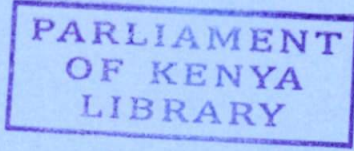


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

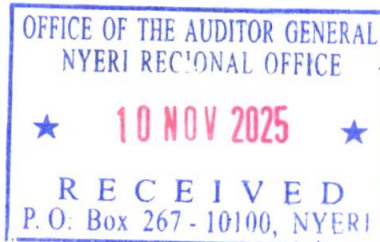
ON

KIRINYAGA COUNTY AGRICULTURAL  
INSTITUTIONS REVOLVING FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

PAPERS LAID	
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**KIRINYAGA COUNTY AGRICULTURAL INSTITUTIONS REVOLVING FUND**

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

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

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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*Kirinyaga County Agricultural Institutions Revolving 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
ATVET	Agricultural Technical and Vocational Education and Training

**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.

## **2. Key Entity Information and Management**

### **a) Background information**

Kirinyaga County Agricultural Institutions Revolving Fund is established by and derives its authority and accountability from Section 116 of the Public Finance Management Act, 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

The fund's objective is to provide for funds to be applied to cater for the operational, commercial and development activities of the ATVET Centre as prescribed under the Act and other Agricultural Institutions that further the mandate of the Department.

### **b) Principal Activities**

The Fund shall be applied for following specific objects and purposes:

- a) Dissemination of agricultural technology and information;
- b) provision of farmer advisory services on sustainable agricultural use and conservation of natural resources;
- c) facilitating modern agricultural extension services;
- d) promotion of commercialization of agricultural produce through value addition;
- e) establishment and management of satellite centers in the County;
- f) establishment and management of demonstration farms for showcasing practical techniques to farmers on agriculture and other related sub-sectors;
- g) collaboration with the National and County Governments, private sector, non-governmental organizations and institutions of higher learning in any manner that may be promote the objects of the ATVET Centre;
- h) perform such other acts as are necessary, for the attainment of the objects of the ATVET Centre.

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**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position	Position
1	Chairperson	Priscah Wanjiku Githaka	Chief Officer Agriculture, Livestock Veterinary and Fisheries
2	Fund Manager/ Administrator	Benson Muriithi Mukungo	County Director Agriculture
3	Committee Members	Edward Nyaga Njagi	Chief Officer Finance
4	Committee Members	Sylvester Maribe Njau	Economist
5	Committee Members	Ruth Kwamboka Moturi	Head of Fisheries
6	Committee Members	Catherine Nthoki Mulonzi	Director Veterinary, Livestock, Fisheries
7.	Committee Members	Boniface Gathura	Member of Public representing Youth
8.	Committee Members	Fleshiah Mwendia	Member of Public representing Gender
9.	Committee Members	Lucy Kibera	Member of Public representing PWD

**d) Key Management team**

Ref	Name	Position	Position
1	Chairperson	Priscah Wanjiku Githaka	Chief Officer Agriculture, Livestock Veterinary and Fisheries
2	Fund Manager/ Administrator	Benson Muriithi Mukungo	County Director Agriculture

**Kirinyaga County Agricultural Institutions Revolving Fund  
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Ref	Name	Position	Position
3	Committee Members	Edward Nyaga Njagi	Chief Officer Finance
4	Committee Members	Sylvester Maribe Njau	Economist
5	Committee Members	Ruth Kwamboka Moturi	Head of Fisheries
6	Committee Members	Catherine Nthoki Mulonzi	Director Veterinary, Livestock, Fisheries

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	Philomena Nyaga

**f) Registered Offices**

Kirinyaga County  
Department of finance & economic planning  
County headquarters, ground floor  
P.O.BOX 260  
KUTUS, KENYA

**g) Fund Contacts**

Telephone: (254) 720 327 456  
E-mail: Kirinyaga.go.ke  
Website: www.kirinyaga.go.ke

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue

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P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

2. Equity Bank  
Kagio Branch  
P.O Box 75104 - 00200  
Nairobi

**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**




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

**k) County Attorney**





SN	Position	Name
1	County Attorney	Carol Kinyua

*Kirinyaga County Agricultural Institutions Revolving Fund*  
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**3. Fund Administration Committee**

Name	Details of qualifications and experience
<p>1. Chairperson Priscah Githaka</p> 	<p><b>CHIEF OFFICER AGRICULTURE, LIVESTOCK, VETERINARY AND FISHERIES</b></p> <p>DATE OF BIRTH: 11/08/1978</p> <p><b>Academic Qualification:</b> Masters In Educational Administration</p> <p><b>Experience:</b> 23 years of relevant experience</p>
<p>2. Secretary to the Fund Committee and Fund Administrator Benson Muriithi Mukungo</p> 	<p><b>COUNTY DIRECTOR OF AGRICULTURE</b></p> <p>DATE OF BIRTH: 01/01/1967</p> <p><b>Academic Qualification:</b> Masters In Rural Development</p> <p><b>Experience:</b> 28 years of relevant experience</p>
<p>3. Committee Member Edward Nyaga</p> 	<p><b>CHIEF OFFICER FINANCE</b></p> <p>DATE OF BIRTH: 01/04/ 1973</p> <p><b>Academic Qualifications</b></p> <p>CPAK</p> <p>Bachelor Of Cooperative Business</p> <p>Masters MBA</p> <p><b>Experience:</b> Over 20 Years in Finance and Accounting Sector</p>
<p>4. Committee Member Sylvester Njau</p>	<p><b>SENIOR ECONOMIST</b></p> <p>DATE OF BIRTH: 25-02-1985</p> <p><b>Academic Qualification:</b> Degree in Economics and Statistics</p>





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




	<p>Experience: 15 years in related environment</p>
<p>5. Committee Member Dr. Catherine Mulonzi</p> 	<p><b>COUNTY DIRECTOR - LIVESTOCK, VETERINARY &amp; FISHERIES</b>          DATE OF BIRTH: 19/02/1984  <b>Academic Qualification:</b> Degree in Veterinary Medicine  <b>Experience:</b> 15 years of relevant experience</p>
<p>6. C</p> <p>Ruth Mutori</p> 	<p><b>HEAD OF FISHERIES</b>          DATE OF BIRTH: 18/07/1980  <b>Academic Qualification:</b> Extension in Aquaculture and Administration  <b>Experience:</b> 15 years of relevant experience</p>
<p>7. Committee Member Steffie Wambui</p> 	<p><b>HEAD OF LIVESTOCK PRODUCTION</b>          DATE OF BIRTH: 29/04/1993  <b>Academic Qualification:</b> BSc Animal Health Production  <b>Experience:</b> 10 years of relevant experience</p>
<p>8. Committee Member Boniface Gathura</p>	<p><b>YOUTH REPRESENTATIVE</b>          DATE OF BIRTH: 14/10/1996</p>

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	<p><b>Academic Qualification:</b> Agribusiness Economics and Food Industry Management</p> <p><b>Experience:</b> 6 years of relevant experience</p>
<p>9. Committee Member Flechia</p> <p style="text-align: right;">Kinyua</p> 	<p><b>FARMER REPRESENTATIVE</b></p> <p><b>DATE OF BIRTH:</b> 30/08/1960</p> <p><b>Academic Qualification:</b> KJSE</p> <p><b>Experience:</b> 30 years of relevant experience</p>
<p>10. Member Lucy W. Kibera</p> 	<p><b>PWD REPRESENTATIVE</b></p> <p><b>DATE OF BIRTH:</b> 29/12/1972</p> <p><b>Academic Qualification:</b> Certificate in Business Management</p> <p><b>Experience:</b> Over 30 years of relevant experience</p>

**4. Management Team**

Name	Details of qualifications and experience
<p>1. Chairperson Priscah Githaka</p> 	<p><b>CHIEF OFFICER AGRICULTURE, LIVESTOCK, VETERINARY AND FISHERIES</b></p> <p>DATE OF BIRTH: 11/08/1978</p> <p><b>Academic Qualification:</b> Masters In Educational Administration</p> <p><b>Experience:</b> 23 years of relevant experience</p>
<p>2. Fund Administrator Benson Muriithi Mukungo</p> 	<p><b>COUNTY DIRECTOR OF AGRICULTURE</b></p> <p>DATE OF BIRTH: 01/01/1967</p> <p><b>Academic Qualification:</b> Masters In Rural Development</p> <p><b>Experience:</b> 28 years of relevant experience</p>
<p>3. Committee Member Edward Nyaga</p> 	<p><b>CHIEF OFFICER FINANCE</b></p> <p>DATE OF BIRTH: 01/04/ 1973</p> <p><b>Academic Qualifications</b></p> <p>CPAK</p> <p>Bachelor Of Cooperative Business</p> <p>Masters MBA</p> <p>Experience: Over 20 Years in Finance and Accounting Sector</p>
<p>4. Member</p>  <p>Sylvester Njau</p>	<p><b>SENIOR ECONOMIST</b></p> <p>DATE OF BIRTH: 25-02-1985</p> <p>Academic Qualification: Degree in Economics and Statistics</p>

<p>5. Member Dr Catherine Mulonzi</p> 	<p><b>COUNTY DIRECTOR - LIVESTOCK, VETERINARY &amp; FISHERIES</b></p> <p>DATE OF BIRTH: 19/02/1984</p> <p><b>Academic Qualification:</b> Degree in Veterinary Medicine</p> <p><b>Experience:</b> 15 years of relevant experience</p>
<p>6. Member Ruth Mutori</p> 	<p><b>HEAD OF FISHERIES</b></p> <p>DATE OF BIRTH: 18/07/1980</p> <p><b>Academic Qualification:</b> Extension in Aquaculture and Administration</p> <p><b>Experience:</b> 15 years of relevant experience</p>
<p>7. Member Steffie Wambui</p> 	<p><b>HEAD OF LIVESTOCK PRODUCTION</b></p> <p>DATE OF BIRTH: 11/08/1978</p> <p><b>Academic Qualification:</b> Masters In Educational Administration</p> <p><b>Experience:</b> 23 years of relevant experience</p>

## **5. Fund Chairperson's Report**

It is my privilege to present the Annual Report and Financial Statements of the **Kirinyaga County Agricultural Institutions Revolving Fund** for the financial year ended 30th June 2025. This foreword provides an overview of the Fund's progress, key milestones, and our aspirations for the future.

During the year, the Fund's governance and management structure was strengthened through the continued service of a diverse and committed Fund Administration Committee. While the composition of the leadership remained largely stable, new perspectives from youth, gender, and persons with disabilities' representatives have enriched the inclusivity and decision-making of the Committee. Furthermore, greater collaboration was fostered between the County Treasury, the Department of Agriculture, and external stakeholders, positioning the Fund for more effective oversight and resource utilization.

Notable strides were made in advancing farmer training, promoting sustainable agricultural technologies, and supporting youth agribusiness initiatives. These interventions are in line with the Fund's core mandate of equipping farmers and trainees with practical skills for commercialization and resilience.

Looking ahead, the Fund is poised to scale up its interventions in line with the County's agricultural transformation agenda. Priority areas include: Expanding the reach of ATVET programmes to all wards, strengthening partnerships with development partners and private sector actors to leverage additional resources, enhancing climate-smart agricultural practices and value addition, Developing satellite training and demonstration centers for wider farmer access.

The Board remains confident that with continued stakeholder support and sound governance, the Fund will play a pivotal role in building a vibrant and sustainable agricultural sector in Kirinyaga County.

During the year, the Fund remained compliant with statutory reporting requirements under the Public Finance Management Act, 2012, and adopted International Public Sector Accounting Standards (IPSAS). Strong fiduciary oversight was maintained through the Internal Audit and external review by the Office of the Auditor General. In addition, measures to strengthen

***Kirinyaga County Agricultural Institutions Revolving Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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governance, risk management, and stakeholder engagement were prioritized to enhance transparency and accountability.

In conclusion, I wish to express sincere appreciation to the County Government of Kirinyaga, fellow Committee members, the Fund's management, and all stakeholders whose dedication and support have been instrumental in delivering the achievements of the year. We remain steadfast in our commitment to ensuring that the Fund continues to drive innovation, capacity-building, and value creation in the agricultural sector for the benefit of current and future generations

Name: Ms. Priscah Wanjiku Githaka

Signature  .....

Date 10/10/2025 .....

Chairperson of the Board/Fund

## **6. Report of The Fund Administrator**

It is my honour to present the Administrator's Report for the financial year ended **30th June 2025**. This report provides a comprehensive overview of the Fund's operations, financial performance, physical achievements, challenges, and future outlook.

Since its establishment, the Fund has steadily supported the operationalization of the **Agricultural Technical and Vocational Education and Training (ATVET) Centre** and other agricultural institutions.

Key outputs and impacts achieved in FY 2024/2025 include:

- **Farmer Training and Advisory Services:** Over **600 farmers** were trained on sustainable production and value addition techniques.
- **Youth Engagement:** The Fund supported incubation of youth in agribusiness, reaching **120 youth trainees** in agronomy, livestock, and fisheries.
- **Gender and Inclusivity:** Through the Fund Committee's inclusive membership, more than **40% of beneficiaries were women**, while persons with disabilities were specifically targeted in pilot training programs.
- **Financial Resilience:** The creation of a surplus fund provides a strong base for scaling up projects in subsequent years.

These interventions demonstrate a shift from pilot activities to measurable community-level outcomes that align with the County's agricultural transformation agenda.

The Fund implemented its programmes through a mix of training, demonstration farms, and partnerships with farmer groups and private sector actors. All programs adhered to principles of **efficiency and accountability**.

- **Training Programs** were conducted in collaboration with the ATVET Centre and partner institutions, ensuring cost savings through shared resources.

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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- **Extension and Advisory Services** leveraged existing county officers, reducing recurrent overheads.
- **Value-for-Money Gains** were realized through bulk procurement of training materials, which lowered costs by an estimated **15% compared to retail prices**.

Overall, every shilling spent generated high impact by directly linking resource inputs to skills development and productivity gains in the field.

Despite these achievements, the Fund faced several challenges, including:

- **Low Budget Absorption:** With only 26.6% utilization, implementation of some activities was delayed due to procurement and logistical bottlenecks.
- **Limited Awareness:** Some farmer groups were not fully aware of the Fund's interventions, limiting participation.
- **Resource Constraints:** While the Fund performed well financially, greater allocations are required to cover the full demand for training, demonstration farms, and satellite centres.
- **Climate and Economic Pressures:** Erratic weather and rising input costs occasionally slowed the pace of farmer adoption of new technologies.

In the coming financial year, the Fund plans to expand and diversify its support through:

- Establishing **two satellite demonstration and training centres** across Kirinyaga County.
- Rolling out **climate-smart agriculture programs**, including rainwater harvesting and promotion of drought-resistant crops.
- Scaling up youth incubation programmes targeting **at least 200 youth agripreneurs**.
- Enhancing partnerships with the private sector and development partners to mobilize additional resources.
- Improving **budget absorption** through streamlined planning and procurement processes.

***Kirinyaga County Agricultural Institutions Revolving Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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These priorities are aligned with the **County Agricultural Transformation Strategy** and the national Bottom-Up Economic Transformation Agenda (BETA).

The Fund has instituted several measures to mitigate risks:

- **Governance Oversight:** Strengthened internal audit and reporting to the Office of the Auditor General.
- **Financial Controls:** Adoption of IPSAS standards and prudent cash management to safeguard assets.
- **Stakeholder Engagement:** Building stronger communication channels with farmers and beneficiaries to ensure inclusivity.
- **Climate Risk Mitigation:** Supporting climate-resilient practices and diversifying training content to reduce vulnerabilities.

The Fund remains financially sound and strategically positioned to continue delivering on its mandate. I extend my gratitude to the County Government of Kirinyaga, the Board of Trustees, management team, and all stakeholders for their unwavering support. Together, we will sustain momentum towards a modernized, resilient, and inclusive agricultural sector.

Signed:  .....

***Benson Muriithi Mukungo***

*Fund Administrator / County Director of Agriculture*

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

### Introduction

In compliance with **Section 164 (2)(f) of the Public Finance Management Act, 2012**, the Kirinyaga County Agricultural Institutions Revolving Fund hereby presents its performance against predetermined objectives for the financial year ended **30th June 2025**.

The key development objectives of the Fund as per its strategic plan (2023–2028) are to:

- a) Provide quality agricultural training and physical infrastructure in the County.
- b) Strengthen agricultural extension and farmer advisory services.
- c) Promote commercialization of agricultural produce through value addition and market linkages.
- d) Enhance youth and women participation in agribusiness and capacity development.
- e) Mainstream climate-smart practices and sustainable natural resource management.

### Progress on Attainment of Strategic Development Objectives

Program	Objective	Outcome	Indicator	Performance FY 2024/2025
<b>Agricultural Training &amp; Capacity Building</b>	To enhance practical skills and knowledge in modern agriculture	Increased farmer knowledge and adoption of technologies	Number of farmers trained; % adopting practices	600 farmers trained, 55% adoption rate in AIV and livestock technologies
<b>Youth &amp; Women in Agribusiness</b>	To promote youth and gender inclusivity in agriculture	Increased participation of youth and women in value chains	Number of youth/women supported	120 youth incubated; 40% of total beneficiaries were women; 15 PWDs directly supported

**Kirinyaga County Agricultural Institutions Revolving Fund  
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<b>Advisory &amp; Extension Services</b>	To strengthen access to extension services and farmer support .	Improved access to extension and advisory services	Number of advisory sessions held	35 training forums and field demonstrations conducted in all sub-counties
<b>Value Addition &amp; Commercialization</b>	To promote commercialization through value addition	Improved market access and income generation	Number of value addition programs supported	3 demonstration units established (dairy, fish, and horticulture); farmer groups linked to 2 off-takers
<b>Climate-Smart Agriculture &amp; Sustainability</b>	To enhance resilience to climate change and promote sustainable use of natural resources	Increased adoption of climate-smart practices	% of farmers using climate-smart technologies	150 farmers trained on water harvesting and soil management; 20% adoption recorded in pilot areas
<b>Fund Management &amp; Governance</b>	To ensure efficient and transparent management of the Fund	Improved accountability and sustainability	Budget absorption rate; Surplus generated	26.6% absorption rate; surplus of Kshs. 8.6M for reinvestment in future programs

## **8. Corporate Governance Statement**

### **Appointment and Composition of the Fund Committee**

The **Fund Committee** is established under **Regulation 8** of the *Public Finance Management (Kirinyaga County Agricultural Institutions Revolving Fund) Regulations, 2024* to provide strategic oversight and governance of the Fund.

The Committee ensures compliance with the Public Finance Management Act (2012), County Government financial regulations, and the Kirinyaga County Agricultural Technical and Vocational Education and Training (ATVET) Centre Act, 2023.

### **Composition**

The Fund Committee comprises:

1. Chief Officer in charge of Agriculture — **Chairperson**;
2. Chief Officer in charge of Accounting — **Member**;
3. An Economist appointed by the County Executive Committee (CEC) Member for Agriculture;
4. County Head of Agriculture;
5. County Head of Livestock;
6. County Head of Fisheries;
7. County Head of Veterinary Services;
8. Three public representatives for **gender, youth, and persons with disabilities**, appointed by the CEC Member for Agriculture in consultation with the Governor; and
9. **Fund Administrator** — serving as the **Secretary** to the Committee.

The CEC Member for Agriculture may second additional members based on expertise, experience, or training to enhance Committee performance

The Committee's structure ensures diversity in expertise, gender, and professional backgrounds in line with Articles 27 and 175 of the Constitution, guaranteeing equitable representation and inclusivity.

### **Fund Charter**

The operations of the Fund Committee are guided by a **Fund Charter** defining its mandate, authority, quorum, meeting frequency, and decision-making procedures. The Charter also outlines the establishment of sub-committees to support specialized functions such as finance, procurement, and audit review.

### **Roles and Functions of the Fund Committee**

The Fund Committee's mandate is drawn from **Regulation 9** of the 2024 Regulations and includes: Advising on policy formulation and guidelines for Fund management and utilization; Preparing and submitting the **annual work plan, budget, and financial statements** to the CEC Member for approval; Monitoring implementation of Fund-supported projects and evaluating their performance and impact; Reviewing and approving financial statements before submission for audit; Overseeing prudent financial management and ensuring value-for-money; Reporting annually to the CEC Member on Fund activities, performance, and achievements; Approving procedures for transparent and accountable administration of the Fund; and Performing any other function assigned by the CEC Member for Agriculture.

### **Induction, Training, and Development**

Upon appointment, Committee members undergo induction covering: Legal and policy frameworks governing the Fund; Public finance management and fiduciary responsibilities; Climate-smart and sustainable agricultural enterprise management; and Ethical and leadership standards in public governance.

Continuous capacity-building is facilitated through training, benchmarking, and participation in County and national forums to strengthen institutional governance and technical oversight.

### **Committee and Members' Performance**

Performance evaluation is conducted annually to assess: Attendance and active participation in meetings; Quality of contributions to strategic decisions; and Adherence to the Fund's objectives and financial prudence principles.

Self-assessments and performance reviews ensure accountability and identify areas for professional development and institutional improvement.

### **Committee Meetings and Attendance**

As provided under the Fund Charter: The Committee meets **quarterly**, and may convene special meetings when necessary; Quorum is set at **two-thirds** of members; and Failure to attend three consecutive meetings without permission results in loss of membership.

Meeting records document attendance, resolutions, and deliberations on fund absorption, project progress, and risk management.

### **Succession Planning**

A structured **succession framework** ensures continuity and institutional stability by:

- Nurturing talent from within the Department to assume key roles; and

- Establishing deputy roles or alternates to guarantee seamless transition during changes in membership.

### **Conflict of Interest Policy**

All Committee members are bound by a formal **Conflict of Interest Policy** that requires: Annual declarations of interest; Disclosure of any conflict relating to agenda items; and Recusal from discussions or decisions where bias or personal interest may arise.

A **Conflict of Interest Register** is maintained by the Secretary for transparency and audit purposes.

### **Committee Remuneration**

Remuneration and sitting allowances for Committee members comply with **Salaries and Remuneration Commission (SRC)** guidelines and County Government circulars. Payments are strictly for meetings attended and governance duties undertaken, and are charged to the approved Fund budget.

### **Ethics and Conduct**

Members are guided by: **Chapter Six of the Constitution** on Leadership and Integrity; **The Leadership and Integrity Act (2012)**; and **The County Public Service Code of Conduct**.

The Fund Committee upholds integrity, professionalism, accountability, and prudent stewardship of public resources.

### **Governance Audit**

The Fund is subject to periodic **governance audits** under the **Public Finance Management Act (2012)** and **Regulation 22** of the 2024 Fund Regulations. These audits evaluate compliance, governance effectiveness, and internal control systems, and provide recommendations for institutional strengthening.

### **Communication Policy**

Official communication is managed jointly by the **Chairperson** and the **Fund Administrator**, ensuring: Timely and accurate information dissemination to stakeholders, Confidentiality in Committee proceedings; and Structured reporting of performance, including quarterly and annual reports to the County Treasury and County Assembly as per **Regulations 20–21**

### **Terms of Reference of Sub-Committees**

The Fund Committee may establish sub-committees to handle specialized functions such as:

- **Finance and Procurement Oversight**
- **Monitoring and Evaluation**

- **Audit and Risk Review**
- **Capacity Development and Partnerships**

Each sub-committee operates under documented **Terms of Reference (ToRs)** approved by the main Committee and reports directly to it.

#### **Policy on Related Party Transactions**

The Fund has adopted a **Related Party Transactions Policy** to ensure fairness, transparency, and accountability.

All transactions: Must be fully disclosed to the Committee; Are competitively procured and priced at arm's length; and Are reported in the annual financial statements and reviewed by the Fund's oversight structures.

## 9. Management Discussion and Analysis

### Operational Performance

The Fund was established to mobilize and manage financial resources to support the **Agricultural Technical and Vocational Education and Training (ATVET) Centre** and other agricultural institutions across Kirinyaga County.

### Key Outputs Delivered in FY 2024/2025

- **Farmer Training:** 600 farmers trained in sustainable agriculture, livestock, and fisheries.
- **Youth Engagement:** 120 youth incubated in agribusiness programs, with 35% successfully developing agribusiness start-ups.
- **Women and PWD Inclusion:** 40% of beneficiaries were women, while 15 PWDs participated in specialized training.
- **Extension Services:** 35 advisory sessions and field demonstrations held across sub-counties.
- **Value Addition:** Three demonstration units for dairy, fish, and horticulture value chains established.
- **Climate-Smart Agriculture:** 150 farmers trained on water harvesting, drought-tolerant crops, and soil management practices.

### Financial Performance

The Fund's financial outcomes demonstrate prudent management and sustainability.

### Income and Expenditure Overview (Kshs.)

Description	Budget 2024/25	Actual 2024/25	Variance	Utilization %
Transfers from County Government	5,000,000	5,000,000	0	100%
Other Income	6,721,610	6,721,610	0	100%
<b>Total Revenue</b>	<b>11,721,610</b>	<b>11,721,610</b>	<b>0</b>	<b>100%</b>
Expenses	11,721,610	3,126,319	8,595,291	26.6%
<b>Surplus</b>	-	<b>8,595,291</b>	-	-

### **Key Financial Insights**

- Budget absorption was **26.6%**, reflecting delayed implementation of some projects.
- The Fund generated a **surplus of Kshs. 8.6 million**, which will be reinvested in subsequent programmes.
- No material arrears in statutory obligations were reported.

### **Key Projects and Investment Decisions**

The Fund prioritized interventions aligned with its strategic objectives (2023–2028):

1. **ATVET Centre Strengthening** – Support for curriculum development, training facilities, and digital learning modules.
2. **Demonstration Farms** – Establishment of model farms to showcase climate-smart and value-addition practices.
3. **Youth and Women Programmes** – Agribusiness incubation and linkage to market opportunities.
4. **Climate-Smart Interventions** – Training in water harvesting, soil conservation, and use of renewable energy (solar driers, biogas).

### **Compliance with Statutory Requirements**

- The Fund complied with **Public Finance Management Act, 2012** and adopted **IPSAS accrual-based accounting**.
- Annual accounts were submitted to the **Office of the Auditor General** for independent audit.
- Internal audits were conducted quarterly, ensuring proper fiduciary oversight.
- Procurement processes adhered to the **Public Procurement and Asset Disposal Act (2015)**, with preference given to **AGPO groups** (youth, women, and PWDs).

### **Risks and Mitigation Strategies**

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Measures</b>
Low budget absorption	Delayed project delivery	Streamlined procurement and early planning

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Climate variability	Reduced adoption of technologies	Promotion of climate-smart agriculture (rainwater harvesting, drought-resistant crops)
Limited stakeholder awareness	Under-utilization of Fund services	Enhanced outreach and communication strategy
Governance risks	Misuse of resources	Strong internal audit, external audit, and compliance checks
Funding dependency on county allocations	Financial sustainability risk	Diversification of income sources, partnerships with development agencies

**Outlook for FY 2025/2026**

The Fund aims to scale up its impact by:

- Establishing **two additional satellite training and demonstration centres**.
- Scaling up youth incubation to reach **200 young agripreneurs**.
- Expanding training in **digital agriculture and mechanization**.
- Investing part of the 2024/25 surplus in **climate-smart demonstration projects**.
- Strengthening public-private partnerships for resource mobilization.

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

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

The Fund recognizes that sustainability is central to the delivery of its mandate and to the long-term prosperity of the agricultural sector. Global trends such as climate change, biodiversity loss, and fluctuating macroeconomic conditions continue to influence local food systems, farmer livelihoods, and institutional operations.

The Centre's sustainability framework is guided by the Sustainable Development Goals (SDGs), with particular focus on SDG 2 (Zero Hunger), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action).

During the reporting period, the Centre prioritized:

- Promoting climate-smart agriculture through farmer trainings.
- Embedding sustainability in enterprise operations such as fodder production, dairy farming, and aquaculture.
- Adopting transparent procurement practices that provide opportunities to local suppliers, youth, women, and persons with disabilities (PWDs) in line with the Public Procurement and Asset Disposal Act, 2015 and 2020.

While achievements were notable in enterprise commercialization and stakeholder partnerships, challenges such as funding gaps limited the scale of sustainability projects. Mitigation measures included seeking county support and strengthening partnerships with cooperatives and private actors.

### **ii) Environmental performance**

The Fund has adopted an Environmental Policy anchored in efficient resource use, waste management, and biodiversity conservation. Implementation during the year included:

- Waste Management: Introduction of bins for waste segregation, recycling of plastic, and responsible disposal practices.
- Resource Efficiency: Adoption of paperless systems in selected administrative functions to reduce paper usage.
- Energy Efficiency: Use of solar lighting in select buildings, and maintenance of institutional vehicles to minimize carbon emissions.

- Biodiversity Conservation: Protection of farm ecosystems by integrating fodder shrubs and tree planting with partner organizations such as KENAFF.
- Climate-Smart Initiatives: Introduction of drought-tolerant crop varieties and promotion of sustainable mechanization services.

Shortcomings remain in fully transitioning to eco-friendly infrastructure, particularly in scaling up renewable energy solutions. To address this, the fund is exploring green building designs and expanding solar energy adoption in future budgets.

**iii) Employee welfare**

The Centre is committed to ensuring the well-being of its employees through compliance with labour and social protection laws. All employees are enrolled in the National Social Security Fund (NSSF) and the Social Health Insurance Fund (SHIF), guaranteeing pension security and medical coverage.

The Fund adheres to the County Public Service Human Resource Manual, the Employment Act (2007), and the Persons with Disabilities Act (2003). Recruitment is conducted in line with constitutional values of equity, inclusivity, and transparency (Article 232 of the Constitution of Kenya, 2010).

Equity and Diversity: The hiring process actively considers the two-thirds gender rule, ensuring fair representation of both men and women. Youth and Persons with Disabilities (PWDs) are given priority in line with affirmative action policies.

Recruitment practices emphasize inclusivity by giving fair consideration to youth, women, and PWDs, in line with both the County Public Service guidelines and the ATVET Act. The institution continues to improve gender balance, with deliberate measures to recruit women into technical and administrative roles.

Employee skills development is supported through periodic training and appraisal systems. Career management strategies are being strengthened through mentorship and professional training. The Centre complies with the Occupational Safety and Health Act (OSHA) 2007, ensuring safe working conditions. While no major work-related injuries were reported, safety drills and awareness sessions were carried out to minimize risks.

**iv) Market place practices-**

The organization should outline its efforts to:

**a) Responsible competition practice.**

The Fund upholds integrity and fairness in service delivery. All procurement activities follow the PPADA 2015 and 2020, ensuring open tendering, anti-corruption reporting mechanisms, and respect for competitors. Service delivery is guided by a Service Charter which promotes accountability, automation of select services, and cashless transactions to reduce risks of malpractice.

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

Suppliers are treated fairly, with contracts honoured within reasonable timelines and payments processed in line with public finance laws. Special emphasis is placed on engaging local suppliers, youth, women, and PWD-owned enterprises, aligning with the 30% access-to-government procurement opportunities (AGPO) framework.

**c) Responsible marketing and advertisement or Responsible engagement with the citizens.**

The Centre conducts ethical sensitization forums with farmers, producer groups, and cooperatives. Information is shared transparently during community consultations and extension activities. Marketing and outreach efforts avoid exaggerated promises, instead focusing on practical and measurable outcomes in agriculture.

**d) Product stewardship or Awareness creation**

The fund safeguards farmer rights by ensuring quality training, adequate information, and technical support. Farmers are guided on safe production methods, value addition, and compliance with agricultural standards. The Centre also provides avenues for dispute resolution, grievance redress, and protects participant data collected during training programs.

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

Kirinyaga ATVET Centre undertook several community-focused activities during the year, aligning with its agricultural development mandate:

- **Farmer Sensitization Clinics:** Held community training forums on dairy production, fodder conservation, and aquaculture management, reaching over 600 farmers.
- **Stakeholder Partnerships:** Worked with cooperatives to support milk aggregation and with KENAFF on fodder shrubs promotion for climate resilience.
- **Public Participation:** The institution actively participated in county-level consultative meetings on agricultural policy and budgeting processes, ensuring inclusivity and accountability.

These CSR and engagement activities not only strengthened community trust but also enhanced the Centre's role as a driver of agricultural sustainability and innovation in the county.

**11. Report of The Trustees**

The Trustees submit 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 activities of the Fund continue to be the mobilization, management, and application of financial resources to support agricultural training, infrastructure development, capacity building, and operational sustainability of the Kirinyaga Agricultural Technical and Vocational Education and Training Centre.

**Results**

The results of the Fund for the year ended June 30, 2025 are set out on page 15.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page on page viii.

**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.

By Order of the Board

**Ms. Priscah Wanjiku Githaka**

**Chairperson of Fund Administration Committee**

Sign,  Date: 10/11/2025

## **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 a County Public Fund 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 County Public 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 financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 County Public 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. 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 financial year ended June 30, 20xx, and of the Fund's financial position as at that date. The Administrator further confirm 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 County Public 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. OR

***Kirinyaga County Agricultural Institutions Revolving Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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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 Board on 10/11/2025 2025 and signed on its behalf by:

Signed:  .....

***Benson Muriithi Mukungo***

*Fund Administrator / County Director of Agriculture*

# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA COUNTY AGRICULTURAL INSTITUTIONS REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kirinyaga County Agricultural Institutions Revolving Fund set out on pages 1 to 57, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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*Report of the Auditor-General on Kirinyaga County Agricultural Institutions Revolving Fund for the year ended 30 June, 2025*

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kirinyaga County Agricultural Institutions Revolving 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 Kirinyaga County Agricultural Technical and Vocational Education and Training Centre Act, 2023 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Presentation and Accuracy of the Financial Statements**

Review of financial statements revealed the following anomalies;

- i. The statement of financial performance reflects Kshs.3,126,319 as total expenses which comprises Kshs.2,126,158 and Kshs.1,000,161 as employee costs and use of goods and services respectively. However, the statement of cash flows reflects the same total expenditure of Kshs.3,126,319 but comprised of Kshs.2,126,158 as employee costs and Kshs.1,000,161 in respect to general expenses. Management did not explain the difference in classification of items between the two statements.
- ii. The statement of cash flows reflects Kshs.1,000,161 as payments in respect to general expenses. However, Note 12 to the financial statements reflect Kshs.926,850 as general office expenses resulting in unreconciled and unexplained variance of Kshs.73,331.

In the circumstances, the inaccuracy and completeness of the respective financial statement components could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kirinyaga County Agricultural Institutions Revolving 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 revealed that out of a total income of Kshs.11,721,610, the Fund expended Kshs.3,126,319 resulting in under-expenditure of Kshs.8,595,291 or 73% of total income.

In the circumstances, the under-expenditure may have negatively impacted on delivery of services 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 the matter 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 Information**

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

In connection with my audit of 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Internal Audit Function**

During the year under review, the Fund was not subjected to any internal audits and Management did not provide for audit review audit work plans, internal audit reports or any minutes to show that there were arrangements in place to conduct internal audit of the Fund. This is contrary to Section 155(1), (3) of the Public Finance Management Act which states that a county government entity shall ensure that it complies with this Act and shall have appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the internal assurance on risk management and operational controls could not be confirmed.

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

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**26 November, 2025**

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**


Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	5,000,000	-
Fines, Penalties and Other Levies	8	-	-
		<b>5,000,000</b>	-
<b>Revenue From Exchange Transactions</b>			
Interest Income	9	-	-
Other Income	10	6,721,610	-
		<b>6,721,610</b>	-
<b>Total Revenue</b>		<b>11,721,610</b>	-
<b>Expenses</b>			
Employee Costs	11	2,126,158	-
Use of goods and services	12	1,000,161	-
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
<b>Total Expenses</b>		<b>3,126,319</b>	-
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	15	-	-

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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Gain /Loss on fair value of investments	16	-	-
<b>Surplus/(Deficit) for the Period</b>		<b>8,595,291</b>	-

*(The notes set out on pages 10 to 61 form an integral part of these Financial Statements)*



.....

**Name: . Benson Muriithi Mukungo**  
*Fund Administrator*



.....

**Name: Joan Wamuyu Munene**  
**Fund Accountant**  
ICPAK Member Number 20170

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

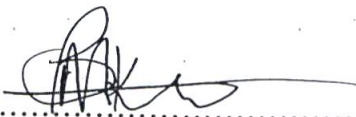
**15. Statement of Financial Position As at 30 June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	17	8,595,291	-
Current Portion of Long- Term Receivables from Exchange Transactions	18	-	-
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
<b>Total current assets</b>		<b>8,595,291</b>	-
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
<b>Total non- current assets</b>		-	-
<b>Total Assets (A)</b>		-	-
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-

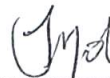
*Kirinyaga County Agricultural Institutions Revolving Fund*  
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Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Total current liabilities</b>		-	-
<b>Non-Current Liabilities</b>			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>8,595,291</b>	-
<b>Represented By:</b>			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		8,595,291	-
<b>Net Assets</b>		<b>8,595,291</b>	-

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 10/11/2025 2025 and signed by:



.....  
**Name: Benson Muriithi Mukungo**  
**Administrator of the Fund**



.....  
**Name: Joan Wamuyu Munene**  
**Fund Accountant**

**ICPAK Member Number: 20170**

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Revolving	Revaluation	Accumulate	Total
	Fund	Reserve	d surplus	
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2023</b>	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2024</b>	-	-	-	-
<b>Balance As At 1 July 2024</b>	-	-	-	-
Surplus/(Deficit) For the Period	-	-	8,595,291	8,595,291
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2025</b>	-	-	<b>8,595,291</b>	<b>8,595,291</b>

*Kirinyaga County Agricultural Institutions Revolving Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the county government		5,000,000	-
Interest received		-	-
Receipts from other operating activities		6,721,610	-
<b>Total receipts</b>		<b>11,721,610</b>	-
<b>Payments</b>			
Fund administration expenses		-	-
Employee costs		2,126,158	
General expenses		1,000,161	-
Finance cost		-	-
Other payments		-	-
		<b>3,126,319</b>	
<b>Net cash flows from operating activities</b>	30	<b>8,595,291</b>	-
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-

*Kirinyaga County Agricultural Institutions Revolving Fund*  
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Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash &amp; cash</b>			
<b>Equivalents</b>		<b>8,595,291</b>	
Cash and cash equivalents at 1 July	17	-	-
<b>Cash and cash equivalents at 30 June</b>	<b>17</b>	<b>8,595,291</b>	-

*Kirinyaga County Agricultural Institutions Revolving Fund*  
 Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

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*	-	-	-	-	-	-
<b>Receipts</b>						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	5,000,000		5,000,000	5,000,000		
Interest Income	-	-	-	-	-	-
Other Income	6,721,610	-	6,721,610	6,721,610	-	-
<b>Total Income</b>	<b>11,721,610</b>	-	<b>11,721,610</b>	<b>11,721,610</b>	-	-
<b>Expenses</b>						
Fund Administration Expenses	-	-	-	-	-	-
General Expenses	11,721,610	-	11,721,610	3,126,319	8,595,291	26.7%
Finance Cost	-	-	-			-

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Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Total Expenditure	11,721,610	-	11,721,610	3,126,319	8,595,291	26.6%
Capital expenditure	-	-	-	-	-	
Surplus For the Period	-	-	-	8,595,291	8,595,291	

**Budget notes**

1. The ATVET was established by the KATVET Act of April 2024. The establishment of institutions provided for in the Act commenced immediately after, with the Board Institutionalized in December 2024 and the registration by the Technical and Vocational Education and Training Authority finalized on 29<sup>th</sup> July 2025. The registration paved the way for registration of the KATVET by Kenya Revenue Authority (KRA) and a KRA certificate was issued declaring the tax obligation for the institution effective as of 31<sup>st</sup> July, 2025. The set of statutory obligations formed bottlenecks to the full operationalization of the KATVET institution which caused a delay in absorption of resources allocated to KATVET. The absorbed resources were generally the statutory expenses incurred towards remuneration of staff and general office expenses

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	8,595,291
1	Reason for differences	-
2	Reason for differences	-

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	Description of Particulars	Amount in Kshs
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	8,595,291

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Kirinyaga County Agricultural Institutions Revolving Fund is established by and derives its authority and accountability from Section 116 of Public Finance and Management Act, 2012. The entity is wholly owned by the Kirinyaga County Government and is domiciled in Kenya. The fund's objective is to provide for funds to be applied to cater for the operational, commercial and development activities of the ATVET Centre as prescribed under the Act and other Agricultural Institutions that further the mandate of the Department.

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

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

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

Standard	Effective date and impact
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> 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

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Standard	Effective date and impact:
	<p>those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>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>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> </ul>

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Standard	Effective date and impact
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

**(i) Early adoption of standards**

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

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i. Revenue from non-exchange transactions**

###### **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.

###### **Dividends**

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

###### **Rental income**

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

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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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 statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

**Summary of Significant Accounting Policies (Continued)**

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented.

**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.

**b) Investment property**

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

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day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

**Summary of Significant Accounting Policies (Continued)**

**c) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair

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value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

**Summary of Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**d) 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.

**e) 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.

**f) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**Summary of Significant Accounting Policies (Continued)**

**g) 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.

**h) Nature and purpose of reserves**

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

**i) 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.

**j) 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.

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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.

**Summary of Significant Accounting Policies (Continued)**

**k) 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.

**l) 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.

**m) 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.

**n) Cash and cash equivalents**

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

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**o) Comparative figures**

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

**Summary of Significant Accounting Policies (Continued)**

**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 Continued**

**6. Public contributions and donations**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
<b>Total</b>	-	-

**7. Transfers from County Government**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	5,000,000	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	<b>5,000,000</b>	-

**8. Fines, penalties and other levies**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**9. Interest income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs

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Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
<b>Total Interest Income</b>	-	-

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**10. Other income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Others-sales	6,721,610	
<b>Total Other Income</b>	<b>6,721,610</b>	-

**11. Employee Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries And Wages	2,126,158	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b>2,126,158</b>	-

**12. Use of Goods and Services**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
General Office Expenses	926,850	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-

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Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Committee Allowances	-	-
Bank Charges	8,190	-
Electricity And Water Expenses	65,121	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other ( <i>Specify</i> )	-	-
Social benefit expenses*	-	-
<b>Total</b>	<b>1,000,161</b>	-

**13. Depreciation and Amortization Expenses**

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

**14. Finance costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-

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Interest On Loans From Banks	-	-
<b>Total</b>	-	-

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**15. Gain/(loss) on disposal of assets**

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

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

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

**17. Cash and cash equivalents**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	8,595,291	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>8,595,291</b>	-



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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		-	-
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
<b>Sub- Total</b>		-	-
<b>c) Current Account</b>			
Kenya Commercial Bank		-	-
Equity Bank	0420285708208	3,269,675	-
Equity Bank	0420285917337	5,325,616	-
<b>Sub- Total</b>		<b>8,595,291</b>	-
<b>d) Others(Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>8,595,291</b>	-

**18. Receivables from exchange transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs

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<b>Current Receivables</b>		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>		
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	-
<b>Total Non- Current Receivables</b>	-	-
<b>Total Receivables From Exchange Transactions</b>	-	-

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**Additional disclosure on interest receivable**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Interest Receivable</b>		
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	-	-
<b>Current loan repayments due</b>	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**19. Prepayments**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

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**20. Inventories**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
<b>Total Inventories</b>	-	-

Detailed disclosure on inventories

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

**21. Investments in financial assets**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank x	-	-

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Bank y	-	-
Sub- total	-	-
<b>c. Equity investments (specify)</b>	-	-
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

**Movement of Equity Investments**

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

**e) Shareholding in other entities**

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		FY 2024/2025	FY 2023/2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 <sup>st</sup> July 2023	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	-	-	-	-	-	-
At 1 <sup>st</sup> July 2024						
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30 <sup>th</sup> June 2025	-	-	-	-	-	-
Depreciation And Impairment						

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
At 1 <sup>st</sup> July 2023	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	-	-	-	-	-	-
At 1 <sup>st</sup> July 2024						
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30 <sup>th</sup> June 2025	-	-	-	-	-	-
Net Book Values						
At 30 <sup>th</sup> June 2024	-	-	-	-	-	-
At 30 <sup>th</sup> June 2025	-	-	-	-	-	-

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**23. Intangible assets**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**24. Investment Property**

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

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**25. Trade and other payables from exchange transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	-		-	
Ageing analysis (Trade and other payables)	<b>FY</b>			
	<b>2024/2025</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**26. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

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**27. Borrowings**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

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

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

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

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Description	FY	FY
	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

**28. Employee benefit obligations**

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

**29. Social Benefit Liabilities**

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

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**30. Cash generated from operations.**

Description	FY	FY 2023/2024
	2024/2025	
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>8,595,291</b>	-
<b>Adjusted For:</b>		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>8,595,291</b>	-

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**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**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

**c) Key management remuneration**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

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**d) Due from related parties**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**32. Contingent assets and contingent liabilities**

Contingent Liabilities	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

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**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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

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<b>At 30 June 2021</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				

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Description	Less than 1	Between 1-	Over	Total
	month	3 months	5 months	
	Kshs	Kshs	Kshs	Kshs
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**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 optimizing 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.

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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 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:

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

**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

***Kirinyaga County Agricultural Institutions Revolving Fund***  
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main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>FY 2024/2025</b>			
Euro	10%	-	-
USD	10%	-	-
<b>FY 2023/2024</b>			
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 endeavored to bank with institutions that offer favorable 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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one

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percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

**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:

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

**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 Section 116 of the Public Finance and Management Act, 2012 under the Ministry of Agriculture. Its ultimate parent is the County Government of Kirinyaga.

**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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframes: (Put a date when you expect the issue to be resolved)

Fund Manager/Accounting Officer

Benson Muriithi Mukungo

Date.....

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**Annex II: Inter-Fund Confirmation Letter**

*Kirinyaga County Agricultural Institutions Revolving Fund*

P.O.BOX 260 KUTUS. KENYA

The *Kirinyaga County Government* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> 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.

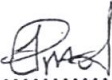
Confirmation of amounts received by Kirinyaga County Agricultural Institutions Revolving Fund as at 30 <sup>th</sup> June 2025								
Reference Number	Date Disbursed	Amounts Disbursed by Kirinyaga County Government (Kshs) as at 30 <sup>th</sup> June 2025				Total (D)=(A+B+C)	Amount Received by Kirinyaga County Agricultural Institutions Revolving Fund (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
5460729-2	03-04-2025	5,000,000				5,000,000	5,000,000	-

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Total		5,000,000			5,000,000	5,000,000	

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

Head of Accountants department of beneficiary Fund:

Name Joan Munene ..... Sign  ..... Date 10/11/2025

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

