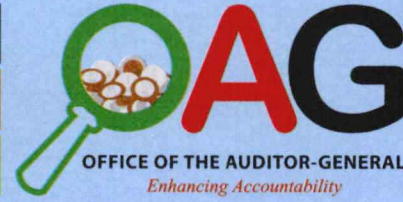


REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**BARINGO COUNTY EXECUTIVE CAR LOAN  
SCHEME FUND**

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

| PAPERS LAID        |            |
|--------------------|------------|
| DATE               | 02/12/2025 |
| TABLED BY          | S-M-L      |
| COMMITTEE          | -          |
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**COUNTY GOVERNMENT OF BARINGO**

**BARINGO COUNTY EXECUTIVE CAR LOAN SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2025**

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

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

**A: Acronyms and Abbreviations**

|       |                                                    |
|-------|----------------------------------------------------|
| CBK   | Central Bank of Kenya                              |
| CECM  | County Executive Committee Member                  |
| CEO   | Chief Executive Officer                            |
| CO    | Chief Officer                                      |
| DG    | Director General                                   |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards   |
| MD    | Managing Director                                  |
| 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           |
| SAGAs | Semi-Autonomous Government Agencies                |
| SC    | State Corporations                                 |
| WB    | World Bank                                         |

**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.

**Baringo County Executive Car loan Scheme Fund  
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**2. Key Entity Information and Management**

**(a) Background information**

Baringo County Executive Car loan Scheme Fund is established by and derives its authority and accountability from Public Finance Management 2012 Act (Baringo County Government Car Loan Scheme Fund) Regulations 2016 on 3/2/2016. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to provide a loan scheme for the purchase of motor vehicles by members of County Executive Committee, County Public Service Board and County Chief Officers and other County Public Officer eligible under provisions of the Salaries and Remuneration Commission (SRC/ADM/CIR/1/13/Vol. III (128) of 17<sup>th</sup> December, 2014).

The Fund's principal activity is the provision of car loans to the Members of County Executive and ensuring that loans advanced are recovered

**(b) Principal Activities**

The principal activity/mission/ mandate of the Fund are to provide loans to Members of County Executive at affordable rates. The detailed core objectives of the fund are:

- Proper administration of the fund.
- Loan disbursement.
- Timely Loans repayments.
- Security discharge upon loan clearance.
- Vehicles are comprehensively insured.
- Proper books of accounts are kept.

**(c) Key Management**

Baringo County Executive Car Loan Scheme Fund day-to-day management is under the following key organs:

| Ref | Name                                                               | Position          |
|-----|--------------------------------------------------------------------|-------------------|
| 1   | Lekonaya K Kibwalei                                                | Chairperson       |
| 2   | Wilson Cheserek<br>Jacob Chepkwony<br>Joseph Korir<br>Samson Kibii | Committee Members |

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

|   |                              |                    |
|---|------------------------------|--------------------|
|   | Symon Kiuta<br>Gikono Kiptoo |                    |
| 3 | David Rerimoi                | Fund Administrator |

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

| Ref | Name               | Position                            |
|-----|--------------------|-------------------------------------|
| 1   | Gikono Kiptoo      | Chief Officer Finance               |
| 2   | David Rerimoi      | Fund Administrator/ Head of Finance |
| 3   | Nicholas Kiprotich | Fund Accountant                     |
| 4   | Festus Kiptui      | Accountant                          |

**(e) Fiduciary Oversight Arrangements**

| SN | Position                                       | Name             |
|----|------------------------------------------------|------------------|
| 1  | Directorate Internal Audit                     | Catherine Kibet  |
| 2  | Staff Mortgage and car Loan Advisory Committee | Patricia Tororei |

**(f) Entity Headquarters**

P.O Box 53-30400  
AFC Building  
Kabarnet –Iten Road  
Nairobi, Kenya

**(g) Entity Contacts**

Telephone :( 254) 053-22115  
E-mail: [baringocountyexecutive@gmail.com](mailto:baringocountyexecutive@gmail.com)  
Website: [www.baringoexecutive.go.ke](http://www.baringoexecutive.go.ke)

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**(h) Entity Bankers**

Kenya Commercial Bank  
Kabarnet Branch  
P.O. Box 175-30400  
Kabarnet  
A/C No. 1179328914

**(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 53-30400  
Office of the Governor  
Kabarnet Referral Hospital Road  
Kabarnet, Kenya.

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**3. Fund Administration Committee**


| Name                                                                                                          | Details of qualifications and experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Lekonaya Kibwalei</p>  | <p>Hon. Lekonaya Kibwalei holds a Master Degree in Mechanical Engineering (Energy Management) from University of Nairobi and Degree in Energy Engineering from Kenyatta University. He is a member of Engineers Registration Board. Before joining cabinet, Hon. Kibwalei was Head Technical Department East, Central and West Africa Region after serving as Technical Services and Facilities Manager CBRE-IBM Kenya.</p>                                                                                                                                                                                                          |
| <p>2. Wilson Cheserek</p>   | <p>Hon. Wilson Ruto holds a Master of Business Administration degree from Moi University and bachelor's degree in Commerce from Marathwada University in India. Before joining Baringo Cabinet, he worked in Access Bank Kenya, PLC as a General Manager having risen from Branch Manager and a Manager corporate Banking. Hon. Ruto also worked at Oriental Commercial Bank as branch manager. He also worked as an Assistant Projects Officer in ICDC Central Province. He is Certified Trustee College of Insurance, Certified Trustee Access Bank Kenya PLC and a Fit and Proper Person Certification Central Bank of Kenya.</p> |
| <p>3. Jacob Chepkwony</p>  | <p>H.E Jacob Chepkwony holds a Master's of science in Applied Mathematics from Egerton University, Njoro Campus and a Bachelor of Education (Science) with specialty in Education, Mathematics and Physics. He is currently undertaking Doctor of Philosophy in Applied Mathematics from University of Eldoret. Hon. Chepkwony started his teaching career on January 1997 at Sacho High School and later became a senior graduate teacher at Kapropita Girls High school from January 2005 to December</p>                                                                                                                          |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

|                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                           | <p>2006.</p> <p>After leaving the teaching career, HE. Chepkwony joined the Ministry of youth affairs and sports in January 2007 as a district youth officer and rose through the ranks until he become assistant director, youth training in the state department of vocational and technical training in 2017. He has also taught at Moi University and University of Eldoret (Chepkoilel) since 2005 to 2012 as a part time lecturer having taught students ranging from 1<sup>st</sup> to 4<sup>th</sup> years. He brings on board 20 years' experience in public service in the field of education, training and management which is very instrumental in steering the County's affairs.</p>                                                                                                                                                                               |
| <p>4. Joseph Korir</p>                                                                                    | <p>Member of the Committee. Chairman Public Service Board</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>5. Samson Kibii</p>                                                                                    | <p>Member of the Committee. Secretary County Public Service Board</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>6. Symon Kiuta</p>  | <p>Hon. Rev. Symon Lonyayo holds a Masters of Divinity(M.DIV) from African International University as well as a Bachelor of Theology(B.Th) from Scott Christian University. He is currently pursuing a PhD Church History at African International University. Rev Lonyayos' career spans for 33 years having worked in the following institutions; Director Water Resources Authority, Director Postal Corporation of Kenya, BOD Member Pemwai Girls High School, Chairman Spiritual affairs Committee Kabarak University, BOD Member Kenya Broadcasting Corporation, Lecturer Kabarak University, Board Chairman AIC Churo Secondary School, Board Member Kabarak Primary School, Chaplain Moi High School Kabarak and Churo Secondary School, teacher AIC Churo Secondary School, Chairman AIC Churo District Church Council, Vice Chairman AIC Baringo Regional Church</p> |


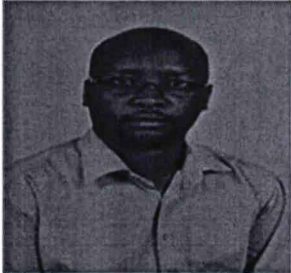


**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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|                                                                                                           |                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                           | <p>Council, part time lecturer Baringo Bible College and Chairman AIC Churo Health Centre. He has also worked as a teacher at Tangulbei primary and Chemolingot Secondary School.</p> |
| <p>7. Gikono Kiptoo</p>  | <p>Year of Birth:1980<br/>Key Qualifications: Masters in Business Administration (JKUAT),BCOM,CPA(K)<br/>Senior Management Course.</p>                                                |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**4. Key Management Team**

| Name                                                                                                             | Details of qualifications and experience                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. GikonoKiptoo</p>          | <p>Chief Officer Finance and Revenue Management<br/>Year of Birth: 1980<br/>Key Qualifications: Masters in Business Administration (JKUAT), BCOM, CPA(K)<br/>Senior Management Course.</p>      |
| <p>2. David Rerimoi</p>        | <p>Director Accounting Services. Fund Administrator.<br/>Year of birth 1980<br/>Key Qualifications: Masters in Business Administration(UON) ,BCOM,CPA(K)<br/>Senior Management Course, SLDP</p> |
| <p>3. Nicholas Kiprotich</p>  | <p>Chief Accountant<br/>Year of birth 1981<br/>Key Qualifications: Masters in Business Administration(UON) ,BCOM<br/>Senior Management Course, SLDP</p>                                         |
| <p>4. Festus Kiptui</p>       | <p>Accountant<br/>Year of Birth 1988<br/>Key Qualifications: Diploma in supply chain Management BCOM,CPA(K)</p>                                                                                 |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**5. Chairman’s Statement**

It gives me great pleasure to present the financial statements of the Baringo County Executive Car Loan Scheme Fund for the year ended 30<sup>th</sup> June 2025. The statements reflect the financial performance and position of the Fund during the year under review. The Fund’s leadership structure remained unchanged during the year, with Lekonaya Kibwalei, continuing to serve as Chairperson, supported by Members Wilson Cheserek, Jacob Chepkwony, Symon Kiuta, Samson Kibii and Joseph Korir.

During the financial year, the Fund did not receive additional capital from the County Exchequer for onward lending. However, it generated total revenue of Kshs. 322,126.20 from interest and other operating activities. Loan principal repayments amounted to Kshs. 6,896,113.88, while no new loan disbursements were made. The Fund recorded a deficit of Kshs. 82,613.80 for the year with expenses being Kshs. 404,740. As at 30 June 2025, the Fund’s total assets stood at Kshs. 30,762,764.82, with non-current receivables from exchange transactions amounting to Kshs. 3,165,638.68. The total revolving fund balance at year-end was Kshs. 30,710,627.

In line with its strategic objectives, the Fund reviewed its regulations to incorporate the Credit Reference Bureau (CRB) framework and initiated the process of transferring lending activities to a reputable commercial bank to enhance efficiency and sustainability. Overall, the financial year 2024/2025 was challenging due to low demand for loans and the absence of additional funding from the executive. Nevertheless, the Fund has continued to play a vital role in enabling County Executive Members to acquire motor vehicles, thereby facilitating service delivery and enhancing mobility in the execution of their official duties.

I wish to express my sincere appreciation to all Members and staff of the County Executive for their commitment, cooperation, and dedication in meeting their loan obligations and supporting the Fund’s objectives.



Name: Lekonaya K Kibwalei Signature.....Date.....

**Chairperson of the Fund**

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**6. Report of the Fund Administrator**

I am pleased to present the Fund Administrator’s Statement for the Baringo County Executive Car Loan Scheme Fund for the year ended 30<sup>th</sup> June 2025. This report highlights the operational and financial performance of the Fund during the year under review.

The Fund continued to support County Executive Members in accessing car loans to enhance their mobility and efficiency in service delivery. However, during the year, no new disbursements were made due to the absence of additional capital allocations from the Exchequer and low members ability to finance the loans due to additional statutory deductions. Operations were sustained through repayments from existing loans. Total income amounted to Kshs. 322,126.20, compared to Kshs. 481,307 in the prior year. Expenditure totalled Kshs. 404,740, mainly from administrative expenses and bank charges. As a result, the Fund realized a deficit of Kshs. 82,613.80, a decline from the surplus of Kshs. 435,898 recorded in FY 2023/2024.

At the close of the financial year, the Fund’s total assets stood at Kshs. 30,762,764.82, with a revolving fund balance of Kshs. 30,710,627. The Fund maintained adequate liquidity, holding cash and cash equivalents of Kshs. 15,198,300.50. Receipts from loan repayments totalled to Ksh 6,896,113.88 compared to financial year 2023/2024 where repayments were Ksh 7,115,389. Despite these achievements, the Fund encountered challenges, particularly inconsistent budgetary allocations and limited funding, which constrained loan uptake and slowed overall progress. In response, the Fund is strengthening its loan administration processes, including exploring partnerships with reputable financial institutions to enhance compliance, risk management, and efficiency. Unfortunately, the fund lost one of its’ members Mr Julius Tarus.

Looking forward, the Fund Administrator is committed to implementing the strategies adopted by the Loans Management Committee, including improved loan recovery mechanisms, realistic budgeting, and enhanced internal controls. These measures are expected to sustain the Fund’s mandate of supporting Members to acquire vehicles while safeguarding financial sustainability.

I wish to thank the Loans Management Committee, County Executive Members, and all stakeholders for their cooperation and commitment during the year.



.....  
**Name: Lekonaya K Kibwalei**  
**Chair of the Fund Administration Committee**

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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

Baringo County Executive Car Loan Scheme Fund has three strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are aligned with Kenya’s Vision 2030 strategic Pillars:

Pillar 1: Economic Pillar

Pillar 2: Social Pillar

Pillar 3: Political Pillar

Baringo County Executive Car Loan Scheme Fund develops its annual work plans based on the above 3 pillars. Assessment of the Committee performance against its annual work plan is done on a quarterly basis. Baringo County Executive Car Loan Scheme Fund achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the table below:

| Strategic Pillar | Objective                                                        | Key Performance Indicators                                                             | Activities                                                                             | Achievements                                                                                      |
|------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Economic Pillar  | Maintain a constant fund growth and minimize losses from default | Change in financial parameters like asset base, defaulted loans, surplus and income    | Asset base, surplus and income increased, defaulted loans increased                    | Asset base decreased by 0.026%<br>Surplus decreased by 427.6%<br>defaulted loans decreased by 25% |
| Social Pillar    | Maintain justice and fairness in loan approval                   | Gender balance in loan approval.<br>Balance in staff cadres.<br>Loan award to disabled | Fairness and transparency in loan award to both genders, all staff cadres and disabled | The disbursement was balanced depending on ability in payslip and terms of service.               |
| Political Pillar | Minimal political                                                | Objectivity                                                                            | Subject                                                                                | All employees                                                                                     |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

|  |                               |                                                       |                                                             |                                       |
|--|-------------------------------|-------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|
|  | interference during appraisal | during appraisal, disbursement and interest on loans. | employees to the same conditions of loan appraisal and cost | were subjected to the same conditions |
|--|-------------------------------|-------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|

**8. Corporate Governance Statement**

The Baringo County Executive Car Loan Scheme Fund is committed to maintaining the highest standards of corporate governance, transparency, and ethical conduct. As a public fund established under the Baringo County Government, it adheres to the Code of Corporate Governance Practices for Public Sector Entities in Kenya, with the goal of ensuring efficient service delivery and long-term sustainability in line with stakeholder expectations.

**Governance Mandate**

The core mandate of the Car Loan Scheme Fund includes:

- Processing loan applications in accordance with approved terms and conditions;
- Liaising with financial institutions to facilitate the management of a revolving fund for loan disbursements;
- Supervising daily operations of the scheme to ensure timely service delivery and effective fund utilization.

**Governance Structure and Oversight**

The Fund is managed by a Loans Management Committee, which provides strategic oversight and ensures that the scheme operates within legal and policy frameworks. The Committee is responsible for setting its annual work plan and meeting agendas, prepared collaboratively by the Chairperson and the Fund Secretary. Although the Committee is required to meet at least four times annually, it met once during the 2024/2025 financial year. Meetings are called by the Chairperson or, in their absence, by a designated member. A quorum is constituted by the presence of the Chairperson and any four members. Committee members receive meeting documentation at least two weeks prior to each meeting, allowing adequate time for review and meaningful participation.

**Governance Framework and Compliance**

The Fund operates under a formal Board Charter, which outlines:

- Clear roles and responsibilities of the Committee and its members;
- Matters delegated versus those requiring full Committee approval;
- Governance policies including conflict of interest declarations, conduct of meetings, and committee operations;
- Guidelines for the appointment, induction, training, and performance evaluation of Committee members.

## **Baringo County Executive Car loan Scheme Fund**

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

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The Fund upholds strict compliance with conflict-of-interest regulations. All Committee members are required to disclose any real or potential conflicts and must abstain from related deliberations or decisions. All transactions involving Committee members or related parties are executed on an arm's length basis.

#### Ethical Standards and Conduct

All Committee members must uphold integrity, honesty, and fairness in the execution of their duties. The Fund has adopted the Baringo County Government Code of Conduct, which is issued to every incoming Committee member. Each member must commit to observing the principles outlined in the Code, including respect for diversity and public service ethics.

#### Capacity Development and Institutional Continuity

To ensure effective governance, all new Committee members undergo induction training covering the Fund's operations, financial reporting, and any relevant regulatory or sector developments. Ongoing capacity-building initiatives are conducted through relevant departments. The Committee comprises permanent and contract staff, ensuring operational continuity and knowledge retention.

#### Audit and Remuneration

In line with public financial management regulations, the annual financial statements of the Fund are audited by the Office of the Auditor-General. Committee members do not receive sitting allowances for attending meetings but rather fuel, as participation is regarded as part of their official responsibilities under county employment.

## **9. Management Discussion and Analysis**

### Overview

The Baringo County Executive Car Loan Scheme Fund continued to support county staff mobility and welfare during the 2024/2025 financial year. The Fund's performance remained resilient despite fiscal pressures, supported by prudent financial management, enhanced loan recovery efforts, and sustained stakeholder engagement.

### Fund Objectives and Operations

The primary objective of the Fund is to provide affordable car loan financing to eligible county staff while ensuring sustainability through efficient loan recovery and fund replenishment. The Fund operates as a revolving facility, where recoveries from previous disbursements are used to finance new loans.

Key operational activities during the year included:

- Processing and approval of loan applications;
- Disbursement of funds through a partner financial institution;
- Recovery of loan repayments through payroll deductions;

## **Baringo County Executive Car loan Scheme Fund**

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

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- Maintenance of up-to-date loan schedules and interest records;
- Oversight by the Loans Management Committee.

#### **Financial Performance**

The revolving fund balance stood at KSh.30, 710,627.62 as at 30th June 2025, with a closing bank balance of KSh.15, 198,300.50. Loan repayments received were within expected ranges, and the Fund maintained a low default rate, demonstrating effectiveness. The Fund managed a healthy loan portfolio, with over 88% of scheduled repayments recovered during the year. Recoveries were affected through structured payroll deductions and regular follow-up of defaulters. Current loan repayments due stood at KSh.4, 334,707.54 68 million, with interest receivable amounting to KSh. 322,126.20. Loan portfolio performance indicates the continued viability of the revolving model, supported by responsible borrowing practices and improved internal controls.

#### **Governance and Oversight**

Governance of the Fund remained strong under the stewardship of the Loans Management Committee. Three meetings were held during the year to deliberate on loan approvals, fund management, and compliance matters. Although one scheduled meeting was postponed due to quorum issues, governance functions were not compromised. Committee members also underwent capacity building and compliance training to enhance their oversight effectiveness.

#### **Challenges Faced**

Despite the progress made, the Fund encountered several challenges, including:

- Delayed departmental approvals of loan applications, affecting disbursement timelines;
- One missed Committee meeting due to lack of quorum;
- Limited automation in loan application tracking and reporting.

These issues are being addressed through the implementation of a digitized fund management system and enhanced coordination with relevant departments.

#### **Outlook for FY 2025/2026**

Looking ahead, the Fund aims to:

- Increase the annual loan disbursement target;
- Digitize the loan application and monitoring process;
- Strengthen debt recovery mechanisms and reduce loan arrears;
- Conduct stakeholder sensitization to improve uptake and understanding of loan terms;
- Enhance reporting and audit readiness in line with IPSAS requirements.

The Fund remains committed to improving service delivery, enhancing governance, and ensuring the sustainability of the car loan scheme to support county staff welfare and productivity.

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

The Baringo County Executive Car Loan Scheme Fund recognizes the importance of environmental stewardship and sustainability in the execution of its mandate. While the Fund's core function is financial in nature providing affordable car loans to county executive staff it remains committed to supporting the broader objectives of environmental conservation, climate responsibility, and sustainable development as outlined in Kenya's national development agenda and Vision 2030.

### **Environmental Impact and Mitigation**

Although the Fund does not directly engage in physical development or infrastructure activities, it acknowledges that the promotion of car ownership contributes indirectly to environmental impacts such as increased fuel consumption, emissions, and traffic congestion. To mitigate these effects, the Fund promotes the following:

- Encouragement of fuel-efficient and low-emission vehicle options among loan applicants;
- Promotion of vehicle maintenance education to enhance fuel efficiency and reduce emissions;
- Encouragement of responsible disposal and recycling of vehicle parts where applicable.

In collaboration with the County's Department of Transport and Environment, the Fund advocates for compliance with vehicle inspection and emission control regulations as part of responsible car ownership.

### **Sustainability Practices within Fund Operations**

The Fund has adopted several sustainability-focused practices within its internal operations, including:

- Paperless processes: Where possible, loan applications, reviews, and committee communications are digitized to reduce paper consumption.
- Energy efficiency: Use of energy-saving lighting and office equipment in fund operations.
- Reduced travel footprint: Committee meetings and communication are increasingly supported by virtual platforms to minimize unnecessary travel.

### **Social Sustainability and Equity**

The Fund contributes to social sustainability by:

- Improving staff mobility and productivity through accessible financing;
- Promoting financial inclusion for both permanent and contract employees;
- Ensuring equity in access to the loan scheme through transparent and merit-based application processes.

These efforts support a more efficient, empowered, and motivated public workforce, which in turn enhances service delivery to citizens of Baringo County.

## **Baringo County Executive Car loan Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2025.**

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### **Governance and Accountability in Sustainability**

The Fund operates under a governance framework that promotes:

- Transparency and accountability in resource use;
- Ethical decision-making with regard to financial and environmental implications;
- Periodic review of operations to identify areas for environmental performance improvement.

The Fund complies with relevant environmental policies as guided by the Baringo County Government and national legal frameworks.

### **Future Focus Areas**

In line with Kenya's Sustainable Development Goals (SDGs) and green economy agenda, the Fund seeks to enhance its sustainability agenda through:

- Integrating environmental awareness campaigns into borrower orientation programs;
- Exploring options for green vehicle financing incentives such as hybrid or electric vehicles;
- Collaborating with the County Treasury and environmental authorities to embed sustainability metrics into future performance evaluations.

## **11. Report of the Fund Committee**

The Fund Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Baringo County Executive Car Loan Scheme Fund affairs.

### **i) Principal activities**

The principal activities of the Fund continued to be provision of loan scheme for the purchase of cars by members of the County Executive as prescribed by the Salaries and Remuneration Commission.

### **ii) Results**

The results of the Entity for the year ended June 30, 2025, are set out on page 1-8

### **iii) Fund Committee**

The members of the Fund Administration Committee who served during the year are shown on page vi-viii.

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2025.

By Order of the Board



**Name: Lekonaya K Kibwalei  
Chair of the Fund Administration Committee**

## **12. Statement of Fund Committee Responsibilities**

Section 167 of the Public Finance Management Act, 2012 and Baringo County Government Car Loan Scheme Fund) Regulations 2016 require the Fund Committee to prepare financial statements in respect of Baringo County Executive Car Loan Scheme Fund which give a true and fair view of the state of affairs of the fund at the end of the financial year and the operating results of the fund for that year. The Fund Committee are also required to ensure that the fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the fund. The Fund Committee is also responsible for safeguarding the assets of the fund.

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

The Fund Committee accept responsibility for the Fund'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 Baringo County Government Car Loan Scheme Fund Regulations 2016. The Fund Committee are of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Fund Committee further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:



.....

**Name: Lekonaya K Kibwalei**  
**Chairperson of the Fund Committee**



.....

**Name: David Rerimoi**  
**Fund Administrator**



## REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY EXECUTIVE CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Baringo County Executive Car Loan Scheme Fund set out on pages 1 to 60 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo County Executive Car Loan Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Baringo County Executive Staff Car Loan Scheme Fund) Regulations, 2023 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **Long Outstanding Receivables from Exchange Transactions**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.12,398,826 and as disclosed in Note 28 to the financial statements. However, included in the balance is long-outstanding receivables of Kshs.7,400,491 which were issued to officers in the year 2016 and who have already left employment. However, provisions for bad and doubtful debts were not made.

In the circumstances, the accuracy and completeness of long-term receivables balance of Kshs.12,398,825 as at 30 June, 2025 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of amounts of Kshs.5,000,000 and Kshs.322,126 respectively, resulting to an under-funding of an amount of Kshs.4,677,874 or 94 % of the budget. Further, the Management spent an amount of Kshs.404,740 against an actual receipt of Kshs.322,126 resulting to over-utilization of Kshs.82,614 of the actual receipt.

The under-funding affected the planned activities and may have impacted negatively on the delivery of services to the residents of Baringo County.

## **2. Imbalanced Budget**

The statement of comparison of budget and actual amounts for the year under review, reflects total income budget of Kshs.5,000,000 and total expenditure budget of Kshs.2,100,000 resulting to variance of Kshs.900,000. The budget imbalance is contrary to the provisions of section 31(c) of the Public Finance Management (County Governments) Regulations 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year audit reports, three (3) issues were raised, one (1) under the Report on Financial Statements and two (2) under Report on Lawfulness and Effectiveness in Use of Public Resources. These include inaccuracies in comparative balances, failure to charge motor vehicle log books and loan defaulters. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

### **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Loan Defaulters**

The statement of financial position reflects current receivables from exchange transactions and non-current receivables from exchange transactions balances of Kshs.12,398,826 and Kshs.3,165,639 respectively totaling to Kshs.15,564,464 and as disclosed in Note 28 to the financial statements. However, included in the balances were loan balances of Kshs.7,400,491 owed by eighteen (18) former county executive committee members and staff who defaulted in repayments. Further, no demand letters have been written to the defaulters despite the loans being dormant for periods ranging up to three years. In addition, there was no charge security on vehicles acquired through loans from the Fund to protect the interest of the Fund and act as custodian of such charges. The Fund Administration Committee had not repossessed the motor vehicles and no measures have been taken to recover these long outstanding loans contrary to Regulation This is contrary to Regulations 15(1) of the Public Finance Management (Baringo County Government Car Loan Scheme Fund) Regulations 2023 which stipulates that where a repayment of a loan is not made in accordance with the terms and conditions in these Regulations, the sums of money due and owing to the Committee will institute recovery measures against the defaulters, including adverse listing with Credit Reference Bureau.

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

#### **2. Implementation of Audit Recommendations**

The financial statements did not include report on the progress made in implementing prior year auditor's recommendations contrary to the reporting framework prescribed by the Public Sector Accounting Standards Board. Further, Management of the Baringo County Executive Car Loan Scheme Fund did not provide any evidence in form of reports on the progress made in implementing prior year auditor's recommendations nor explanations in writing to the Parliament on why the report has not been acted upon in breach of to the Public Sector Accounting Standards Board reporting framework and section 53 (1) of the Public Audit Act, of 2015.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are

in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

**Nairobi**

**20 November, 2025**

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**


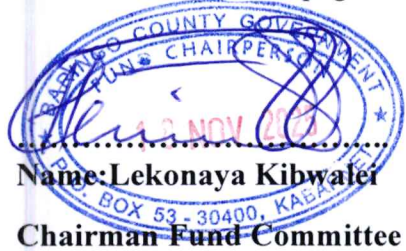
**14. Statement of Financial Performance for the year ended June 30, 2025**

|                                                  | Notes | FY 2024/2025       | FY 2023/2024      |
|--------------------------------------------------|-------|--------------------|-------------------|
|                                                  |       | Kshs               | Kshs              |
| <b>Revenue from non-exchange transactions</b>    |       |                    |                   |
| Transfers from other governments entities        | 6     | -                  | -                 |
| Public contributions and donations               | 7     | -                  | -                 |
| Transfers in-kind                                | 8     | -                  | -                 |
|                                                  |       | -                  | -                 |
| <b>Revenue from exchange transactions</b>        |       |                    |                   |
| Interest income                                  | 9     | 322,126.20         | 481,307.83        |
| Rendering of services                            | 10    | -                  | -                 |
| Rental revenue from facilities and equipment     | 11    | -                  | -                 |
| Fees and other charges                           | 12    | -                  | -                 |
| Other income                                     | 13    | -                  | -                 |
| <b>Total revenue</b>                             |       | <b>322,126.20</b>  | <b>481,307.83</b> |
|                                                  |       |                    |                   |
| <b>Expenses</b>                                  |       |                    |                   |
| Use of goods and services                        | 14    | 404,740.00         | 45,409.75         |
| Employee costs                                   | 15    | -                  | -                 |
| Board Expenses                                   | 16    | -                  | -                 |
| Depreciation and amortization expense            | 17    | -                  | -                 |
| Repairs and maintenance                          | 18    | -                  | -                 |
| Contracted services                              | 19    | -                  | -                 |
| Grants and subsidies                             | 20    | -                  | -                 |
| Finance costs                                    | 21    | -                  | -                 |
| <b>Total expenses</b>                            |       | <b>404,740.00</b>  | <b>45,409.75</b>  |
| <b>Surplus/deficit from operating activities</b> |       | <b>(82,613.80)</b> | <b>435,898.08</b> |
| <b>Other gains/(losses)</b>                      |       |                    |                   |
| Gain/Loss on sale of assets                      | 22    | -                  | -                 |
| Gain/Loss on foreign exchange transactions       | 23    | -                  | -                 |
| Gain /Loss on fair value of investments          | 24    | -                  | -                 |
| Impairment loss                                  | 25    | -                  | -                 |
| <b>Surplus/ (deficit) before tax</b>             |       | <b>(82,613.80)</b> | <b>435,898.08</b> |
| Taxation                                         | 26    | -                  | -                 |
| <b>Surplus/(deficit) for the Year</b>            |       | <b>(82,613.80)</b> | <b>435,898.08</b> |
| <b>Net Surplus for the year</b>                  |       | <b>(82,613.80)</b> | <b>435,898.08</b> |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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The notes set out on pages 9 to 60 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Fund committee by:

**Name: Lekonaya Kibwalei**  
**Chairman Fund Committee**

**Date**


**Name: Gikono Kiptoo**  
**Accounting Officer**

**Date**


**Name: David Rerimoi**  
**Head of Finance**

**ICPAK M/No: 6624**

**Date**

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

|                                            | Notes | FY 2024/2025         | FY 2023/2024         |
|--------------------------------------------|-------|----------------------|----------------------|
|                                            |       | Kshs                 | Kshs                 |
| <b>Assets</b>                              |       |                      |                      |
| <b>Current Assets</b>                      |       |                      |                      |
| Cash and Cash equivalents                  | 27    | 15,198,300.50        | 8,365,756.35         |
| Receivables from Exchange Transactions     | 28    | 12,398,825.64        | 15,541,160.83        |
| Receivables from Non-Exchange Transactions | 29    | -                    | -                    |
| Inventories                                | 30    | -                    | -                    |
| Investments in financial assets            | 31    | -                    | -                    |
| <b>Total Current Assets</b>                |       | <b>27,597,126.14</b> | <b>23,906,917.18</b> |
| <b>Non-Current Assets</b>                  |       |                      |                      |
| Receivables from Exchange Transactions     | 28    | 3,165,638.68         | 7,315,376.39         |
| Investments in financial assets            | 31    | -                    | -                    |
| Property, Plant and Equipment              | 32    | -                    | -                    |
| Intangible Assets                          | 33    | -                    | -                    |
| Investment Property                        | 34    | -                    | -                    |
| <b>Total Non- Current Assets</b>           |       | <b>3,165,638.68</b>  | <b>7,315,376.39</b>  |
| <b>Total Assets (A)</b>                    |       | <b>30,762,764.82</b> | <b>31,222,293.56</b> |
| <b>Liabilities</b>                         |       |                      |                      |
| <b>Current Liabilities</b>                 |       |                      |                      |
| Trade and Other Payables                   | 35    | 52,137.20            | 429,051.45           |
| Refundable Deposits from Customers         | 36    | -                    | -                    |
| Current Provision                          | 37    | -                    | -                    |
| Finance Lease Obligation                   | 38    | -                    | -                    |
| Deferred Income                            | 39    | -                    | -                    |
| Employee Benefit Obligations               | 40    | -                    | -                    |
| Current Portion of Borrowings              | 41    | -                    | -                    |
| Taxation                                   | 42    | -                    | -                    |
| <b>Total Current Liabilities</b>           |       | <b>52,137.20</b>     | <b>429,051.45</b>    |
| <b>Non-Current Liabilities</b>             |       |                      |                      |
| Non-Current Provisions                     | 37    | -                    | -                    |
| Non-Current Employee Benefit Obligation    | 40    | -                    | -                    |

**Baringo County Executive Car loan Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

|                                       | Notes | FY 2024/2025         | FY 2023/2024         |
|---------------------------------------|-------|----------------------|----------------------|
|                                       |       | Kshs                 | Kshs                 |
| Borrowings                            | 41    | -                    | -                    |
| Service Concession Liability          | 43    | -                    | -                    |
| Deferred Tax Liabilities              | 44    | -                    | -                    |
| <b>Total Non- Current Liabilities</b> |       | -                    | -                    |
| <b>Total Liabilities (B)</b>          |       | <b>52,137.20</b>     | <b>429,051.45</b>    |
| <b>Net Assets (A-B)</b>               |       | <b>30,710,627.62</b> | <b>30,793,242.11</b> |
|                                       |       |                      |                      |
| <b>Represented By:</b>                |       |                      |                      |
| Reserves                              |       | -                    | -                    |
| Accumulated Surplus                   |       | (82,613.80)          | 435,898.08           |
| Revolving Fund                        |       | 30,793,241.42        | 30,357,343.34        |
| Capital Fund                          |       | -                    | -                    |
| <b>Net Assets</b>                     |       | <b>30,710,627.62</b> | <b>30,793,241.42</b> |


The financial statements set out on pages 1 to 9 were signed on behalf of the Board of Directors by:

  
 Name: Lekonaya Kibwalei  
 Chairman Fund Committee

Date

  
 Name: Gikono Kiptoo  
 Accounting Officer

Date

  
 Name: David Rerimoi  
 Head of Finance

ICPAK M/No: 6624

Date

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

| Description                                          | Revaluation reserve | Fair value adjustment reserve | Accumulated surplus | Revolving Fund       | Capital / Development Grants/ Fund | Total                |
|------------------------------------------------------|---------------------|-------------------------------|---------------------|----------------------|------------------------------------|----------------------|
|                                                      | Kshs                | Kshs                          | Kshs                | Kshs                 | Kshs                               | Kshs                 |
| <b>As at July 1, 2023</b>                            | -                   | -                             | -                   | <b>29,222,198.34</b> | -                                  | <b>29,222,198.34</b> |
| Revaluation gain                                     |                     |                               | -                   | -                    | -                                  | -                    |
| Fair value adjustment on investments                 | -                   | -                             | -                   | -                    | -                                  | -                    |
| Surplus/ deficit for the year                        | -                   | -                             | 435,898.08          | -                    | -                                  | <b>435,898.08</b>    |
| Funds received During the year                       | -                   | -                             | -                   | 1,135,145.00         | -                                  | <b>1,135,145.00</b>  |
| Transfers from accumulated surplus to revolving fund | -                   | -                             | -                   | -                    | -                                  | -                    |
| Capital/development grants received during the year  | -                   | -                             | -                   | -                    | -                                  | -                    |
| <b>As at June 30, 2024</b>                           | -                   | -                             | <b>435,898.08</b>   | <b>30,357,343.34</b> | -                                  | <b>30,793,241.42</b> |
| <b>As at July 1, 2024</b>                            | -                   | -                             | <b>435,898.08</b>   | <b>30,357,343.34</b> | -                                  | <b>30,793,241.42</b> |
| Revaluation gain                                     | -                   | -                             | -                   | -                    | -                                  | -                    |
| Fair value adjustment on investments                 | -                   | -                             | -                   | -                    | -                                  | -                    |
| Surplus/ (deficit) for the year                      | -                   | -                             | <b>(82,613.80)</b>  | -                    | -                                  | <b>(82,613.80)</b>   |
| Funds received During the year                       | -                   | -                             | -                   | -                    | -                                  | -                    |
| Transfers from accumulated surplus to revolving fund | -                   | -                             | <b>(435,898.08)</b> | <b>435,898.08</b>    | -                                  | -                    |
| Capital/development grants received during the year  | -                   | -                             | -                   | -                    | -                                  | -                    |
| <b>As at June 30, 2025</b>                           | -                   | -                             | <b>(82,613.80)</b>  | <b>30,793,241.42</b> | -                                  | <b>30,710,627.62</b> |

**Baringo County Executive Car loan Scheme Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

|                                                           | Notes | FY 2024/2025        | FY 2023/2024        |
|-----------------------------------------------------------|-------|---------------------|---------------------|
|                                                           |       | Kshs                | Kshs                |
| <b>Cashflows from operating activities</b>                |       |                     |                     |
| <b>Receipts</b>                                           |       |                     |                     |
| Transfers from other governments entities                 |       | -                   | -                   |
| Public contributions and donations                        |       | -                   | -                   |
| Interest received                                         |       | 341,636.50          | 496,807.83          |
| Rendering of services                                     |       | -                   | -                   |
| Rental revenue from facilities and equipment              |       | -                   | -                   |
| Fees and other charges                                    |       | -                   | -                   |
| Mortgage payments erroneously banked in car loan fund     |       | -                   | -                   |
| Other Income                                              |       | -                   | -                   |
| <b>Total receipts</b>                                     |       | <b>341,636.50</b>   | <b>496,807.83</b>   |
| <b>Payments</b>                                           |       |                     |                     |
| Fund administration expenses                              |       | (401,800.00)        | (45,409.75)         |
| General expenses                                          |       | -                   | -                   |
| Board Expenses                                            |       | -                   | -                   |
| Repairs and maintenance                                   |       | -                   | -                   |
| Contracted services                                       |       | -                   | -                   |
| Grants and subsidies                                      |       | -                   | -                   |
| Bank charges                                              |       | (2,940.00)          | -                   |
| <b>Total payments</b>                                     |       | <b>(404,740.00)</b> | <b>(45,409.75)</b>  |
| <b>Net cash flows from/(used in) operating activities</b> | 45    | <b>(63,103.50)</b>  | <b>451,398.08</b>   |
| <b>Cash flows from investing activities</b>               |       |                     |                     |
| Purchase of PPE                                           |       | -                   | -                   |
| Purchase of Intangible assets                             |       | -                   | -                   |
| Proceeds from sale of PPE                                 |       | -                   | -                   |
| Proceeds from loan principal repayments                   |       | 6,896,113.88        | 7,115,389.82        |
| Loan disbursements paid out                               |       | -                   | (3,500,000.00)      |
| Purchase of investments                                   |       | -                   | -                   |
| Proceeds from sale of investments                         |       | -                   | -                   |
| <b>Net cash flows from/(used in) investing activities</b> |       | <b>6,896,113.88</b> | <b>3,615,389.82</b> |
| <b>Cash flows from financing activities</b>               |       |                     |                     |
| Revolving fund receipts                                   |       | -                   | 1,135,145.00        |

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|                                                                            |       | FY 2024/2025         | FY 2023/2024        |
|----------------------------------------------------------------------------|-------|----------------------|---------------------|
|                                                                            | Notes | Kshs                 | Kshs                |
| Proceeds from borrowings                                                   |       | -                    | -                   |
| Repayment of borrowings                                                    |       | -                    | -                   |
| <b>Net cash flows from financing Activities</b>                            |       | -                    | <b>1,135,145.00</b> |
|                                                                            |       |                      |                     |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b>              |       | <b>6,832,544.15</b>  | <b>5,201,932.90</b> |
| <b>Cash and cash equivalents at the beginning 1<sup>st</sup> July 2024</b> | 27    | <b>8,365,756.35</b>  | <b>3,163,823.30</b> |
| <b>Cash and cash equivalents at the end 30<sup>th</sup> June 2025</b>      | 27    | <b>15,198,300.50</b> | <b>8,365,756.35</b> |

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

|                                              | 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>                               |                 |             |              |                            |                        |                  |
| Transfers from Other Governments entities    |                 | -           | -            | -                          | -                      | -                |
| Public Contributions and Donations           |                 | -           | -            | -                          | -                      | -                |
| Interest income                              | 5,000,000.00    | -           | 5,000,000.00 | 322,126.20                 | 4,677,873.80           | 6%               |
| Rendering of Services                        | -               | -           | -            | -                          | -                      | -                |
| Rental Revenue from Facilities and Equipment | -               | -           | -            | -                          | -                      | -                |
| Fees and other charges                       | -               | -           | -            | -                          | -                      | -                |
| Other Income( <i>refund</i> )                | -               | -           | -            | -                          | -                      | -                |
| <b>Total Income</b>                          | 5,000,000.00    | -           | 5,000,000.00 | 322,126.20                 | 4,677,873.80           | 6%               |
| <b>Expenses</b>                              |                 |             |              |                            |                        |                  |
| Use of Goods and Services                    | 1,000,000.00    | -           | 1,000,000.00 | 404,740.00                 | 595,260.00             | 40%              |
| Employee costs                               | 10,000.00       | -           | 10,000.00    | -                          | 1,000,000.00           | 0%               |
| Board Expenses                               | 1,000,000.00    | -           | 1,000,000.00 | -                          | 1,000,000.00           | 0%               |
| Repairs and Maintenance                      | -               | -           | -            | -                          | -                      | -                |
| Contracted Services                          | -               | -           | -            | -                          | -                      | -                |
| Grants and Subsidies                         | -               | -           | -            | -                          | -                      | -                |
| Finance costs                                | -               | -           | -            | -                          | -                      | -                |
| <b>Total Expenditure</b>                     | 2,100,000.00    |             | 2,100,000.00 | 404,740                    | 1,695,260.00           | 19%              |
| <b>Surplus for the period</b>                |                 |             |              | <b>(82,613.80)</b>         |                        |                  |
| <b>Capital Expenditure</b>                   |                 |             |              |                            |                        |                  |

## **19. Notes to the Financial Statements**

### **1. General Information**

The fund's objective is to provide a loan scheme for the purchase of motor vehicles by members of County Executive Committee, County Public Service Board and County Chief Officers and other County Public Officer eligible under provisions of the Salaries and Remuneration Commission (SRC/ADM/CIR/1/13/Vol. III (128) of 17<sup>th</sup> December, 2014). The Fund's principal activity is provision of car loans to the Members of County Executive and ensuring that loans advanced are recovered.

### **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 Fund'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 Fund. The financial statements have been prepared in accordance with the PFM Act 2012, Baringo County Government Car Loan Scheme Fund) Regulations 2016, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**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.*

| <b>Standard</b>                                                            | <b>Effective date and impact:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 43:<br>Leases                                                        | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>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.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.<br><b><i>Not relevant.</i></b>                                                                                                                                   |
| IPSAS 44:<br>Non- Current Assets Held for Sale and Discontinued Operations | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The Standard requires,<br>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:<br>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.<br><b><i>Not relevant.</i></b>                                                                                                                                                                                                                                 |
| IPSAS45: Property Plant and Equipment                                      | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>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 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.<br>Not relevant. |
| IPSAS 46:<br>Measurement                                                   | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The objective of this standard was to improve measurement guidance across IPSAS by:<br>i. Providing further detailed guidance on the implementation of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | <p>commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>Expected to affect valuation of securities.</b></p>                                                                                        |
| IPSAS47:<br>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> <p><b>Relevant. Proper projection.</b></p> |
| IPSAS48:TransferExpenses             | <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> <p><b>Not relevant.</b></p>                                                                                          |
| IPSAS49: Retirement<br>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> <p><b>Not relevant</b></p>                                                                                                                                                                                                                      |

ii. **Early adoption of standards**

The Fund 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 Fund 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 Fund 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 Fund 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.

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**b) Budget information**

In the original budget for the Current FY, allocation to car loan was not factored in the budget approved by the Fund Committee on 24<sup>th</sup> August 2024. The fund utilized its revolving fund to meet its obligations. 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 Fund did not record additional appropriations on the 2024/2025 budget following the governing body's approval. The Fund'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.

**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 Fund operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not

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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 fund 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 their placement cost of components of an existing investment property at the time that cost is incurred if their recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired

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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 a period, or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

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

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

**f) Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the fund. 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 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.

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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

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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.

**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

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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 recognizes 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

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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.

**m) Nature and purpose of reserves**

The Entity does not create and maintain 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

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

**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 Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Fund Committee, 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

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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 Fund'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.

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- 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.

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**6. Transfers from Other Government entities**

| Description                                                 | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------------------------------|--------------|--------------|
|                                                             | Kshs         | Kshs         |
| <b>Unconditional Grants</b>                                 |              |              |
| Operational Grant                                           | -            | -            |
| Unconditional development grants                            | -            | -            |
| Other Grants                                                | -            | -            |
| <b>Total Unconditional Grants</b>                           | -            | -            |
| <b>Conditional Grants amortised/ transferred to revenue</b> | -            |              |
| Development Grant                                           | -            | -            |
| Operational Grant                                           | -            | -            |
| Other Organizational Grants                                 | -            | -            |
| <b>Total Government Grants and Subsidies</b>                | -            | -            |

**c) Transfers from County Departments**

| Name of The Entity Sending the Grant | Amount recognized to Statement of Financial performance.<br>* | Amount deferred under deferred income. | Amount recognised in capital fund. | Total transfers(Cu rrent FY) | Insert Comparative FY |
|--------------------------------------|---------------------------------------------------------------|----------------------------------------|------------------------------------|------------------------------|-----------------------|
|                                      | Kshs                                                          | Kshs                                   | Kshs                               | Kshs                         | Kshs                  |
| -                                    | -                                                             | -                                      | -                                  | -                            | -                     |
| -                                    | -                                                             | -                                      | -                                  | -                            | -                     |
| <b>Total</b>                         | -                                                             | -                                      | -                                  | -                            | -                     |

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**7.Public Contributions and Donations**

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

**8.Transfers in-kind.**

| Description                                           | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------------------------|--------------|--------------|
|                                                       | Kshs         | Kshs         |
| Payments by County Department on behalf of the entity | -            | -            |
| Others                                                | -            | -            |
| <b>Total Transfers in-kind</b>                        | -            | -            |

**9.Interest income**

| Description                    | FY 2024/2025      | FY 2023/2024      |
|--------------------------------|-------------------|-------------------|
|                                | Kshs              | Kshs              |
| Interest Income From Car Loans | 322,126.20        | 481,307.83        |
| Others                         | -                 | -                 |
| <b>Total Interest income</b>   | <b>322,126.20</b> | <b>481,307.83</b> |

**10.Rendering of Services**

| Description                                         | FY 2024/2025 | FY 2023/2024 |
|-----------------------------------------------------|--------------|--------------|
|                                                     | Kshs         | Kshs         |
| Training Fees                                       | -            | -            |
| Others (specify)                                    | -            | -            |
| <b>Total Revenue from The Rendering of Services</b> | -            | -            |

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**11. Rental Revenue from Facilities and Equipment**

| Description              | FY 2024/2025 | FY 2023/2024 |
|--------------------------|--------------|--------------|
|                          | Kshs         | Kshs         |
| Operating Lease Revenues | -            | -            |
| Contingent Rentals*      | -            | -            |
| <b>Total Rentals</b>     | -            | -            |

**12. Fees and other charges**

| Description                         | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------|--------------|--------------|
|                                     | Kshs         | Kshs         |
| Fees                                | -            | -            |
| Charges from defaults               | -            | -            |
| Others                              | -            | -            |
| <b>Total Fees and other charges</b> | -            | -            |

**13. Other Income**

| Description                                     | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------------------|--------------|--------------|
|                                                 | Kshs         | Kshs         |
| Interest on cash investments and fixed deposits | -            | -            |
| Interest on Bank balances                       | -            | -            |
| Interest income from Treasury Bills             | -            | -            |
| Interest income from Treasury Bonds             | -            | -            |
| Insurance recoveries                            | -            | -            |
| Income from sale of tender                      | -            | -            |
| Services concession income                      | -            | -            |
| Skills development levy                         | -            | -            |
| Bad debts recovered                             | -            | -            |
| Miscellaneous incomes                           | -            | -            |
| <b>Total Other income</b>                       | -            | -            |

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**14. Use of Goods and Services**

| Description                             | FY 2024/2025      | FY 2023/2024     |
|-----------------------------------------|-------------------|------------------|
|                                         | Kshs              | Kshs             |
| Electricity                             | -                 | -                |
| Water                                   | -                 | -                |
| Subscriptions                           | -                 | -                |
| Advertising                             | -                 | -                |
| Administration Fees                     | 401,800           | -                |
| Audit Fees                              | -                 | -                |
| Conferences and Delegations             | -                 | -                |
| Loan Processing Costs                   | -                 | -                |
| Consumables                             | -                 | -                |
| Fuel and Oil                            | -                 | -                |
| Insurance                               | -                 | 43,167.00        |
| Legal Expenses                          | -                 | -                |
| Licenses and Permits                    | -                 | -                |
| Postage                                 | -                 | -                |
| Printing and Stationery                 | -                 | -                |
| Hire Charges                            | -                 | -                |
| Rent expenses                           | -                 | -                |
| Security Costs                          | -                 | -                |
| Skills Development Levies               | -                 | -                |
| Inventory Scrapping                     | -                 | -                |
| Telecommunication                       | -                 | -                |
| Training                                | -                 | -                |
| Travel, Subsistence & Other Allowances* | -                 | -                |
| Bank charges                            | 2,940.00          | 2,242.75         |
| Other – refund to car loan              | -                 | -                |
| <b>Total</b>                            | <b>404,740.00</b> | <b>45,409.75</b> |

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**15. Employee Costs**

| Description                                            | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------------------|--------------|--------------|
|                                                        | Kshs         | Kshs         |
| Salaries and wages                                     | -            | -            |
| Employer contribution to health insurance schemes      | -            | -            |
| Employer contribution to pension schemes               | -            | -            |
| Travel, accommodation, subsistence, & other allowances | -            | -            |
| Housing benefits and allowances                        | -            | -            |
| Overtime payments                                      | -            | -            |
| Performance and other bonuses                          | -            | -            |
| Social contributions                                   | -            | -            |
| Gratuity                                               | -            | -            |
| Extraneous                                             | -            | -            |
| Other employee related costs *                         | -            | -            |
| <b>Employee costs</b>                                  | -            | -            |

**16. Board Expenses**

| Description                   | FY 2024/2025 | FY 2023/2024 |
|-------------------------------|--------------|--------------|
|                               | Kshs         | Kshs         |
| Chairman/Directors' Honoraria | -            | -            |
| Sitting Allowances            | -            | -            |
| Medical Insurance             | -            | -            |
| Induction and Training        | -            | -            |
| Travel and Accommodation      | -            | -            |
| Other Allowances              | -            | -            |
| <b>Total</b>                  | -            | -            |

**17. Depreciation and Amortization Expense**

| Description                                | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------|--------------|--------------|
|                                            | Kshs         | Kshs         |
| Property, plant, and equipment             | -            | -            |
| Intangible assets                          | -            | -            |
| Investment property carried at cost        | -            | -            |
| <b>Total depreciation and amortization</b> | -            | -            |

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**18. Repairs and Maintenance**

| Description                          | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------|--------------|--------------|
|                                      | Kshs         | Kshs         |
| Property and equipment               | -            | -            |
| Investment Property                  | -            | -            |
| Equipment and Machinery              | -            | -            |
| Vehicles                             | -            | -            |
| Furniture and Fittings               | -            | -            |
| Computers                            | -            | -            |
| Others (specify)                     | -            | -            |
| <b>Total Repairs and Maintenance</b> | -            | -            |

**19. Contracted Services**

| Description                      | FY 2024/2025 | FY 2023/2024 |
|----------------------------------|--------------|--------------|
|                                  | Kshs         | Kshs         |
| Actuarial Valuations             | -            | -            |
| Investment Valuations            | -            | -            |
| Property Valuations              | -            | -            |
| Others (specify)                 | -            | -            |
| <b>Total Contracted Services</b> | -            | -            |

**20. Grants and Subsidies**

| Description                        | FY 2024/2025 | FY 2023/2024 |
|------------------------------------|--------------|--------------|
|                                    | Kshs         | Kshs         |
| Community Development              | -            | -            |
| Education Initiatives and Programs | -            | -            |
| Social Development                 | -            | -            |
| Community Trust                    | -            | -            |
| Sporting Bodies                    | -            | -            |
| Others (specify)                   | -            | -            |
| <b>Total Grants and Subsidies</b>  | -            | -            |

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**21. Finance Costs**

| Description                                | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------|--------------|--------------|
|                                            | Kshs         | Kshs         |
| Borrowings (amortized cost) *              | -            | -            |
| Finance leases (amortized cost)            | -            | -            |
| Unwinding of discount on lease liabilities | -            | -            |
| Interest on bank overdrafts                | -            | -            |
| Interest on loans from commercial banks    | -            | -            |
| <b>Total finance costs</b>                 | -            | -            |

**22. Gain/Loss on Sale of Assets**

| Description                         | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------|--------------|--------------|
|                                     | Kshs         | Kshs         |
|                                     | -            | -            |
| Property, plant and equipment       | -            | -            |
| Intangible assets                   | -            | -            |
| Other assets not capitalised        | -            | -            |
| <b>Total gain on sale of assets</b> | -            | -            |

**23. Gain/Loss on foreign exchange transactions**

| Description                           | FY 2024/2025 | FY 2023/2024 |
|---------------------------------------|--------------|--------------|
|                                       | Kshs         | Kshs         |
| Gain on foreign exchange transactions | -            | -            |
| Loss on foreign exchange transactions | -            | -            |
| <b>Total Gain/Loss</b>                | -            | -            |

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

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

**25. Impairment Loss**

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

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**26. Taxation**

| Description                                                                  | FY 2024/2025 | FY 2023/2024 |
|------------------------------------------------------------------------------|--------------|--------------|
|                                                                              | Kshs         | Kshs         |
| Current income tax charge                                                    | -            | -            |
| Tax charged on rental income                                                 | -            | -            |
| Tax charged on interest income                                               | -            | -            |
| <b>Deferred tax:</b> [note 44]                                               | -            | -            |
| Original and reversal of temporary differences                               | -            | -            |
| <b>Income tax expense reported in the statement of financial performance</b> | -            | -            |

**27. Cash and Cash Equivalents**

| Description                            | FY 2024/2025         | FY 2023/2024        |
|----------------------------------------|----------------------|---------------------|
|                                        | Kshs                 | Kshs                |
| Bank balances                          | 15,198,300.50        | 8,365,756.35        |
| On - Call Deposits                     | -                    | -                   |
| Fixed Deposits Account                 | -                    | -                   |
| Others                                 | -                    | -                   |
| <b>Total Cash and Cash Equivalents</b> | <b>15,198,300.50</b> | <b>8,365,756.35</b> |

**Detailed Analysis of the Cash and Cash Equivalents**

| Financial Institution            | Account number | FY 2024/2025         | FY 2023/2024        |
|----------------------------------|----------------|----------------------|---------------------|
|                                  |                | Kshs                 | Kshs                |
| <b>a) Bank balances</b>          |                |                      |                     |
| Kenya Commercial Bank            | 1179328914     | 15,198,300.50        | 8,365,756.35        |
| Bank                             |                | -                    | -                   |
| <b>Sub- Total</b>                |                | <b>15,198,300.50</b> | <b>8,365,756.35</b> |
| <b>b) On - Call Deposits</b>     |                |                      |                     |
| Bank                             |                | -                    | -                   |
| <b>Sub- Total</b>                |                | -                    | -                   |
| <b>c) Fixed Deposits Account</b> |                |                      |                     |
| Bank                             |                | -                    | -                   |
| <b>Sub- Total</b>                |                | -                    | -                   |
| <b>d) Others</b>                 |                |                      |                     |
| Cash In Transit                  |                | -                    | -                   |
| Cash In Hand                     |                | -                    | -                   |
| Mobile Money Accounts            |                | -                    | -                   |
| <b>Sub- Total</b>                |                | -                    | -                   |
| <b>Grand Total</b>               |                | <b>15,198,300.50</b> | <b>8,365,756.35</b> |

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**28. Receivables from Exchange Transactions**

| Description                                         | FY 2024/2025         | FY 2023/2024         |
|-----------------------------------------------------|----------------------|----------------------|
|                                                     | Kshs                 | Kshs                 |
| <b>Current Receivables</b>                          |                      |                      |
| Loan interest receivable                            | 158,201.17           | 138,690.88           |
| Current Loan Repayments Due                         | 12,081,242.88        | 14,839,922.10        |
| Fees and other charges due                          | -                    | -                    |
| Accounts receivables                                | 159,381.59           | 562,547.85           |
| Less: Impairment Allowance                          | -                    | -                    |
| <b>Total Current Receivables</b>                    | <b>12,398,825.64</b> | <b>15,541,160.83</b> |
|                                                     | -                    | -                    |
| <b>Non-Current Receivables</b>                      | -                    | -                    |
| Long Term Loan Repayments Due                       | 3,165,638.68         | 7,315,376.39         |
| <b>Total Non- Current Receivables</b>               | <b>3,165,638.68</b>  | <b>7,315,376.39</b>  |
| <b>Total Receivables from Exchange Transactions</b> | <b>15,564,464.32</b> | <b>22,856,537.21</b> |

**(b) Ageing analysis for Receivables from exchange transactions**

| Description        | FY 2024/2025         |                | FY 2023/2024         |                |
|--------------------|----------------------|----------------|----------------------|----------------|
|                    | Kshs                 |                | Kshs                 |                |
|                    | Current FY           | % of the total | Comparative FY       | % of the total |
| Less than 1 year   | 3,165,638.68         | 20%            | 7,241,249.25         | 32%            |
| Between 1- 2 years | -                    | 0%             | -                    | 0%             |
| Between 2-3 years  | 159,381.59           | 1%             | 512,234.16           | 2%             |
| Over 3 years       | 12,239,444.05        | 79%            | 15,103,053.80        | 66%            |
| <b>Total (a+b)</b> | <b>15,564,464.32</b> | <b>100%</b>    | <b>22,856,537.21</b> |                |

**(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

| Impairment allowance/ provision       | FY 2024/2025 | FY 2023/2024 |
|---------------------------------------|--------------|--------------|
|                                       | Kshs         | Kshs         |
| At the beginning of the year          | -            | -            |
| Additional provisions during the year | -            | -            |
| Recovered during the year             | -            | -            |
| Written off during the year           | -            | -            |
| At the end of the year                | -            | -            |

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**29. Receivables from Non-Exchange Transactions**

| Description                                                 | FY 2024/2025 |                | FY 2023/2024   |                |
|-------------------------------------------------------------|--------------|----------------|----------------|----------------|
|                                                             | Kshs         |                | Kshs           |                |
| Specify                                                     | -            |                | -              |                |
| <b>Total receivables</b>                                    | -            |                | -              |                |
|                                                             |              |                |                |                |
| Ageing Analysis- Receivables from non-exchange transactions | Current FY   | % of the total | Comparative FY | % of the total |
| Less than 1 year                                            | -            | %              | -              | %              |
| Between 1-2 years                                           | -            | %              | -              | %              |
| Over 3 years                                                | -            | %              | -              | %              |
| <b>Total</b>                                                | -            | %              | -              | %              |

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

| Description                           | FY 2024/2025 |  | FY 2023/2024 |  |
|---------------------------------------|--------------|--|--------------|--|
|                                       | Kshs         |  | Kshs         |  |
| At the beginning of the year          | -            |  | -            |  |
| Additional provisions during the year | -            |  | -            |  |
| Recovered during the year             | -            |  | -            |  |
| Written off during the year           | -            |  | -            |  |
| At the end of the year                | -            |  | -            |  |

**30. Inventories**

| Description                                                            | FY 2024/2025 |  | FY 2023/2024 |  |
|------------------------------------------------------------------------|--------------|--|--------------|--|
|                                                                        | Kshs         |  | Kshs         |  |
| Consumable stores                                                      | -            |  | -            |  |
| Other goods held for resale                                            | -            |  | -            |  |
| Catering                                                               | -            |  | -            |  |
| Others (specify)                                                       | -            |  | -            |  |
| Less: allowance for impairment                                         | -            |  | -            |  |
| <b>Total inventories at the lower of cost and net realizable value</b> | -            |  | -            |  |

**31. Investments in financial assets**

| Description                                      | FY 2024/2025 |  | FY 2023/2024 |  |
|--------------------------------------------------|--------------|--|--------------|--|
|                                                  | Kshs         |  | Kshs         |  |
| <b>a) Investment in Treasury bills and bonds</b> |              |  |              |  |
| Financial institution                            |              |  |              |  |
| CBK                                              | -            |  | -            |  |
| CBK                                              | -            |  | -            |  |

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|                                                         |   |   |
|---------------------------------------------------------|---|---|
| Sub- total                                              | - | - |
| <b>b) Investment with Financial Institutions/ Banks</b> |   |   |
| Bank x                                                  | - | - |
| Bank y                                                  | - | - |
| Sub- total                                              | - | - |
| <b>c) Equity investments (specify)</b>                  |   |   |
| Equity/ shares in Entity                                | - | - |
| Sub- total                                              | - | - |
| <b>Grand total</b>                                      | - | - |

**d) Movement of Equity Investments**

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

**e) Shareholding in other entities**

For investments in equity share listed under note 31 above, list down the equity investments under the following categories:

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

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**32. Property, Plant and Equipment**

| Cost/Revalued amount                   | Land | Buildings | Motor vehicles | Furniture and fittings | ICT Equipment | Office Equipment | Other Assets (specify) | Capital Work in progress | Total |
|----------------------------------------|------|-----------|----------------|------------------------|---------------|------------------|------------------------|--------------------------|-------|
|                                        | Kshs | Kshs      | Kshs           | Kshs                   | Kshs          | Kshs             | Kshs                   | Kshs                     | Kshs  |
| Depreciation rate                      | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As At 1 July 2024</b>               | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Additions                              | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Disposals                              | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Transfers/Adjustments                  | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| As at 30 <sup>th</sup> June 2025       | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Additions                              | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Disposals                              | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Transfer/Adjustments                   | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As at 30<sup>th</sup> June 2025</b> | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Depreciation And Impairment            |      |           |                |                        |               |                  |                        |                          |       |
| At 1 July 2024                         | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Depreciation                           | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Impairment                             | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Transfers/ Adjustments                 | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As At 30<sup>th</sup> June 2025</b> | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Depreciation                           | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Disposals                              | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Impairment                             | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Transfer/Adjustment                    | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As at 30<sup>th</sup> June 2025</b> | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| Net Book Values                        | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As at 30<sup>th</sup> June 2025</b> | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |
| <b>As at 30<sup>th</sup> June 2025</b> | -    | -         | -              | -                      | -             | -                | -                      | -                        | -     |

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**Valuation**

Land and buildings/ Equipment were valued by valuers in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020).

**(b) Property, Plant and Equipment at Cost**

If the freehold land, buildings, and other assets were stated on the historical cost basis the amounts would be as follows:

| Description                           | Cost | Accumulated Depreciation | NBV  |
|---------------------------------------|------|--------------------------|------|
|                                       | Kshs | Kshs                     | Kshs |
| Land                                  | -    | -                        | -    |
| Buildings                             | -    | -                        | -    |
| Plant And Machinery                   | -    | -                        | -    |
| Motor Vehicles, Including Motorcycles | -    | -                        | -    |
| Computers And Related Equipment       | -    | -                        | -    |
| Office Equipment                      | -    | -                        | -    |
| Furniture and Fittings                | -    | -                        | -    |
| Others ( <i>specify</i> )             | -    | -                        | -    |
| <b>Total</b>                          | -    | -                        | -    |

Property plant and Equipment includes the following assets that are fully depreciated:

| Description                          | Cost or valuation | Normal annual depreciation charge |
|--------------------------------------|-------------------|-----------------------------------|
| Plant and Machinery                  | -                 | -                                 |
| Motor Vehicles including Motorcycles | -                 | -                                 |
| Computers and Related Equipment      | -                 | -                                 |
| Office Equipment                     | -                 | -                                 |
| Furniture and Fittings               | -                 | -                                 |
| Others (specify)                     | -                 | -                                 |
| <b>Total</b>                         | -                 | -                                 |

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**33. Intangible Assets**

| Description                        | FY 2024/2025 | FY 2023/2024 |
|------------------------------------|--------------|--------------|
|                                    | Kshs         | Kshs         |
| <b>Cost</b>                        |              |              |
| At beginning of the year           | -            | -            |
| Additions                          | -            | -            |
| At end of the year                 | -            | -            |
| <b>Amortization and impairment</b> |              |              |
| At beginning of the year           | -            | -            |
| Amortization                       | -            | -            |
| Impairment loss                    | -            | -            |
| At end of the year                 | -            | -            |
| NBV                                | -            | -            |

**34. Investment Property**

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

**35. Trade and Other Payables**

| Description                                        | FY 2024/2025      |                       | FY 2023/2024                   |                       |
|----------------------------------------------------|-------------------|-----------------------|--------------------------------|-----------------------|
|                                                    | Kshs              |                       | Kshs                           |                       |
| Trade payables                                     | 52,137.20         |                       | 429,051.45                     |                       |
| Employee payables                                  | -                 |                       | -                              |                       |
| Third-party payments                               | -                 |                       | -                              |                       |
| Other payables                                     | -                 |                       | -                              |                       |
| <b>Total trade and other payables</b>              | <b>52,137.20</b>  |                       | <b>429,051.45</b>              |                       |
| <b>Ageing analysis: (Trade and other payables)</b> | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY2023/2024</b> | <b>% of the Total</b> |
| Under one year                                     | 52,137.20         | 100%                  | 10,820.25                      | 3 %                   |
| 1-2 years                                          |                   | 0%                    | 418,231.45                     | 97 %                  |

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|  |           |      |            |      |
|--|-----------|------|------------|------|
|  | -         | 0%   | -          | %    |
|  | -         | 0%   | -          | %    |
|  | 52,137.20 | 100% | 429,051.45 | 100% |

ustomers

|                                               | FY 2024/2025      |                       | FY 2023/2024          |                       |
|-----------------------------------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                                               | Kshs              |                       | Kshs                  |                       |
| Customer deposits                             | -                 |                       | -                     |                       |
| Prepayments                                   | -                 |                       | -                     |                       |
| Other deposits                                | -                 |                       | -                     |                       |
| <b>Total deposits</b>                         | -                 |                       | -                     |                       |
|                                               |                   |                       |                       |                       |
| <b>Ageing analysis: (Refundable deposits)</b> | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</b> | <b>% of the Total</b> |
| <b>Under one year</b>                         | -                 | %                     | -                     | %                     |
| 1-2 years                                     | -                 | %                     | -                     | %                     |
| 2-3 years                                     | -                 | %                     | -                     | %                     |
| Over 3 years                                  | -                 | %                     | -                     | %                     |
| <b>Total</b>                                  | -                 |                       | -                     |                       |

37. Provisions

| Description                                          | Leave provision | Bonus provision | Gratuity Provision | Other provision | Total |
|------------------------------------------------------|-----------------|-----------------|--------------------|-----------------|-------|
|                                                      | Kshs            | Kshs            | Kshs               | Kshs            | Kshs  |
| Balance brought forward at the beginning of the year | -               | -               | -                  | -               | -     |
| Additional provisions during the year                | -               | -               | -                  | -               | -     |
| Provision utilised during the year                   | -               | -               | -                  | -               | -     |
| Change due to discount and time value for money      | -               | -               | -                  | -               | -     |
| <b>Total provisions at the end year</b>              | -               | -               | -                  | -               | -     |
| <b>Analysed as:</b>                                  |                 |                 |                    |                 |       |
| Current Provisions                                   | -               | -               | -                  | -               | -     |
| Non-Current Provisions                               | -               | -               | -                  | -               | -     |

38. Finance Lease Obligation

| Description                          | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------|--------------|--------------|
|                                      | Kshs         | Kshs         |
| <b>At the start of the year</b>      | -            | -            |
| Discount interest on lease liability | -            | -            |
| Paid during the year                 | -            | -            |
| <b>At end of the year</b>            | -            | -            |

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**Maturity Analysis**

| Period                  | Amount (Kshs) |
|-------------------------|---------------|
| Year 1                  | -             |
| Year 2                  | -             |
| Year 3                  | -             |
| Year 4                  | -             |
| Year 5 And Onwards      | -             |
| Less: Unearned Interest | -             |
| <b>Total</b>            | -             |

**Analysed as:**

| Description  | Amount (Kshs) |
|--------------|---------------|
| Current      | -             |
| Non- Current | -             |
| <b>Total</b> | -             |

The deferred income movement is as follows:

**39. Deferred Income**

| Description                        | FY 2024/2025 | FY 2023/2024 |
|------------------------------------|--------------|--------------|
|                                    | Kshs         | Kshs         |
| National/ County Government        | -            | -            |
| Public Contributions and Donations | -            | -            |
| <b>Total Deferred Income</b>       | -            | -            |

|                               | National/<br>County<br>Government | Public<br>contributions<br>and donations | Total |
|-------------------------------|-----------------------------------|------------------------------------------|-------|
|                               | Kshs                              | Kshs                                     | Kshs  |
| Balance Brought Forward       | -                                 | -                                        | -     |
| Additions                     | -                                 | -                                        | -     |
| Transfers To Capital Fund     | -                                 | -                                        | -     |
| Transfers To Income Statement | -                                 | -                                        | -     |
| Other Transfers               | -                                 | -                                        | -     |
| Balance Carried Forward       | -                                 | -                                        | -     |

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**40. Employee Benefit Obligations**

| Description                               | Defined benefit plan | Post-employment medical benefits | Other Benefits | (Current FY) | (Comparative FY) |
|-------------------------------------------|----------------------|----------------------------------|----------------|--------------|------------------|
|                                           | Kshs                 | Kshs                             | Kshs           | Kshs         | Kshs             |
| Current Benefit Obligation                | -                    | -                                | -              | -            | -                |
| Non-Current Benefit Obligation            | -                    | -                                | -              | -            | -                |
| <b>Total Employee Benefits Obligation</b> | -                    | -                                | -              | -            | -                |

**Retirement benefit Asset/ Liability**

The Entity does not operate a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by the custodian of the scheme. The scheme is based on percentage of the salary of an employee at the time of retirement. An actuarial valuation to fulfill the financial reporting disclosure requirements of IPSAS39 was carried out as at by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

| Description                 | FY 2024/2025 | FY 2023/2024 |
|-----------------------------|--------------|--------------|
| Discount Rates              | -            | -            |
| Future Salary Increases     | -            | -            |
| Future Pension Increases    | -            | -            |
| Mortality (pre- retirement) | -            | -            |
| Mortality (post-retirement) | -            | -            |
| Withdrawals                 | -            | -            |
| Ill Health                  | -            | -            |
| Retirement                  | -            | -            |

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

| Description                                                             | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------------------------------------------|--------------|--------------|
|                                                                         | Kshs         | Kshs         |
| The return on defined plan assets                                       | -            | -            |
| Actuarial gains/ losses arising from changes in demographic assumptions | -            | -            |
| Actuarial gains/ losses arising from changes in financial assumptions   | -            | -            |
| Actuarial gains and losses arising from experience adjustments          | -            | -            |
| Others (specify)                                                        | -            | -            |
| Adjustments for restrictions on the defined benefit asset               | -            | -            |

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|                                                                    |   |   |
|--------------------------------------------------------------------|---|---|
| <b>Re measurement of the net defined benefit liability (asset)</b> | - | - |
|--------------------------------------------------------------------|---|---|

**b) Amounts recognised in the Statement of Financial Position**

| Description                                                           | FY 2024/2025 | FY 2023/2024 |
|-----------------------------------------------------------------------|--------------|--------------|
|                                                                       | Kshs         | Kshs         |
| Present value of defined benefit obligations(a)                       | -            | -            |
| Fair value of plan assets(b)                                          | -            | -            |
| Funded status(=a-b)                                                   | -            | -            |
| Restrictions on asset recognised                                      | -            | -            |
| Others( <i>specify</i> )                                              | -            | -            |
| <b>Net asset or liability arising from defined benefit obligation</b> | -            | -            |

The Entity does not contribute to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at nil per employee per month. Other than NSSF the Entity has no defined contribution scheme operated by Pension Fund. Employees contribute 0% while employers contribute 0% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

**41. Borrowings**

| Description                                                                   | FY 2024/2025 | FY 2023/2024 |
|-------------------------------------------------------------------------------|--------------|--------------|
|                                                                               | Kshs         | Kshs         |
| <b>a) External borrowings</b>                                                 |              |              |
| Balance at beginning of the year                                              | -            | -            |
| External borrowings during the year                                           | -            | -            |
| Repayments of during the year                                                 | -            | -            |
| <b>Balance at end of the year</b>                                             | -            | -            |
| <b>b) Domestic borrowings</b>                                                 |              |              |
| Balance at beginning of the year                                              | -            | -            |
| Domestic borrowings during the year                                           | -            | -            |
| Repayments during the year                                                    | -            | -            |
| <b>Balance at end of the year</b>                                             | -            | -            |
| <b>Balance at end of the period- domestic and External borrowings c = a+b</b> | -            | -            |
| <b>Short Term Borrowings (Current Portion)</b>                                | -            | -            |

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|                             |   |   |
|-----------------------------|---|---|
| <b>Long Term Borrowings</b> | - | - |
| <b>Total</b>                | - | - |

The analyses of both external and domestic borrowings are as follows:

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

**42. Taxation**

| Description                                      | <b>FY 2024/2025</b> | <b>FY 2023/2024</b> |
|--------------------------------------------------|---------------------|---------------------|
|                                                  | <b>Kshs</b>         | <b>Kshs</b>         |
| At beginning of the year                         | -                   | -                   |
| Income tax charge for the year (note 26)         | -                   | -                   |
| Under/(over) provision in prior year/s (note 26) | -                   | -                   |
| Income tax paid during the year                  | -                   | -                   |
| At end of the year                               | -                   | -                   |

**43. Service Concession Liability**

| Description                                                  | <b>FY 2024/2025</b> | <b>FY 2023/2024</b> |
|--------------------------------------------------------------|---------------------|---------------------|
|                                                              | <b>Kshs</b>         | <b>Kshs</b>         |
| Fair value of service concession assets recognized under PPE | -                   | -                   |
| Accumulated depreciation to date                             | -                   | -                   |
| Net carrying amount                                          | -                   | -                   |
| Service concession liability at beginning of the year        | -                   | -                   |
| Service concession revenue recognized                        | -                   | -                   |
| <b>Service concession liability at end of the year</b>       | -                   | -                   |

**44. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year-end is attributable to the following items:

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| Description                                                    | FY 2024/2025 | FY 2023/2024 |
|----------------------------------------------------------------|--------------|--------------|
|                                                                | Kshs         | Kshs         |
| Accelerated capital allowances                                 | -            | -            |
| Unrealised exchange gains/(losses)                             | -            | -            |
| Revaluation surplus                                            | -            | -            |
| Tax losses carried forward                                     | -            | -            |
| Provisions for liabilities and charges                         | -            | -            |
| <b>Net deferred tax liability/(asset)</b>                      | -            | -            |
| <b>The movement on the deferred tax account is as follows:</b> |              |              |
| <b>Balance at beginning of the year</b>                        | -            | -            |
| Credit to revaluation reserve                                  | -            | -            |
| Under provision in prior year                                  | -            | -            |
| Income statement charge/(credit)                               | -            | -            |
| <b>Balance at end of the year</b>                              | -            | -            |

**45. Cash Generated from Operations**

| Description                                    | FY 2024/2025       | FY 2023/2024      |
|------------------------------------------------|--------------------|-------------------|
|                                                | Kshs               | Kshs              |
| <b>Surplus/Deficit for the year</b>            | <b>(82,613.80)</b> | <b>435,898.08</b> |
| <b>Adjusted for:</b>                           |                    |                   |
| Depreciation                                   | -                  | -                 |
| Non-cash grants received                       | -                  | -                 |
| Contributed assets                             | -                  | -                 |
| Impairment                                     | -                  | -                 |
| Gains and losses on disposal of assets         | -                  | -                 |
| Contribution to provisions                     | -                  | -                 |
| Contribution to impairment allowance           | -                  | -                 |
| <b>Working capital adjustments</b>             |                    |                   |
| Increase in inventory                          | -                  | -                 |
| Increase in receivables                        | -                  | 15,500.00         |
| Increase in deferred income                    | -                  | -                 |
| Increase in payables                           | -                  | -                 |
| Increase in payments received in advance       | -                  | -                 |
| <b>Net cash flow from operating activities</b> | <b>(82,613.80)</b> | <b>451,398.08</b> |

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**46. 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.

**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 2024</b>     |                      |                  |          |          |
| Receivables from exchange transactions     | 15,541,160.38        | -                | -        | -        |
| Receivables from non-exchange transactions | 7,315,376.39         | -                | -        | -        |
| Bank balances                              | 8,365,756.35         | -                | -        | -        |
| <b>Total</b>                               | <b>31,222,293.12</b> | <b>-</b>         | <b>-</b> | <b>-</b> |
| <b>As at 30 June 2025</b>                  |                      |                  |          |          |
| Receivables from exchange transactions     | 12,398,825.64        | -                | -        | -        |
| Receivables from non-exchange transactions | 3,165,638.68         | -                | -        | -        |
| Bank balances                              | 15,198,300.50        | -                | -        | -        |
| <b>Total</b>                               | <b>30,762,764.82</b> | <b>-</b>         | <b>-</b> | <b>-</b> |

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**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 does not have a significant concentration of credit risk. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

| Description                            | Less than 1 month | Between 1-3 months | Over 5 months     | Total             |
|----------------------------------------|-------------------|--------------------|-------------------|-------------------|
|                                        | Kshs              | Kshs               | Kshs              | Kshs              |
| <b>As at 30<sup>th</sup> June 2024</b> |                   |                    |                   |                   |
| Trade payables                         | -                 | 10,820.25          | 418,231.45        | 429,051.70        |
| Current portion of borrowings          | -                 | -                  | -                 | -                 |
| Provisions                             | -                 | -                  | -                 | -                 |
| Deferred income                        | -                 | -                  | -                 | -                 |
| Employee benefit obligation            | -                 | -                  | -                 | -                 |
| Others                                 | -                 | -                  | -                 | -                 |
| <b>Total</b>                           | -                 | <b>10,820.25</b>   | <b>418,231.45</b> | <b>429,051.70</b> |
| <b>As at 30<sup>th</sup> June 2025</b> |                   |                    |                   |                   |
| Trade payables                         | -                 | 52,137.20          | -                 | 52,137.20         |
| Current portion of borrowings          | -                 | -                  | -                 | -                 |
| Provisions                             | -                 | -                  | -                 | -                 |
| Deferred income                        | -                 | -                  | -                 | -                 |
| Employee benefit obligation            | -                 | -                  | -                 | -                 |
| Others ( <i>specify</i> )              | -                 | -                  | -                 | -                 |
| <b>Total</b>                           | -                 | <b>52,137.20</b>   | -                 | <b>52,137.20</b>  |

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**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 on-going 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 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 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:

**Current FY**

| Description                            | In Kshs | Other currencies | Total |
|----------------------------------------|---------|------------------|-------|
|                                        | Kshs    | Kshs             | Kshs  |
| <b>As at 30<sup>th</sup> June 2025</b> |         |                  |       |
| <b>Financial Assets</b>                | -       | -                | -     |
| Investments                            | -       | -                | -     |
| Cash                                   | -       | -                | -     |
| Debtors                                | -       | -                | -     |
| <b>Total Financial Assets</b>          | -       | -                | -     |
| <b>Financial Liabilities</b>           |         |                  |       |
| Trade And Other Payables               | -       | -                | -     |

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|                                               |   |   |   |
|-----------------------------------------------|---|---|---|
| Borrowings                                    | - | - | - |
| <b>Total Financial Liabilities</b>            | - | - | - |
| <b>Net Foreign Currency Asset/(Liability)</b> | - | - | - |

**Foreign currency sensitivity analysis**

**Current FY**

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

**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.

| Description         | Change in currency rate | Effect on Profit before tax | Effect on Equity/Net assets |
|---------------------|-------------------------|-----------------------------|-----------------------------|
|                     | Kshs                    | Kshs                        | Kshs                        |
| <b>FY 2024/2025</b> |                         |                             |                             |
| Euro                | 10%                     | -                           | -                           |
| USD                 | 10%                     | -                           | -                           |
| Sterling pound      | 10%                     | -                           | -                           |
| <b>FY 2023/2024</b> |                         |                             |                             |
| Euro                | 10%                     | -                           | -                           |
| USD                 | 10%                     | -                           | -                           |
| Sterling pound      | 10%                     | -                           | -                           |

**b) Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

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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 increase/decrease by one percentage point as a decrease/increase of Kshs (Current FY: Kshs).

**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.

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**Financial Risk Management**

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

| Description                            | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------------|---------|---------|---------|-------|
|                                        | Kshs    | Kshs    | Kshs    | Kshs  |
| <b>As at 30 June 2025</b>              |         |         |         |       |
| <b>Financial Assets</b>                |         |         |         |       |
| Quoted Equity Investments              | -       | -       | -       | -     |
| <b>Non- Financial Assets</b>           |         |         |         |       |
| Investment Property                    | -       | -       | -       | -     |
| <b>Total</b>                           | -       | -       | -       | -     |
| <b>As at 30<sup>th</sup> June 2024</b> |         |         |         |       |
| <b>Financial Assets</b>                |         |         |         |       |
| Quoted Equity Investments              | -       | -       | -       | -     |
| <b>Non- Financial Assets</b>           |         |         |         |       |
| Investment Property                    | -       | -       | -       | -     |
| <b>Total</b>                           | -       | -       | -       | -     |

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

**iv) Capital Risk Management**

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

| Description                                 | FY 2024/2025 | FY 2023/2024 |
|---------------------------------------------|--------------|--------------|
|                                             | Kshs         | Kshs         |
| Revaluation Reserve                         | -            | -            |
| Retained Earnings                           | -            | -            |
| Reserve                                     | -            | -            |
| <b>Total Funds</b>                          | -            | -            |
| Total Borrowings                            | -            | -            |
| Less: Cash and Bank Balances                | -            | -            |
| Net Debt/(Excess Cash And Cash Equivalents) | -            | -            |
| <b>Gearing</b>                              | 0%           | 0%           |

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**47. 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 Directors/Fund Committees.
- vi) Others

| Description                                            | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------------------|--------------|--------------|
|                                                        | Kshs         | Kshs         |
| <b>Transactions with related parties</b>               |              |              |
| <b>a) Sales to related parties</b>                     |              |              |
| Rent income from govt. Agencies                        | -            | -            |
| Others (specify)                                       | -            | -            |
| <b>Total</b>                                           | -            | -            |
| <b>b) Purchases from related parties</b>               |              |              |
| Purchases of electricity from KPLC                     | -            | -            |
| Purchase of water from govt service providers          | -            | -            |
| Rent expenses paid to govt agencies                    | -            | -            |
| Training and conference fees paid to govt. Agencies    | -            | -            |
| Others (specify)                                       | -            | -            |
| <b>Total</b>                                           | -            | -            |
| <b>c) Grants /transfers from the government</b>        |              |              |
| Grants from National government                        | -            | -            |
| Grants from County government                          | -            | -            |
| Donations in kind                                      | -            | -            |
| <b>Total</b>                                           | -            | -            |
| <b>a) Expenses incurred on behalf of related party</b> |              |              |
| Salaries and wages for employees                       | -            | -            |

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| Description                           | FY 2024/2025 | FY 2023/2024 |
|---------------------------------------|--------------|--------------|
|                                       | Kshs         | Kshs         |
| Goods and services                    | -            | -            |
| Others ( <i>specify</i> )             | -            | -            |
| <b>Total</b>                          |              |              |
| <b>b) Key management compensation</b> |              |              |
| Directors' emoluments                 | -            | -            |
| Compensation to key management        | -            | -            |
| <b>Total</b>                          | -            | -            |

**48. Segment Information**

Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments

**49. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

| Description                                      | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------------|--------------|--------------|
|                                                  | Kshs         | Kshs         |
| <b>Contingent Assets</b>                         |              |              |
| Insurance Reimbursements                         | -            | -            |
| Assets Arising from Determination of Court Cases | -            | -            |
| Reimbursable Indemnities and Guarantees          | -            | -            |
| Receivables From Other Government Entities       | -            | -            |
| Others (Specify)                                 | -            | -            |
| <b>Total</b>                                     | -            | -            |

**Contingent Liabilities**

| Description                                                  | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------------------------------|--------------|--------------|
|                                                              | Kshs         | Kshs         |
| <b>Contingent Liabilities</b>                                | -            | -            |
| Court Case against the Entity                                | -            | -            |
| Bank Guarantees in Favour of Subsidiary                      | -            | -            |
| Contingent Liabilities arising from Contracts Including PPPs | -            | -            |
| Others (Specify)                                             | -            | -            |
| <b>Total</b>                                                 | -            | -            |

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**50. Capital Commitments**

| <b>Capital Commitments</b>    | <b>FY 2024/2025</b> | <b>FY 2023/2024</b> |
|-------------------------------|---------------------|---------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>         |
| Authorised for                | -                   | -                   |
| Authorised and contracted for | -                   | -                   |
| <b>Total</b>                  | -                   | -                   |

**51. Events after the Reporting Period**

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

**52. Ultimate And Holding Entity**

Baringo County Executive Car loan Scheme fund is established by Public Finance Management (Baringo County Car loan Scheme Fund) Regulations 2016 Act. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

**53. Currency**

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

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**20. Appendices**

**Appendix1: Implementation Status of Auditor-General’s Recommendations**

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

| Reference No. on the external audit Report                             | Issue / Observations from Auditor                                                                                                                                                                                 | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Status: (Resolved / Not Resolved) | Timeframe: |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
| Basis for conclusion<br>1. <b>Inaccuracies in Comparative Balances</b> | The statement of changes in net assets reflects accumulated surplus and revolving fund comparative balances which differ with the corresponding balances reflected in the prior year audited financial statements | In Financial Year 2023/2024, the reporting template was amended unlike the one used in the Financial Year 2022/2023. In the reporting template for FY2023/2024, the element of transferring Accumulated Surplus to Revolving Fund was well articulated and therefore we reflected this transfer as an internal designation of funds. Since both Accumulated Surplus and Revolving Fund are held in the same bank account, no physical transfer of funds was necessary apart from the Loan Management Committee approval. | Not resolved                      |            |

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| Reference No. on the external audit Report | Issue / Observations from Auditor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status: (Resolved / Not Resolved) | Timeframe: |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
| 1. Budgetary control performance           | <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs. 1,685,145 and Kshs. 481,308 respectively resulting to an underfunding of Kshs. 1,203,837 or 71% of the budget. Similarly, the Fund spent Kshs. 45,410 against actual receipts of Kshs. 481,308 resulting in an underfunding utilization of Kshs. 435,898 or 91% of the actual receipts.</p> <p>The under-funding and under- utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p> | <p>In the statement of comparison of budget and actual amount, we had projected Kshs. 1,685,145 as our expected income comprising of Kshs. 550,000 as Interest income and Kshs. 1,135,145 as a transfer from Baringo County Executive Mortgage Scheme Fund for insurance cover that had been paid out of Baringo County Executive Car Loan Scheme Fund instead of Baringo County Executive Mortgage Scheme Fund. This amount (Kshs. 1,135,145) did not form part of our income in the statement of financial performance since it was just a transfer and hence was not reflected in actual on comparable basis in the statement of comparison of budget and actual amount. Therefore, out of Kshs. 1,203 837 the Fund had a</p> | Not resolved                      |            |

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| Reference No. on the external audit Report                           | Issue / Observations from Auditor                                                                                                                                                                                                                                                                                                                                                                                                                                       | Management comments                                                                                                                                                                                                                                                                                                                                                    | Status: (Resolved / Not Resolved) | Timeframe: |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | shortfall of Kshs. 68,692 or 5.7%. Indeed, the Fund spent Kshs. 45,410 as compared to income of Kshs. 481,308 meaning our Surplus was not hugely depleted.                                                                                                                                                                                                             |                                   |            |
| Other Matter<br>1.Prior Year Audit Issues                            | In the audit report of the previous year, issues were raised under the report on financial statements and Lawfulness and effective Use of Public Resources. The Management had however not resolved the issues or given an explanation for failure to resolve the recommendations as at 30 June, 2024.                                                                                                                                                                  | Much has been done to correct anomalies reported in prior years. An example is variances in financial statements and schedules, lack of risk management policy.                                                                                                                                                                                                        | Not resolved                      |            |
| Basis for conclusion<br>1. Failure to Charge Motor Vehicle Log Books | Failure to Charge Motor Vehicle Log Books<br>The statement of financial position reflects current and non-current receivables from exchange transactions balances totaling Kshs.22,856,537. However, motor vehicles acquired through loans granted to members did not have comprehensive insurance policies contrary to Regulation 14 (1) of the Fund Regulations, 2023 which requires the borrower to comprehensively insure any vehicle purchased through the scheme. | Suppliers made an agreement with the Loan Management Committee to register the vehicles jointly between the County Government and the loanee before releasing the log books. For Solomon Sirma and Francis Aiyabei, the process is ongoing while for Jepkemboi Kiplagat the joint registration is complete awaiting release by NTSA. The loan management committee has |                                   |            |

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| Reference No. on the external audit Report | Issue / Observations from Auditor                                                                                                                                                                                                                                                                                                                                                                                                                                             | Management comments                                                                                                                                                                                                                                                                                                                                                                                               | Status: (Resolved / Not Resolved) | Timeframe: |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | written demand notices and engaged auctioneers to recover the defaulted loans. Further, the loans management committee intends to transfer this activity to a financial institution in order to perfect collaterals, attached are defaulter demand notices, auctioneers contracts and minutes for mortgage and car loan joint committee meeting                                                                   |                                   |            |
| 2. Loan Defaulters                         | Records provided for audit indicate that loan balances of Kshs.6,857,383 owed by nineteen (19) former county executive committee members and staff were in default in repayments. In addition, the Loan Management Committee had not repossessed the motor vehicles and no measures have been taken to recover these long outstanding loans contrary to Regulation 15(1) of the Public Finance Management (Baringo County Government Car Loan Scheme Fund) Regulations, 2023. | Demand notices have been sent to respective defaulters and currently, the Loan Management Committee has engaged auctioneers to sell charged property. As per our records, Luka Keter, Christopher Lenongonop, David Cherop, David Sergon, Stella Kereto, Maureen Rotich, Mary Panga, Luka C Rotich, Lilian Sadalla, Hillary Innocent, David Rerimoi and Sclar Kimelei cleared their loan. Going forward, the loan | Not resolved                      |            |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments                                                                                                                           | Status: (Resolved / Not Resolved) | Timeframe: |
|--------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
|                                            |                                   | management committee intends to engage a financial institution to manage the loan disbursement and collection because they have the capacity. |                                   |            |



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Fund Administrator

Baringo County Executive Car Loan Scheme

Date:



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**Appendix II: Projects implemented by Baringo County Executive Car Loan Scheme Fund**

Projects implemented by the Fund Funded by development partners and/ or the Government.

| Project title | Project Number | Donor | Period/<br>duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements. (Yes/No) |
|---------------|----------------|-------|---------------------|------------------|-----------------------------------------------------------------------|------------------------------------------------------|
| -             | -              | -     | -                   | -                | -                                                                     | -                                                    |
| -             | -              | -     | -                   | -                | -                                                                     | -                                                    |

**Status of Project Completion**

| S/No | Project Name | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|------|--------------|--------------------|------------------------|----------------------|--------|--------|------------------|
| -    | -            | -                  | -                      | -                    | -      | -      | -                |
| -    | -            | -                  | -                      | -                    | -      | -      | -                |
| -    | -            | -                  | -                      | -                    | -      | -      | -                |

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**Appendix IV: Transfers from Other Government Entities**

| Name of the Entity Transferring the funds | Date received as per bank statement | Nature: Recurrent/Development/ Others | Total Amount - KES | Statement of Financial Performance | Where Recorded/recognized |                 |             |                           | Total Transfers during the Year |
|-------------------------------------------|-------------------------------------|---------------------------------------|--------------------|------------------------------------|---------------------------|-----------------|-------------|---------------------------|---------------------------------|
|                                           |                                     |                                       |                    |                                    | Capital Reserve           | Deferred Income | Receivables | Others - must be specific |                                 |
| -                                         | -                                   | -                                     | -                  | -                                  | -                         | -               | -           | -                         | -                               |
| -                                         | -                                   | -                                     | -                  | -                                  | -                         | -               | -           | -                         | -                               |
| <b>Total</b>                              |                                     |                                       |                    |                                    | -                         | -               | -           | -                         |                                 |

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**Appendix V- Inter-Entity Confirmation Letter**

Name of transferring entity: **Baringo County Government**

Name of beneficiary entity: **Baringo County Executive Car Loan Scheme fund**

| Confirmation of amounts received by Baringo County Executive Car Loan Scheme Fund as at 30th June 2024 |                |               |                 |                 |         |
|--------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|-----------------|---------|
| Reference Number                                                                                       | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
| -                                                                                                      | -              | -             | -               | -               | -       |
| -                                                                                                      | -              | -             | -               | -               | -       |
| -                                                                                                      | -              | -             | -               | -               | -       |
| Total                                                                                                  |                | -             | -               | -               |         |

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

**Head of Accounts:**  
 Name Mukow Kiptoo Sign [Signature] Date 18 NOV 2025

**Fund Administrator:**  
 Name Dans Reima Sign [Signature] Date NOV 2025

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**Appendix VI: Reporting of Climate Relevant Expenditures**

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

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**Appendix VII: Reporting on Disaster Management Expenditure**

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