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REPORT

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OF

THE AUDITOR-GENERAL

ON

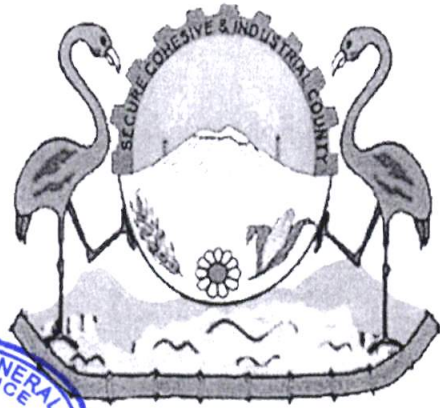
NAKURU COUNTY ENTERPRISE FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	17/2/20
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COMMITTEE	
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NAKURU COUNTY ENTERPRISE FUND

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

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

Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025



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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial year
CECM	County executive committee member
CO	Chief Officer
CPA	Certified Public Accountant
CS	Certified secretary
QS	Quantity Surveyor
BORAQS	Board of Registration for Architects and Quantity Surveyors

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

The Nakuru County Enterprise Fund is established by and derives its authority and accountability from The Nakuru County Enterprise Fund Act, 2020 and the Nakuru County Enterprise Fund Regulations, 2021. The fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

b) Principal Activities

The Funds Principal activities is to;

- ❖ Facilitate access to credit for business capital
- ❖ Promote enterprise development in Nakuru County
- ❖ Facilitate the development of conducive and appropriate business environment for enterprise development.
- ❖ Enhance access to employment
- ❖ Enhance enterprise skills development.
- ❖ Promote local economic growth

c) Fund Administration Committee

Ref	Name	Position
1	Chairperson	Linda Kageha
2	Committee Member	James Mucheru
3	Committee Member	Bashir Abdurrahman
4	Committee Member	Paul Kipngeno Kirui
5	Committee Member	Bernard Sang
6	Committee Member	Joseph Malinda
7	Committee Member	CPA Wilson Mungai
8	Fund Administrator/Secretary	Tabitha Kibithe

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d) Key Management team

Ref	Name	Position
1	Fund Administrator	Tabitha Kibithe
2	Fund Accountant	CPA Wilson Mungai
3	Member	Bernard Sang

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Timothy Mbatia Njoroge
2	Trade, Business support and industrialization Committee	Stanley Karanja-Chairperson

f) Registered Offices

P.O. Box 2870-20100
 Weights and measures
 Nakuru ,KENYA

g) Fund Contacts

Telephone: (254) 722947357
 E-mail: trade.co@nakuru.go.ke
 Website: www.nakuru.go.ke

h) Fund Bankers

- i. Central Bank of Kenya
 Haile Selassie Avenue
 P.O. Box 60000
 City Square 00200
 Nairobi, Kenya
- ii. Kenya Commercial Bank
 KCB House
 Kenyatta Avenue
 P.O. Box 48400-00100
 Nakuru.

i. Independent Auditors

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

ii. Principal Legal Adviser




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

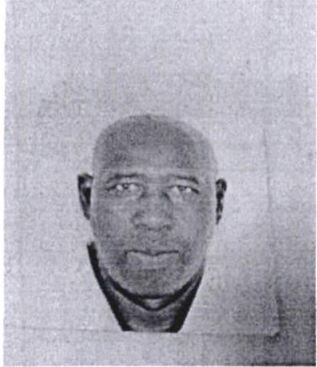


iii. County Attorney

The County Attorney
County Government of Nakuru
P.O. Box 2870
Nakuru, Kenya

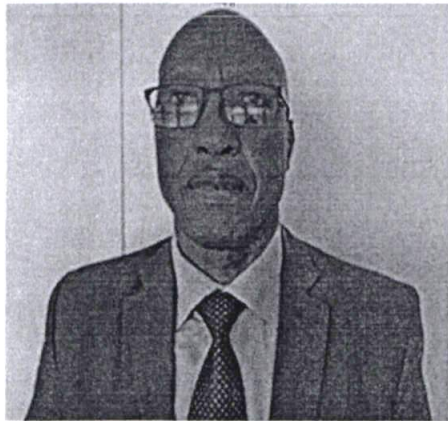
**Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Fund Administration Committee

Name	Details of qualifications and experience
 <p>Miss Linda Kageha Chairperson 1. Date of Birth: 13th Dec 1989</p>	<p>Miss.Linda Kageha is a Holder of Bachelor’s Degree in Business Management and Information Technology. (Kabarak University)</p> <p>She is the Director Kenya National Chamber of Commerce and Industry Nakuru Chapter.</p> <p>Has 10 years of working experience in community service. A Member of Nakuru County Bursary Fund Committee as a Representative of Child Welfare.</p> <p>Currently she is the Chairperson of Nakuru County Enterprise Fund.</p>
 <p>Mr. James Mucheru Board Member Date of Birth 15th April 1985</p>	<p>Mr. James Mucheru is a holder of Diploma from Cambridge international college.</p> <p>Mr. James Mucheru is an undergraduate in Tourism Management from the same Institution.</p> <p>He is the Sales manager Lake Naivasha Resort. Has 10 years of working experience in hotel and hospitality industry.</p> <p>He is also the Board Member for the County Enterprise Fund.</p>
 <p>Bashir Abdulrahaman Committee Member Date of Birth 3rd June 1978</p>	<p>Mr. Bashir Abdulrahaman is a holder of High Diploma in Sales and Marketing with over 6 years’ experience in the Oil Industry.</p> <p>Typical Positions held include Technical Sales Representative, Marketing Executive and Marketing Manager.</p> <p>He is currently working with Rayan logistics limited.</p> <p>He is also the Board Member for the County Enterprise Fund.</p>

 <p>Mr. Paul Kipng'eno Kirui Committee Member Date of Birth 11th Nov 1972</p>	<p>Mr. Paul Kipng'eno holds a Certificate in Building & Construction from RVIST He is the Chairperson of Keringet Business Community</p> <p>He is currently Board Member for the County Enterprise Fund.</p>
 <p>QS Bernard Kipkirui Sang Fund Administrator Date of Birth 25th Sept 1968</p>	<p>QS Bernard Sang holds a Degree of Bachelor of Arts in Building Economics, University of Nairobi. Board Member & Chairman Finance Committee, Kenya Pipeline Company Limited. Board Member & Audit Committee Chair, Kenya Forest Services. BORAQS- Board of Registration of Architects and Quantity Surveyors. Currently he is the Chief Officer Trade and Business Support and holds the position of the Fund Administrator.</p>
 <p>CS Joseph Malinda BOARD MEMBER</p>	<p>CS Joseph Malinda Holds a Master's Degree in Business Management from Kenyatta University, A Bachelors of Law Degree from University Of Nairobi, Diploma in-Law from Kenya School of Law. He is a Certified Secretary (CS) and an Advocate of the High Court of Kenya. He has served the County Assembly of Nakuru as Clerk and Secretary to the County Assembly Service Board. He has previously service various Defunct Local Authorities as the Chief Executive/ Clerk to Council, Kenya Anti-Corruption Authority as an Attorney and Office of the Attorney General as a State Counsel (Public Prosecutions).</p> <p>He currently is the Chief Officer – Finance</p>

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CPA Wilson Mungai

Fund Accountant

CPA Wilson Mungai holds a Master’s Degree from KEMU university and a Bachelor of Arts Degree from the University of Nairobi.

He is a Certified Public Accountant- CPA (K) and Certified Secretary-CS.

He previously was the treasurer Naivasha Municipal Council and was Ag. Chief Officer Finance from August 2022 to Dec 2022.

He currently is the Director of Finance Nakuru County a position he has held from 2013 to date.



M/S Tabitha Kibithe

Fund Secretary

Date of Birth 23rd Sep 1984

M/S Tabitha Kibithe holds an MBA in Strategic Management from Egerton University.




She has a BCOM in Marketing (Egerton University)

She is a Member of MSK of Kenya

She is working with County Government of Nakuru as a Principal Administrative Officer.

She is currently the Fund Manager/Secretary.

4. Management Team

Name	Details of qualifications and experience
 <p>QS Bernard Kipkirui Sang Fund Administrator 1. Date of Birth 25th Sept 1968</p>	<p>QS Bernard Sang holds a Degree of Bachelor of Arts in Building Economics, University of Nairobi. Board Member & Chairman Finance Committee, Kenya Pipeline Company Limited. Board Member & Audit Committee Chair, Kenya Forest Services. BORAQS- Board of Registration of Architects and Quantity Surveyors. Currently he is the Chief Officer Trade and Business Support and holds the position of the Fund Administrator.</p>
 <p>CPA Wilson Mungai 2. Fund Accountant</p>	<p>CPA Wilson Mungai holds a Master's Degree from KEMU university and a Bachelor of Arts Degree from the University of Nairobi.</p> <p>He is a Certified Public Accountant- CPA (K) and Certified Secretary-CS. He previously was the treasurer Naivasha Municipal Council and was Ag. Chief Officer Finance from August 2022 to Dec 2022.</p> <p>He currently is the Director of Finance Nakuru County a position he has held from 2013 to date.</p>
 <p>M/S Tabitha Kibithe Fund Manager/Secretary Date of Birth 23rd Sep 1984</p>	<p>M/S Tabitha Kibithe holds a MBA in Strategic Management from Egerton University. She has a BCOM in Marketing (Egerton University) She is a Member of MSK of Kenya She is working with County Government of Nakuru as a Principal Administrative Officer. She is currently the Fund Manager/Secretary.</p>
<p><i>Note: The Fund Administrator will feature under both the 'Board' and 'Management'.</i></p>	

5. Fund Chairperson's Report

Nakuru County Enterprise Fund had a budget of Ksh. 25, 000,000.00 in the last financial year 2024/25. These funds had not been transferred from CRF to the Nakuru County Enterprise Fund account at Kenya Commercial Bank as at the closure of the Financial Year. The funds utilized were those carried forward from financial year 2023/24.

The Enterprise Fund Board is grateful to oversight the Enterprise Fund. Initially we were involved in the review of Fund regulations and formulation of policies to ensure smooth implementation of the fund. The Board went further to give a helping hand in the sensitization of the community about the fund around all Sub counties and Wards of Nakuru County. Currently we look forward to more than 95 groups benefitting from the fund, which were duly approved by the Board.

As a Board, we are optimistic of a positive performance to meet the initial goal of growing the fund. We look forward to revolving and increasing the funds. We are also looking forward to locally and nationally mobilize resources to be added in the kitty.

There is need for more capacity building on the fund especially in the rural areas so that the society understands that this is a revolving fund and not a grant. We are grateful to the County leadership for setting aside these funds to uplifting businesses because of their nature of affordability.

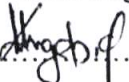
Through a competitive procurement process, KCB Bank was appointed as the Fund Financial Partner, mandated with managing the loan processing, disbursement, and recovery in accordance with Enterprise guidelines

It is also good to note that during the year a member of the Fund Committee Joseph Malinda who was the Chief Officer Finance was recalled back to County Assembly and replaced by Deputy Director Finance Dan Odundo.

That. Miss Tabitha Kibithe has also been replaced by Madam Hawa Ibrahim as the New Fund Administrator effective 19th June 2025.

In conclusion the 2024/2025 financial year marked a foundational phase for the Nakuru County enterprise Fund. The Committee recognizes the tremendous progress made and the dedication of the Fund Secretariat, the Department of Trade, and key stakeholders.

Name: M/S Linda Kageha

Signature.......... Date 30th June, 2025

Chairperson of the Fund Administration Committee

6. Report of the Fund Administrator

The Act of County Assembly of Nakuru to provide for the establishment of The Nakuru County Enterprise Fund for the promotion of the enterprise development of the Fund and for connected purposes.

The fund was fully operational. The Nakuru County Enterprise Fund Board had been appointed and gazetted and further inducted. The fund was officially launched by H.E The Governor of Nakuru County on 29th April 2025. A total of 95 self-help groups had been successful in their loan applications, and the board had approved disbursement of **Kshs 16,190,000.00** This translates to 65% uptake of the fund.

Efforts will be made to ensure that sensitization will be done across the 11 sub counties of Nakuru county which comprise of a total of 55 wards. On the same note, capacity building and training of staff will be prioritized to ensure timely disbursement of the funds, tracking of loans and carrying out risk management on timely basis to ensure risks are at the lowest possible level.

We are hopeful that the County Assembly of Nakuru will increase the allocation so that micro and small enterprises will be reached thus improve the livelihoods of the residents in the County. The enterprise fund unit will also involve the resource mobilization directorate so as to mobilize more funds to grow the fund.

Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

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

- a. The key development objectives of the Fund as per the Act are to:
- b. Provide affordable loans or credit for business capital to persons stipulated under section 10
- c. Providing training and skills development related to enterprise and business development.
- d. Providing technical assistance in product and market development
- e. Facilitating technology acquisition, adoption and utilization provided that not more than 5% of the total monies consisting of the Fund shall be utilized for administration of the Fund.

Progress on attainment of Strategic development objectives

Below is a table showing the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Program 2	Objective	outcome	indicator	Performance
SME Funding	Increased access to financial services to MSMEs	Conducive business environment for enterprises	<ul style="list-style-type: none"> • No. of MSMEs funded • Amount disbursed to MSME’s (millions Kshs) 	<p>50 groups</p> <p>8,670,000</p>

8. Corporate Governance Statement

The Nakuru County Enterprise Fund is committed to promoting transparency, accountability, and ethical management in all its operations. Our governance framework is designed to ensure that the Fund operates efficiently and effectively, in alignment with our mission to support enterprise development and economic growth in Nakuru County.

The Fund is overseen by a Board, which includes representatives from various sectors, including finance, business, and community organizations. The Board is responsible for strategic direction, policy formulation, and oversight of the Fund's activities.

The day-to-day operations of the Fund are managed by the Fund Administrator, supported by a dedicated team of professionals. This team ensures that the Fund's objectives are met and that operations are conducted in compliance with relevant laws and regulations.

The Fund will maintain rigorous financial reporting standards, with regular audits conducted by independent auditors. Financial statements to be published annually and made available to the public.

We will actively engage with stakeholders, including beneficiaries, community members, and government agencies, to ensure that the Fund's activities are aligned with the needs and expectations of the community. All members of the Board and staff are required to adhere to a strict code of conduct, which outlines the ethical standards and behaviors expected in the management of the Fund.

Policies are in place to manage and mitigate conflicts of interest, ensuring that decisions are made in the best interest of the Fund and its beneficiaries.

Regular risk assessments to be conducted to identify and mitigate potential risks to the Fund's operations. This includes financial, operational, and reputational risks. The Fund will comply with all relevant laws and regulations, and will establish internal controls to ensure adherence to these requirements.

The Fund's performance will be continuously monitored and evaluated to ensure that objectives are being met and that resources are being used effectively. Feedback from stakeholders is used to inform improvements and adjustments to the Fund's operations.

By adhering to these governance principles, the Nakuru County Enterprise Fund aims to foster a culture of integrity, accountability, and excellence in service delivery, ultimately contributing to the sustainable economic development of Nakuru County.

Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

The Nakuru County Enterprise Fund, established under the Nakuru County Enterprise Fund Act, 2020, aims to support the growth and development of micro, small, and medium enterprises (MSMEs) within Nakuru County. The Fund will provide accessible credit to local businesses, fostering economic growth and job creation.

The Fund was operationalized in June 2024, following the appointment of the Board. This marked a significant milestone towards providing financial support to local enterprises.

During the FY 2024/25 the Fund plans to disburse KES 25 million in loans to various enterprises, including vegetable vendors, boda boda operators, and farmers as well as offer allocate 25% of the resources to investment training, technical assistance, and market development to ensure that beneficiaries can effectively utilize the loans¹.

The Fund's revenue is derived from county government allocations, contributions, grants. Major expenditures to include loan disbursements, administrative costs, and training programs. The Fund will maintains a strict policy on the utilization of loans, ensuring they are used for approved business purposes.

The Fund will implement measures to assess the creditworthiness of applicants, including mandatory training for loan recipients. This helps mitigate the risk of loan defaults.

Regular audits and compliance checks to be conducted to ensure adherence to financial regulations and internal controls.

The primary challenge faced by the Fund will be in ensuring timely loan repayments and preventing misuse of funds. Additionally, the economic impact of the COVID-19 pandemic has affected the financial stability of many enterprises. The Fund has the potential to significantly boost local economic growth by providing affordable credit to underserved sectors. There is also an opportunity to expand the Fund's reach through partnerships with financial institutions and other stakeholders.

The Nakuru County Enterprise Fund is poised for growth, with plans to increase the loan portfolio and enhance support services for beneficiaries. The Fund aims to continue its mission of fostering economic development and reducing poverty in Nakuru County.

10. Environmental and Sustainability Reporting

❖ Sustainability strategy and profile

The Nakuru County Enterprise Fund will focus on sustainability as a key driver in its own activities. We are committed to improve the environmental performance of our office-based activities, and to be leaders in best practice environmental management of these. This forms a key component of our commitment to demonstrate good environmental practice in our own operations.

To do this we will establish appropriate procedures and practices to minimise the consumption of energy, water, paper and minimise the generation of waste, associated with our office-based activities. These will include:

- a. Reducing energy, water and paper intensity of our office-based operations.
- b. Reducing the amount of waste we produce, and maximising the amount reused and recycled.
- c. Separating our office waste into reusable, recyclable, compost and true waste components.
- d. Communicating our environmental performance through regular reporting.
- e. Striving for continual improvement in our environmental performance through generating awareness, and encouraging participation and feedback.

❖ Environmental performance

It is believed that the environment is the most significant global issue in a way that societal demands are, alongside legislative rules, becoming a greater force in the environmental work made by companies. Adoption of Environmental management assists in:

- Helps in identifying opportunities,
- Can improve efficiency

With consequences of non-compliance being fines and sanctions

❖ Employee welfare

The Nakuru County Enterprise Fund has no employees directly under it.

❖ Market place practices

The organisation should outline its efforts to:

- a) Responsible competition practice.
 - The Fund unit shall be governed by all relevant government financial and procurement laws and regulations as applicable
- b) Loans approval
 - One of the functions of the Board is to approve disbursements or utilization of the Fund.

Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of the Fund committee members

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

Principal activities

The principal activities of the Fund are *highlighted pg iii*

Results

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

Board Members

The members of the Board who served during the year are shown on page vi above.

Auditors

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

By Order of the Management Committee



Miss Linda Kageha

Chair of the Fund Administration Committee

Date: 30 June, 2025

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of Nakuru County Enterprise Fund established by The Nakuru County Enterprise Fund Act, 2020 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.


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

The Administrator of the County Enterprise Fund accepts 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 The Nakuru County Enterprise Fund Act, 2020. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Enterprise Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 20/06/2025 and signed on its behalf by:


.....

Administrator of the Nakuru County Enterprise Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAKURU COUNTY ENTERPRISE 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Nakuru County Enterprise Fund set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2025 and the statement of comprehensive income, 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, the financial statements present fairly, in all material respects, the financial position of Nakuru County Enterprise 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 Nakuru County Enterprise Fund Act, 2020, the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nakuru County Enterprise 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.25,750,000 being transfers from the County Government against actual receipts of Kshs.1,185,270 resulting to an under-funding by Kshs.23,814,730 or 95%. Similarly, the fund had a total expenditure of Kshs.638,245 against an approved budget of Kshs.25,750,000 resulting to an under-expenditure of Kshs.25,111,755 or 3% realization of the budget.

Further, there was no explanation for variances between budgeted and actual amounts contrary to Section 164 (2) (ii) and (iv) of the Public Finance Management Act, 2012 which requires a County Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public and Management was in breach of the law.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

Other Information

The Fund Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Entity Information and Management, Management Team,

Board Chairperson's Report, 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, Report of the Fund Committee Members and Statement of Management's Responsibilities The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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


28 November, 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	0	000
Transfers From the County Government	7	750,000.00	000
Fines, Penalties and Other Levies	8	0	000
		750,000.00	000
Revenue From Exchange Transactions			
Interest Income	9	428,500.00	000
Other Income	10	6,770.00	000
		435,470.00	000
Total Revenue		1,185,270.00	000
Expenses			
Employee Costs	11	0	000
Use of goods and services	12	638,245.00	000
Depreciation and Amortization Expense	13	0	000
Finance Costs	14	0	000
Total Expenses		638,245.00	000
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	0	000
Gain /Loss on fair value of investments	16	0	000
Surplus/(Deficit) for the Period		547,025.00	000



Name: Miss Tabitha Kibithe
Administrator of the Fund



Name: Josephat Asande
Fund Accountant
ICPAK Member Number:30484

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15. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	24,797,225.00	000
Current Portion of Long- Term Receivables from Exchange Transactions	18	0	000
Prepayments	19	0	000
Inventories	20	0	000
Investments in financial assets	21	0	000
Total current assets		24,797,225.00	000
Non-Current Assets			
Property, Plant and Equipment	22	0	000
Intangible Assets	23	0	000
Long Term Receivables from Exchange Transactions	18	0	000
Investment Property	24	0	000
Total non- current assets		0	000
Total Assets (A)		24,797,225.00	000
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	0	000
Current Provisions	26	0	000
Current Portion of Borrowings	27	0	000
Employee Benefit Obligations	28	0	000
Social benefit liabilities	29	0	000
Total current liabilities		0	000
Non-Current Liabilities			
Non-Current Provisions	26	0	000
Long Term Portion of Borrowings	27	0	000
Non-Current Employee Benefit Obligation	28	0	000
Social benefit liabilities	29	0	000

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Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Total Liabilities (B)		0	000
Net Assets (A-B)		24,797,225.00	000
Represented By:			
Revolving Fund		24,250,200.00	000
Reserves		0	000
Accumulated Surplus		547,025.00	000
Net Assets		24,797,225.00	000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The funds financial statements were approved on 30 June 2025 and signed by:

for [Signature]

Name: Miss Tabitha Kibithe
Administrator of the Fund

[Signature]

Name: Josephat Asande
Fund Accountant

ICPAK Member Number: 30 484

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2023)	0	0	0	0
Surplus/(Deficit) For the Period	0	0	0	0
Funds Received During the Year	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance As At 30 June (2024 FY)	0	0	0	0
	0	0	0	0
Balance As At 1 July (2024)	24,250,200	0	0	24,250,200
Surplus/(Deficit) For the Period	547,025	0	0	547,025
Funds Received During the Year	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance As At 30 June (2025)	24,797,225.00	0	0	24,797,225.00

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0	0
Transfers from the county government		750,000.00	0
Interest received		428,500.00	0
Receipts from other operating activities		6,770.00	0
Total receipts		1,185,270.00	0
Payments		0	0
Fund administration expenses		638,245.00	0
General expenses		0	0
Finance cost		0	0
Other payments		0	0
Net cash flows from operating activities	30	547,025.00	0
		0	0
Cash flows from investing activities		0	0
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
		0	0
Cash flows from financing activities		0	0
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		547,025.00	0
Cash and cash equivalents at 1 July	17	24,250,200.00	0
Cash and cash equivalents at 30 June	17	24,797,225.00	0

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	0	0	0	0	%
Receipts						
Public Contributions and Donations	0	0	0	0	0	0%
Transfers From County Govt.	25,000,000.00	(0)	25,000,000.00	750,000.00	24,250,000.00	0%
Interest Income	750,000.00	0	750,000.00	428,500.00	314,530.00	58%
Other Income	0	0	0	6,770.00	0	0%
Total Income	25,750,000.00	(0)	25,750,000.00	1,185,270.00	23,814,730.00	4.7%
Expenses						
Fund Administration Expenses	750,000.00	0	750,000.00	638,245.00	111,755.00	86%
Loan Disbursement	25,000,000.00	0	25,000,000.00	0	25,000,000.00	0%
Finance Cost	0	0	0	0	0	0%
Total Expenditure	25,750,000.00		25,750,000.00	638,245.00	25,111,755.00	24%
Capital expenditure	0					
Surplus For the Period	0	(0)	0	547,025.00	(547.025.00)	0%

Budget notes

Budget Reconciliation.

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	25,000,000.00
1	Account activation fee	200
2	Surplus for the Financial year	547,025.00
3	Less Transfer to Admin Account 3% administrative expenses costs	(750,000.00)
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	24,797,225.00

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19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nakuru County Enterprise Fund is established by and derives its authority and accountability from Nakuru County Enterprise Fund Act 2020. The Fund is wholly owned by the Nakuru County Government and is domiciled in Kenya. The Fund's Principal activities is to provide funds for affordable loan access, training and skills development related to enterprises and business.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: 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

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	financial performance.
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public</p>

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	sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

The Nakuru County Enterprise 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

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Nakuru County Enterprise Fund's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 30th June 2024. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The Nakuru County Enterprise Fund budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Nakuru County Enterprise Fund 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 Nakuru County Enterprise Fund recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 23*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

The Nakuru County Enterprise Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Nakuru County Enterprise Fund recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social

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benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

The Nakuru County Enterprise Fund 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 Nakuru County Enterprise Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Nakuru County Enterprise Fund does not create and maintain reserves in terms of specific requirements. Changes in accounting policies and estimates

The Nakuru County Enterprise Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

j) 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.

k) Borrowing costs

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

l) Related parties

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

m) Cash and cash equivalents

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

n) Comparative figures

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

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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Nakuru County Enterprise 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 judgments, estimates and assumptions made e.g.

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Nakuru County Enterprise Fund 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 Nakuru County Enterprise Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

Nakuru County Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Total	0	0

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	750,000.00	0
Payments By County On Behalf Of The Entity	0	0
Unconditional Development grants	0	0
Total	750,000.00	0

8. Fines, penalties and other levies

Description	2024/2025	2023/2024
	Kshs	Kshs
Late Payment Penalties	0	0
Fines	0	0
Total	0	0

9. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Loans Disbursed	428,500.00	0
Interest Income From Car Loans	0	0
Interest Income From Investments in financial assets	0	0
Interest Income On Bank Deposits	0	0
Total Interest Income	428,500.00	0

Nakuru County Enterprise Fund
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10. Other income

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Bad debts recovered	0	0
Miscellaneous Income	6,770.00	0
Total Other Income	6,770.00	0

11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries And Wages	0	0
Staff Gratuity	0	0
Staff Training Expenses	0	0
Social Security Contribution	0	0
Other	0	0
Total	0	0

12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
General Office Expenses	0	0
Loan Processing Costs	0	0
Professional Services Costs	0	0
Administration Fees	0	0
Committee Allowances	633,800.00	0
Bank Charges	4,445.00	0
Electricity And Water Expenses	0	0
Fuel And Oil Costs	0	0
Insurance Costs	0	0
Postage And Courier	0	0
Printing And Stationery	0	0
Rental Costs	0	0
Security Costs	0	0
Telephone And Communication Expenses	0	0

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Bank Charges	0	0
Audit Fees	0	0
Provision For Doubtful Debts	0	0
Other	0	0
Social benefit expenses*	0	0
Total	638,245.00	0

13. Depreciation and Amortization Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

14. Finance costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

Nakuru County Enterprise Fund

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15. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	00

16. Gain/ (loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
Total Gain	0	0

17. Cash and cash equivalents

Current account operated by the fund are as shown in the table below, movement in the holding account of the fund remains fairly static, this is because all disbursement of loans are done from partner financial institution Loan account, the balance in holding account can only be transferred to partner's loan account in case of Re-payment default. During the current financial year, no re-payment default realized.

Description	2024/2025	2023/2024
	Kshs	Kshs
Car Loan Account	0	0
County Mortgage Account	0	0
Fixed Deposits Account	0	0
On – Call Deposits	0	0
KCB- Holding Account	24,263,035.00	0
KCB- Administration Account	534,190.00	0
Total Cash and Cash Equivalents	24,797,225.00	00

Nakuru County Enterprise Fund

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Equity Bank,		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank		0	0
Sub- Total		0	0
c) Current Account			
Kenya Commercial Bank-Holding Account	1330517121	24,263,035.00	0
Kenya Commercial Bank-Admin Account	1330513355	534,190.00	0
Sub- Total		24,797,225.00	0
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		24,797,225.00	0

18. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	0	0
Due From County Government	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	0	0
Non-Current Receivables		
Long Term Loan Repayments Due	0	0
Total Non- Current Receivables	0	0

Nakuru County Enterprise Fund

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

Total Receivables From Exchange Transactions	0	0
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Additional disclosure on interest receivable

Current portion of long-term loans issued in the current year is ksh 8,570,000.00 the amount was disbursed from the partner financial institution loan account and upfront 5% interest deducted and credited in the fund admin account to aid in daily operation of the fund

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	0	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	428,500.00	0
Current loan repayments due	0	0
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	8,570,000.00	0

19. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Prepaid Rent	0	0
Prepaid Insurance	0	0
Prepaid Electricity Costs	0	0
Other Prepayments (<i>Specify</i>)	0	0
Total	0	0

20. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0
Other Inventories (<i>Specify</i>)	0	0

Total Inventories	0	0
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Detailed disclosure on inventories

	<i>2024/2025</i>	<i>2023/2024</i>
Opening balance	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	0	0

21. Investments in financial assets

Description	<i>2024/2025</i>	<i>2023/2024</i>
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
	0	0
	0	0
	0	0
b. Investment with Financial Institutions/ Banks		
	0	0
	0	0
	0	0
c. Equity investments (specify)		
	0	0
Sub- total	0	0
Grand total	0	0

Movement of Equity Investments

Impairment allowance/ provision	<i>2024/2025</i>	<i>2023/2024</i>
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	(0)	(0)
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) Shareholding in other entities

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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		2024/2025	2023/2024
	%	%	%	Kshs	Kshs	Kshs

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	10%	15%	30%	25%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (2024)	0	0	0	0	0	0
Additions	0	0	0	-	0	0
Disposals	(0)	0	-	-	(0)	(0)
Transfers/Adjustments	0	(0)	0	(0)	(0)	0
Revaluation Adjustments	0	0	0	0	0	0
At 30th June (2024)						
At 1st July (2025)	0	0	0	-	0	0
Additions	(0)	-	-	-	(0)	(0)
Disposals	(0)	0	0	(0)	(0)	(0)
Transfer/Adjustments	0	0	0	0	0	0
Revaluation Adjustments						
At 30th June (2025)	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation And Impairment	(0)	(0)	(0)	(0)	(0)	(0)
At 1 st July (2024)	(0)	-	-	-	(0)	(0)
Depreciation	0	0	0	0	0	0
Impairment						
At 30th June (2024)	(0)	(0)	(0)	-	(0)	(0)
At 1st July (2025)	0	-	-	-	0	0
Depreciation	(0)	(0)	-	-	(0)	(0)
Disposals	0	(0)	(0)	0	0	0
Impairment	0	0	0	0	0	0
Transfer/Adjustment						
At 30th June (2024)	0	0	0	0	0	0
Net Book Values	0	0	0	0	0	0
At 30th June (2024)	0	0	0	0	0	0
At 30th June (2025)	0	0	0	-	0	0

Nakuru County Enterprise Fund

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23. Intangible assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At Beginning of The Year	0	0
Additions	0	0
At End of The Year	0	0
Amortization And Impairment		
At Beginning of The Year	0	0
Amortization	0	0
At End of The Year	0	0
Impairment Loss	0	0
At End of The Year	0	0
NBV	0	0

24. Investment Property

Description	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain/(loss) in fair value (if fair value is elected)	0	0
At end of the year	00	00

25. Trade and other payables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables				
Refundable Deposits				
Accrued Expenses				
Other Payables				
Total Trade and Other Payables				
			00	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)				

26. Provisions

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

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27. Borrowings

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

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

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

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

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

28. Employee benefit obligations

Description	Defined benefit	Post-employment	Other Provisions	2024/2025	2023/2024

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	plan	t medical benefits			
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total					

29. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme	0	0
Nakuru County Enterprises Fund	0	0
Orphaned and vulnerable benefit scheme	<u>0</u>	<u>0</u>
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	00
Current social benefits	0	0
Non-current social benefits	0	0
Total (tie to totals above)	0	00

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30. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	547,025.00	00
Adjusted For:		
Depreciation	0	0
Amortization	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income	0	0
Finance Cost	0	0
Working Capital Adjustments	547,025	
Increase In Inventory	0	0
Increase In Receivables	0	0
Increase In Payables	0	0
Net Cash Flow From Operating Activities	547,025.00	00

31. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	0	0
Transfers To Related Parties	0	0

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	0	0
Due From County Government	25,00,0000.00	0
Total	25,000,000.00	0

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Other Disclosures Continued

e) Due to related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due To Parent Ministry	0	0
Due To County Government	0	0
Due To Key Management Personnel	0	0
Total	0	0

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

(Give details)

33. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	00	00	00	00
At 30 June 2024				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	00	00	00	00

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk on amounts due.

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (2025)				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	00	00	00	00
At 30 June (2024)				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	00	00	00	00

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

The Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2025: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2025 – Kshs 0).

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d) Capital risk management.

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Revaluation reserve	0	0
Revolving fund	24,250,200.00	0
Accumulated surplus	547,025.00	0
Total funds	24,797,225.00	0
Total borrowings		/
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing	/	

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The *Nakuru County Enterprise Fund* Is a County Public Fund established by The Nakuru County Enterprise Fund Act, 2020 under the Ministry of Trade, cooperatives and Tourism? Its ultimate parent is the County Government of Nakuru.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

Nakuru County Enterprise Fund
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20. Annexes

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

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Administrator
Date....30/6/2025...

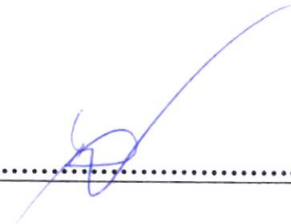
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Annex II: Inter-Fund Confirmation Letter

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

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

Head of Accountants department of beneficiary Fund:

Name ...ERIC NDIRANGU..... Sign .....Date ...30/6/2025

NAKURU County

Nakuru County Enterprise Fund

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

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners