REPUBLIC OF KENYA

REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

LAIKIPIA COUNTY REVENUE BOARD

FOR THE YEAR ENDED 30 JUNE, 2025

OFFICE OF THE AUDITOR-GENERAL
ISIOLO REGIONAL OFFICE
30 OCT 2025
L093
P. O. Box 1027 - 60300, ISIOLO
RECEIVED

LAIKIPIA COUNTY REVENUE BOARD

LAIKIPIA COUNTY GOVERNMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

Table of Contents……………………………………………………………………………Page

1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial Year
CEO	Chief Executive Officer
CECM	County Executive Committee Member
CA	County Assembly
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PPE	Property Plant & Equipment
LCRB	Laikipia County Revenue Board
SAGAs	Semi-Autonomous Government Agencies
CT	County Treasury

B: Definition of Key Term

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

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Laikipia County Revenue Board was established and derives its authority and accountability from Laikipia County Revenue Board ACT 2014 enacted on 19^{th} June 2014. The LCRB is wholly owned by the County Government of Laikipia which is one of the 47 Counties in the Republic of Kenya.

The mandate of LCRB is;

(i) Collecting and receiving all county revenue;

(ii) And enforcing county laws related to revenue;

(iii) Assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue.

(iv)advising the CEC Member on all matters related to administration and collection of revenue, under county laws and carrying out other roles necessary for the implementation of the objectives and purpose of the Laikipia County Revenue Board Act, 2014.The LCRB is under the department of Finance and County Treasury and semi-autonomous in nature.

The Board comprises of the Chairperson, the Chief Executive Officer, five members and the Chief Officer Finance. The day-to-day management of the Board is the responsibility of the Chief Executive officer.

(b) Principal Activities.

The Board is a body corporate with perpetual succession and a common seal.

Objects and Purpose of the ACT is to provide for the Establishment of Legal and Institution Framework for Revenue Administration in order to:

(c) Ensure effectiveness and efficiency in revenue administration

(d) Facilitate transparency in Revenue Administration

(e) Enhance County Income

Core Mandate of the Board

Assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue and advising the CEC on all matters related to administration and collection of revenue under county laws;

To be an excellent platform on all domestic revenue matters in Laikipia County respected for transparency, integrity, fairness and rule of law

To build a cost sustainable, secure, cost effective revenue platform that drives economic growth for the County

(f) Key Management

The LCRB day-to-day management is under the following key organs:

S/NO	DESIGNATION	NAME
1	Chair of the Board	Githua Karangu
2	Chief Officer Finance	Daniel Ngumi
3	CEO-Secretary	Elijah Kamunya
4	Board Member	Jeniffer Koinante
5	Board Member	Elizabeth Paraiton
6	Board Member	Alice Wanjiru
7	Board Member	Francis Kinuthia

(g) Fiduciary Management

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

No.	Designation	Name
1	CEO	Kamunya Karundo
2	Head of Administration	Grace Muchiri
3	Head of Finance	Ann Kinyua
4	Head of Procurement	Teresa Githu
5	Head of ICT	Charles Githinji
6	Head of Human Resources	Eunice Gacheba

(h) Entity Headquarters

P.O. Box 131-20321

County Headquarters

Government Road, Opposite DCCs Office

Rumuruti,

Kenya.

(i) Entity Contacts

Telephone: (254) 757701850

E-mail: lcrb@laikipia.go.ke

website: laikipiarevenue.co.ke

(j) Entity Bankers

Co-operative Bank

Nairobi,Kenya.

(k) Independent Auditor

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

(l) Principal Legal Advisers

1. The Attorney General
   State Law Office and Department of Justice
   Harambee Avenue
   P.O. Box 40112
   City Square 00200
   Nairobi, Kenya.

2. County Attorney
   P.O. Box1271-10400
   Laikipia County

3. THE BOARD OF DIRECTORS/MANAGEMENT

Directors	Details
 ***Githua Karangu*** *He holds a master's degree in Education and has previously served as Vice Chairperson of the Laikipia County Public Service Board and Chairperson of the Board of Directors at Nyahururu Water and Sanitation Company.*	He was appointed as the Chairperson of the Laikipia County Revenue Board, bringing over 42 years of experience in public service and administration He is currently the Chairperson of Laikipia County Revenue Board.
 ***Elijah Kamunya.*** *Master's Degree in Business Administration (Finance & Strategic Management) from the University of Nairobi, Bachelor of Commerce (Accounting) from the University of Nairobi and a Certified Public Accountant.*	Born in the year 1975. He has over 20 years' working experience in Financial administration, Audit and Compliance both in private and public sector. He is Currently the Chief Executive Officer, Laikipia County Revenue Board and the secretary to the Board.
	He has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and County Government of Kiambu as Director of Finance.

Daniel Ngumi. *He holds a Bachelor's Degree in Economics and Public Administration and Master's Degree in Accounting and Finance. He is also a CPA*(K).	He currently serves as the Chief Officer Finance and County Treasury.
 ***Jeniffer Koinante.*** *Holds a B.Ed. degree, Degree in HIV/AIDS Guidance and counselling and a Diploma in Early Childhood Education. She is an expert in conflict management and preventive diplomacy, forest Governance, Human Rights Education.*	She is an expert in conflict management and preventive diplomacy, forest, governance, human rights Education and Advocacy. She currently serves as a member in the revenue board.
 ***Francis Munyiri.*** *He holds a Certificate in food production from Kenya Hotel Institute and Ala carte cookery course from Utalii College.*	He has experience as a chef at Safari Land Club, supervisor and chef at Lewa. He is also a businessman and a farmer. He is currently a member of the Board at Laikipia County Revenue Board.
 ***Elizabeth Paraiton Lourokeek.*** *She has a Diploma in Computer applications and short courses in Leadership and governance.*	She was the former Nominated MCA and community Liaison Officer in Samburu Women Trust. Currently, she is a member of the Laikipia County Revenue Board.

 ***Alice Wanjiru.*** *She has in country training program on strengthening the capacity of grassroot women for wealth creation and socio-economic development from JKUAT*	Born in the year 1976. She has worked as a supervisor at location level in household economic empowerment program (HEEP)-by County Government of Laikipia. She is currently a board member of Laikipia County Revenue Board.

4. KEY MANAGEMENT TEAM

Name	Details of qualifications and experience
1. Elijah Kamunya  *Master's Degree in Business Administration (Finance & Strategic Management) in the university of Nairobi, Bachelor of Commerce (Accounting) in the University of Nairobi and a Certified Public Accountant.* *He has over 20 years' working experience in Financial administration, Audit and Compliance both in private and public sector*	. He is the Chief Executive Officer Laikipia County Revenue Board.
2. Ann Kinyua  *She holds a degree in Bachelor of Commerce (Finance Option) from Kenyatta University. She is also a Certified Public Accountant Finalist*	Head of Account's in the Laikipia Revenue Board.
3. Eunice Gacheba  *She has a Diploma in Human Resource Management at Nyeri National Polytechnic with over five years' experience working as Human Resource officer.*	Head of Human Resource officer in the LCRB, Laikipia County Government.

4. Grace Muchiri  *She has a Bachelor's of Business Administration (Human Resource option) from Kimathi University, Diploma in Management from Kenya Institute of Management. She also has an Advanced certificate course in Business Management. She has 25 years' experience in the public sector.*	She is the revenue administrator in LCRB,Laikipia County.
5. Teresa Githu  *She is a Kenya Institute of Supplies Management (KISM) registered member with CPSP-K Level 1 qualifications. Formerly worked as a Supply Chain Management Assistant in both the former Export Promotion and Branding Agency and the Kenya Export Promotion and Branding Agency (KEPROBA) for 2 years.*	She is the Head of supply Chain
6. Charles Githinji  *Bachelor of Science in Mathematics and Computer science from Kirinyaga University. He has vast knowledge and experience in System Administration, Network Infrastructure and Cyber Security.*	He serves as the Head of ICT in LCRB.

5. CHAIRPERSON'S STATEMENT

I am delighted to present the Annual Report and financial statements for Laikipia County Revenue Board for the year ended 30th June,2025. As a Revenue Board, our top priority is to improve performance in revenue collection and to seek more growth in own source revenue (OSR).

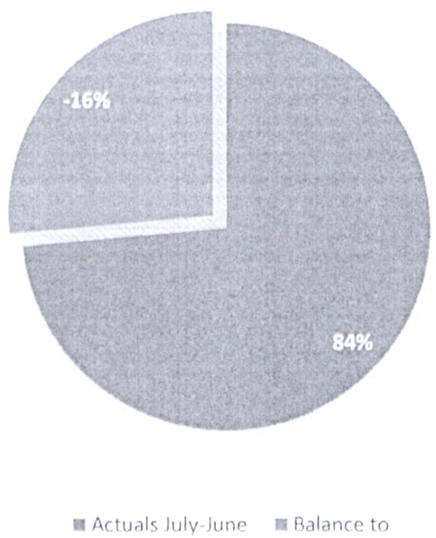
In this regard, the Revenue Board has, over the last six years, worked towards expanding the tax base with tremendous success which has seen the growth of own source revenue from Ksh.815 Million in FY 2018/19 to Ksh 1,239,504,562 in FY 2024/25 recording the highest revenue collected in Laikipia County since devolution as illustrated below.

Revenue Performance Implementation.

2024/2025 REVENUE TARGET IMPLENTATION AS AT 30TH JUNE 2025				
Financial Year	Target 2024/25	Actuals July-June	Balance to	% Budget
Total O.S.R	**1,475,000,000**	**1,239,504,563**	235,495,437	84%

The table above indicates a collection of ksh 1,239,504,563 as our own source revenue which signified a collection of 84% against our set budget of ksh 1,475,000,000.
A graphical representation of our performance against our set budget is as per the figure below.

REVENUE TARGET IMPLEMENTATION.



In the Financial year 2024/2025 . The LCRB has mostly missed its revenue target in the recent past with (16%) due to;

- Persistence of integrity challenges.
- Taxpayer information not always up to date.
- Inadequate facilitation in terms of staffs. mobility and staff motivation.
- Skills and capacity gaps amongst recruited staffs.
- Tax evasion by non-compliant taxpayers.
- Low budget allocation which affects implementation of the planned programs.
- Challenge in tapping revenue potential from the growing e-commerce including online businesses, tourism related fees.
- Inadequate funding undermining staffing levels, compliance and modernization efforts.
- Low rates payment morale due to perception of misuse of revenues collected.

Overall, the Revenue Board is proud of the milestones achieved amidst these economic set backs.

However, the Revenue Board has developed strategic plan for 5 years to reduce the chances of missing the set targets.These strategies are;

- OSR Growth & Enhancement
- Efficiency Improvement
- Technology Intergration
- Public Engagement.
- Capacity Building

Despite the many challenges presented by the business environment in financial year 2024/2025, the Revenue Board was able to turn in a good result.

On behalf of the board, I take this opportunity to thank our staff for the hard work and dedication to duty as well as all Laikipia taxpayers who have continuously paid taxes.

This achievement would not have been possible without the support, understanding and cooperation of H.E. Governor Joshua Irungu who tirelessly guided and supported the Revenue Board in the discharge of its mandate.

I wish to appreciate the CECM Finance, Planning and County Development for the provision of resources.

The Revenue Board remains committed to keeping a tight rein on enhancing revenue growth. in order to increase leverage of the County revenue collection

THE CHAIR
20 AUG 2025
LAIKIPIA COUNTY RE...

Signed : ______________________________
Name:Githua Karangu
Chairperson- Laikipia County Revenue Board.
Date:20/08/2025

6. REPORT OF THE CHIEF EXECUTIVE

Dear Stakeholders,

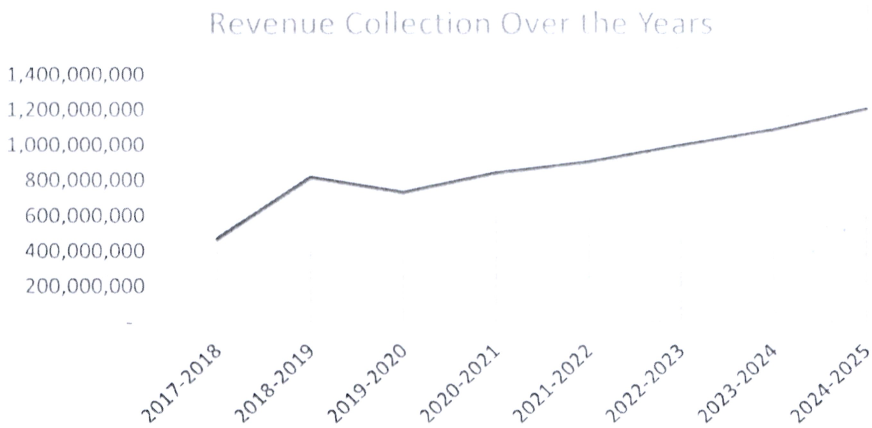
I am pleased to report that we have made great strides in revenue collection in the financial year 2024/2025.

Adequate Resources is the backbone of every development success of the County, our strategic focus is to ensure effective and efficient in revenue collection so as to fund the budgetary requirements of the County Government of Laikipia. For the second year in a row the county Government has maintained its impressive milestone of collecting over one Billion in OSR

In the FY 2023/24 Laikipia broke the one billion mark and sustained the momentum in FY2024/25..Several factors contributed to this outstanding performance. The automation of revenue services has been pivotal as embracing technology and streamlining the process have significantly increased the efficiency in tax collection. Leadership has played a crucial role Governor HE Joshua Irungu EGH, HE Deputy Governor Reuben Kamuri, the department of Finance and County Treasury and Laikipia County Revenue Board.

Over the past three financial years, we have grown Own Source Revenue by 20% from Ksh. 997,324,350 to Kshs 1,239,504,563

Revenue Collection From FY 2017/18 – FY 2024/25



This performance was attributed to proper mapping of all revenue sources within the county, ensuring that the data of all the revenue payers is consolidated and improved, Revenue Automation, Collaboration Framework, Establishment of cashless mode of payment, Revenue process re-engineering and Human Resource Development.

PERFORMANCE PER REVENUE STREAMS FY 2024/2025.

Receipts	Final Targets	Actual on Comparable Basis	Budget Realization Difference	% of Realization
County Own Source Revenue	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Cess	157,500,000	110,252,596	47,247,404	70
Land Rate	135,000,000	61,488,862	73,511,138	46
Single/Business Permits	123,000,000	86,598,873	36,401,127	70
Property Rent	36,500,000	26,374,108	10,125,892	72
Parking Fees	103,500,000	75,646,010	27,853,990	73
Market Fees	16,000,000	13,977,614	2,022,386	87
Advertising	30,000,000	18,965,405	11,034,595	63
Hospital Fees	602,500,000	695,623,383	(93,123,383)	115
Public Health Service Fees	22,100,000	11,598,116	10,501,884	52
Physical Planning and Development	64,000,000	25,029,624	38,970,376	39
Hire of County Assets	600,000	405,518	194,482	68
Conservancy Administration	40,000,000	18,553,987	21,446,013	46
Administration Control Fees and Charges	84,600,000	52,857,642	31,742,358	62
Sale of assets	10,000,000	6,093,492	3,906,508	61
Park Fees	17,600,000	17,729,958	(129,958)	101
Other Fines, Penalties, and Forfeiture Fees	2,000,000	413,484	1,586,516	21
Education fees	30,100,000	17,895,890	12,204,110	59
Total County Own Source Revenue	**1,475,000,000**	**1,239,504,563**	**235,495,437**	84

Revenue streams that recorded optimal performance were;hospital fees at 115%, Park fees 101%, Market fees 87%, Parking fees 73%, Single Bussines Permit 70%, Cess 70%, Advertising at 63%, and Public Health 52% as illustrated above.

Major affected revenue streams were; Other Fines,Penalties And Forfeiture Fees 21%, Physical Planning and Development 39%, Land Rate 46%, and Conservancy Administration 46%, respectively.

The Board strategy has been to widen the revenue net horizontally rather than vertically meaning it does not need to increase fees and charges but rather have higher compliance rate. Despite the steady growth in revenue, citizens remain unburdened as no taxes or additional charges have ever been introduced.

The continuous improvement in revenue collection has translated to various key development within the county in terms of roads construction, markets, city park, construction and equipping of technical institutions, ECDE classrooms, improved irrigation by drilling of boreholes,equipped and expanded health facilities, innovations and job creations.

In order to enhance our engagement and interaction with our tax payers, we have continued to hold public participation and ofisi mashinani in every village so as to educate our tax payers on revenue matters and to offer revenue services.

Through automation of our revenue processes, citizens can conveniently pay via Mobile Money through *861# and Pay Bill No. 313131 and also check our progress and activities on our website www.laikipiarevenue.co.ke

I take this opportunity to appreciate the Board Management and Staff of the Board whom we have worked hand in hand to deliver on the set targets and improve revenue collection despite the general economic challenges

Looking ahead, the Revenue Board has an increasingly daunting task to maintain the over ksh. 1 Billion revenue collection in order to keep the County development momentum.

My sincere appreciation goes to H.E. The Governor Joshua Irungu and our H.E Deputy Governor Reuben Kamuri for their continuous support and guidance in order to ensure we live up to our motto, County Treasury for the support accorded to us, County Departments for continuous collaboration and engagements and County Assembly for enactment of the Finance ACT and other Legislative matters.

In conclusion, I say talent is a tool to win games, but teamwork and intelligence leads to goals achievement. As the stakeholders we need to work hand in hand in order to execute our Strategy and attain success in revenue matters.

CHIEF EXECUTIVE OFFICER
LAIKIPIA COUNTY REVENUE BOARD

Signed: ______________________________
Name:Elijah Kamunya Karundo.
CEO- Laikipia County Revenue Board.
Date:20/08/2025

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

LCRB has five strategic pillars and objectives within the current Strategic Plan for the period between FY 2023/24 –FY 2027/28

These strategic pillars:

Pillar 1: OSR Growth & Revenue Enhancement

Pillar 2: Public Engagement

Pillar 3: Efficiency Improvement

Pillars 4: Efficiency Improvement

Pillars 5: Technology Integration

LCRB develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its CIDP is done on a quarterly basis. The LCRB achieved its performance targets set for the FY 2023/24 period for its five strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
OSR Growth & Enhancement:	Increase revenue and diversify income sources to ensure long-term financial stability.	Annual revenue growth rate Percentage increase in income sources Market share in new territories Customer acquisition and retention rates	Set Revenue Targets Diversify Income Streams Market Expansion Improve Pricing Strategies Enhance Product and Service Offerings	20%
Public Engagement	Enhance transparency, build trust with taxpayers, and foster strong community relationships	• Public satisfaction and trust ratings • Number of community engagement events • Feedback response rate and resolution time	Communication Plan Transparency Initiatives Community Outreach Feedback Mechanisms Collaborative Partnerships	**2 Public Engangement**

		• Media coverage and public perception		
Efficiency Improvement	Enhance operational efficiency by optimizing processes, reducing waste,and maximizing resource utilization.	• Reduction in operational costs • Decrease in process cycle time • Percentage reduction in revenue leakages • Resource utilization rates	Process Optimization Resource Allocation Leakage Reduction Cost Management Performance Metrics	75%
Capacity Building	Focus on staff training and development to enhance skills, performance, and overall organizational capability.	• Improvement in employee skills and competencies • Employee satisfaction and retention rates • Participation in training and development programs • Internal promotion and leadership success rates	Training Programs Professional Development Leadership Development Performance Management Employee Engagement	50%
Technology Integration	Adopt and upgrade technology to improve data management, service delivery, and overall	• Implementation rate of new technologies • Improvement in data accuracy and reporting speed	Technology Assessment Digital Transformation Data Management: Cybersecurity Innovation Culture	40%

	organizational efficiency.	• Reduction in technology-related downtime • Employee adoption rate of new digital tools		

8. CORPORATE GOVERNANCE STATEMENT

The Board consist of Chairperson, five members, Chief Executive Officer who is also an ex-official and the chief officer in charge of finance.

The board members are appointed from diverse fields in private, government and academic sectors who provide complementary expertise and depth of experience to the Board. The members take full responsibility for the sound judgement in leading and directing the board towards the achievement of its goals.

The Board is under the general supervision of the County Executive Committee.

Member is responsible for;

(a) Collecting and receiving of all county revenue

(b) administering and enforcing county laws related to revenue;

(c) assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue;

(d) advising the county executive committee on all matters related to administration and collection of revenue under county laws.

Board and Strategy Meetings

The Board meets regularly in accordance with business requirements and Revenue Board act to discuss on policy matters. The meetings are chaired by the Chairperson with the Chief Executive Officer as the secretary of the board. The Board meetings are structured to allow sufficient time for consideration of the matters to be discussed ahead of the sittings with the agendas well spelt.

The Board has ownership over the strategic direction and progress toward the realization of its goals and objectives in revenue collection.

This is evidenced by regular meetings with the county departments at Governors round table to discuss on the pertinent department issues affecting the revenue collection at departmental level.

Board Committees

The Board Committees are established with written terms of reference detailing their respective mandate.

Following is the list of all Board Committee members.

Human Resource Committee	Technical and strategy committee	Finance committee
Jeniffer Koinate **Chairperson**	Francis Kinuthia **Chairperson**	Francis Kinuthia **Chairperson**
Elizabeth Paraiton	Elijah Kamunya	Alice Wanjiru.
Elijah Kamunya	Daniel Ngumi.	Elijah Kamunya
Daniel Ngumi		Daniel Ngumi

Human Resource Committee Mandate

1. Promote the values and principles of the LCRB
2. Development of Human Resource Policies
3. Organize the structuring and performance Evaluation of the employee
4. Ensure the Human Resource is effective and efficient
5. Development of the Human Resource of the LCRB

Technical and Strategy Committee Mandate

1. Advise the board on strategic planning and operation of the revenue
2. Reviewing the performance of the revenue streams to ensure optimal performance
3. Advising the board on the best practices in revenue collection and challenges facing revenue collection.

Finance Committee

Mandate

1. Reviewing the revenue reports and progress
2. Advising on internal financial control systems to ensure conformity to PFM ACT, 2012
3. Reviewing the Revenue Board Revenue budget implementation

Board meetings

Name	Designation	No of meetings
Githua Karangu	Chairperson	4
Elijah Kamunya	CEO	9
Francis Kinuthia	Member	8
Elizabeth Paraiton	Member	9
Jeniffer Koinante	Member	9
Alice Wanjiru	Member	9
Daniel Ngumi	Member	4

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Board takes this opportunity to present its independent Annual Financial Report . The financial report therefore marks an important milestone in the achievement of the board's objectives.

Financial Highlights

The Board is established under an Act of the County Assembly and operates its own day to day affairs under the CEO guided by the Board of Directors. The budget of the for the board is approved by the Board, the County Treasury and the County Assembly.

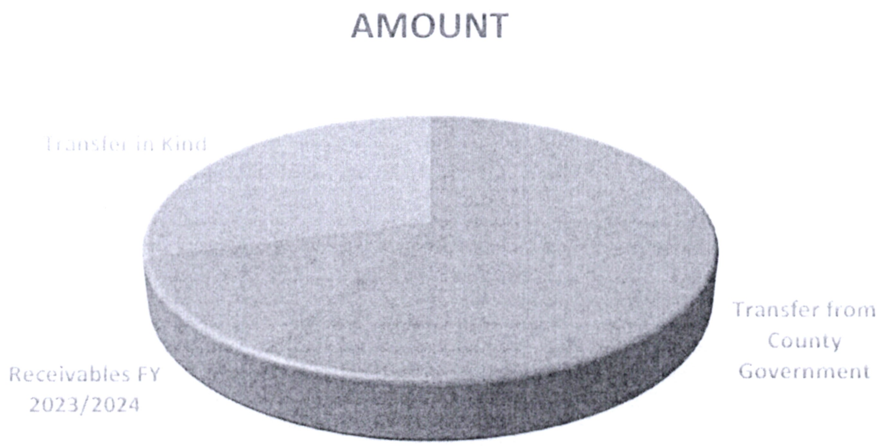
Summary of Financial Results Against Budget

The Board originally budgeted its activities against a budget of Ksh 44,500,000. However, on an accrual basis the county was only able to realise Kshs 76,135,965 which represents 171% of the receipts against the original budget .The amount of kshs 76,135,965 consists of Receivables of kshs 9,417,940 from FY 2023/24 and kshs 22,218,025 which was transfer in kind from finance department.

Receipts

The board is supported by the County Government by way of transfers for operational use. During the period the County Treasury transferred ksh 44,500,000 on cash and approved via appropriation to transfer ksh 9,417,940 in the period 2023/2024 and transfer in kind of ksh 22,218,025 as illustrated below.

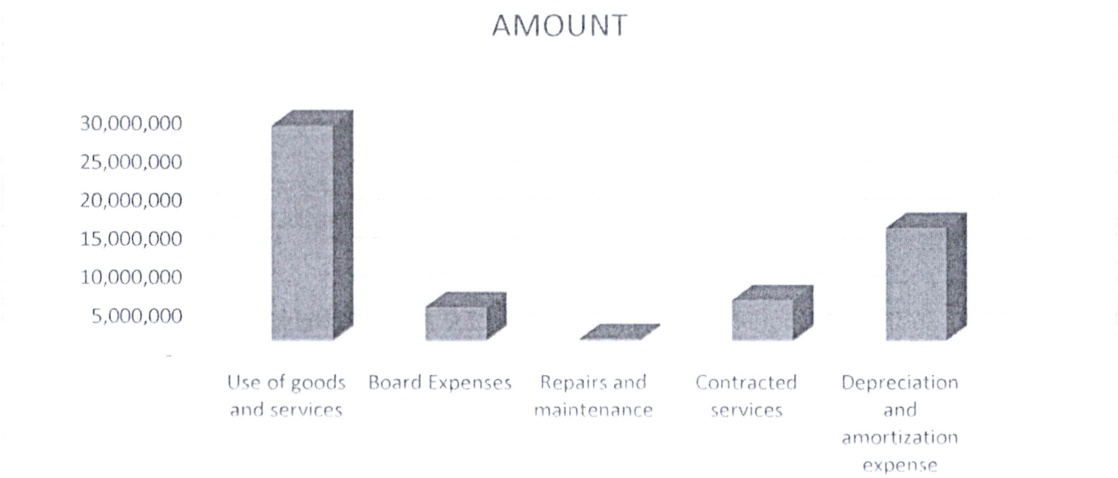
DESCRIPTION	AMOUNT
Transfer from County Government	44,500,000
Receivables FY 2023/2024	9,417,940
Transfer in Kind	22,218,025



Expenditures

Board administration expenses amounted to ksh 4,532,700 while general expenses amounted to ksh 28,094,371, repair and maintenance and contracted services amounted to kshs 364,000 and 5,455,830 respectively. Travel cost formed a huge part of the board administration expenses followed by Bulk SMS and the least part was the bank charge. further, a significant amount was put to Asset Acquisition reflected by the asset depreciation and amortization for the period amounting to ksh 14,853,644as illustrated below.

DESCRIPTION	AMOUNT
Use of goods and services	28,095,571
Board Expenses	4,532,700
Repairs and maintenance	364,000
Contracted services	5,455,830
Depreciation and amortization expense	14,853,644



10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

iii) Employee welfare

Give an account of the policies guiding the hiring process and whether they take into account the gender ratio, marginalized and people with disabilities, stakeholder engagements, and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

iv) Market place practices-

The organisation should outline its efforts to:

a) **Responsible competition practice.**
   Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) **Responsible Supply chain and supplier relations**
   Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.Also mention how the entity gives opportunities to AGPO and marginalised

c) **Responsible marketing and advertisement**
   Outline efforts to maintain ethical marketing practices.

d) **Product stewardship**
   Outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements .

The Board has continued to educate the public on revenue matters, during the year under review, the board held several revenue forums within the County by engaging the public through public participation, social media, radio and print media.

The Board Reviews the Finance ACT on yearly basis, however in doing so the Board considers various sectors so as to harmonize the fees and charges to ensure fair consideration of all sectors.

The growth of revenue has translated to various development within the County in terms of Road Construction, equipped and expanded health facilities, Provision of Human resource is key in service delivery, during the year the Board Trained Six board members on leadership skills, Human Resource and Performance management.

11. REPORT OF THE DIRECTORS

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

i) Principal activities

The principal activity of the Entity is to ensure effective and efficiency in Revenue collection and administration so as to fund the budgetary requirement of the Laikipia County.

ii) Results

The results of the Entity for the year ended June 30,2025, are set out.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vi to viii.During the year neither of the directors retired/ resigned and nor was appointed .

iv) Auditors

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

CHIEF EXECUTIVE OFFICER
LAIKIPIA COUNTY REVENUE BOARD

....

Name: Kamunya Karundo

Secretary to the Board

Date:20/08/2025

12. STATEMENT OF DIRECTORS RESPONSIBILITIES.

Section 164 of the Public Finance Management Act, 2012 and Laikipia County Revenue Board Act 2014,require the Directors to prepare financial statements, which give a true and fair view of the state of affairs of the LCRB at the end of the financial year and the operating results of the LCRB for that year. The Directors are also required to ensure that the LCRB keeps proper accounting records which disclose with reasonable accuracy the financial position.The Directors are also responsible for safeguarding the assets of the entity.

The Directors are responsible for the preparation

and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year 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) (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 entity;

(iv) Selecting and applying appropriate accounting policies; and

(v) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Laikipia County Revenue Board Act 2014 .The Directors are of the opinion that the LCRB financial statements give a true and fair view of the state of LCRB transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern and,nothing has come to the attention of the Directors to indicate that the entity 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 LCRB financial statements were approved by the Board on 20th August 2025 and signed on its behalf by:

....	....
Name: Githua Karangu	**Name: Kamunya Karundo**
Date; 20/08/2025	**Date; 20/08/2025**
Chairperson of the Board	**Accounting Officer**

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA COUNTY REVENUE BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia County Revenue Board set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes 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 effects 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 Laikipia County Revenue Board 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 Laikipia County Revenue Board Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Audit review revealed the following inaccuracies in the financial statements submitted for audit:

i. The statement of comparison of budget and actual amounts reflects opening cash and cash equivalent budget adjustment of Kshs.80,689, which was not supported nor explained.
ii. The statement of financial position and Note 35 to the financial statements reflects property, plant and equipment balance of Kshs.11,142,004. However, the balance was not supported by a comprehensive asset register indicating asset descriptions, locations, and values. In addition, ownership documents for land, on which buildings are situated, valued at Ksh.4,180,447, as disclosed in the property, plant and equipment movement schedule, were not provided for audit review.
iii. The statement of financial performance reflects a balance of Kshs.364,000 in respect to repairs and maintenance. However, the statement of comparison of budget and actual amounts reflects a nil balance on the same, resulting to unexplained variance of Kshs.364,000.
iv. Note 36 of the financial statements for the year ended 30 June, 2025 reflects an opening balance for intangible asset of Kshs.59,857,000. However, the actual payments made in the prior year was Kshs.28,093,923, resulting unexplained variance of Kshs.31,763,077.
v. The statement of cash flow reflects purchase of intangible assets amounting to Kshs.9,000,000 during the year. However, Note 36 to the financial statements on intangible assets discloses Kshs.31,763,077 as payments made for intangible assets, resulting in unreconciled variance of Kshs.22,763,077.

In the circumstances, the accuracy, completeness and reliability of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia County Revenue Board 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

Negative Working Capital Position

I draw attention to the statement of financial position, which indicates that as at 30 June, 2025, the Laikipia County Revenue Board had current liabilities amounting to Kshs.19,057,623 against current assets of Kshs.5,407, resulting in a negative working capital position of Kshs.19,052,216. This deficit implies that the Board did not have sufficient short-term assets to meet its obligations as they fell due. In the absence of adequate liquidity or confirmed financial support from the County Government or other sources, this position raises concerns over the Board's ability to meet its short-term liabilities and may affect the continuity of operations.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year's Unresolved Audit Matters

The following issues raised in the previous year audit report remain unresolved, although Management has indicated as having resolved them;

1. Inaccuracies and Presentation of the Financial Statements
2. Unapproved Expenditure
3. Irregular Procurement of Accountable Documents
4. Irregular Procurement of Hotel Services
5. Unbalanced Budget

Other Information

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

In connection with my audit on the Board'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. Irregular Expenditure

The statement of financial performance and Note 16 to the financial statements reflects use of goods and services expense of Kshs.28,095,571. However, the following irregularities were noted;

1.1 Payment of Allowances to County Assembly Budget Committee

The use of goods and services expense of Kshs.28,095,571 includes travel, accommodation subsistence and other allowances of Kshs.5,646,020, where an expenditure of Kshs.186,000 was incurred to facilitate the attendance of the Members of the County Assembly (MCAs) and County Assembly staff of a budget-related meeting. However, no justification was provided to explain why the daily subsistence allowances were paid by the Board, yet the County Assembly is an independent entity with its own budgetary allocation and administrative resources.

In the circumstances, the regularity and validity of the expenditure of Kshs.186,000 could not be confirmed.

1.2 Payment of Airtime Allowances

The use of goods and services expense of Kshs.28,095,571 includes telecommunication expense amounting to Kshs.2,707,910, where airtime allowances totalling Kshs.1,903,910 were paid to various enforcement officers during the period under review. However, no legal or regulatory framework, policy document or Salaries and Remuneration Commission (SRC) approval was provided to support the basis of the payments.

In the circumstances, the regularity and validity of the expenditure of Kshs.1,903,910 could not be confirmed.

1.3 Facilitation of Livestock Market Association Members

An amount of Kshs.360,000 was paid to a Board employee to cater for revenue operations costs. Review of the supporting documents provided revealed that an amount of Kshs.200,000 was paid as facilitation to Livestock Market Association Liaison Members for their role in supporting County revenue mobilization during livestock market days. However, there was no legal or regulatory framework, policy document, or Salaries and Remuneration Commission (SRC) circular provided to justify these payments.

In the circumstances, the regularity and validity of the expenditure of Kshs.200,000 could not be confirmed.

1.4 Daily Subsistence Allowances

An amount of Kshs.255,000 was paid to a Board employee to facilitate revenue operations costs and cater for daily subsistence allowances during the Kenya Inter-Counties Sports and Cultural Association (KICOSCA) event. The supporting documents included cash sales receipts for purchase of stationaries worth Kshs.90,320. However, the procurement of goods using cash contravenes The National Treasury Circular No. 3/2010 of 7 May, 2010, which prohibits the use of imprest for the procurement of goods and services.

In the circumstances, the regularity and validity of the expenditure of Kshs.259,820 could not be confirmed.

1.5 Purchase of Hardware Items

Included in the revenue operations expense of Kshs.5,000,458 is an amount of Kshs.155,268 for the supply and delivery of hardware materials through a call-off contract. However, the contract under the framework agreement did not include a price schedule as required and instead of applying predetermined prices, the supplier was requested to quote prices during the call-off. This was contrary to Paragraph 103(2)(a) of the Public Procurement and Asset Disposal Regulations, 2020, which states that an Accounting Officer may award a contract under a framework agreement through call-off orders where the price has been determined in the contract by applying the terms specified without reopening competition.

In the circumstances, the regularity and validity of the expenditure of Kshs.155,268 could not be confirmed.

2. Unsupported Travel, Accommodation Subsistence and Other Allowances

The statement of financial performance and Note 16 reflects use of goods and services expenditure of Kshs.28,095,571, which includes Kshs.5,646,020 relating to travel, accommodation, subsistence, and other allowances. Audit review established that allowance payments totaling Kshs.2,392,000 were not supported with the necessary documentation, including signed attendance registers, meeting invitations, back-to-office reports, training programs, travel evidence, imprest warrants, user requests, and justification for subsistence allowances paid while officers were stationed at their duty stations. This is contrary to Regulation 104(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires payment vouchers to be properly authorized and fully supported.

In the circumstances, the regularity and validity of the expenditure of Kshs.2,392,000 could not be confirmed.

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 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

Lack of ICT Governance Structures and Policies

During the year under review, the Board did not establish key ICT governance structures, including an Information Technology (IT) Strategic Committee and an IT Steering Committee. These governance frameworks are critical for providing effective oversight, strategic direction, and policy formulation to ensure that IT investments, systems, and functions are adequately managed and aligned with the Board's mandate and operational objectives.

In the circumstances, the adequacy and effectiveness of the Board's IT internal controls and strategic ICT alignment 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 the Board of Directors

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 Board'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.

The Board of Directors is responsible for overseeing the Board'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

26 November, 2025

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

Description	Notes	FY 2024/25	FY 2023/24
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government entities	6	44,500,000	79,900,000
Transfers in Kind	7	22,218,025	-
Total		**66,718,025**	**79,900,000**
Revenue from exchange transactions			
Other income	15	-	6,000
Total		-	**6,000**
Total revenue		**66,718,025**	**79,906,000**
Expenses			
Use of goods and services	16	28,095,571	60,377,218
Board Expenses	18	4,532,700	8,213,700
Depreciation and amortization expense	19	14,276,775	2,854,498
Repairs and maintenance	20	364,000	
Contracted services	21	5,455,830	
Grants and subsidies	22	-	-
Finance costs	23	-	-
Total expenses		**52,724,876**	**71,445,416**
Other gains/(losses)			
Gain/Loss on sale of assets	24	-	-
Gain/Loss on foreign exchange transactions	25	-	-
Gain /Loss on fair value of investments	26	-	-
Impairment loss	27	-	-
Surplus/ (deficit) before tax		**13,993,149**	**8,460,584**
Taxation	28	-	-
Surplus/(deficit) for the period		**13,993,149**	**8,460,584**
Remission to County Treasury	47	-	-
Net Surplus for the Period		**13,993,149**	**8,460,584**

The notes set out on pages 8 to 49 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

…………………………………..	…………………………………	…………………………………
Name: Githua Karangu	**Name: Kamunya Karundo**	**Name: Ann Kinyua**
Chairman of the Board	**Accounting Officer**	**Head of Finance**
		ICPAK M/No: 24979
Date;20/08/2025	**Date; 20/08/2025**	**Date: 20/08/2025**

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

Description	Notes	FY 2024/25	FY 2023/24
		Kshs.	Kshs.
Assets			
Current assets			
Cash and Cash equivalents	29	5,407	80,689
Receivables from Exchange Transactions	30	-	-
Receivables from Non-Exchange Transactions	31	-	9,417,940
Inventories	32	-	-
Investments in financial assets	33	-	-
Prepayments	34	-	-
Total Current Assets		**5,407**	**9,498,629**
Non-current assets			
Investments in financial assets	33	-	-
Property, Plant and Equipment	35	11,142,004	12,027,598
Intangible Assets	36	47,885,600	59,857,000
Total Non- Current Assets		**59,027,604**	**71,884,598**
Total Assets (A)		**59,033,011**	**81,383,227**
Liabilities			
Current liabilities			
Trade and Other Payables	38	19,057,623	55,400,989
Taxation	48	-	-
Total Current Liabilities		**19,057,623**	**55,400,989**
Non-current liabilities			
Non-Current Provisions	40	-	-
Total Non- current Liabilities		-	-
Total Liabilities (B)		**19,057,623**	**55,400,989**
Net Assets (A-B)		**39,975,388**	**25,982,238**
Represented By:			
Ordinary share capital		-	-
Revaluation reserve		-	-
Accumulated Surplus		39,975,388	25,982,239
Capital fund		-	-
Net Assets		**39,975,388**	**25,982,239**

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

………………………	………………………	………………………
Name: Githua Karangu	**Name: Kamunya Karundo**	**Name: Ann Kinyua**
Chairman of the Board	**Accounting Officer**	**Head of Finance**
		ICPAK M/No: 24979
Date:20/08/2025	**Date:20/08/2025**	**Date:20/08/2025**

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

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Accumulated Surpluses	Proposed dividends	Capital Development/ Grants/Fund	Total
	Kshs.	Kshs.	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2024	-	-	-	**25,982,239**	-	-	**25,982,239**
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus for June 2025	-	-	-	13,993,149	-	-	**13,993,149**
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at 30June 2025	-	-	-	39,975,388	-	-	39,975,388

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

Description	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government entities		53,917,656	84,085,820
Other income		-	-
Total Receipts		**53,917,656**	**84,085,820**
Payments			
Use of goods and services		31,032,868	53,280,860
Employee costs		-	-
Board Expenses		4,532,700	8,213,700
Repairs and maintenance			-
Contracted services		8,941,500	-
Total Payments		**44,507,068**	**61,494,560**
Net cash flows from operating activities		**9,410,588**	**22,591,260**
Cash flows from investing activities			
Purchase of PPE		485,870	
Purchase of Intangible assets		9,000,000	23,176,199
Net cash flows from/(used in) investing activities		**9,485,870**	**23,176,199**
Cash flows from financing activities			
Repayment of borrowings.		-	-
Net cash flows used in financing activities		-	-
Net decrease in cash and **Cash equivalents**		**(75,282)**	**(584,939)**
Cash and cash equivalents at period Start		80,689	658,492
Prior Year Adjustment		-	7,136
Cash and cash equivalents at Period end		**5,407**	**80,689**

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from the County Government entities	44,500,000	-	44,500,000	53,917,656	(9,417,656)	121
Transfers in Kind	-	22,218,025	22,218,025	22,218,025	-	-
Opening balance Cash & Cash Equivalent(1st July 2024)	-	80,689	80,689	80,689	-	-
Total Income	**44,500,000**	**22,298,714**	**66,798,714**	**76,216,370**	**(9,417,656)**	114
Expenses						
Use of goods and services	30,951,000	80,689	31,031,689	31,032,868	(1,179)	100
Board Expenses	4,549,000	-	4,549,000	4,532,700	16,300	100
Contracted services	9,000,000	-	9,000,000	8,941,500	58,500	99
Total Expenditure	**44,500,000**	**80,689**	**44,580,689**	**44,507,068**	**73,621**	100
Capital Expenditure	**9,157,895**	**22,218,025**	**31,375,920**	**31,703,895**	**(327,975)**	-
Surplus/Deficit for the period	**(9,157,895)**	-	**(9,157,895)**	**5,407**	**(9,163,302)**	-

The transfer in kind of kshs 22,218,025 was received from the department of finance which was used to pay account payables of kshs 22,218,025 in relation to intangible assets.

Serial No.	Description	Statement of Financial Performance (Kshs)	Statement of Comparison of Budget and Actual Amounts (Actual) (Kshs)	Variance (Kshs)	Explanation
1	Transfer from the County Government	44,500,000	53,917,656	-9,417,656	receivable FY 2023/24
2	Opening Balance	-	80,689	- 80,689	Cash and cash equivalent bal b/d
3	Use of Goods and Services	28,095,571	31,032,868	-2,937,297	
4	Contract Services	5,455,830	8,941,900	-3,486,070	Accont Payable FY 23/24 paid
5	Repairs and Maintenance	364,000	-	364,000	Account Payable FY24/25

Serial No. 3;*In F.Performance the paid payables relating to fy year 2023/24 are not recognised and there is addition payables relating to fy 24/25, whereas in statement of comparison and actual amounts the paid payables relating to fy 23/24 are recognised and the payables relating to fy 24/25 are not recognised.*

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Laikipia County Revenue Board is established by and derives its authority from Laikipia County Revenue Board ACT 2014 enacted on 19th June 2014. Act. The Entity is wholly owned by the County Government of Laikipia and is domiciled in Kenya. The Entity's principal activity is effective and efficient revenue administration..

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the LCRB accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed 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 LCRB. The financial statements have been prepared in accordance with the PFM Act, Laikipia County Revenue Board ACT 2014 enacted on 19th June 2014 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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

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

Standard	Effective date and impact:
IPSAS 43	***Applicable 1st January 2025*** 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	***Applicable 1st January 2025*** 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	***Applicable 1st January 2025*** 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	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	***Applicable 1st January 2026***

Standard	Effective date and impact:
	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.
IPSAS 48- Transfer Expenses	***Applicable 1st January 2026*** 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.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** 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.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset 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 upon fulfilling the conditions set.

Levies, Fines, and penalties

LCRB recognizes revenues from Levies, Fines, and penalties when the event occurs and the asset recognition criteria are met.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the County Assembly on 19th June 2024 Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

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

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 LCRB 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 re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. 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 LCRB 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. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 of the risks and benefits incidental to ownership of the leased item to the LCRB. 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 LCRB 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 LCRB 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 LCRB. 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

LCRB expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when LCRB 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.

i) 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. 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.

i. Financial assets

Classification of financial assets

Laikipia County revenue Board 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 irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, 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 LCRB.

k) Provisions

Provisions are recognized when the LCRB 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 LCRB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The 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.

m) 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.

n) Nature and purpose of reserves

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

o) 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.

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

The LCRB 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 LCRB, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Service concession arrangements

The LCRB 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 LCRB 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 LCRB also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) 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 LCRB'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 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 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6.Transfers from County Government entities

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Unconditional Grants		
Operational funding (Transfers)	44,500,000	-
Unconditional development grants	-	-
Other Grants	-	-
Total Unconditional Grants	**44,500,000**	-
Conditional Grants		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants	-	-
Total	**44,500,000**	-

a) Transfers from County Departments.

Laikipia County Revenue Board.	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers FY 2024/25	FY 2023/24
	KShs	KShs	KShs	KShs	KShs
Transfers from Laikipia County Govt	44,500,000		-	44,500,000	79,900,000
Total	**44,500,000**	-	-	**44,500,000**	**79,900,000**

7. Transfers in Kind

Description	FY 2024/25	FY 2023/2024
	Kshs	Kshs
Intangible asset	22,218,025	-
Rent	-	-
Furniture	-	-
Other (Specify)	-	-
Total	**22,218,025**	-

8.Levies, Fines and Penalties

Description	FY 2024/2025	FY 2023/24
	Kshs	Kshs
Levies (Specify)	-	-
Fines (Specify)	-	-
Penalties (Specify)	-	-
Total	-	-

9.**Public Contributions and Donations**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Health Donations	-	-
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
Total Transfers and Sponsorships	-	-
Reconciliation of Public Contributions and Donations	-	-
Balance unspent at beginning of the year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

10.Licenses, Fees and Permits

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Licenses	-	-
Fees	-	-
Permits	-	-
Total	-	-

11.Rendering of Services.

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Agency income	-	-
Tuition Fees	-	-
Training Fees	-	-
Service Fees e.g. ploughing (specify)	-	-
Quality Assurance	-	-
Total Revenue from the Rendering of services	-	-

12.Sale of Goods.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Sale of textiles	-	-
Sale of certified seeds	-	-
Sale of livestock	-	-
Sale of water	-	-
Sale of firewood	-	-
Other (Specify)	-	-
Total revenue from the sale of goods	-	-

13.Rental revenue from facilities and equipment.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Hire of equipment	-	-
Staff houses	-	-
Contingent Rental*	-	-
Others (Specify)	-	-
Total Rentals	-	-

14.Finnce Income .

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Interest income on bank deposits	-	-
Interest income from loans	-	-
Others (Specify)	-	-
Total finance income	-	-

15.Other Income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income written back	-	-
Bad debts recovered	-	-
MPESA	-	6,000
Total Other income	**-**	**6,000**

16 .Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Electricity	-	206,112
Water	-	137,910
Revenue Operations.	5,000,458	-
Repair of Motor Vehicles		1,465,806
Advertising	-	177,480
Computer Accessoties	-	60,500
Fuel and oil	2,432,310	6,619,729
Internet Charges	1,325,438	2,073,642
General Office Supplies.	550,000	3,366,112
Hospitality	471,470	4,864,486
Repair of Printer		101,300
Accountable Documents	1,258,000	2,126,177
Printing and stationery	787,952	3,630,659
Rent expenses	-	80,000
Security costs	3,016,930	3,708,885
Repairs of Building		97,400
Purchase of Uniform	845,947	557,716
Bulk SMS & Cloud services	4,034,225	1,530,040
Telecommunication	2,707,910	5,457,500
Travel, accommodation subsistence and other Allowances	5,646,020	8,829,645
Weighing Services		14,209,854
Bank charges	18,911	53,530
VAT.	-	1,022,735
Total	**28,095,571**	**60,377,218.**

17. Employee Costs.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Salaries for permanent employees	-	-
Wages to temporary employees	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs	-	-
Total employee costs	-	-

18. Board Expenses.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	-
Medical Insurance	-	-
Induction and training	-	-
Travel and accommodation	4,532,700	8,213,700
Other Allowances	-	-
Total	**4,532,700**	**8,213,700**

19. Depreciation and Amortization Expenses

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property, plant and equipment	2,305,375	2,854,498
Intangible assets	11,971,400	-
Investment property carried at cost	-	-
Total depreciation and amortization	**14,276,775**	**2,854,498**

20. Repairs and Maintenance.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	364,000	-
Furniture and Fittings	-	-
Computers and Accessories	-	-
Total Repairs and Maintenance	**364,000**	-

21.Contracted Services

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Weighbridge Services	5,455,830	-
Total Contracted Services	**5,455,830**	-

22.Grants and Subsidies

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (Specify)	-	-
Total Grants and Subsidies	-	-

23.Finance Costs.

Description	FY 2024/25	FY 2023/24
	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	-	-
Total finance costs	-	-

24. Gain on Sale of Assets.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

25. Gain/Loss on foreign exchange transactions.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
Total Gain/Loss	-	-

26. Gain/loss on fair value investments .

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

27. Impairment Loss.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

28. Taxation.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [note 49	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	-	-

29. Cash and Cash Equivalents.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Cooperative Bank A/C 1141369182100	5,407	80,689
On - Call Deposits		
Fixed Deposits Account		
Others (Specify)		
Total Cash and cash equivalents	**5,407**	**80,689**

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	FY 2024/25	FY 2023/24
	Kshs	Kshs
a) Current Account		
Cooperative Bank A/C 1141369182100	5,407	80,689
Cash in Transit		
Cash in Hand		
Mobile Money Accounts		
Sub- Total		
Grand Total	**5,407**	**80,689**

30. Receivables from exchange transactions.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Trade debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
Current portion receivables	-	-
Non-current Receivables	-	-
Total receivables	-	-

a) Ageing analysis for Receivables from exchange transactions

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

b) Reconciliation for impairment allowance on receivables from exchange transactions

Impairment allowance/ Provision	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-

31. Receivables from Non-Exchange Transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		79,900,000
Receivable b/f	9,417,940	13,597,760
Receivable during the year(received)	(9,417,940)	(84,079,820)
Total receivables from non- exchange transactions	-	**9,417,940**

Reconciliation For Impairment Allowance on Receivables from Non-Exchange Transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-

32. Inventories.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Consumable stores	-	-
Raw materials in stock	-	-
Spare parts and meters	-	-
Other goods held for resale	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	-	-

33.Investments in financial assets.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
a) Investment in Treasury bills	-	-
Financial institution	-	-
CBK	-	-
CBK	-	-
Sub- total	-	-
Investment in Treasury bonds	-	-
Financial institution	-	-
CBK	-	-
Sub- total	-	-

b) Investment with Financial Institutions/ Banks	-	-
Sub- total	-	-
c) Equity investments (specify)	-	-
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-
Analysed as:	-	-
Current	-	-
Non-current		

a) Movement of Equity Investments

Impairment allowance/ provision	FY 2024/25	FY 2023/24
	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	-	-

f) Shareholding in other entities.

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

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

34.Prepayments

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Insurance	-	-
Subscriptions	-	-
Rent	-	-
Electricity	-	-
Water	-	-
Total	-	-

35.Property, Plant and Equipment.

	Buildings	Furniture and fittings	Computers	Total
Depreciation Rate	10%	12.5%	30%	
	Kshs	Kshs	Kshs	Kshs
At 1st July 2024	**4,644,941**	**3,581,794**	**3,800,864**	**12,027,599**
Additions during the year	-	988,780	431,000	1,419,780
Disposals	-	-	-	-
Transfers/ Adjustments	-	-	-	-
As At 30th june 2025	**4,644,941**	**4,570,574**	**4,231,864**	**13,447,379**
Depreciation And Impairment	464,494	571,322	1,269,559	2,305,375
Disposals	-	-	-	-
Transfer/Adjustment	-	-	-	-
As at 30th June 2025	**464,494**	**571,322**	**1,269,559**	**2,305,375**
Net Book Values	4,180,447	3,999,252	2,962,305	11,142,004
As at 30th June 2024	**4,644,941**	**3,581,794**	**3,800,864**	**12,027,599**
As at 30th June 2025	**4,180,447**	**3,999,252**	**2,962,305**	**11,142,004**

35 (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
Buildings	5,711,093	1,530,646	4,180,447
Computers and related equipment	7,114,972	4,152,667	2,962,305
Office equipment, furniture, and fittings	6,133,987	2,134,735	3,999,252
Total	**18,960,052**	**7,818,048**	**11,142,004**

36. Intangible Assets.

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Cost		59,857,000
At beginning of the period	59,857,000	5,130,000
Payment for the previous year.	28,093,923	-
Payment for the year.	31,763,077	
At end of the period	**59,857,000**	22,963,923
Additions–internal development	-	-
At end of the period	**59,857,000**	-
Amortization and impairment	-	-
At beginning of the period	**59,857,000**	
Amortization	11,971,400	-
At end of the period	**11,971,400**	28,093,923
Impairment loss	-	-
At end of the period	**11,971,400**	-
NBV	**47,885,600**	**59,857,000**

The rate of amortization is 20% as per the General Guidelines on asset and liability management 2020.

37. Investment Property.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

38.Trade and Other Payables .

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade payables b/f	55,400,989		16,192,555	
Paid payables	(46,375,760)		(9,412,280)	
Trade payables	-		-	
Additional payables	10,032,394		48,239,274	
Total trade and other payables	**19,057,623**		**55,400,989**	
Ageing analysis: (Trade and other payables)	**Current FY**	**% of the Total**	**Comparative FY**	**% of the Total**
Under one year	10,032,394	49	48,239,274	88%
1-2 years	2,251,395	14	6,780,275	12%
2-3 years	1,788,340	9	-	-
Over 3 years	4,985,625	28	-	-
Total	**19,057,623**	**100**	**55,019,549**	**100%**

39.Refundable Deposits from Customers.

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Customer deposits	-		-	
Other deposits	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

40. Provisions (current)

Description	Leave provision	Gratuity Provision	Other provision	Total
	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	-	-	-	-
Total provisions at the end year	-	-	-	-
Analysed as:	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-			

41.Finance Lease Obligation

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Less: Unearned Interest	-
Total	-

Analysed as:

Description	Amount (Kshs)
Current	-
Non- Current	-
Total	-

42. Deferred Income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
National Government	-	-
Development partners	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

43.The deferred income movement is as follows:

Description	National government	Development partners	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Employee Benefit Obligations

Description	FY 2024/25	FY 2023/24
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Retirement benefit Asset/ Liability

The principal assumptions used for the purposes of valuation are as follows:

Description	FY 2024/25	FY 2023/24
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 2024/25	FY 2023/24
	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 (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	FY 2024/25	FY 2023/24
	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 (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act.

44. Payments received in advance.

Description	Insert Current FY	FY 2023/24
	Kshs	Kshs
Rent	-	-
Water	-	-
Total	-	-

45. Borrowings

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Domestic borrowings	-	-
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
Others (Specify)	-	-
Total	-	-

The analysis of domestic borrowing is as follows:

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Domestic Borrowings	-	-
Loan from KCB	-	
Loan from ABSA Bank	-	
Loan from Consolidated Bank	-	
Others (Specify)	-	
Total Balance at end of the year	-	

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

46. Service Concession Arrangements.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Fair value of service concession	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

47.The Surplus remission has been computed as follows:

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by County Treasury	-	-
90% Computation (Included in Statement of Financial Performance)	-	-

Surplus Remission Payable.

Description	FY 2024/25	FY 2023/24
		Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
Payable at end of the year	-	-

48. Taxation.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 28)	-	-
Under/(over) provision in prior year/s (note 28)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

49. Deferred Tax Liability.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability/(asset)	-	-
The movement on the deferred tax account is as follows:	-	-
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

50.Cash Generated from Operations.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Surplus for the year before tax	-	-
Adjusted for:	-	-
Depreciation	-	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	-	-

Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
As at 30 June (Previous FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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 entity has significant concentration of credit risk on amounts due. The Board of Directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's Directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				
As at 30th June (Previous FY)				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

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 rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

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:

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

Foreign currency sensitivity analysis

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

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

Description	Change in currency rate	Effect on Surplus/Deficit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
FY 2024/25			
Euro	10%		
USD	10%		
Sterling Pound	10%		
FY 2023/24			
Euro	10%		
USD	10%		
Sterling Pound	10%		

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has 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 surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land and Buildings				
Total				
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land and Buildings				
Total				

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

iv) Capital Risk Management

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve		
Accumulated surplus		
Capital fund		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess cash and cash Equivalents)		
Gearing		

51.Related Party Disclosures

a) Nature of related party relationships

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

b) County Government of Laikipia

The county Government of Laikipia is the principal shareholder of the Entity, holding 100% of the Entity's equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

c) Other related parties include:

i) The Parent Department.

ii) County Governments

iii) Other County Corporations

iv) Key management.

v) Board of Directors.

d) Transactions with related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
a) Sales to related parties	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
B) purchases from related parties	-	-
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 (specify)	-	-
Total	-	-
b) Grants /transfers from the government	-	-
Grants from county government	-	-
Grants from other levels of Government	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party	-	-
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-

d) Key management compensation	-	-
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

52.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)

53.Contingent Assets and Contingent Liabilities

Contingent Assets.

Description	**FY 2024/25**	**FY 2023/24**
	Kshs	**Kshs**
Contingent Assets	-	-
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

Description	**FY 2024/25**	**FY 2023/24**
	Kshs	**Kshs**
Contingent Assets	-	-
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others (Specify)	-	-
Total	-	-

54. Capital Commitments

Capital Commitments	**FY 2024/25**	**FY 2023/24**
	Kshs	**Kshs**
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

55. Events after the Reporting Period

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

56. Ultimate And Holding Entity

The Entity is a County Corporation under the Department of Finance. Its ultimate parent is the County Government of Laikipia

57. Currency

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

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.

	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
	Irregular Recruitment	The Revenue Board was mandated to engage revenue staff on contract basis since there was no Public Service Board in place to sanction the recruitment. 2.The recruitment came in time when the County Public Service Board had been disbanded, and engagement of a new board was still underway; this necessitated the Ag County Secretary to delegate the process of recruiting to the Revenue Board since the contracts for existing staff were lapsing. 3.There was an urgency in recruitment as per the HR analysis that identified gaps that needed to be addressed in the revenue section	Resolved	
	Inaccuracies in comparatives.	The Revenue Board reviewed the financial statement submitted to the office of auditor general for two consecutive years 2019-2020 and 2020-2021 and verified that the comparative figures (eight items) were submitted incorrectly.	Resolved	

	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
		2.The variances stated in the financial statement were due to clerical errors that should not have happened, and they have never re-occurred since then		
	Irregular Payment of Cash Bonus	1.The 2018/2019 financial revenue target was Kshs 800,000. However, Kshs. 815,400 was collected as revenue. 2.A bonus policy has not been adopted but the revenue board members passed a resolution to share the bonus. 3.The Revenue Board has a draft bonus policy in place	Resolved	
	F/Y 2021/2022			
1.1	Revenue Analysis	The underfunding of ksh10, 975,433 (14%) was because of exchequer release delay from the National Government. However, the services were rendered as expected and its budget captured in the following year (pending bills) under Annual County budget as attached and highlighted	Resolved	
1.2	Expenditure Analysis	The difference between Ksh72,600,000 and actual expenditure of Kshs 76,555,345 relates to indirect expenses associated with depreciation expenses which is a non-cash expense and must be included in the statement of comparison of budget and actual to match the asset contribution to revenue over its useful life. However, there was no provision in the county budget for the fiscal year under review since depreciation expenses cannot be obtained under the cash budget	Resolved	

	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
1.0	Non-Preparation of Annual Cash Flow Plans	The Revenue board maintained annual cash flow for the year	Resolved	
1.0	Expenditure Against **Target Revenue Realization**	. Despite the hard economic times occasioned by the post Covid 19 pandemic, Laikipia County improved in revenue collection by 15 % compared to previous year and marked the highest revenue ever realized in Laikipia County. The Revenue Board was optimistic revenue streams; vehicle parking management, county natural resources i.e. sand cess and Thomson falls, livestock market and liquor licences. This was due to the adverse effect of business downtime; however the board is very optimistic that in future, the target will be achieved.	Resolved	

CHIEF EXECUTIVE OFFICER
LAIKIPIA COUNTY REVENUE BOARD

……………………………………

CEO: Elijah Kamunya Karunda.

Date:20/08/2025.

Appendix II: Projects implemented ;

Projects implemented by the County Corporation and funded by development partners and/ or the County 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 Projects Completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

Appendix III: 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	Receivables	Others - must be specific	Total Transfers during the Year
County Government of Laikipia	2-Jul-24	Development	9,417,940		9,417,940	-	9,417,940
County Government of Laikipia	9-Sep-24	Recurrent	10,069,519	10,069,519	-	-	10,069,519
County Government of Laikipia	28/10/2024	Recurrent	5,269,969	5,269,969	-	-	5,269,969
County Government of Laikipia	3-Dec-24	Recurrent	4,837,000	4,837,000	-	-	4,837,000
County Government of Laikipia	24-01-2025	Recurrent	4,337,702	4,337,702	-	-	4,337,702
County Government of Laikipia	24-01-2026	Development	6,824,066	6,824,066	-	-	6,824,066
County Government of Laikipia	03/03/2025	Recurrent	4,866,160	4,866,160	-	-	4,866,160
County Government of Laikipia	23/04/2025	Recurrent	5,119,650	5,119,650	-	-	5,119,650
County Government of Laikipia	23/04/2025	Development	3,175,650	3,175,650	-	-	3,175,650
Department of Finance	30/06/2025	Development	22,218,025	22,218,025	-	-	22,218,025
Total			**76,135,681**	**66,717,741**	**9,417,940**		**76,135,681**

Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: 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