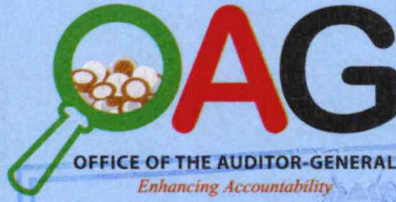


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 04 DEC 2025

DAY.
THURSDAY

TABLED
BY:

MAJORITY LEADER

FINLAY

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**CO-OPERATIVE SOCIETIES
LIQUIDATION ACCOUNT**

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





**MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES
(MSMEs) DEVELOPMENT**

STATE DEPARTMENT FOR COOPERATIVES

LIQUIDATION ACCOUNT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

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Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025

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**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

1. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The Liquidation account of societies (to be called the Co-operative Societies Liquidation Account established under rule 49), is account kept by the Commissioner for Co-operatives with such bank as may be prescribed and administered in the prescribed manner. The Account is managed by the department for Co-operatives as authorized by the Co-operatives Societies Act CAP 490 Revised Edition 2012 and the Co-operatives Societies Act 2004 [Act No. 2 of 2004, Sch.]

Co-operatives Societies Act 2004 and the Co-operative Societies Rules 49;

49.(1) There is hereby established an account known as the Co-operative Societies Liquidation Account which shall be administered by the Commissioner or his representative.

(2) The following shall be paid into the liquidation account; -

- (a) All money realized in the liquidation where a bank account does not exist at the commencement of the liquidation.
- (b) Any unpaid claims on closure of a liquidation; and
- (c) Any surplus balance on closure of liquidation.

(3) The following may be paid from the Liquidation account.

- (a) Claims, previously unpaid, subject to certification by the Commissioner or a person nominated by him for the purpose, within a period of two years from the date of the closure of liquidation;

- (b) Distribution in any liquidation under paragraph (a) of this sub rule.

(4) The Commissioner may authorize, after the expiration of two years from the date of closure of any liquidation, payment of balances of unpaid claims and surpluses from the Liquidation account into the Fund.

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

2. ACCOUNT ADMINISTRATION TEAM

	<p>Principal Secretary Patrick K. Kilemi Patrick Kiburi Kilemi is the Principal Secretary (PS) in the Ministry of Co-operatives and Micro, Small & Medium Enterprises (MSMEs) Development, State Department for Co-operatives. His career spans over 20 years in sales, marketing, commercial planning and pricing experience in the petroleum industry in Kenya and the East and Central African region mainly with International Oil Majors Total Kenya Limited (11 years), Chevron (Caltex) Kenya Limited (4 years) and Mobil Oil Kenya Limited (3 years). He holds a Masters Degree in Economics and Bachelors of Arts Degree in Economics from The University of Nairobi. He is a CPA (K) finalist.</p>
	<p>Mr. David K. K. Obonyo Mr. David K. Obonyo is the Commissioner for Co-operatives Development. Holds a Masters of Arts in Rural Economics and Co-operation (Bundelkhand University, India); Bachelor of Arts, Economics, Sociology and Political Science and Diploma Industrial Relations. Has 24 years' service in the Co-operatives Administration serving as Ag. Secretary Ethics Commission for Co-operatives Societies (ECCOS), Head of Department, Co-operatives Finance and Banking, Co-operatives County Commissioner, Provincial Co-operatives Officer and District Co-operatives Officer. A member of Kenya Society for Professional Co-operators. (KSPC).</p>
	<p>Kipyegon Henry Siele CPA Kipyegon Henry Siele is a Senior Deputy Accountant General and head of accounting unit in the State Department. He holds an MBA (Finance), B.Sc. (Mathematics), CPA(K), CPS(K) and PGDE</p>
	<p>Javel Muthee Murira Mr. Javel Muthee Murira is the Director, Co-operatives Audit. He holds a MBA in Finance, B.A in Economics and Sociology. KACE and KCE. He is a professional Accountant. He is currently Director of Co-operatives Audit State Department for Co-operatives. He has worked in various government units from the year 1994 to date. He is a member of ICPAK and Institute of Internal Auditors (IIA).</p>

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

a) Registered Offices

P.O. Box 30547-00100
NSSF Building
Bishop Road
Nairobi, Kenya.

b) Account Contact

Telephone: (254) 020-273531-9
E-mail: ps.ushirika@gmail.com
Website: www.go.ke

c) Account Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya.

d) Independent Auditors

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

e) Principal Legal Adviser

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

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

3. MANAGEMENT TEAM

	<p>Principal Secretary Patrick K. Kilemi Patrick Kiburi Kilemi is the Principal Secretary (PS) in the Ministry of Co-operatives and Micro, Small & Medium Enterprises (MSMEs) Development, State Department for Co-operatives. His career spans over 20 years in sales, marketing, commercial planning and pricing experience in the petroleum industry in Kenya and the East and Central African region mainly with International Oil Majors Total Kenya Limited (11 years), Chevron (Caltex) Kenya Limited (4 years) and Mobil Oil Kenya Limited (3 years). He holds a Masters Degree in Economics and Bachelors of Arts Degree in Economics from The University of Nairobi. He is a CPA (K) finalist.</p>
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4. REPORT OF THE ADMINISTRATOR

Review of performance

The account received amount owing to beneficiaries amounting to KSh.9,321,615 and paid out KSh 10,254,782 during the financial year 2024/2025

Entity's compliance with statutory requirements

During the reporting period the account has complied with all statutory requirements. The institution has no non-compliance that may expose it to potential contingent liability.

Key projects and investment decisions the entity is planning/implementing

There is no any key project or investment the account is planning to implement.

Major risks facing the entity

The account is exposed to liquidity risk. The account overall risk management framework focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risk on its performance by setting acceptable levels of risk.

Material arrears in statutory/financial obligations

During the reporting period the Account has no material arrears and any financial obligations

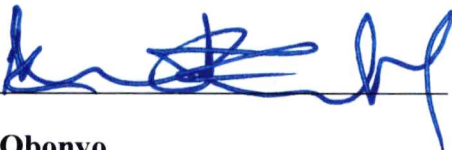
The entity's financial probity and serious governance issues

During the reporting period the account has no case of financial improbity reported and no governance issues were raised.

Conclusion

I take this opportunity to thank all staff who we have worked hand in hand to ensure that Liquidation Account achieves its mandate.

Signed: _____



**David K. Obonyo
Commissioner for Co-operative Development.**

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

5. PRINCIPAL SECRETARY REPORT

It is my pleasure to present, the Liquidation Account Financial Statements for the year ended 30th June, 2025. The financial statements present the financial performance of the account over the past year.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the State Department for Co-operatives, Co-operative auditors, and other stakeholders, for their continued support which made us achieve these results.

I look forward to your continued support in the years to come.



Signed: _____

**Patrick K. Kilemi
Principal Secretary**

6. CORPORATE GOVERNANCE STATEMENT

STATEMENT OF COMPLIANCE

The Account has throughout the FY2024/2025 complied with all statutory and regulatory requirements and that the account has been managed in accordance with the principles of good corporate governance.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The management are responsible for reviewing the effectiveness of the Account's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal Control Framework

The account continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an ongoing basis.

Management Team

The management team headed by the Account Administrator implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently.

Auditor

The account is audited by the Auditor-General.

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

7. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of an Account shall prepare financial statements for the Account in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Account is responsible for the preparation and presentation of the Account's financial statements, which give a true and fair view of the state of affairs of the Account 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 Account; (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 Account; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Account accepts responsibility for the Account's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Account is of the opinion that the Account's financial statements give a true and fair view of the state of Account's transactions during the financial year ended June 30, 2024, and of the Account's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Account, which have been relied upon in the preparation of the Account's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Account has assessed the Account's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Account 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 Account's financial statements were approved by the accounting officer

on

28th

October 2025 and signed by:



**Patrick K. Kilemi
Principal Secretary**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON CO-OPERATIVE SOCIETIES LIQUIDATION ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2025 – STATE DEPARTMENT FOR CO-OPERATIVES

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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Co-operative Societies Liquidation Account set out on pages 1 to 9, which comprise of the statement of financial position as 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

Report of the Auditor-General on Co-operative Societies Liquidation Account for the year ended 30 June, 2025 – State Department for Co-operatives

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Co-operative Societies Liquidation Account 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 the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. The issues as detailed in Appendix I remain unresolved as Parliament has not deliberated on the same.

Other Information

The Management is responsible for the Other Information set out on page iii to x which comprise of Key Entity Information and Management, Account Administration Team, Management Team, Report of the Administrator, Principal Secretary Report, Corporate Governance Statement and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Co-operative Societies Liquidation Account'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 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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with 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 are in compliance, 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 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

Non-Disclosure of Assets and Liabilities Managed by the Liquidators

As previously reported, review of the records provided for audit revealed that Fund's Management did not disclose the identity and value of assets and liabilities managed by the liquidators. Further, most of the liquidators are officers of the State Department for Cooperatives appointed by the Commissioner and some societies have high value assets including land and rental properties. In addition, there was no information on any other money or revenue generated in the offices of the Liquidators.

In the circumstances, the effectiveness of internal controls, risk management and governance on assets and liabilities managed by the liquidators could not be confirmed.

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 Management and those charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2025

Appendices

Appendix I: Unresolved Prior Year Matters


No	Reference	Observation
		Basis of Qualified Opinion
1	245	Incomplete Financial Statements
2	246	Unsupported Expenditure
		Lawfulness and Effectiveness in Use of Public Resources
3	247	No material issues raised
		Effectiveness of Internal Controls, Risk Management and Governance
4	248	Non-Disclosure of Assets and Liabilities Managed by the Liquidators

Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025

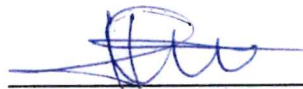
8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025

	Note	FY2024/2025	FY2023/2024
Revenue from non-exchange transactions			
Liquidation proceeds	13(k)1	9,321,615	23,198,115
Total revenue		9,321,615	23,198,115
Payments/transfers			
Transfers to Liquidation beneficiaries	13(k)2	10,254,783	15,944,637
Total payments/transfers		10,254,783	15,944,637
Surplus/(deficit)for the period		(933,168)	7,253,479

The notes set out on pages 6 to 8 form an integral part of these Financial Statements.
 The Account's Financial Statements were approved by the accounting officer on 28th October 2025 and signed by



Patrick K. Kilemi
 Principal Secretary



CPA Kipyegon Henry Siele
 Senior Deputy Accountant General
 ICPAK Number:8879




David K. Obonyo
 Commissioner for Co-operative Development.

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**


9. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.

	Note	FY2024/2025	FY2023/2024
			KShs
Financial Assets			
Cash and cash equivalents	13(k) 3		
Bank balances		29,535,103	30,468,271
Total cash and cash equivalents		29,535,103	30,468,271
Financial Liabilities			-
Net assets		29,535,103	30,468,271
Financed by			
Liquidation Account b/f		30,468,271	23,214,793
Accumulated surplus/deficits		(933,167)	7,253,478
Total equity		29,535,103	30,468,270

The accounting policies and explanatory notes to these financial statements set out in pages 6 to 8 form an integral part of the financial statements. The entity financial statements were approved on 28th, October 2025 and signed by:



Patrick K. Kilemi
Principal Secretary



CPA Kipyegon Henry Siele
Senior Deputy Accountant General
ICPAK Number: 8879



David K. Obonyo
Commissioner for Co-operative Development.

Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025

10. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2025


	Revolvi ng accou nt	Accumulated Surplus	Prior year adjustment s	Total
		KShs		
Balance as at 30 June 2024	23,214,793	7,253,478	-	30,468,271
Balance as at 30th June 2025	30,468,271	(933,168)	-	29,535,103

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**


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

	Note	FY2024/2025	FY2023/2024
Cash flows from operating activities			
Receipts			
Liquidation proceeds	13 k(1)	9,321,615	23,198,115
Total Receipts		9,321,615	23,198,115
Payments			
Transfers to Liquidation Beneficiaries	13 k(2)	10,254,783	15,944,636
Total Payments		10,254,783	15,944,636
Adjusted for			
Net cash flows used in Operating activities		(933,168)	7,253,478
Net increase/(decrease)in cash and cash equivalents		(933,168))	7,253,478
Cashandcashequivalentsat1July 2024		30,468,271	23,214,793
Cashandcashequivalentsat30 June 2025		29,535,103	30,468,270

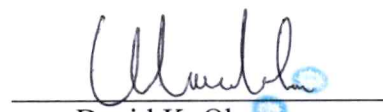
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Then entity financial statements with approved
On 28th October 2025 and signed by



Patrick K. Kilemi
Principal Secretary



CPA: Kipyegon Henry Siele
Senior Deputy
ICPAK Number: 8879



David K. Obonyo
Commissioner for Co-operative Development.

**Liquidation Account
Annual Report and Financial Statements
For the year ended June 30, 2025**

12 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)	e=(c-d)	0	f=d/c*100
Budget carryovers from the previous year*		0		0	0	
Receipts	9,321,615		9,321,615	9,321,615	0	
Total Receipts	9,321,615	(0)	9,321,615	9,321,615	0	100
payments	1					
Total Payments	10,254,783	(0)	10,254,783	10,254,783	0	100
Surplus	(933,168)	0	(933,168)	(933,168)		

Note: liquidation account established as per cooperative societies Act 2004 and the cooperatives societies rule 49 is a processing account for liquidation proceeds and the budget associated with it is the liquidation proceeds and payments are the disbursements to beneficiaries as per liquidator's schemes of distributions

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13 NOTES TO THE FINANCIAL STATEMENTS

Summary of significant accounting policies

(a) Statement of compliance and basis of preparation

The Account's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Account. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis

i) Revenue from non-exchange transactions

Liquidation fees

Liquidation fee is recognized when audited account is presented to commissioner for approval or registration are billed for payments. Currently no registration of account is allowed without full payments having been done.

(b) 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.

(c) Account surplus fees

Account surplus are realized from excess income over expenditure, the surplus is carried forward to the next financial year.

(d) 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.

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(e) Cash and cash equivalents

. Bank account balances include amounts held at the Central Bank of Kenya at the end of the financial year.

(f) Comparative figures

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

(g) Events after the reporting period

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

(h) Currency

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

(i) 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.

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.

(j). Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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(k) Supporting Schedules

1. Liquidation Proceeds

Description	FY2024/2025	FY2023/2024
KAAGA		733,016
LUKENYA RANCHING		5,160,702
AGIP COOP SAVINGS		939,039
LUKENYA RANCHING		9,277,65
KAAGA COOP HOLDING		4,077,284
NEW KPCU	8,923,522	4,537,805
BOULEVARD COOP INS. SOCIETY		926,635
MUKENIA FARMERS COOP SOCIETY	185,432	185,686
LUKENYA RANCHING		619,938
AGIP COOP		4,875,152
MUNYAKA FARMERS COOP SOCIETY	128,034	12,409
MUHORONI SUGARCANE GROWERS COOP UNION	23,698	22,967
MUKENYA FARMERS COOP SOCIETY		179,716
SABUNI COOP LTD	176,160	
Total	9,321,615	23,198,115

2. Transfers to beneficiaries

Description	FY2024/2025	FY2023/2024
LLUKENYA RANCHING		6,088,467
NEW KPCU	4,391,925	4,537,805
KAGAA FC		5,318,364
AGIP SACCO	5,862,858	
Total	10,254,783	15,944,637

3 Cash and cash equivalent

	FY 2024/2025	FY2023/2024
Cash at hand	0	0
Bank balance	29,535,103	30,468,271
Totals	29,535,103	30,468,271

14. Appendices

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 for the FY2023/2024

Para	Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
245	Incomplete Financial Statements	-statement of comparison of budget and actual amounts will be provided in revised financial statements and subsequent years. -All prior audit issues will be reported	Not resolved; Awaiting PAC recommendations	
246	Unsupported Expenditure	The statement of financial performance reflects transfers to liquidation beneficiaries' amount of Kshs.15,944,636 disbursed to three (3) societies as disclosed in Note 2 to the financial statements. however, these funds are not public money and the support for expenditure is subject to private audit as per cooperative act 2004.	Not resolved, Awaiting PAC recommendations	
247	There were no material issues relating to lawfulness and effectiveness in use of public resources.	N/A	Resolved	
248	Non-Disclosure of Assets and Liabilities Managed by the Liquidators	these assets are not public and the support and disclosure is subject to private audit as per cooperative act 2004.	Not resolved; Awaiting PAC recommendations	



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Senior Deputy Accountant
ICPAK Number 8879