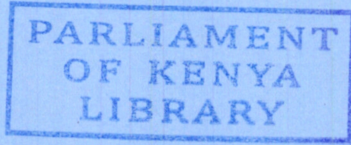
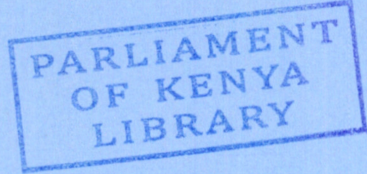


REPUBLIC OF KENYA



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**WEST POKOT COUNTY COOPERATIVE  
DEVELOPMENT FUND**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

PAPERS LAID	
DATE	04.12.2025
TABLED BY	S.M.K
COMMITTEE	-
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WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2025

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



*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Table of Contents..... Page**

- 1. Acronyms, Abbreviations, and Definition of Key Terms..... ii
- 2. Key Entity Information and Management..... iii
  - 1. The Fund Management Board ..... vii
- 3. Key Management Team..... x
- 4. Chairman's Statement..... xi
- 5. Report of the Fund Administrator .....xiii
- 6. Statement of Performance against Predetermined Objectives for FY 2024/2025.....xv
- 7. Corporate Governance Statement .....xvi
- 8. Management Discussion and Analysis .....xviii
- 9. Environmental and Sustainability Reporting .....xix
- 10. Report of the Directors/Fund Committee.....xxii
- 11. Statement of Fund Board Responsibilities .....xxiii
- 12. Report of the Independent Auditor for the Financial Statements of West Pokot County Co-operative Development Fund .....xxv
- 13. Statement of Financial Performance for the year ended 30 June 2025..... 1
- 15 Statement of Financial Position as at 30 June 2025..... 2
- 16. Statement of Changes in Net Assets for the year ended 30 June 2025..... 3
- 17. Statement of Cash Flows for the year ended 30 June 2025 ..... 4
- 18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 ..... 5
- 19. Notes to the Financial Statements..... 6
- 20. Appendices..... 28

## **1. Acronyms, Abbreviations, and Definition of Key Terms**

### **A: Acronyms and Abbreviations**

BOM	Board of Management
CBK	Central Bank of Kenya
CDF	Cooperative Development Fund
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
FDR	Fixed Deposit Receipts
GPO	Great Post Office
ICPAK	Institute of Certified Public Accountants of Kenya
ICS	Institute of Certified Public Secretaries
IPSAS	International Public Sector Accounting Standards
KMTC	Kenya Medical Training College
Kshs	Kenya Shillings
MBA	Master of Business Administration
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PSM	Public Service Management
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
USA	United States of America
USAD-KUZA	United States Agency for International Development-Kuza
WPCCDF	West Pokot County Cooperative Development Fund

## **B: Definition of Key Terms**

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

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

**Ghomicho-** Native name for West Pokot County Cooperative Development Fund

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

### **(a) Background information**

The West Pokot County Cooperative Development Fund (WPCCDF) was established under the West Pokot County Cooperative Development Act on 24<sup>th</sup> May 2018. The Entity is domiciled in Kenya, with headquarters in Kapenguria at the Department of Trade, Industry, Energy, Investment and Cooperative Development.

### **(b) Principal Activities**

The principal activity of the Fund is to provide affordable and competitive credit to co-operatives involved in small-scale production.

### **Functions of the Fund**

- (a) To provide affordable and competitive credit to the successful applicants; provide an opportunity to small scale entrepreneurs to gain commercial experience to enable them play their part in industrial and commercial development of the county;
- (b) provide enterprise development services;
- (c) enhance the small and medium enterprises' competitiveness as they graduate into bigger vibrant enterprises; and
- (d) perform any other lawful function for purposes of promoting enterprise and entrepreneurship development in the county.

### **Mission of the Fund**

WPCCDF transforms livelihoods by providing affordable and competitive funds to the residents of West Pokot County.

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Vision of the Fund**

To provide affordable and competitive credit to co-operatives whose membership is composed of micro and small-scale registered business enterprises.

**Guiding Principles of the Fund.**

- a) Public participation and financial inclusiveness;
- (b) Donor linkages and participation;
- (c) Protection of the interests of the marginalized, persons living with disability, women and the youths; and local ownership and sustainability.

**(c) Key Management**

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

No.	Details
1.	Fund Management Board
2.	Fund Administrator
3.	Management

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Fund Administrator	<b>Daniel Siwakech Lopale</b>
2.	Head of Finance	<b>Priscilla Chebet Mungo</b>
3.	Fund Accountant	<b>CPA Samuel Pkorir Lomwai</b>
4.	Head of Procurement	<b>Damaris Karayo</b>
5.	Fund Director	<b>William Ntoina</b>

**(e) Fiduciary Oversight Arrangements**

- Audit and Risk Committee
- Finance committee.
- Parliamentary Oversight Committees

- Development partners

**(f) Entity Headquarters**

P.O. Box 222-30600  
Trade Department  
Off Kapenguria County Hospital Road  
KAPENGURIA, KENYA.

**(g) Entity Contacts**

Telephone: (254) 715 477269  
E-mail: [trade@westpokot.go.ke](mailto:trade@westpokot.go.ke)  
Website: [www.westpokot.go.ke](http://www.westpokot.go.ke)

**(h) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
  
2. **Other Banks**  
Kenya Commercial Bank  
P.O BOX 396- 30600  
**KAPENGURIA, KENYA**

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

**(i) Independent Auditor**




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

**(j) Principal Legal Adviser**

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

ii) County Attorney  
P.O. Box 222-30600  
Kapenguria-Kenya

**1. The Fund Management Board**

<b>Directors</b>	<b>Details</b>
<p>1. Henry Katuria Tepakwiang</p>  <p><i>Retired Education Officer</i></p>	<p>Mr. Katuria is currently Chairperson of the West Pokot County Co-operative Development Fund. He was the Eco-pillar chairperson between 2003-2017, former District Education Officer of the Government of Kenya, Teacher Advisory Tutor, School Feeding Programme Officer, Principal and Head Teacher and a class teacher.</p> <p>He is a Seasoned actor in the Co-operative Movement.</p>
<p>2. Priscilla Chebet Mungo</p>  <p><i>Business Management Expert</i></p>	<p>Ms. Priscilla is a member of key management of the West Pokot County Cooperative Development Fund. She is also the chief Officer Finance and Economic Planning at the County Government of West Pokot; she holds Master of Science in Business Administration with over 20 years of experience in both Public and private sector</p>
<p>3. William Ntoina</p>  <p><i>Business Administration Specialist</i></p>	<p>Mr. Ntoina is a member of the Fund Management Board of the West Pokot County Cooperative Development Fund. He is currently the Director of Investment and Cooperative Development at the County Government of West Pokot; He is currently pursuing a Master of Business Administration (MBA-Food Security Option) from Business School Netherlands (BSN). He holds a Master of Science in Environmental Informatics from the University of Leicester, United Kingdom, several post graduate certificates and Bachelor of Science in Computer Science from Moi University with over 20 years of experience in both Public and private sector</p>

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

4. Josphine Relyne Kaiywo



Ms. Josphine Relyne is a member of Fund Board of Management of the West Pokot County Co-operative Development Fund. She holds a certificate in Pastors enhancement training from Kisii University and Hotel and catering Supervision from Rehema Technical Training College with over 15 years of experience in both Public and private sectors.

5. Caroline Cherotich





Ms. Caroline is a member of the WPCCDF Board. She holds a Kenya Certificate of Secondary Education from St. Brigid's Girls Kitale. She is a business woman and a youth representative.

6. Philip Magal







Mr. Magal is a member of the Fund Management Board of WPCCDF. He is also the current County Solicitor, County Government of West Pokot. He is currently pursuing a PhD in Constitutional Law at the University of Cologne, Germany. He holds a Master of Law Degree in Crime and litigation from London South Bank University, United Kingdom and a bachelor of Law Degree from Moi University, Kenya. He has over 15 years working experience both in public and private sectors.

<p>7. Claire Parklea</p> 	<p>Ms. Claire Parklea is a current member of the Fund Management Board. She is also the County Executive Committee Member for Trade, Industry, Energy, Investment and Cooperative Development and a former CECM for Health and Sanitation at the County Government of West Pokot. She Holds a Higher Diploma in Anaesthesia from KMTC Nairobi Campus. She also holds a Diploma in Clinical Medicine and Surgery from KMTC Nairobi. She has over 15 years working experience as a manager of various departments in Health.</p>
<p>8. Daniel Siwakech Lopale</p> 	<p>Mr. Daniel Lopale is the Secretary to the Board and a Fund Administrator. He is not a member of ICS but he is currently the Chief Officer for the Department of Trade, Industry, Energy, Investment and Cooperative Development, County Government of West Pokot. He holds a Bachelor of Education Arts Degree from Kisii University, Diploma in Education Management and a Certificate in Primary Education from Mosoriot Teachers Training College with over 10 years working experience as a teacher, principal, KNUT official and a chief Officer PSM.</p>

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**3. Key Management Team**

Management	Details
<p>1. Daniel Lopale</p> 	<p>Accounting Officer, Fund Administrator and Secretary to the Board.</p>
<p><i>Business Management</i></p> <p>3. Priscilla Chebet</p> 	<p>Member of the board and Chief Officer Finance &amp; Economic Planning and Head of Finance.</p>
<p><i>Business Management</i></p> <p>4. CPA. Samuel Lomwai</p>  <p><i>Master of Business Administration and a Certified Public Accountant of Kenya</i></p>	<p>Fund Accountant.</p>
<p>5. Henry Katuria</p> 	<p>Chairman Boad of Management and Bank Account Signatory</p>

#### **4. Chairman's Statement**

The West Pokot County Co-operative Development Fund also known as *Ghomicho* in local language is a vision Fund to jumpstart the Economic empowerment of Co-operative Societies in West Pokot County. This revolving fund gives cheap and affordable credit to Co-operative Societies in West Pokot County so as to spur the Economic growth and development of the County. Co-operative Societies play a very important role in ensuring the smallholder Farmers are able to pull resources together, trade their farm products and be able to enjoy the Economies of scale which in one way or another contribute the economic development in the community.

In the (2024/2025) Financial Year, the fund made some positive strides in loan recovery effort and in the process two more Co-operatives cleared their loans. The fund was also able to convince MCAs from areas where cooperatives had challenges repaying their loans to allocate funds for the same. We are also at an advanced stage in amending the Act to allow for loan write-offs. The fund also conducted a successful board Induction.

Despite the successes, we also experienced several challenges ranging from loan recovery and collection. The fund expected to receive financial support from the USAID-KUZA donors amounting to **Kshs. 10** Million as incentive to assist in capacity building and enhance the fund reach to more cooperatives, however, with the coming in of a new USA President Donald Trump, the funding collapsed leading to shortage of funds and inability to fully implement planned activities.

As we move into the future, it is my hope that we shall be able to pass the Act amendment and be able to resume lending in the coming financial year 2025/26. There is also need to prepare and train more co-operatives so as to prepare them well to qualify for the loans once we resume lending. We shall closely monitor the loans so that we have a 100% repayment.

We will also work together with the County Government of West Pokot and other development partners so as to train Co-operatives societies on Governance and leadership. We shall continue to engage the County Government of West Pokot to increase the allocation to the West Pokot County Co-operative Develop Fund kitty to the required seed capital of **Ksh.300 Million** so that we can be able to support more and more Co-operative Societies.

**WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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May God Bless all of you, partners, Co-operators and the County Government of West Pokot and we look forward to a good working relationship in the coming financial year and in the future.

Thank you.

Name: **Mr. Henry Katuria**

Signature



Date **23/10/2025**

Chairperson of the Board

## 5. Report of the Fund Administrator

The West Pokot County Co-operative Development Fund (*Ghomicho*) in local language is a vision Fund and one of the best ideas to have been implemented by the County Government of West Pokot. This fund is aimed at jumpstarting the Economic empowerment of Co-operative Societies in West Pokot County. This Fund has cumulatively received Ksh. **65M** from the County Government of West Pokot since inception. This kitty is expected to receive funding from the County Government to a tune of Ksh. **300M** so as to stand on its own.

This revolving fund gives cheap and affordable credit to Co-operative Societies in West Pokot County. The aim is to spur the Economic growth and development in the County. Co-operative Societies play a crucial role in ensuring the smallholder Farmers and traders are able to pull resources together, find markets, trade their farm products and be able to enjoy the Economies of scale which in one way or another contribute the economic development in the community.

In the Financial Year under review (2024/2025), the fund saw some good progress in loan recovery. We were able to see two more Co-operatives clearing their loans. The fund was also able to convince MCAs from areas where cooperatives had challenges repaying their loans to allocate funds for the same. We are also at an advanced stage in amending the Act to allow for loan write-offs. The fund also conducted a successful board Induction. We trained several cooperatives and participated in exhibitions at the County Agricultural Show held at Kishaunet.

Despite the successes, we also experienced several challenges ranging from loan recovery and collection. The fund expected to receive financial support from the USAID-KUZA donors amounting to **Kshs. 10** Million as incentive to assist in capacity building and enhance the fund reach to more cooperatives, however, with the coming in of a new USA President Donald Trump, the funding collapsed leading to shortage of funds and inability to fully implement planned activities.

The future looks bright as we hope to pass the Act amendment and be able to resume lending in the coming financial year 2025/26. There is also need to prepare and train more co-operatives so as to prepare them well to qualify for the loans once we resume lending. We shall closely monitor the loans so that we have a 100% repayment.

**WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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We are in consultations with the County Government of West Pokot and other development partners so as to allocate more resources to train, audit and capacity build Co-operatives societies on Corporate Governance and Leadership.

Name: **Mr. Daniel Siwakech Lopale** Signature  Date **23/10/2025**

**Fund Administrator**

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

West Pokot County Cooperative Development Fund has 2 strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are as follows:

- 1: Training of Cooperatives
- 2: Loan advancement to Cooperatives

West Pokot County Cooperatives develops its annual work plans based on the above 2 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Fund achieved its performance targets set for the FY 2024/25 year for its two strategic pillars, as indicated in the table below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Training of Cooperatives	To build capacity for the cooperatives.	Increased number of cooperatives accessing training opportunities.	30 % of cooperatives trained.	<b>45 cooperatives visited or invited and trained.</b>
Loan advancement to cooperatives	To support cooperatives with capital	Increased number of cooperatives accessing loans and repaying well	9.3 % of all Co-operatives have gotten loans from fund. Recovery efforts.	<b>in FY 2024/2025 all cooperatives showed promising trend in loan repayment. Two Cooperatives cleared their loans due to robust recovery efforts from the management</b>

## **7. Corporate Governance Statement**

The West Pokot County Co-operative Development Fund has a Management of Board in place consisting of eight members appointed by the County Executive Committee Member for Trade, Industry, Energy, Investment & Cooperative Development, in accordance with sections 8 of the West Pokot County Co-operative Development Fund Act 2018 who support the Administrator of the Fund who is appointed by the County Executive Member for Finance and Economic Planning from among the staff of the Department in charge of Trade and Cooperatives who is charged with in the day-to-day Management of the Fund. The board members can be removed the CECM for Trade and Cooperatives with the Exception of the Fund administrator who is also the Secretary to the board who can be removed by the CECM for Finance and Economic Planning. Of the eight Board Members, four are women including one with disability and four are men. This represents a gender balance of 50:50. There is fair regional representation to the board as we have members from across the county.

The Functions of the board are as follows:

- (a) To provide affordable and competitive credit to the successful applicants:
  - provide an opportunity to small scale entrepreneurs to gain commercial experience to enable them play their part in industrial and commercial development of the county;
- (b) provide enterprise development services;
- (c) enhance the small and medium enterprises' competitiveness as they graduate into bigger vibrant enterprises; and
- (d) perform any other lawful function for purposes of promoting enterprise and entrepreneurship development in the county
- (e) Soliciting funds and other assistance to promote the functions of the Fund
- (f) Setting conditions for loan qualifications
- (g) Invest surplus funds not immediately required in an investment authorized by law
- (h) Take out insurance cover for risky loans such as death, incapacity or inability to pay, as the board deems fit.

The new Fund Board was Inducted and trained so as to be able to execute their functions as the Fund Board effectively.

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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The Fund Board held at two meetings during year with over 95% attendance enabling the fund to be able to effectively execute its functions. The board was able to pass budget estimates and provide overall strategic direction.

We have put in Place a succession mechanism so as to ensure that we not only have a good succession in the office of the Board but also a good institution memory. The Current tenure of the Current Board is three years but we will stagger the retirement of Board members so that we have good succession of the board members.

We will continue to work with development partners like USAID KUZA so as to capacity build the members of the Board in a bid to enhance good management of the West Pokot County Co-operative Development Fund.

We will endeavour to ask for more budgetary allocation in the County Budget so as to increase the Fund Kitty to the required seed capital of Kenya Shillings Three Hundred Million (KSh. 300M) in a bid to reach more corporative societies in the County with financing thus supporting the Co-operative Movement in the County.

We have a conflict of register that each of the Board Members and Management do sign on an annual basis.

The remuneration of the Board is in line with the SRC allowance structure and the same is drawn from 3% of the Fund's Annual Budget and from other donations and investments by the Fund.

We have a laid down process in the Appointment and removal of the Board Members of the Fund.

We regularly have Board members trained on Ethics, Integrity and Risk Management training so as to strengthen the capacity of the Fund Board in Ethics, Integrity and Risk Management.

The accounts of the Fund are examined, audited and reported upon annually and presented to the County Assembly.

Communications are handled by the chairman and secretary to the board or any other member authorized by the board in the absence of the two.

Related party transactions can be incurred by either party and reported as per the Public Sector Accounting Standards Board (PSASB).

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**8. Management Discussion and Analysis**

The West Pokot County Cooperative Development Fund for the last one year emphasized the need for efficiency and effectiveness with regard to service delivery to its customers-cooperative societies.

The funds key priority area of investment is that of loan advancement to cooperatives with 3% interest rate, this interest lowest compared to the one charged by commercial banks, up to 30<sup>th</sup> June 2024, the fund did not give out loans to cooperatives societies. The outstanding loan book currently stands at 42.9 million shillings.

The fund is fully compliant to the PFM act and with West Pokot County cooperative Development Act 2018 and regulations 2019 and it is committed to adhering to provided norms every time as it is provided for from relevant authorities. Additionally the fund has put measures in place to make sure that there no cases of fraud and default scenarios this way the fund has installed very strong appraisal unit which determines loan applicants upon which board members further does more checks to establish truthfulness of information supplied.

We are determined to making this fund one of the most admired institutions handling large tasks in solving cooperatives financial needs in West Pokot County.

## **9. Environmental and Sustainability Reporting**

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

The Management has put in place Corporate Social Responsibilities (CSR) such as tree planting and environmental cleanups. In order to protect sustainability of the fund, board management resolved to strengthen tenure and independence of board through an amendment to its regulations which provides for strong and powerful board free from political changes in the county government and any other external factors deemed threat to its operations. This is a great move considering that county governments experience changes in leadership after every general election.

The seed capital expected from the County Government is Ksh. 300M. This will ensure sustainability of the fund through revolving the funds. This will ensure that the fund is able to run independently without political interference

### **ii) *Environmental performance***

The Fund has come up with climate financing products. With one accord, the Fund, through the board of management has amended to its regulations that will provide for fund budgeting for tree planting in water catchment areas within West Pokot County done once each year. Secondly, we are training cooperatives management on waste management practices.

### **iii) *Employee welfare***

West Pokot County Cooperative Development Fund does not hire employees instead it enjoys technical staff deployed from department of trade, energy, industry, investment and cooperative development to serve in different capacities when required. Further the fund is under full control of the board as the act and regulations spells out clearly roles, functions and powers of the board of management. It should be noted that both the board and technical only qualify for allowances upon attendances of board meetings. The technical staff and the board are trained to improve their skills and competence.

The WPCCDF is compliant with the Occupational Safety and Health Act of 2007 (OSHA.)

**iv) *Market place practices-***

*The organisation should outline its efforts to:*

**a) *Responsible competition practice.***

West Pokot County Cooperative Development Fund lends out loans to successful loan applicants at 3% interest rate, this is the most affordable rate compared to other commercial banks. Similarly this rate is within acceptable limit. Again this rate is provided for in the act and regulations and is within confines of PFM ACT 2012. Furthermore, this rate is also charged by many government mortgage schemes which means it is within responsible competition practice.

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

The fund fully complies with laws and regulations of the procurement process and asset disposal. Further, all its purchases are done within laid down procedures as it is contained in the act and regulations respectively. West Pokot county cooperative development makes display of its products through print media, radio talks, users of banners and public address system. The fund has zero rated the use of noise pollutants in its marketing campaigns, additionally its clearly spelt out in its marketing policy that the fund should work towards holistic marketing approach.

**c) *Responsible engagement with the citizens.***

The Fund engages with citizens ethically and without discrimination but based on merit. We give accurate information that enables Kenyans engage with us on point of knowledge. We train cooperatives on our services regularly and respect the people's diversity.

**d) *Product stewardship or Awareness creation***

Product stewardship- outline efforts to safeguard consumer rights and interests. The fund through the Act and Regulations transparently communicates to its customers all rights and responsibilities. This prevents exploitation and ensure equal treatment by the fund officials.

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

The WPCCDF engages in tree planting in schools and communities. We also organize community financial education programs. However, during the year under review, we did not engage in any CSR activities but we hope to continue in the new financial year. We had a tent to showcase new technologies such as milk ATMs and marketed our cooperatives.

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**10. Report of the Directors/Fund Committee**

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

**i) Principal activities**

The principal activity of the Fund is to provide affordable and competitive credit to co-operatives involved in small-scale production.

**ii) Results**

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

**iii) Fund Management Board**

The members of the Board of Fund Management Committee who served during the year are shown on page vii. During the year, no board member retired or resigned, and none was appointed.

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the WPCCDF in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Fund for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Daniel Siwakech Lopale**  
**Secretary to the Board**

## 11. Statement of Fund Board Responsibilities

Section 164 of the Public Finance Management Act, 2012 and the West Pokot County Cooperative Development Fund Act, 2018 and regulations 2019 require the Fund Board to prepare financial statements in respect of that *Entity*, which give a true and fair view of the state of affairs of the *Entity* at the end of the financial year and the operating results of the *Entity* for that year. The Fund Board are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Fund Management Board is also responsible for safeguarding the assets of the *Entity*.

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

The Fund Board accept responsibility for the *Entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and West Pokot County Cooperative Development Fund Act, 2018. The Fund Board are of the opinion that the *Entity's* financial statements give a true and fair view of the state of the *Entity's* transactions during the financial year ended June 30, 2025, and of the *Entity's* financial position as at that date. The Fund Board further confirms the completeness of the accounting records maintained for the *Entity*, which have been relied upon in the preparation of the *Entity's* financial statements as well as the adequacy of the systems of internal financial control.

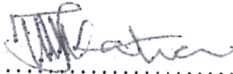
*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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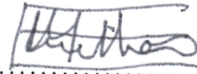
In preparing the financial statements, the Fund Board have assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Fund Management Board to indicate that the *Entity* will not remain a going concern for at least the next twelve months from the date of this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

**Approval of the financial statements**

The WPCCDF financial statements were approved by the Board on **23/10/2025** and signed on its behalf by:



.....  
**Henry Katuria**  
**Chairperson of the Board**



.....  
**Daniel Lopale**  
**Fund Administrator**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT 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 the 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 the Lawfulness and Effectiveness in 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 the 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 West Pokot County Co-operative Development Fund set out on pages 1 to 28, which comprise of the statement of financial

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*Report of the Auditor-General on West Pokot County Co-operative Development Fund for the year ended 30 June, 2025*

position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial position of West Pokot County Co-operative Development 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 West Pokot County Co-operative Development Act, 2018 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects interest income amount of Kshs.1,256,350 as disclosed in Note 7 to the financial statements. However, the corresponding schedule reflected an amount of Kshs.1,306,801, resulting in an unreconciled variance of Kshs.50,451. Further, the statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.42,064,719 while the ledger balance was Kshs.40,366,778 resulting in an unreconciled variance of Kshs.1,697,941.

In addition, the statement reflects long-term receivables from exchange transactions balance of Kshs.29,052,399 while the ledger reflected a nil balance resulting in an unreconciled variance of Kshs.29,052,399.

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

#### **2. Inaccuracies in Cash and Cash Equivalents**

The statement of financial position cash and cash equivalents balance of Kshs.11,541,153 as disclosed in Note 11 to the financial statements. However, the statement of cash flows reflects a cash and cash equivalents balance of Kshs.11,540,153 resulting in an unreconciled variance of Kshs.1,000.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.11,541,153 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the West Pokot County Co-operative Development Fund's 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 reflects final budgeted receipts of Kshs.12,152,705 and actual receipts of Kshs.1,941,532 resulting in an under-funding of Kshs.10,211,173 or 84% of the budget. Similarly, the statement reflects budgeted expenditure of Kshs.10,940,000 and actual expenditure of Kshs.3,676,982 resulting in an under-expenditure of Kshs.3,676,982 or 66% of the budget.

The underfunding and under-expenditure may have resulted in the non-implementation of critical development and operational activities, impacting negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

### **Other Information**

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Approved Annual Operational Budget**

Review of documents revealed that the Fund operated without an approved annual operational budget. No documentation was provided to confirm that the Fund's annual work plan and budget were approved by the Executive Committee Member as required. This was contrary to Section 23 (1) and (2) of the West Pokot County Co-operative Development Fund Act, 2018 which requires that the Board shall submit to the Executive Committee Member an estimate of its income and expenditure during the succeeding financial year one (1) month before the commencement of the financial year.

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

#### **2. Lack of Formal Loan Agreements**

Review of loan records revealed that Management had disbursed loans totaling Kshs.69,200,000 to fourteen (14) Savings and Credit Co-operatives (SACCOs) since inception. However, the disbursements were not supported with formal loan agreements and lacked documentation specifying repayment terms, interest rates, and default provisions. This was contrary to Section 19 (1)(b) of West Pokot County Co-operative Development Act, 2018 which requires that a loanee is required to commence repayment of the loan together with any interest accrued thereon as indicated in the loan agreement signed between the loanee and the Board.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

#### 1. Ineffectiveness of the Fund Management Board

Review of records revealed that the Fund had eight (8) members of Management Board through appointment letters dated 4 July, 2024. However, no evidence was provided to confirm that the Fund Management Board met at least two (2) times within the year. This was contrary to Section 12(3) of the West Pokot County Co-operative Enterprise Development Act, 2018 which provides that the Board shall meet at least two (2) times in each year.

In the circumstances, the effectiveness of the Board in governance, oversight and accountability for the Fund's operations could not be confirmed.

#### 2. Long Outstanding Loans

Review of the Fund's loan portfolio revealed that the Fund had long outstanding balance of Kshs.42,064,719 comprising Kshs.39,368,898 in principal and Kshs.2,695,821 in interest which remained unpaid for over one (1) year. This was contrary to Regulations 22(1) of the West Pokot County Co-operative Development Fund Regulations, 2019 which require that the duration of payment in case of a working capital loan, shall be a maximum of thirty-six (36) months after a grace period of ninety (90) days.

In the circumstances, the effectiveness of the Management's efforts in recovery of the long outstanding loans could not be confirmed.

#### 3. Non-Disbursement of Loans

During the year under review, no loans were disbursed to any of the targeted beneficiaries indicating poor operational effectiveness and may be a result of undisclosed challenges hindering the realization of its statutory mandate. This was contrary to Section 5 (1) of West Pokot County Co-operative Development Act, 2018 which requires that the functions of the Fund shall be to provide affordable and competitive credit to successful applicants.

In the circumstances, the Fund may not achieve its objectives in providing services to the public.

The audit was conducted in accordance with ISSAIs 2315 and 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 Board of Trustees**

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 the Management is aware of the intention to cease operations.

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

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

The Board of trustees is 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**

**13 November, 2025**

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

	Notes	2024/2025 Kshs	2023/2024 Kshs
<b>Revenue from exchange transactions</b>			
Interest income	7	1,256,350	1,466,198
Other income	8	685,182	-
<b>Total revenue</b>		<b>1,941,532</b>	<b>1,466,198</b>
<b>Expenses</b>			
Use of goods and services	9	3,416,982	9,924,975
Board Expenses	10	260,000	-
<b>Total expenses</b>		<b>3,676,982</b>	<b>9,924,975</b>
<b>Surplus/deficit from operating activities</b>		-	-
<b>Surplus/ (deficit) before tax</b>		<b>(1,735,450)</b>	<b>(8,458,777)</b>
Taxation		-	-
<b>Surplus/(deficit) for the Year</b>		<b>(1,735,450)</b>	<b>(8,458,777)</b>
<b>Net Surplus for the year</b>		-	-

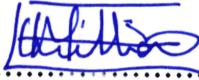
The notes set out on pages 6 to 30 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Fund Management committee by:



Henry Katuria

Chairman Board

23/10/2025



Daniel Lopale

Accounting Officer

23/10/2025



Samuel Lomwai

Head of Finance

ICPAK M/No:30638

23/10/2025

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

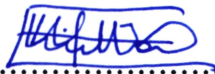
	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	11	11,541,153	10,031,851
Receivables from Exchange Transactions	12	42,614,905	14,830,884
<b>Total Current Assets</b>		<b>54,156,058</b>	<b>24,862,735</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	12	-	31,028,774
<b>Total Non- Current Assets</b>		<b>-</b>	<b>31,028,774</b>
<b>Total Assets (A)</b>		<b>54,156,058</b>	<b>55,891,509</b>
<b>Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Assets (A-B)</b>		<b>54,156,059</b>	<b>55,891,509</b>
<b>Represented By:</b>			
Accumulated Surplus		(10,843,941)	(9,108,491)
Revolving Fund		65,000,000	65,000,000
<b>Net Assets</b>		<b>54,156,059</b>	<b>55,891,509</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

  
 .....

**Henry Katuria**  
**Chairman Board**

23/10/2025

  
 .....

**Daniel Lopale**  
**Accounting Officer**

23/10/2025

  
 .....

**Samuel Lomwai**  
**Head of Finance**

ICPAK M/No:30638  
 23/10/2025

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT 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 June 2025**

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund
	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2023</b>	-	-	(649,714)	65,000,000
Revaluation gain	-	-	-	-
Fair value adjustment on investments	-	-	-	-
Surplus/ deficit for the year	-	-	(8,458,777)	-
Funds received During the year	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-
Capital/development grants received during the year	-	-	-	-
<b>As at June 30, 2023</b>	-	-	(9,108,491)	65,000,000
<b>As at July 1, 2024</b>	-	-	(9,108,491)	65,000,000
Revaluation gain	-	-	-	-
Fair value adjustment on investments	-	-	-	-
Surplus/ (deficit) for the year	-	-	(1,735,450)	-
Funds received During the year	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-
Capital/development grants received during the year	-	-	-	-
<b>As at June 30, 2025</b>	-	-	(10,843,941)	65,000,000

*WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

	Notes	2024/2025 Kshs	2023/2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest received	7	513,223	1,466,198
Other income-Fixed Deposit Interest	8	685,182	-
<b>Total receipts</b>		<b>1,198,405</b>	<b>1,466,198</b>
<b>Payments</b>			
Use of goods and services	9	(3,416,982)	(9,924,975)
Board Expenses	10	(260,000)	-
<b>Total payments</b>		<b>(3,676,982)</b>	<b>(9,924,975)</b>
<b>Net cash flows from/(used in) operating activities</b>	13	<b>(2,478,577)</b>	<b>(8,458,777)</b>
<b>Cash flows from investing activities</b>			
Proceeds from loan principal repayments	14	3,986,880	3,606,173
<b>Net cash flows from/(used in) investing activities</b>		<b>3,986,880</b>	<b>3,606,173</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>1,508,302</b>	<b>(4,852,604)</b>
<b>Cash and cash equivalents at the beginning (1<sup>st</sup> July)</b>	11	<b>10,031,851</b>	<b>14,884,455</b>
<b>Cash and cash equivalents at the end (30<sup>th</sup> June)</b>	11	<b>11,540,153</b>	<b>10,031,851</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Public Contributions and Donations	10,400,000	-	10,400,000	-	10,400,000	0%
Interest income	1,265,205	-	1,265,205	1,256,350	8,855	99%
Other Income-Fixed Deposit Interest	487,500	-	487,500	685,182	(197,682)	141%
<b>Total Income</b>	<b>12,152,705</b>	<b>-</b>	<b>12,152,705</b>	<b>1,941,532</b>	<b>10,211,173</b>	<b>16%</b>
<b>Expenses</b>						
Use of Goods and Services	10,940,000	-	10,940,000	3,416,982	7,523,018	31%
Board Expenses	-	-	-	260,000	(260,000)	0%
<b>Total Expenditure</b>	<b>10,940,000</b>	<b>-</b>	<b>10,940,000</b>	<b>3,676,982</b>	<b>7,263,018</b>	<b>34%</b>
Surplus for the period	1,212,705	-	1,212,705	(1,735,450)	2,948,155	(143%)
Capital Expenditure	-	-	-	-	-	-

*Budget notes*

We had intended to receive Grants from USAID-Kuza but due to change in administration in the USA when Trump came in, all grants were cancelled hence less than 90% utilization.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	<b>1,212,705</b>
1	USAD-Kuza Grants never materialized due to policy change by US President	(10,400,000)
2	Reduced Use of Goods due to grants failure	7,563,018
3	Increase in other income	(8,885)
4	Increase in other income	197,682
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>11,541,153</b>

**19. Notes to the Financial Statements**

**1. General Information**

West Pokot County Cooperative Development Fund is established by and derives its authority and accountability from the West Pokot County Cooperative Development Fund Act, 2018. The Entity is wholly owned by the County Government of West Pokot and is domiciled in Kenya. The Entity's principal activity is to provide affordable loans to cooperatives in West Pokot County.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the WPCCDF. *The* financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, West Pokot County Cooperative Development Fund Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND

Annual Reports and Financial Statements for the year ended June 30, 2025.

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

iii. **Early adoption of standards**

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees and other charges**

The *Entity* recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the County Assembly on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget.. The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

**Sales tax**

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over one-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant, and equipment**

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

**f) Leases**

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

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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*Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**Financial instruments**

IPSAS 41 addresses the classification, measurement, and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the 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.

**a) Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity does not recognize a loss allowance for such losses at each reporting date.

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

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

- i) Raw materials: purchase cost using the weighted average cost method.

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

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

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) Contingent assets**

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

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**m) Nature and purpose of reserves**

The Entity does not create or maintains reserves in terms of specific requirements.

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) 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 Fund Management, the Fund Administrator, and senior managers.

**s) Service concession arrangements**

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents.**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND  
Annual Reports and Financial Statements for the year ended June 30, 2025.

6. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
<b>Total Transfers and Sponsorships</b>	-	-
<b>Reconciliation of Public Contributions and Donations</b>		
Balance Unspent at Beginning of The Year	-	3,802,431
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

7. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on loans	1,256,350	1,466,198
Others	-	-
<b>Total Interest income</b>	<b>1,256,350</b>	<b>1,466,198</b>

8. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on cash investments and fixed deposits	685,182	-
<b>Total Other income</b>	<b>685,182</b>	<b>-</b>

9. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Conferences and Delegations	-	836,000
Fuel and Oil	-	198,900
Travel, Subsistence & Other Allowances*	3,408,900	8,380,700
Bank charges	8,082	9,375
Other program support expenses(Marich Mkt MoU)	-	500,000
<b>Total</b>	<b>3,416,982</b>	<b>9,924,975</b>

10. Board Expenses

Description	2024/2025	2023/2024
	KShs	KShs
Sitting Allowances	260,000	-
<b>Total</b>	<b>260,000</b>	<b>-</b>

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND

Annual Reports and Financial Statements for the year ended June 30, 2025.

11. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Bank balances	11,541,153	10,031,851
<b>Total Cash and Cash Equivalents</b>	<b>11,541,153</b>	<b>10,031,851</b>

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		KShs	KShs
<b>a) Bank balances</b>			
KCB Bank	1257402498	11,540,585	10,031,851
KCB Bank	1316439917	568	-
<b>Sub- Total</b>		<b>11,541,153</b>	<b>10,031,851</b>
<b>Grand Total</b>		<b>11,541,153</b>	<b>10,031,851</b>

12. Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
<b>Current Receivables</b>		
Loan interest receivable	2,299,729	913,219
Current Loan Repayments Due	40,315,175	13,917,665
Fees and other charges due	-	-
<b>Total Current Receivables</b>	<b>42,614,905</b>	<b>14,830,884</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	31,028,774
<b>Total Non- Current Receivables</b>	<b>-</b>	<b>31,028,774</b>
<b>Total Receivables from Exchange Transactions</b>	<b>42,614,905</b>	<b>45,859,658</b>

(b) Ageing analysis for Receivables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	7,001,815	16%	15,728,867	34%
Between 1- 2 years	15,728,867	37%	8,182,693	18%
Between 2-3 years	8,182,693	19%	7,841,421	17%
Over 3 years	11,701,530	27%	14,106,677	31%
<b>Total (a+b)</b>	<b>42,614,905</b>	<b>100%</b>	<b>45,859,658</b>	<b>100%</b>

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND  
Annual Reports and Financial Statements for the year ended June 30, 2025.

**13. Cash Generated from Operations**

Description	2024/2025	2023/2024
	KShs	KShs
<b>Receipts</b>		
Public contributions and donations		-
Interest income	513,223	1,466,198
Other income	685,182	
<b>Total</b>	<b>1,198,405</b>	<b>1,466,198</b>
<b>Payments</b>		
Use of goods and services	3,416,982	9,924,975
Board Expenses	260,000	
<b>Total</b>	<b>3,676,982</b>	<b>9,924,975</b>
<b>Net cash flow from operating activities</b>	<b>(2,478,577)</b>	<b>(8,458,777)</b>

**14. Proceeds from Loan Principal Repayments**

Description	2024/2025	2023/2024
	KShs	KShs
Total Loan Repayments Received	4,500,103	5,072,370
Interest Income Received	(513,223)	(1,466,198)
<b>Loan Principal Repayments</b>	<b>3,986,880</b>	<b>3,606,172</b>

**15. Financial Risk Management**

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

**i) Credit risk**

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

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	42,614,905	7,001,815	35,613,090	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	11,541,153	11,541,153	-	-
<b>Total</b>	<b>54,156,058</b>	<b>18,542,968</b>	<b>35,613,090</b>	<b>-</b>
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	45,859,658	15,728,867	30,130,791	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	10,031,851	10,031,851	-	-
<b>Total</b>	<b>55,891,509</b>	<b>25,760,718</b>	<b>30,130,791</b>	<b>-</b>

**Financial Risk Management**

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

**ii) Liquidity risk management**

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

## Financial Risk Management

### iii) Market risk

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

#### a) Foreign currency risk

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

## Financial Risk Management

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

## Financial Risk Management

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

*WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates decrease by one percentage point as a decrease of

Kshs 412,795 (2024/2025: Kshs (1,735,450). A rate increase of 5% would result in increase in profit before tax of Kshs 2,122,599 (2024/2025 – Kshs (1,735,450)

	<b>Net Surplus</b>
<b>Interest Rate</b>	- 1,735,450
1%	- 2,557,208
2%	- 2,148,245
3%	- 1,735,450
4%	- 1,318,790
5%	- 898,234
6%	- 473,747
7%	- 45,297
8%	387,149
9%	823,624
10%	1,264,164
11%	1,708,801
12%	2,157,570

**Fair value of financial assets and liabilities**

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

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

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained

from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

#### iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	KShs	KShs
Revolving fund	65,000,000	65,000,000
Retained Earnings	(10,843,941)	(9,108,491)
xxx Reserve	-	-
<b>Total Funds</b>	<b>54,156,059</b>	<b>55,891,509</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**16. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Fund Management.
- vi) Department of Trade

**17. Events after the Reporting Period**

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

**18. Ultimate and Holding Entity**

The *Entity* is a Semi-Autonomous Government Agency under the County of West Pokot. Its ultimate parent is the Government of Kenya.

**19. Currency**

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

**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report and Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved".



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 Fund Administrator

23/10/2025