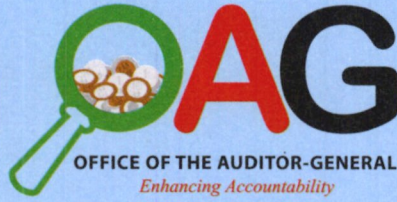


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REPORT

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OF

THE AUDITOR-GENERAL

ON

**ELGEYO MARAKWET COUNTY
ALCOHOLIC DRINKS CONTROL FUND**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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ELGEYO MARAKWET COUNTY ALCOHOLIC DRINKS CONTROL FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED
JUNE 30, 2025**

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

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE
15 OCT 2025
RECEIVED
P. O. Box 2774 - 30100, ELDORET

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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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
CECM	County Executive Committee Member.
SCRO	Sub- County Revenue Officer
CPA(K)	Certified Public Accountant (Kenya)
MBA	Master Of Business Administration
PGDE	Post Graduate Diploma in Education
BSC	Bachelor of Science
BED	Bachelor of Education
EMC	Elgeyo Marakwet County

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

The Elgeyo Marakwet County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The fund's objective is to reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks in Elgeyo Marakwet County.

b) Principal Activities

The principal activity is to ensure fair and ethical business practices related to production, distribution, promotion and sale of alcoholic drinks in Elgeyo Marakwet County.

c) Fund Administration Committee

Ref	Name	Position
1.	Chairperson of the Fund	Edwin Kibet Seronei
2.	Chief Officer Public Service Management	Charity Kimaiyo
3.	Fund Manager/Administrator	David Kandie
4.	CEC Finance & Economic planning	Alphaeus K. Tanui
5.	Director of Accounting Services	JohnKeen Murkeu Jairo
6.	Ag. Sub-County Revenue Officer-Keiyo North	Daniel Chepsoi
7.	Ag. Sub-County Revenue Officer-Marakwet West	Kipkorir Kibirong
8.	Sub-County Revenue Officer-Keiyo South	Philip Kiptoo
9.	Ag. Sub-County Revenue Officer-Marakwet East	Reuben Kiptala

d) Key Management team

Ref	Name	Position
1	David Kandie	Fund Administrator
2	JohnKeen Murkeu Jairo	Director of Accounting Services
3	Charity Kimaiyo	Chief officer Public Service Management

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Philip Seronei
2	Alcoholic Drinks Control Fund Committee	
3		

a) Registered Offices

P.O. Box 220-30700
Elgeyo Marakwet County Building
Iten

b) Fund Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

c) Fund Bankers

(i) Access Bank Ltd
P.O. Box 34353-00200
Nairobi

(ii) Kenya Commercial Bank
Ltd P.O. Box 456-30700 **Iten**

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Key Entity and Management (Continued)

f) Independent Auditors

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

g) Principal Legal Adviser

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

h) County Attorney

Elgeyo Marakwet county






Governor's office

Po Box 220 – 30700





Iten, Kenya.

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Fund Administration Committee

Ref	Name	Details of qualifications and experience
1	<p>Edwin Kibet Seronei</p> 	<p>Date of Birth: 22-11-1979 Qualification: Master of Project Planning and Management Experience: 15 years</p>
2	<p>Charity kimaiyo</p> 	<p>Date of birth: 7/04/1980 Qualification: Degree in Economics and Sociology Experience: 15 years</p>
3	<p>Alphaeus K.Tanui</p> 	<p>Date of Birth: 11-10-1987 Qualification: Masters of Finance Experience: 12 years</p>
4	<p>JohnKeen Murkeu Jairo</p> 	<p>Date of Birth:12-02-1969 Qualification: MBA-Finance, CPA(K), CCP(K) Experience: 33 years</p>
5	<p>Daniel Chepsoi</p> 	<p>Date of Birth:01-01-1987 Qualification: Diploma in Business Administration Experience: 10 years</p>

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6	<p>Reuben Kiptala</p> 	<p>Date of Birth: 08/05/1975 Qualification: Diploma in Accounts Experience: 24 years</p>
7	<p>Philip Kiptoo Tanui</p> 	<p>Date of Birth:01-09-1982 Qualification: MBA Financial Management Experience: 12 years</p>
8	<p>Kipkorir Kibirong</p> 	<p>Date of Birth: 1969 Qualification: CPA 2 Experience: 32 years</p>
9	<p>David Kandie</p> 	<p>Date of Birth:14-11-1975 Qualification: B.ED (Arts) Experience: 28 years</p>

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

4. Management Team

Ref	Name	Details of qualifications and experience
1	<p>JohnKeen Murkeu Jairo</p> 	<p>Date of Birth: 12-02-1969 Qualification: MBA-Finance, CPA(K), CCP(K) Experience: 33 years</p>
2	<p>David Kandie</p> 	<p>Date of Birth: 14-11-1975 Qualification: B.ED (Arts) Experience: 28 years</p>
3	<p>Charity kimaiyo</p> 	<p>Date of birth: 7/04/1980 Qualification: Degree in Economics and Sociology Experience: 15 years</p>

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

5. Fund Chairperson's Report


The Elgeyo Marakwet County Alcoholic Drinks Control Fund as established by Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014.

The Elgeyo Marakwet County Alcoholic Drinks Control Fund operates Account numbers 180923/500U00/0 at Access Bank and 1277448698 at Kenya Commercial Bank.

The fund's objective is to reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks in Elgeyo Marakwet County.

The principal activity is to ensure fair and ethical business practices related to production, distribution, promotion and sale of alcoholic drinks in Elgeyo Marakwet County.

The financial statements for Elgeyo Marakwet Drinks Control Fund for the year ended June 30, 2025, have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Name: ...Edwin Seronei..... Signature  Date7.10.2025...
Chairperson of the Fund -Elgeyo Marakwet County Alcoholic Drinks Control Fund



**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

6. Report of The Administrator Fund

The financial statements for Elgeyo Marakwet Alcoholic Drinks and Control Fund for the year ended June 30, 2025, have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

During the year ended June 30, 2025 the Elgeyo Marakwet Alcoholic Drinks Control Fund realized receipts amounting to Sh. 6,246,500 as reflected in the statement of financial performance. The payments of Sh. 6,473,360 relate to the general expenses and administrative costs incurred during the period.

During the year, the Alcoholic Drinks Control Fund Budgeted Sh.7,000,000. The main sources are alcoholic drinks liquor licence permits and application fees.

The Elgeyo Marakwet Alcoholic Drinks Control Fund operates two Bank accounts. The Cash book balances as at June 30, 2025, is as follows.

□ Access Bank account No.180923/500U00/0 -	Sh.76,143
□ KCB Alcoholic Drinks Control Fund -	Sh.155

The fund acquired furniture and Office Equipment costing Sh.907,335 in the FY 2024/2025. The furniture and Equipment were depreciated at 12.% and 33.3% respectively. The Fund adopted the National Assets and Liabilities depreciation rates.

The challenges experienced included:

- Insecurity in Marakwet East and West Sub-Counties limited operations of bars hence limited monitoring and enforcement.
- Some premises were closed at the time of inspection and monitoring.
- There was poor disposal of beer bottles due to lack of a sanitary dumpsite
- Businesses flouted business operating time/hours.
- Complaints and non-payment of licence by business operators due to insecurity challenges that reduce business hours.
- Infiltration of second-generation alcoholic drinks.
- Hide and seek games from licence defaulters.
- Closure of some businesses due to theft and non-compliance
- Community petitions against alcoholic businesses

Name: ...David Kandie.... signature:  Date:7.10.2025....

Fund Administrator- Elgeyo Marakwet County Alcoholic Drinks Control Fund

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

7. Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the administrator of a county public fund established by accounting officer shall prepare financial statements for the fund of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The Elgeyo Marakwet County Alcoholic Drinks Control Fund principal objectives is to reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks in Elgeyo Marakwet.

Progress on attainment of Strategic objectives for Elgeyo Marakwet County Alcoholic Drinks Control Fund.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Enforcement and Compliance	Ensure fair and ethical business practices related to production, distribution, promotion and sale of alcoholic drinks;	<input type="checkbox"/> Compliance with Elgeyo Marakwet Alcoholic drinks Act, 2014 and other relevant Acts.	No. of enforcement exercise done across the County in 2024/2025 FY.	Continuous enforcement (17) was done during the year.
Inspection of 2025 alcoholic outlets for licensing and compliance	Reduce and mitigate health, social and economic impacts on communities resulting from production, sale and Consumption of alcoholic drinks.	Compliance with Elgeyo Marakwet Alcoholic Drinks Act, 2014 and other relevant laws. Ethical business practices.	<input type="checkbox"/> No of approved alcoholic outlets.	305 applicants were approved.

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Program	Objective	Outcome	Indicator	Performance
Guiding and counselling of County staff and residents addicted to drug and substance abuse.	Reduce and mitigate the negative health, social and economic impact on addicted staff	<ul style="list-style-type: none"> ❖ Reduction on the number of staff and resident's dependant on drugs. ❖ Improved production and service delivery to residents and self efficacy. 	No. of staff and residents guided and counselled.	30 County Staff drawn from various departments counselled.
Program	Objective	Outcome	Indicator	Performance
Training of subcounty alcoholic drinks control committees	To educate on EMC Act 2014 for compliance and effective service delivery.	<ul style="list-style-type: none"> <input type="checkbox"/> Compliance and effective service delivery to EMC residents 	Number of committees trained.	44 members trained
Program	Objective	outcome	Indicator	Performance
Revenue collection	Ensuring optimal collection of own source revenue from liquor applicants	<ul style="list-style-type: none"> <input type="checkbox"/> Improved revenue collection 	The amount of revenue collected.	Ksh. 6,246,500 was collected during the year.
Program	Objective	Outcome	Indicator	Performance
Supply and fixing of curtains and sheers	Equip the Alcoholic offices for effective service delivery	<ul style="list-style-type: none"> <input type="checkbox"/> Improved service delivery and safety of documents 	No. of curtains and sheers fixed.	20 curtains and sheers fixed in 4 offices.
Program	Objective	Outcome	Indicator	Performance

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Multiagency meetings	Compliance with Elgeyo Marakwet Alcoholic drinks Act, 2014 principles, NACADA principles and other laws	<input type="checkbox"/> Improved ethical and compliance businesses.	Multi-agency meetings done	3 multiagency meetings done and 2 surveillance multiagency meetings done
Rehabilitation of one staff addicted to drugs and alcohol.	Protect the health of the staff and ensure productive services.	<input type="checkbox"/> Improved health and service delivery from the staff.	Number of staff rehabilitated.	One staff rehabilitated.
Public education and advocacy meetings for residents and bar owners.	Improve compliance to operational laws And protect residents from harmful effects of alcohol and drugs.	<ul style="list-style-type: none"> ❖ Improved compliance and revenue collections. ❖ Well informed society. 	Number of bar owners reached Number of residents reached and educated.	341 bar owners reached. 1000 county residents reached
Gazettement of 2025 approved alcoholic outlets.	Conformity to county alcoholic drinks control laws.	<input type="checkbox"/> Compliant alcoholic outlets.	Number of outlets gazetted.	305 outlets gazetted
Equipping of the directorate office with office equipment	For operational efficiency	<input type="checkbox"/> Improved service delivery	Number of equipment procured	6 pieces of furniture supplied. One printer and two mobile phones supplied

8. Corporate Governance Statement

The Alcoholic Drinks Control Directorate is headed by a director who is appointed by the County Public Service Board. The Executive Member and the County Public Service Board ensure that the Directorate has adequate human, financial and any other appropriate resources to enable it carry out the functions assigned under this Act.

The Directorate is further Committed to ethical practices, transparency and responsible business operations aligned to the Elgeyo Marakwet county Alcoholic Drinks Control Act 2014 and related laws to foster sustainable community relations.

The fund benefitted from Internal Audit function in the year ended 30th June 2025.

Quarterly County and Sub County Level committee meetings were held in the year.

The Administrator of Elgeyo Marakwet Alcoholic Drinks Control Fund is responsible for the preparation of Fund's financial statements, 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 The Elgeyo Marakwet Alcoholic Drinks Control Act, 2014.

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

During the year ended June 30, 2025 the Elgeyo Marakwet Alcoholic Drinks Control Fund realized receipts amounting to Sh. 6,246,500 as reflected in the statement of financial performance (*Note 5 to the financial statements*).

The payment of Sh.6,261,825 relates to fund administration costs and general expenses incurred during the year ended 30 June, 2025.

The total receipts of Sh.6,246,500 received during the year compared Sh. 4,120,550 for the comparative year.

The fund acquired furniture and Office Equipment costing Sh.907,335 in the FY 2024/2025 as tabulated below;

	Furniture	Office Equipment	Total Cost
Cost of acquisition	435,611	471,724	907,335
Depreciation rates	12.5%	33.3%	
Depreciation amount	54,451	157,084	211,535

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The source of revenue is from permits and application fee received from approved and gazetted alcoholic outlets and distributors within Elgeyo Marakwet County.

ii) *Environmental performance*

The Directorate carried out various activities including public education and training of bar owners on environmental policy and sensitization on Elgeyo Marakwet County Alcoholic Drinks Control Act 2014 for compliance. The successes include improved solid waste disposal to designated areas, which reduced environmental pollution. Shortcomings realised include transportation of collected bottles and ways of recycling not yet achieved.

iii) *Employee welfare*

Employment of staff is done by the County Public Service Board taking into consideration the issue of gender rule.

iv) *Market place practices-*

The Directorate through monitoring and enforcement ensured fair and ethical business practices for all alcoholic outlets.

v) *Corporate Social Responsibility / Community Engagements*

The Directorate carried out public education and advocacy meetings for all alcoholic outlets and members of the public to ensure compliance to the Elgeyo Marakwet County Alcoholic drinks control Act 2014 among other statutory laws.

11. Report of The Fund administration Committee

The Fund submits their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to ensure fair and ethical business practices related to production, distribution, promotion and sale of alcoholic drinks in Elgeyo Marakwet.

Results

The results of the Fund for the year ended June 30, 2025 are set out on pages 1-6.

Fund Administration Committee

The members of the Fund who served during the year are shown on page iii (*refer to the key entity information and management page*). There were no changes in the Board during the financial year.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Elgeyo Marakwet County Alcoholic Drinks Control Fund for the year ended June 30,2025.

By Order of the Fund



.....
Name: Edwin Seronei

Chair of the Fund Administration Committee

Date: 7th October, 2025



12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of the Elgeyo Marakwet County Alcoholic Drinks Control Fund established by The Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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


The Administrator of the Elgeyo Marakwet County Alcoholic Drinks Control Fund accepts responsibility for the Fund’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 The Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Elgeyo Marakwet County Alcoholic Drinks Control Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Fund on **7th October, 2025** and signed on its behalf by: _____


.....
Name: David Kandie



Administrator of the Elgeyo Marakwet Alcoholic Drinks Control Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY ALCOHOLIC DRINKS CONTROL FUND 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.
- 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 Elgeyo Marakwet County Alcoholic Drinks Control Fund set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

statement of changes in net asset, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the of Elgeyo Marakwet County Alcoholic Drinks Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Government Act, 2012 and Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014.

Basis for Qualified Opinion

1. Misstatements and Lack of Ownership Documents on Property, Plant and Equipment

Statement of financial position reflects property, plant and equipment balance of Kshs.2,388,845 as disclosed in Note 22 to the financial statements. However, re-computation of property, plant and equipment schedule reflects net book value of Kshs.1,523,787 resulting to a variance of Kshs.865,058 that has not been explained. In addition, depreciation charge and amortization expense disclosed in statement of performance of Kshs.211,535 as disclosed in Note 13 differs with computed balance of Kshs.125,787 resulting to an explained difference balance of Kshs.85,740.

Further, the balance of property, plant and equipment of 2,388,845 includes land and building valued at Kshs.999,940, computers and office equipment's of Kshs.953,294 and furniture and fittings balance of Kshs.435,611 as disclosed in Note 22 to the financial statements. However, these balances were not supported with asset movement schedule, fixed asset register and valuation report.

The audit also established that land ownership document was in the name of Permanent Secretary Treasury and not in the name of the Fund or the County Government.

In the circumstances, the accuracy of property, plant and equipment of Kshs.2,388,845 and land ownership could not be confirmed.

2. Depreciation Charge Treated as Current Liability

Statement of financial position reflects current provisions of Kshs.211,535 as disclosed at Note. 26 to the financial statement. The current provision of Kshs.211,535 is the current depreciation charges that has been expensed in statement of financial performance and as disclosed at Note.13 to the financial statements. However, the current provisions or depreciation charge ought to have been offset from property, plant and equipment of

Kshs.2,388,845 which has been disclosed at gross instead of net book value at Note.22 necessitating disclosure of Kshs.211,535 under-current liabilities.

In the circumstances, current provisions of Kshs.211,535 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts recurrent and development combined had an approved final budgeted receipts of Kshs.7,000,000 against actual receipts of Kshs.6,246,500 resulting to under-performance of Kshs.753,500 or 11% of the budget. Similarly, the Fund made payments of Kshs.6,473,360 against actual receipts of Kshs.6,246,500 resulting to over-expenditure of Kshs.226,860 or 4% of the actual receipts.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matters

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management, and Governance. Although the Management has indicated that some issues have been resolved and others partially resolved, there is no evidence adduced to show how the matters have been resolved. Refer to **Appendix I**.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Breach of Data Protection Laws

The Fund collects personal and sensitive data of the owners of alcoholic drink businesses in the County such as; address and plot number of premises, mobile money account, e-mail address, place of residence of proprietors, national identification numbers of proprietors among others. Review of the data handling and processing activities of the Fund revealed the following breaches of the data protection laws;

- i. Management had not registered with the Data Commissioner as a data controller or data processor respectively despite having unlimited access to public personal data hence breaching data confidentiality principle of the Data Protection Act

- ii. Management had not established personal data retention schedule as required by data protection regulations.
- iii. Management had not established appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes.
- iv. Management had not developed and published a policy reflecting the entity's personal data handling practices.
- v. Management had not implemented the elements necessary to safeguard the principle of storage limitation including having in place means of managing policies and procedures for information security, assessing the risks against the security of personal data and putting in place measures to counter identified risks and regularly reviewing and testing the revenue management system to uncover vulnerabilities
- vi. Management had not implemented the elements necessary to safeguard the principle of storage limitation including having in place a clear internal procedure for deletion and destruction of personal data of subjects, determining what data and length of storage of personal data that is necessary for the purpose and formulating internal retention statements of implementing them.
- vii. Management did not conduct data protection impact assessment prior to processing of the data

This was contrary to Section 18(2) of Data Protection Act, 2019 which states that no person shall act as a data controller or data processor unless registered with the Data Commissioner. Further, the Fund failed to comply with various Regulations of the Data Protection (General) Regulations, 2021.

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

2. Failure to Appoint a Substantive Fund Administrator

The audit review established that the directorate has been operating without a substantive Head of Department since the year 2020. It is currently headed by Assistant Director who reports to the Chief Officer. The position of Assistant Director does not command adequate authority of being able to effectively perform the duties and responsibilities of a Fund Administrator, hence the holder of the position should be senior enough to command the respect of other staff in the County.

In addition, the Fund is a directorate in the Public Service Management Department Elgeyo Marakwet County Executive in line with Section 4 of Elgeyo Marakwet County Alcoholic Drinks Control Act, 2014 which states that there is established in the County the Alcoholic Drinks Control directorate which shall be an office in the County Public Service. The act also bestows the responsibility of heading the directorate on the director appointed by the County Public Service Board which is not the case currently.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect 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

Failure to Establish Risk Management Policy Framework and Strategic Plan

The Fund had not developed risk management policy contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015, which requires the accounting officer to develop risk management strategies which include fraud prevention mechanism and internal controls that builds robust business operations.

In addition, the Fund had not developed a strategic plan for the period 2025/2026 contrary to Section 149(2) which states that the responsibilities of an Accounting Officer for designated County Government entity include (g) prepare a strategic plan for the entity in conformity with the medium term fiscal framework and financial objectives of the County Government and (h) prepare estimates of expenditure of the entity in conformity with the strategic plan referred to in paragraph (g).

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

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis)] for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2025

Appendix I

Unresolved Prior Year Matters

	Financial Year	Audit Issue
		Qualified Opinion
1	2023/2024	Unsupported Current Portion of Long-Term Receivable from Exchange Transaction Balance
2	2023/2024	Misstatements in property, plant and equipment
3	2023/2024	Presentation, Accuracy and Completeness of Financial Statements
4	2023/2024	Variance in Use of Goods and Services
		Report On Lawfulness and Effectiveness in the Use Of Public Resources
1	2023/2024	Delayed Operationalization of Iten Rehabilitation Centre
2	2023/2024	Irregular Cash Withdrawals
		Report on Effectiveness of Internal Controls, Risk Management And Governance
1	2023/2024	Ineffective Internal Audit Function
2	2023/2024	Failure to Appoint a Substantive Director for Fund

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

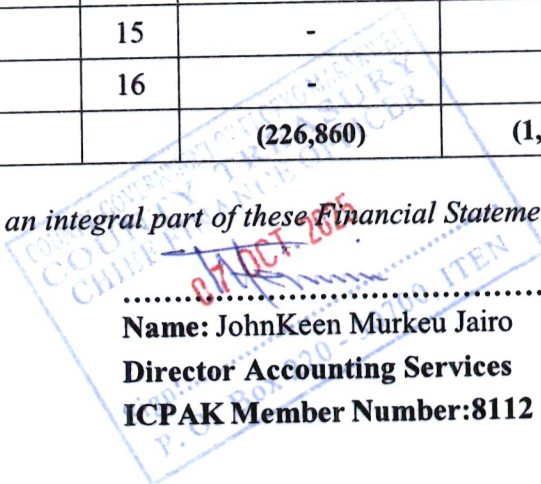
Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income	10	6,246,500	4,120,550
		-	-
Total Revenue		6,246,500	4,120,550
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	6,261,825	5,820,246
Depreciation and Amortization Expense	13	211,535	-
Finance Costs	14	-	-
Total Expenses		6,473,360	5,820,246
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		(226,860)	(1,699,696)

(The notes set out on pages 8 to 28 form an integral part of these Financial Statements)

.....
Name: David Kandie
Administrator of the Fund

DIRECTOR
ALCOHOLIC DRINKS CONTROL
ELGEYO MARAKWET COUNTY
P. O. Box 220-30700,
ITEN

.....
Name: John Keen Murkeu Jairo
Director Accounting Services
ICPAK Member Number: 8112



Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025


15. Statement of Financial Position As at 30 June 2025


Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	76,298	67,458
Current Portion of Long- Term Receivables from Exchange Transactions	18	-	931,500
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		76,298	998,958
Non-Current Assets			
Property, Plant and Equipment	22	2,388,845	1,481,510
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
Total non- current assets		2,388,845	1,481,510
Total Assets (A)		2,465,143	2,480,468
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	211,535	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		211,535	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-

Elgeyo Marakwet County Alcoholic Drinks Control Fund
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Description	Note	2024-2025	2023-2024
		Kshs	Kshs
		-	-
Total Liabilities (B)		211,535	-
		-	-
Net Assets (A-B)		2,253,608	2,480,468
Represented By:			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		2,253,608	2,480,468
Net Assets		2,253,608	2,480,468

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 7.10.2025 and signed by:


 Name: David Kandie
 Administrator of the Fund




 Name: JohnKeen Murkeu
 Director of Accounting Services
 ICPAK Member Number: 8112



Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2024	-	-	4,180,164	4,180,164
Surplus/(Deficit) For the Period	-	-	(1,699,696)	(1,699,696)
Funds Received During the Year	-	-		-
Transfers	-	-	-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	2,480,468	2,480,468
	-	-		
Balance As At 1 July 2024	-	-	2,480,468	2,480,468
Surplus/(Deficit) For the Period	-	-	(226,860)	(226,860)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	2,253,608	2,253,608

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
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17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024/2025	2024/2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		6,246,500	4,120,550
Total receipts		6,246,500	4,120,550
Payments			
Fund administration expenses		5,873,640	5,820,246
General expenses		388,185	-
Finance cost		-	-
Other payments		-	-
		-	-
Net cash flows from operating activities		(15,325)	-
Adjustment – Decrease in Receivables		931,500	-
Cash flows from investing activities		-	-
Purchase of property, plant, equipment and Intangible assets		(907,335)	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		(907,335)	-
		-	-
Cash flows from financing activities		-	-
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		8,840	(1,699,696)
Cash and cash equivalents at 1 July 2024	17	67,458	1,767,154
Cash and cash equivalents at 30 June 2025	17	76,298	67,458

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Other Income –SBP and Application fees	7,000,000	-	7,000,000	6,246,500	753,500	89%
Total Income	7,000,000	-	7,000,000	6,246,500	753,500	89%
Expenses	-	-	-	-	-	-
Fund Administration Expenses	6,500,000	-	6,500,000	5,873,640	626,360	90%
General Expenses	500,000	-	500,000	599,720	(99,720)	120%
Finance Cost	-	-	-	-	-	-
Total Expenditure	7,000,000	-	7,000,000	6,473,360	526,640	92%
Capital expenditure	-	-	-	-	-	-
Surplus For the Period	-	-	-	(226,860)	-	-

Budget notes

1. The other income of **Sh. 6,246,500** is from Single Business Permits and Application fees received during the year.
2. The payments of **Sh. 6,473,360** relates to administration and general costs incurred during the year.

Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(226,860)
1	Opening Cash and Cash Equivalent	67,458
2	Depreciation	211,535
3	Decrease in Receivables	931,500
4	Recognition for Increase in assets	(907,335)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	76,298

19. Notes to the Financial Statements Significant Accounting Policies

1. General Information

Elgeyo Marakwet County Alcoholic Drinks Control Fund entity is established by and derives its authority and accountability from Elgeyo Marakwet County Alcoholic Drinks

Control Fund Act, 2014. The entity is wholly owned by the Elgeyo Marakwet County Government and is domiciled in Kenya. The entity's principal activity is reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks in Elgeyo Marakwet

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i> 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:</p>
	<p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45-Property Plant and Equipment	<p><i>Applicable 1st January 2025</i> 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.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> 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	<i>Applicable 1st January 2026</i> 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	<i>Applicable 1st January 2026</i> 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.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

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.

b) Budget information

The original budget for FY 2024-2025 for Elgeyo Marakwet County Government was approved by the County Executive. There was no subsequent revisions or

Summary Of Significant Accounting Policies (Continued)

additional appropriations made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget. Accordingly, the Fund recorded no additional appropriations in the FY 2024-2025 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on 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 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 actual as per the statement of financial performance in the financial statements.

c) Property, plant and equipment

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

a) 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.

a) financial instruments

Financial assets Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as

appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Summary Of Significant Accounting Policies (Continued) Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

b) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

c) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

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.

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.

d) Nature and purpose of reserves

The Entity did not create or maintains reserves in terms of specific requirements during the year.

e) 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.

f) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

g) 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.

h) 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.

i) Related parties

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash interests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

The entity is a County Public Fund established by Elgeyo Marakwet County Alcoholic Drinks Control Fund Act under the department of Public Service Management and Administration. Its ultimate parent is the County Government of Elgeyo Marakwet.

n) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

b) Useful lives and residual values

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

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

c) Provisions

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

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

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Notes To the Financial Statements

6. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

7. Transfers from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Total	-	-

8. Fines, penalties and other levies

Description	2024-2025	2023-2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Income From Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

Notes to the Financial Statements Continued

10. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income From Sale Of Tender Documents	-	-
Miscellaneous Income - Applications and SBP	6,246,500	4,120,550
Total Other Income	6,246,500	4,120,550

11. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	5,873,640	5,649,509
Committee Allowances	-	-
Bank Charges	23,122	6,313
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-

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Postage And Courier	-	-
Printing And Stationery	184,463	115,901
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)-Catering	180,600	48,400
Total	6,261,825	5,820,125

13. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	211,535	-
Intangible Assets	-	-
Total	211,535	-

14. Finance costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

15. Gain/(loss) on disposal of assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

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16. Gain/ (loss) on Fair Value Investments

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

17. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Access Bank Ltd Account no.180923/500U00/0	76,143	66,025
Others-KCB AC NO.1277448698	155	1,433
Total Cash And Cash Equivalents	76,298	67,458

Detailed analysis of the cash and cash equivalents are as follows:

		2024-2025	2023-2024
Financial Institution	Account number	Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial bank	1277448698	155	1,433
Access Bank Ltd	180923/500U00/0	76,143	66,025

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
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Sub- total		76,298	67,458
d) Others(Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		76,298	67,458

18. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors-Single Business Permits	-	931,500
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	931,500

Additional disclosure on interest receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-

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Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	2024-2025	2023-2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

20. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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21. Investments in financial assets

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

Movement of Equity Investments

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

d) Shareholding in other entities

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

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22. Property, plant, and equipment

	Land and Buildings	Motor vehicles	Furniture and Fittings 12.5%	Computers and office equipment 33.3%	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions	999,940	-	-	481,570	1,481,510
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2023	999,940	-	-	481,570	1,481,510
At 1st July 2023	999,940	-	-	481,570	1,481,510
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2024	999,940	-	-	481,570	1,481,510
At 1st July 2024	999,940	-	-	481,570	1,481,510
Additions	-	-	435,611	471,724	907,335
Impairment	-	-	-	-	-
At 30th June 2025	999,940	-	435,611	953,294	2,388,845
At 1st July 2024	999,940	-	435,611	953,294	2,388,845
Depreciation	-	-	54,451	157,084	211,535
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Net Book Values	999,940	-	381,160	796,210	1,796,150
At 30th June 2023	999,940	-	-	481,570	1,481,510

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At 30th June 2024	999,940	-	-	481,570	1,481,510
At 30th June 2025	999,940	-	381,160	796,210	1,796,150

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23. Intangible assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At Beginning Of The Year	-	-
Additions	-	-
At End Of The Year	-	-
Amortization And Impairment		
At Beginning Of The Year	-	-
Amortization	-	-
At End Of The Year	-	-
Impairment Loss	-	-
At End Of The Year	-	-
NBV	-	-

24. Investment Property

Description	2024-2025	2023-2024
	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	-	-

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25. Trade and other payables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Payables	-	-
Refundable Deposits	-	-
Accrued Expenses	-	-
Other Payables	-	-
Total Trade And Other Payables	-	-

26. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (1.07.2024)	-	-	-	-
Additional Provisions	-	-	211,535	211,535
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Year (30.06.2025)	-	-	211,535	211,535

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27. Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

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

The table below shows the classification of borrowings long-term and current borrowings:

Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total		
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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30. Cash generated from operations.

	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the year Before Tax	(226,860)	(1,699,577)
Adjusted For:		
Depreciation	211,535	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	(211,535)	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	(226,860)	(1,699,577)

31. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

b) Related party transactions

	2024-2025	2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

	2024-2025	2023-2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	5,873,640	4,081,750
Total	5,873,640	4,081,750

d) Due from related parties

	2024-2025	2023-2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued e)
Due to related parties

	2024-2025	2023-2025
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	Kshs	Kshs
Court Case Against The Fund	-	-
Bank Guarantees	-	-
Total	-	-

Note: There is a pending litigation against the fund.

33. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At June 30, 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	76,298	76,298	-	-
Total	76,298	76,298	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	67,458	67,458	-	-
Total	67,458	67,458	-	-

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 no significant concentration of credit risk

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has 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 Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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	Less than 1 month	Between 13 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The board 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 Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. 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

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denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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:

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance 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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2025			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

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

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d) Capital risk management.

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

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	2,253,608	2,480,468
Total funds	2,253,608	2,480,468
Total borrowings	-	-
Less: cash and bank balances	76,298	67,458
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by the Elgeyo Marakwet County Alcoholic Control Act under the Department of Public Service Management and Administration. Its ultimate parent is the County Government of Elgeyo Marakwet.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

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

Referenc e No. on the external audit Report	Issue / Observation s from Auditor	Managemen t comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1	Failure to Appoint a Substantive Director for the Alcoholic Drinks Control Directorate	The staff working in the Directorate of Alcoholic Drinks Control Fund were deployed.	CECM- Public Service Management and Administration	Budget has been provided in the financial year 2025/2026 to employ substantive Director	6 months

.....


David Kandie
Fund Administrator Alcoholic Drinks Control Fund
 Date:.....7.10.2025...



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Annex II: Inter-Fund Confirmation Letter




Elgeyo Marakwet County Alcoholic Drinks Control Fund
P.O.Box 220-30700.Iten

Elgeyo Marakwet County Alcoholic Drinks Control Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Elgeyo Marakwet County Alcoholic Drinks Control Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		-	-	-	-	-	-
Total		-	-	-	-	-	-

In confirm that there was no amounts transferred to the fund as of the date indicated.

Head of Accountants Department of Beneficiary Fund:

NameDavid Kandie..... Sign.....  Date7.10.2025....

DIRECTOR
ALCOHOLIC DRINKS CONTROL
ELGEYO MARAKWET COUNTY
P. O. Box 220-30700,
ITEN

**Elgeyo Marakwet County Alcoholic Drinks Control Fund
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Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: 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