**

Description	Amount (Kshs)
Current	-
Non- Current	-
<b>Total</b>	-

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The deferred income movement is as follows:

**40. Deferred Income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
National/ County Government	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

	National/ County Government	Public contributions and donations	Total
	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-
Additions	-	-	-
Transfers To Capital Fund	-	-	-
Transfers To Income Statement	-	-	-
Other Transfers	-	-	-
Balance Carried Forward	-	-	-

**41. Employee Benefit Obligations**

Description	Defined benefit plan	Post- employe nt medical benefits	Other Benefits	(Current FY)	(Comparat ive FY)
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	-	-

**Retirement benefit Asset/ Liability**

The Entity does not operate a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by the custodian of the scheme. The scheme is based on percentage of the salary of an employee at the time of retirement. An actuarial valuation to fulfill the financial reporting disclosure requirements of IPSAS39 was carried out as at by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	FY 2024/2025	FY 2023/2024
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (pre- retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

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**b) Amounts recognised in the Statement of Financial Position**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
<b>Net asset or liability arising from defined benefit obligation</b>	-	-

The Entity does not contribute to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at nil per employee per month. Other than NSSF the Entity has not defined contribution scheme operated by Pension Fund. Employees contribute 0% while employers contribute 0% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

**42. Borrowings**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>a) External borrowings</b>		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>b) Domestic borrowings</b>		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>Balance at end of the period- domestic and External borrowings c = a+b</b>	-	-
<b>Short Term Borrowings (Current Portion)</b>	-	-
<b>Long Term Borrowings</b>	-	-
<b>Total</b>	-	-

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The analyses of both external and domestic borrowings are as follows:

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total Balance at End Of The Year	-	-

**43. Taxation**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 26)	-	-
Under/(over) provision in prior year/s (note 26)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

**44. Service Concession Liability**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
<b>Service concession liability at end of the year</b>	<b>-</b>	<b>-</b>

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**45. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year-end is attributable to the following items:

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
<b>Net deferred tax liability/(asset)</b>	-	-
<b>The movement on the deferred tax account is as follows:</b>		
<b>Balance at beginning of the year</b>	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
<b>Balance at end of the year</b>	-	-

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**46. Cash Generated from Operations**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Surplus/Deficit for the year</b>	<b>1,438,975.00</b>	<b>729,888.17</b>
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	511,598.00	(669,710.20)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>1,950,573.00</b>	<b>60,177.97</b>

**47. Financial Risk Management**

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

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**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-

**Financial Risk Management**

**iii) Market risk**

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rates, equity prices, and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

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**Financial Risk Management**

The carrying amount of the *Entity's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Current FY 2024/2025**

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

**Foreign currency sensitivity analysis**

**Current FY 2024/2025**

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

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**Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>FY 2024/2025</b>			
Euro	0%	-	-
USD	0%	-	-
Sterling pound	0%	-	-
<b>FY 2024/2025</b>			
Euro	0%	-	-
USD	0%	-	-
Sterling pound	0%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**Fair value of financial assets and liabilities**

**a) Financial instruments are measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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**Financial Risk Management**

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-

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

**iv) Capital Risk Management**

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

Description	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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**48. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have the 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 *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors/Fund Committees.
- vi) Others

Description	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Rent income from govt. Agencies	-	-
Others	-	-
<b>Total</b>	-	-
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others	-	-
<b>Total</b>	-	-
<b>c) Grants /transfers from the government</b>		
Grants from National government	-	-
Grants from County government	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>a) Expenses incurred on behalf of related party</b>		
Salaries and wages for employees	-	-

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Description	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
Goods and services	-	-
Others	-	-
<b>Total</b>		
<b>b) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**49. Segment Information**

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

**50. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others	-	-
<b>Total</b>	-	-

**Contingent Liabilities**

Description	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others	-	-
<b>Total</b>	-	-

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**51. Capital Commitments**

Capital Commitments	FY 2024-2025	FY 2023/2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

**52. Events after the Reporting Period**

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

**53. Ultimate And Holding Entity**

The fund is a County Public Fund established by Public Finance Management (Baringo County Executive Members Mortgage Scheme Fund) Regulations 2016 Act. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

**54. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General’s Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Conclusion	Default on loan balances	Demand notices have been sent to respective defaulters and currently, the Loan Management Committee has initiated the process of engaging auctioneers to sell charged property. During the financial year 2024/2025, the Fund Administrator reached to some of the members had non-performing loans and they started repaying there defaulted loans. Among them were Moses Atuko, Rebecca Lomong and Richard Koech. Going forward, the Loan Management Committee intends to engage a financial institution to manage the loan disbursement and collection because they have the capacity.	Not Resolved	September 2025
Emphasis on Matter	Budgetary Control and Performance	Indeed the Loan Management Committee had projected to receive Kshs. 56,000,000 from Baringo County Executive for onward loaning to qualifying members and Kshs. 3 Million was expected Interest Income from advanced loans. Kshs. 56 Million was advanced to Mortgage Scheme on 11 <sup>th</sup> July 2023 translating to a shortfall of Kshs. 447,063 occasioned by non-achievement of targeted income from Interest. Despite a budget being an estimate, the Loan Management Committee will strive to perfect expected future income during budget preparation and will do a review, if necessary, do a supplementary budget. Underutilization resulted	Not Resolved	September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		because the loan management committee could not disburse money to individuals who had not satisfied the criteria laid down.		
Other Matters	Unresolved Prior Year Matters	Much has been done to correct anomalies reported in prior years. For example, the County developed and approved a risk management Policy.	Not Resolved	September 2025
Basis for Conclusion	Failure to Charge Security on properties on Mortgage Provided	Initial step done by the Loan Management Committee was to put a memorandum of deposit of titles to secure the loans. The process of charging titles is almost complete despite the fact that it took long due to dispersed location of the various land parcels.	Not Resolved	September 2025
	Long Outstanding Receivables	To address the long outstanding receivables, the loan management committee reviewed Mortgage Scheme Regulations to incorporate features such as adverse listing in a CRB and provision of auctioneering services.	Not Resolved	September 2025

.....  
Fund Administrator → Baringo County Executive Mortgage Scheme Fund

Date:



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**Appendix II: Projects implemented by Baringo County Executive Members Mortgage Scheme Fund**

Projects implemented by the Entity Funded by development partners and/ or the Government.

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

**Status of Project Completion**

S/No	Project Name	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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**Appendix IV: Transfers from Other Government Entities**

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development /Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Reserve	Deferred Income	Receivables	Others - must be specific	
-	-	Recurrent	-	-	-	-	-	-	-
-	-	Development	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	-	-	-

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**Appendix V- Inter-Entity Confirmation Letter**

Name of transferring entity: **Baringo County Government**

Name of beneficiary entity: **Baringo County Executive Members Mortgage Scheme Fund**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total	-	-	-	-	-

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

**Head of Accounts Department - Disbursing Entity:**

Name William S. [Signature] Sign [Signature] Date 18 NOV 2025

**Head of Accounts Department - Beneficiary Entity:**

Name David Perina Sign [Signature] Date 10 NOV 2025

**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

**Baringo County Executive Mortgage Scheme Fund**  
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**Appendix VII: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
-	-	-	-	-	-	-
-	-	-	-	-	-	-