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REPORT

OF

THE AUDITOR-GENERAL

ON

KIAMBU COUNTY ALCOHOLIC DRINKS
CONTROL FUND

FOR THE YEAR ENDED
30 JUNE, 2025

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**COUNTY GOVERNMENT OF KIAMBU
KIAMBU COUNTY ALCOHOLIC DRINKS CONTROL 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)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
ADC	Alcoholic Drinks Control
FY	Financial Year
CECM	County Executive Committee Member
NACADA	National Authority for the Campaign Against Alcohol and Drug Abuse
AWAK	Association of Women Accountants of Kenya
KRA	Kenya Revenue Authority
KEBS	Kenya Bureau of Standards

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.

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2. Key Entity Information and Management

a) Background information

Alcoholic Drinks Control Fund is established by and derives its authority and accountability from the Kiambu County Alcoholic Drinks Control Act, 2024 on 10th December, 2024. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

The fund's objective is to provide for a framework for the licensing and control of production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons dependent on alcoholic drinks.

The Fund's principal activity is to reduce and mitigate the negative health, social and economic impact and other costs on individuals and communities resulting from or associated with production, sale, supply, advertising and consumption of alcoholic drinks.

b) Principal Activities

The principal activity of the Fund is to:

- i) Regulate alcohol production, distribution, advertisement, sale and consumption of alcohol in the County.
- ii) Licensing and enforcing the conditions of a licence granted under the Act.
- iii) Coordinate the establishment, implementation and the operations of alcohol treatment and rehabilitation facilities and programs.
- iv) Undertake public education, training sensitization or in any other manner disseminate information on matters relating to alcohol to the public in order to influence positive social development and responsible drinking culture.

c) Board of Trustees/Fund Administration Committee

The fund has no board of Trustees

d) Key Management team

Ref	Name	Position
1	Salome Muthoni Wanaina	Fund Chairperson
2	John M. Maingi	Fund Administrator
3	Michael Kang'ethe	Director ADC
4	Peggy Mwanduka	Fund Accountant

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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Kiambu County Internal Audit Committee
2	County Assembly	County Assembly Committee

f) Registered Offices

P.O. Box 2344-00900
County Headquarter Offices
Kiambu, KENYA

g) Fund Contacts

Telephone: (254) 742000888
Email: info@kiambu.go.ke
Website: www.kiambu.go.ke

h) Fund Bankers

1. Cooperative Bank of Kenya
Kiambu Branch
P.O Box 1064-00900
Kiambu, Kenya
2. Family Bank Ltd
Kiambu Branch
P.O Box 74145-00200
Nairobi, Kenya

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Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Kiambu County
P.O BOX 2344-00900
Kiambu,
Kenya




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3. Board of Trustees

The fund has no Board of Trustees.

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4. Management Team

Name	Details of qualifications and experience
 <p>1. SALOME MUTHONI WANAINA</p>	<p>FUND CHAIRPERSON Born on February, 1966. She holds an MBA in Strategic Management. She has worked as a General Manager, Strategy and Business Development in Postal Corporation of Kenya and has also worked in Cadbury (K) Limited. She is currently the County Executive Committee Member Administration and Public Service.</p>
 <p>2. JOHN M. MAINGI</p>	<p>FUND ADMINISTRATOR Born on 26th June 1970. He is currently the Chief Officer Administration. He holds a BA in Political Science & Public Administration. He has worked with Parliamentary Service Commission 2013-2022.</p>
 <p>3. MICHAEL K. GACHANJA</p>	<p>DIRECTOR ALCOHOLIC DRINKS CONTROL FUND Born on 1st September, 1969. He's a holder of a Master's degree in counselling psychology and a Bachelor of Arts degree. He has 10 years experience in teaching and 13 years in Administration. He is currently the Director Alcoholic Drinks Control fund since July 2014.</p>

 <p>4. PEGGY K. MWANDUKA</p>	<p>FUND ACCOUNTANT</p> <p>Born on 10th Feb 1992. She's is holder of a Master's degree in Project Management and a Bachelor's degree in Business Management-Accounting option. She's a certified public accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She has over 6 years' experience.</p>
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5. Fund Chairperson's Report

The Kiambu County Alcoholic Drinks Control Fund was operationalised in the year 2013 in compliance with the provisions of the PFM Act 2012. The Kiambu County Alcoholic Drinks Control Fund derives its authority and accountability from the Kiambu County Alcoholic Drinks Control Act, 2024.

The current management of the fund is composed of the Chief Officer- Administration, Director Alcoholic Drinks Control and the Fund Accountant. There was change in the management of the fund during the year under review as a new Fund chairperson has been brought on board.

The fund comprises of monies collected as application fees and license fees and money appropriated by the County Assembly.

There has been a decline in the revenue collected from liquor licenses in the year under review as compared to the previous financial year (2023-2024).

Public participation forums were conducted and members of the public were engaged to ensure the County is free from alcohol abuse. During the year under review, several public education meetings were conducted in the county.

During the reporting period, the Directorate continued advancing more coordinated efforts to address production, sale and consumption of illicit and substandard brews. The county Assembly of Kiambu equally passed the Kiambu County Alcoholic Drinks Control Act, 2024 that is aimed at assisting the Directorate improve on service delivery.

Compliance to the Kiambu County Alcoholic Drinks Control Act, 2024 especially by the county treasury will greatly impact the future outlook of the fund. To be able to implement projects and programs of the fund there is need for adequate budgetary allocation. The county treasury needs to fully comply with the provisions of section 12(5) of the Act.

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In conclusion, as a Fund we commit to undertake projects and programs towards meeting the objectives of the fund.

Name: **Salome Muthoni Wanaina**

Signature *Salome Muthoni Wanaina* Date *27/10/2025*

Chairperson of the Fund

**Kiambu County Alcoholic Drinks Control Fund
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6. Report of The Fund Administrator

Below are the activities undertaken and progress made in FY 24-25 with respect to the Kiambu County Alcoholic Drinks Control Fund.

- The **comparison of budget and actual amounts** on expenditure in the Directorate is 63% with a variance of 37%. The following table shows the variance between actual amounts of expenditure against the budget for FY 24-25.

Item	Budget	Actual	Variance	Variance
	Kshs.	Kshs.	Kshs.	%
Total expenditure	434,140,770	271,760,011	162,380,759	37%

- Inspections and licensing of alcoholic drinks outlets were carried out as provided for in the Kiambu County Alcoholic Drinks Control Act, 2024 for the year under review. The number of outlets operating or seeking license to sell alcoholic drinks has been reduced drastically. **4,669** operators applied to be allowed to operate in the year 2025. Applicants were licensed to operate while **298** operators were denied licenses to operate.
- The Directorate has digitized issuance of licenses at the County level. This ensured that much of the needed County Revenue is collected effectively and efficiently. The digitization has also reduced much corruption that was exhibited during issuance of licenses. The Directorate collected Kes 249,390,985 (Two hundred and forty nine million three hundred ninety thousand, nine hundred and eighty five) for FY 2024-2025.
- The Directorate undertook elaborate public education and awareness meetings with Alcoholic Drinks Traders sensitizing them on provisions of the Kiambu County Alcoholic Drinks Act, 2024 and also on how to detect counterfeit alcoholic drinks in all the 12 sub counties.
- There was effective management on enforcement for purposes of compliance with the provisions of the Kiambu county Alcoholic Drinks Control Act, 2024.

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- The Directorate continued to support Kiambu County Enforcement co-ordination Committee that is tasked with enforcement and compliance. Multiagency sub county committees have continually dealt with non-compliant traders.
- The Directorate through the sub county Alcoholic Drinks Regulatory Committees engaged the public during the licensing process in accordance with the Kiambu county Alcoholic Drinks Control Act, 2024.
- The Kiambu County Appeals Committee deliberated and expeditiously dealt with appeal cases across the county.
- The Directorate prepared and submitted biannual status reports on licensing, impact on licensing, compliance with licensing conditions and public awareness of Alcoholic Drinks control.
- The Directorate in collaboration with the National Police Service sustained crackdown on substandard, counterfeit and illicit brews throughout the year in all the 12 sub counties leading to a decline in production, distribution, sale and consumption of the brews.

WAYFORWARD

- Operationalize Alcoholic Drinks Control Fund by ensuring that the money meant to enforce Kiambu County Alcoholic Drinks Control Act, Revised 2022. The money will be used in other functions of the Directorate.
- Intensify enforcement on non-compliant alcoholic traders as well as the illicit brewers. Continue to sensitize enforcement officers as well as the multiagency team. The enforcement teams require vehicles in order to succeed.
- Ensure the County Government enforcement officers take a lead in apprehending offenders. The officers should be accompanied by armed police officers. Stiff measures should be taken on corrupt officers.
- Finalize the repealing of the Act so as to address some of the gaps identified that continue to stifle the fight against alcoholism and drug abuse.
- Continue working closely with alcoholic drinks traders with a view to enhance self-regulation.
- Organize several meetings with Judiciary and law enforcers so that there is a common goal and team work as far as the fight against alcohol abuse is concerned.

CHALLENGES

- Late/non-remittance of money by the County Treasury into Alcoholic Drinks Control Fund thereby stifling operations of the Directorate.
- Corruption from the police officers/ enforcement officers who collude with non-compliant alcoholic drinks traders thereby making it difficult for County Government to enforce compliance
- Proliferation of wines and spirits due to change in alcohol business during the outbreak of Covid 19 pandemic. Owners of these outlets have wholesale license thereby required to sell in bulk but continue to adulterate alcoholic drinks. This has been addressed by the Kiambu County Alcoholic Drinks Bill, 2024 which has introduced retail wines and spirits outlets with limited hours of operation between 5pm and 11pm.
- Lack of finances to conduct rehabilitation and treatment programs. The County Treasury had allocated **Kes 40,000,000 (forty million)** toward the construction of the County Referral Rehabilitation and Treatment Centre. This was not utilized owing to non-disbursement of the money into the Fund account.
- Illicit brewing along Rivers Makwa, Chania, Thiririka, Athi among others continues to hamper the fight against alcoholism. Multiagency enforcement teams continue to fight this menace.
- The judiciary has frustrated the fight against alcohol and drug abuse by giving lenient fines to offenders.

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- Mobility for the enforcement officers so as to ensure continuous enforcement exercise and compliance.
- An increase of litigations after many outlets were recommended for closure by the County Appeals Committee.

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

Introduction

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

The key development objectives of the Kiambu County Integrated Development Plan (2023-2027) on alcohol control are to:

- (a) To reduce and create awareness on alcohol, drug and substance abuse and offer rehabilitation services.
- (b) Public education on alcoholic drinks control in the county.
- (c) Collaboration with other public institutions and non state actors in fulfilling its mandate.
- (d) Undertake research on alcohol related issues and disseminate finding.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator
Alcohol, drug and substance abuse and rehabilitation.	To reduce and create awareness on alcohol, drug and substance abuse.	Reduced incidences of alcohol, drugs and substance abuse.	Reduction of number of persons arrested while contravening alcohol use laws.
Enforcement and crackdown on illicit brewing.	To enforce compliance to the set legislation on alcohol use.	Reduce illicit brews, counterfeits and substandard alcohol	Reduction of illicit brews.
Research on alcohol, drug and substance abuse.	To carry out a research on the status of alcohol, drug and substance abuse.	Improved planning on alcohol, drug and substance abuse in the county	Number of research reports on status of alcohol, drug and substance abuse.

8. Corporate Governance Statement

The fund does not consist of Board members hence no board meetings were held. The fund is administered by the management team. There are various committees established under this Act. The County Alcoholic Drinks Regulation and Management Committee and Ward Alcoholic Drinks Regulatory Committee established in section 9 and section 11 respectively of Kiambu County Alcoholic Drinks Control Act, 2024.

9. Management Discussion and Analysis

- The multiagency enforcement approach has ensured that both the County and National Government curb the menace of alcoholism. Several joint meetings were organized with a view to ensure there is coordinated effort to fight the menace.
- The Government agencies like NACADA, KRA and KEBS teamed up with County Enforcement teams so as to fight substandard, counterfeit and illicit brews. This helped in ensuring the population was consuming the recommended alcoholic drinks.
- The Directorate started engagement with major stakeholders in alcoholic drinks business as well as the leadership of the bar owners. This relationship helped in the fight against alcohol abuse through self-regulation and policing. It also helped in reduction of the many litigations against Kiambu County Government.
- The Directorate has been conducting the inspection of alcoholic drinks outlets in collaboration with the National Government Administrators, Kenya National Police Service among other multi agencies to ensure that only those outlets that meet the requisite standard are approved.
- Through Multi Agency enforcement the Directorate has managed to crackdown on brewing of illicit brews, counterfeit and substandard alcohol throughout the County. Raids and crackdowns are conducted daily in Changaa and Kangara illicit brews along Rivers Makwa and Chania among other areas. This has received much praise from the public.
- The Directorate organized a number of public education meetings in all the twelve Sub Counties. The forums were organized in order to educate the public on the dangers of alcohol and substance abuse. The meetings were also used as a feedback mechanism on the licensing of alcoholic drinks outlets.
- During the inspections for licensing of alcoholic drinks outlets and operators the Directorate conducted public participation meetings in all the twelve sub counties in order to listen to public views, objections and petitions. The meetings ensured that all the outlets that were licensed were in accordance with the law. The County Appeals Committee sanctioned some public participation meetings in Kairi, Kaibere and Muiri Shopping Centres in Gatundu North, and Kanyariri and Mwimuto Shopping Centres in

Kiambu County Alcoholic Drinks Control Fund
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Kabete Sub County where long standing issues on issuance of alcoholic drinks licenses were resolved.

- The Directorate teamed up with the National Government in ensuring that all the outlets near schools and in residential areas were closed down. This was in line with the directive issued by the Ministry of Interior and National Government.
- The Directorate conducted Public Participation meeting in October 2024 for the proposed site for the construction of Kiambu County Rehabilitation and Treatment Centre at Mbomboini, Lusegetti in Nachu Ward of Kikuyu Municipality. The members of public allowed the County Government to utilize the parcel for the construction of the Referral Centre.
- The Directorate has digitized issuance of licenses at the County level. This ensured that much of the needed County Revenue is collected effectively and efficiently. The digitization has also reduced much corruption that was exhibited during issuance of licenses. The Directorate collected Kes 249,390,985 (Two hundred and forty nine million three hundred ninety thousand, nine hundred and eighty five) for FY 2024-2025.

<i>DETAILS</i>	AMOUNT
1 st Quarter	12,835,845
2 nd Quarter	6,554,971
3 rd Quarter	127,523,349
4 th Quarter	102,476,820
TOTAL	249,390,985

Kiambu County Alcoholic Drinks Control Fund
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10. Environmental and Sustainability Reporting

The purpose of Kiambu County Alcoholic Drinks Control Act, 2021 is to provide for a framework for the licensing and control of production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for person's dependent on alcoholic drinks.

Licensing and control of production, sale, distribution, promotion and use of alcoholic drinks were regulated accordingly. Other activities such as staff training and development, rehabilitation programs were adversely affected due to limited funding.

Community Engagements

Some of the community engagements activities held during the reporting period include public participation, sensitization and public education.

11. Report of The Management

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

Principal activities

The principal activities of the Fund are:

- (i) Regulate alcohol production, distribution, advertisement, sale and consumption of alcohol in the County.
- (ii) Licensing and enforcing the conditions of a licence granted under the Act.
- (iii) Coordinate the establishment, implementation and the operations of alcohol treatment and rehabilitation facilities and programs.
- (iv) Undertake public education, training sensitization or in any other manner disseminate information on matters relating to alcohol to the public in order to influence positive social development and responsible drinking culture.

Results

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

Trustees

The fund did not have a board of trustees.

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.

Name: Salome Muthoni Wanaina

Fund Chairperson & CECM Administration and Public Service

Sign..........

Date:27/10/2025.....

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

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Kiambu County Government Alcoholic Drinks Control Act, 2024; shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

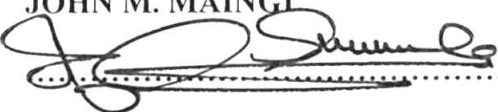
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i)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

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Government Alcoholic Drinks Control Act, 2024. 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.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Management on 27/10/2025 2025 and signed on its behalf by:

JOHN M. MAINGI


Administrator- Alcoholic Drinks Control Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiambu County Alcoholic Drinks Control 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 financial performance, statement of

Report of the Auditor-General on the Kiambu County Alcoholic Drinks Control Fund for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiambu County Alcoholic Drinks Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kiambu County Alcoholic Drinks Control Act, 2024 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unreceipted and Unreconciled Liquor Revenue

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects revenue from fines, penalties and other levies amount of Kshs.249,390,985. Review of revenue records for the Fund revealed that two thousand, eight hundred and thirty-four (2,834) transactions amounting to Kshs.36,507,280 related to funds deposited into the Fund's bank account. However, the respective payers did not present banking slips for receipting. As a result, the amounts remained unreceipted and unreconciled in the revenue system. Further, the unreceipted amounts were not included in the total reported liquor revenue of Kshs.249,390,985, raising concerns on the accuracy and completeness of the financial disclosures.

In the circumstances, the accuracy and completeness of the revenue amount of Kshs.249,390,985 could not be confirmed.

2. Variance in Revenue Transferred to the Receiver of Revenue

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects fines, penalties and other levies amount of Kshs.249,390,985. However, the Receiver of Revenue and County Revenue Fund financial statements submitted for audit reflect an amount of Kshs.161,365,000 as collection from liquor licenses resulting to an unexplained variance of Kshs.88,025,985.

In the circumstances, the accuracy and completeness of the revenue amount of Kshs.249,390,985 could not be confirmed.

3. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 25 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.47,868,985. However, review of the trade and other payables ageing analysis

revealed that a balance of Kshs.44,590,277 had been outstanding for over six (6) years as analyzed below;

S/No.	Payables	Amount (Kshs.)
1	Statutory Deductions for Casual Labourers (FY18-19)	6,163,048
2	Suppliers (FY18-19)	4,268,421
3	Regulatory Committees (August, 2019)	12,890,055
4	Casual Labourers (April, 2019)	7,057,908
5	Casual Labourers (May, 2019)	7,191,184
6	Casual Labourers (June, 2019)	7,019,661
	Total	44,590,277

Management did not explain why the payables had not been treated as a first charge in the financial year ended 30 June, 2025 budget. Further, an amount of Kshs.6,163,048 for statutory deductions had not been remitted to NHIF, NSSF and Commissioner of Income Tax (PAYE) since financial year 2018/2019. Failure to remit statutory deductions may lead to accrued penalties.

In addition, review of minutes dated 30 April, 2024 by Alcoholic Drinks Control Fund's Payable's Reconciliation Committee revealed that payable to casual labourers of Kshs.18,634,093 was paid in 2019. However, Management did not explain why the paid amount was still reported as a payable in the books of accounts, yet the payment was made more than six (6) years ago.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects Fund's revenue budget and actual amount on comparable basis of Kshs.434,140,770 and Kshs.293,531,755 respectively, resulting to under-collection of Kshs.140,609,015 or 32% of the budget.

The under-collection affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources, respectively. Review of the status during audit of the Kiambu County Alcoholic Drinks Control Fund in 2024/2025 revealed that the following matters remained unresolved;

	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Trade and Other Payables
2	2023/2024	Failure to Recognize Own Generated Revenue from Liquor Licensing
3	2023/2024	Failure to Construct a Treatment and Rehabilitation Center

Other Information

The Management is responsible for the Other Information set out on pages iii to xxii which comprise of Key Entity Information and Management, Management Team, Fund 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 Management 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 Kiambu County Alcoholic Drinks Control 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 no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Construct a Treatment and Rehabilitation Center

Review of Fund's budget and workplan for the year under review revealed that the Fund Management allocated Kshs.40,000,000 for construction of a rehabilitation and treatment centre. However, the Fund did not commence the construction of the rehabilitation centre yet funds were allocated for the project in the budget. This was contrary to Section 6(e) of the Kiambu County Alcoholic Drinks Control Act, 2024 which states that the functions of the Directorate shall include coordinating the establishment, implementation and operations of alcohol treatment and rehabilitation facilities and programmes.

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

2. Non-Compliance with the Terms of Service for Sub-County Ward Committee

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects use of goods and services amount of Kshs.21,764,209 which further includes committee allowances amount of Kshs.8,374,800. During the year under review, Kiambu County Alcoholic Drinks Directorate conducted inspection of premises for licensing in twelve (12) Wards and paid allowances totalling Kshs.6,008,000 to various committee members on various dates within the months of February and March, 2025.

However, review of the appointment gazette notices provided for the committee members against the payment made revealed that a total of Kshs.2,080,000 was paid to members who were not gazetted as Ward committee members and the payment was not supported with evidence of how the persons were appointed or nominated to conduct inspections of the premises. Although Management explained that they were representatives of Bar Owners Associations and were replaced by the Association on numerous occasions, therefore it was not possible to have the members gazette, the Kiambu County Alcoholic Drinks Control Act, 2024 provides that a member of a Sub-County Committee except the ex-officio is expected to hold office for a term of three (3) years' renewable once. Therefore, the replacements of the representatives of the Bar Owners Associations was contrary to Section 12(3) of the Kiambu County Alcoholic Drinks Control Act, 2024.

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

3. Irregular Use of Imprest to Directly Procure Goods and Services

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects use of goods and services amount of Kshs.21,764,209 which further includes public education amount of Kshs.1,979,300. However, review of sampled payment vouchers amounting to Kshs.408,250 in respect of surrenders of standing imprest for various activities revealed that the amount was used to directly procure stationery, tents, chairs, decor, beverages, snacks, public address, transport and logistics for various activities and the items exceeded the threshold of Kshs.50,000 for low value goods and services as shown below;

Date	PV No	Activity	Amount (Kshs.)
15/05/2025	60	Public Education and Engagement at Makwa Shopping Center on 14 May, 2025	138,550
16/05/2025	61	Public Education and Engagement at Igegania Shopping Center on 15 May, 2025	138,550
17/02/2025	49	Public Participation Meeting at Kingeroo Shopping Centre	131,250
		Total	408,250

The Fund Management therefore contravened Section 107(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that maximum level of expenditure under the low-value procurement is Kshs.50,000 and Kshs.100,000 for goods and services respectively per financial year.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

10 December, 2025

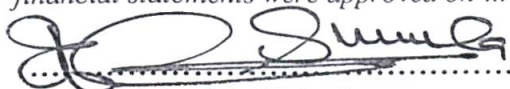
Kiambu County Alcoholic Drinks Control Fund

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

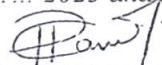
14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	0	0
Transfers From the County Government	7	30,000,000	32,000,000
Fines, Penalties and Other Levies	8	249,390,985	276,875,159
Income wrongly banked	8b	6,258,200	0
		285,649,185	308,875,159
Revenue From Exchange Transactions			
Interest Income	9	0	0
Other Income	10	0	0
Total Revenue		285,649,185	308,875,159
Expenses			
Employee Costs	11	0	0
Use of goods and services	12a	21,764,209	25,121,103
Transfer to CRF	12b	249,390,985	276,820,684
Depreciation and Amortization Expense	13	643,083	0
Outflow of other receipts	12c	6,258,200	0
Total Expenses		278,056,477	301,941,787
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	0	0
Gain /Loss on fair value of investments	16	0	0
Surplus/(Deficit) for the Period		7,592,708	6,933,372

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29/10/2025 and signed by:



Name: John M. Maingi
Administrator of the Fund



Name: Peggy Mwanduka
Fund Accountant
ICPAK Member Number:26469

*Kiambu County Alcoholic Drinks Control Fund***Annual Report and Financial Statements for the year ended June 30, 2025****15. Statement of Financial Position As at 30 June 2025**

Description	Note	Period ended 30th June 2025	Restated balances Period ended 30th June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	21,771,744	14,140,770
Current Portion of Long- Term Receivables from Exchange Transactions	18	0	0
Prepayments	19	0	0
Inventories	20	0	0
Investments in financial assets	21	0	0
Total current assets		21,771,744	14,140,770
Non-Current Assets			
Property, Plant and Equipment	22	3,215,417	0
Intangible Assets	23	0	0
Long Term Receivables from Exchange Transactions	18	0	0
Investment Property	24	0	0
Total non- current assets		3,215,417	0
Total Assets (A)		24,987,161	14,140,770
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	47,868,985	44,590,277
Prior year adjustments	37	0	25,025
Current Portion of Borrowings	27	0	0
Employee Benefit Obligations	28	0	0
Social benefit liabilities	29	0	0
Total current liabilities		47,868,985	44,615,302
Non-Current Liabilities			
Non-Current Provisions	26	0	0
Long Term Portion of Borrowings	27	0	0
Non-Current Employee Benefit Obligation	28	0	0
Social benefit liabilities	29	0	0

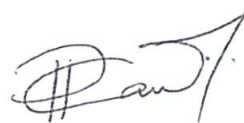
Kiambu County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	Period ended 30th June 2025	Restated balances Period ended 30th June 2024
		Kshs	Kshs
Total Liabilities (B)		47,868,985	44,615,302
Adjustments			
Net Assets (A-B)		(22,881,824)	(30,474,532)
Represented By:			
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		(22,881,824)	(30,474,532)
Net Assets		(22,881,824)	(30,474,532)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 22/07 2025 and signed by:



Name: John M. Maingi
 Administrator of the Fund



Name: Peggy Mwanduka
 Fund Accountant
 ICPAK Member Number: 26469

*Kiambu County Alcoholic Drinks Control Fund***Annual Report and Financial Statements for the year ended June 30, 2025****16. Statement of Changes in Net Assets for the year ended 30th June 2025**

Description	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	(37,382,879)	(37,382,879)
Surplus/(Deficit) For the Period	-	-	6,933,372	6,933,372
Adjustments- Note 26	-	-	25,025	25,025
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Restated Balance As At 30 June 2024	-	-	(30,474,532)	(30,474,532)
Balance As At 1 July 2024	-	-	(30,474,532)	(30,474,532)
Surplus/(Deficit) For the Period		-	7,592,708	7,592,708
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	(22,881,824)	(22,881,824)

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

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

Description	Note	Period ended 30th June 2025	Period ended 30th June 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0	0
Transfers from the county government	7	30,000,000	32,000,000
Liquor licenses	8	249,390,985	276,875,159
Inflow of other receipts	8b	6,258,200	0
Total receipts		285,649,185	308,875,159
Payments			
Employee costs		0	0
Use of goods and services	12a	18,485,501	25,121,103
Transfer to CRF	12b	249,390,985	276,820,684
Outflow of other receipts	12c	6,258,200	0
Adjusted for:			
Prior year adjustments	37	25,025	0
		274,159,711	301,941,787
Net cash flows from operating activities	30	11,489,474	6,933,372
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,858,500)	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		(3,858,500)	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0

Kiambu County Alcoholic Drinks Control Fund

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

Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		7,630,974	6,933,372
Cash and cash equivalents at 1 July	17	14,140,770	7,207,398
Cash and cash equivalents at 30 June	17	21,771,744	14,140,770

Kiambu County Alcoholic Drinks Control Fund

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

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024-2025

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 FY 23-24	-	14,140,770	14,140,770	14,140,770	0	100%
Receipts						
Public Contributions and Donations	0	0	0	0	0	
Transfers From County Govt.	70,000,000	0	70,000,000	30,000,000	40,000,000	43%
Liquor licenses	350,000,000		350,000,000	249,390,985	100,609,015	71%
Total Income	420,000,000	14,140,770	434,140,770	293,531,755	140,609,015	68%
Expenses						
Use of goods and services	25,800,000	14,140,770	39,940,770	18,485,501	21,455,269	46%
Transfer to CRF	350,000,000	0	350,000,000	249,390,985	100,609,015	71%
Purchase of ICT Equipment	4,174,975	0	3,858,500	3,858,500	316,475	92%
Prior year adjustments	25,025	0	25,025	25,025	0	100%
Capital expenditure	40,000,000	0	40,000,000	0	40,000,000	0%
Total Expenditure	420,000,000	14,140,770	434,140,770	271,760,011	162,380,759	63%
Surplus For the Period	0	0	0	21,771,744	(21,771,744)	

Kiambu County Alcoholic Drinks Control Fund

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

Budget notes

1. *There was underutilization of Transfers from County Government and use of goods and services as half of the budgeted funds was disbursed towards the end of the Financial Year.*
2. *There was poor performance realization from Fines, penalties and other levies (Liquor licenses) were issued late in the Financial year under consideration and transfers to CRF of budgeted levies from levies (liquor license) as license approval were issued late in the financial year under consideration.*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kiambu County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Kiambu County Alcoholic Drinks Control Act, 2024. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya. The entity’s principal activity is to reduce and mitigate the negative health, social and economic impact and other costs on individuals and communities resulting from or associated with production, sale, supply, advertising and consumption of alcoholic drinks.

The fund’s objective is to provide for a framework for the licensing and control of production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for person’s dependent on alcoholic drinks.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 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 cashflows of an Entity.

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

	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <ul style="list-style-type: none"> ➤ Provide more detailed disclosures in the financial statements ➤ Enhance its fixed asset register and implement systems for tracking depreciation.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026

Kiambu County Alcoholic Drinks Control Fund

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

	<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 sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><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> <ol 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 Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

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

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

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

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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* 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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Kiambu County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions 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.

**Kiambu County Alcoholic Drinks Control 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	Period ended June 30, 2025	Period ended June 30, 2024
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Total	0	0

7. Transfers from County Government

Description	Period ended June 30th, 2025	Period ended June 30th, 2024
	Kshs	Kshs
Transfers From County Govt. – Operations	30,000,000	32,000,000
Payments By County On Behalf Of The Entity	0	0
Unconditional Development grants	0	0
Total	30,000,000	32,000,000

8. Fines, penalties and other levies

Description	Period ended June 30th, 2025	Period ended June 30th, 2024
	Kshs	Kshs
Fines	0	0
Liquor licenses	249,390,985	276,875,159
Total	249,390,985	276,875,159

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

8b. Inflow of other receipts

Description	Period ended June 30th, 2025	Period ended June 30th, 2024
	Kshs	Kshs
7/2/2025 Revenue- Del monte Kenya Limited RTGS/I/NCP/000010488472	4,298,200	0
7/2/2025 Revenue - Kenchic Limited RTGS/I/NCP/000010497673	1,960,000	0
Total	6,258,200	0

NB: Refers to cash outflow of receipts from single business permit as indicated above which were wrongly banked in the liquor account.

9. Interest income

Description	Period ended June 30th 2025	Period ended June 30th 2024
	Kshs	Kshs
Interest Income from Mortgage Loans	0	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	0	0

10. Other income

Description	Period ended June 30th 2025	Period ended June 30th 2024
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Bad debts recovered	0	0
Miscellaneous Income	0	0
Total Other Income	0	0

11. Employee Costs

Description	Period ended June 30th 2025	Period ended June 30th 2024
	Kshs	Kshs
Salaries And Wages	0	0
Staff Gratuity	0	0
Staff Training Expenses	0	0

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

Social Security Contribution	0	0
Other	0	0
Total	0	0

12. Use of Goods and Services

Description	Period ended June 30th 2025	Period ended June 30th 2024
	Kshs.	Kshs.
General Office Expenses	53,000	72,900
Catering service costs	0	660,000
Workshop costs	254,000	3,138,700
Public participation	1,095,800	6,070,500
Committee Allowances	8,374,800	8,219,000
Bank Charges	37,380	184,903
Other office costs	781,074	0
Fuel And Oil Costs	1,060	5,705
Enforcement training and sensitization costs	3,735,400	50,000
Withholding tax costs	81,397	0
Printing And Stationery	250,000	450,000
Policy drafting costs	74,100	0
Hospitality	740,940	617,895
Telephone And Communication Expenses	5,000	73,500
Capacity building costs	1,022,250	0
Public education	1,979,300	5,578,000
Accrued expenses	3,278,708	0
Total	21,764,209	25,121,103

NB: The total amount Use of Goods and Services Kshs 21,764,209 includes paid expenses for the period amounting to Kshs. 18,845,501 and Accrued expenses amounting to Kshs. 3,278,708.

12b. Transfer of liquor fees to CRF

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs.	Kshs.
Transfer to CRF	249,390,985	276,820,684
Sub Total	249,390,985	276,820,684

Kiambu County Alcoholic Drinks Control Fund

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

12c. Outflow of receipts from Single Business Permits

Description	Period ended June 30th 2025	Period ended June 30th 2024
	Kshs	Kshs
7/2/2025 Revenue- Del monte Kenya Limited RTGS/I/NCP/000010488472	4,298,200	0
7/2/2025 Revenue - Kenchic Limited RTGS/I/NCP/000010497673	1,960,000	0
Total	6,258,200	0

NB: Refers to cash outflow of receipts from single business permit as indicated above which were wrongly banked in the liquor account.

13. Depreciation and Amortization Expenses

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs.	Kshs.
Property Plant and Equipment	643,083	0
Intangible Assets	0	0
Total	643,083	0

Being depreciation expenses for the period.

14. Finance costs

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

14b Accrued expenses

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs.	Kshs.
Supply of licensing papers	417,708	0
Conference fee	520,000	0
Directorate of ADC workshop	2,341,000	0
Sub Total	3,278,708	0

Kiambu County Alcoholic Drinks Control Fund
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15. Gain/(loss) on disposal of assets

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

16. Gain/ (loss) on Fair Value Investments

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets	0	0
Total Gain	0	0

17. Cash and cash equivalents

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Car Loan Account	0	0
County Mortgage Account	0	0
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	21,771,744	14,115,745
Receiving Account	0	25,025
Total Cash and Cash Equivalentents	21,771,744	14,140,770

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

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

Financial Institution	Account number	Period ended 30th June 2025	Period ended 30th June 2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Equity Bank, Etc.		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
Sub- Total		0	0
c) Current Account			
Family Bank	001000041973	21,771,744	14,115,745
Cooperative Bank	014371543516	0	25,025
Sub- Total		21,771,744	14,140,770
d) Others(Specify)		0	0
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		21,771,744	14,140,770

18. Receivables from exchange transactions

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	0	0
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	0	0
Total Non- Current Receivables	0	0
Total Receivables From Exchange Transactions	0	0

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Additional disclosure on interest receivable

Description	Period ended 30th June 2025	Period ended 30th June 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	0	0
Current loan repayments due		
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	0	0

19. Prepayments

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Prepaid Rent	0	0
Prepaid Insurance	0	0
Prepaid Electricity Costs	0	0
Other Prepayments	0	0
Total	0	0

20. Inventories

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0
Other Inventories (Specify)	0	0
Total Inventories	0	0

Kiambu County Alcoholic Drinks Control Fund
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Detailed disclosure on inventories

	Period ended 30th June 2025	Period ended 30th June 2024
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	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b. Investment with Financial Institutions/ Banks		
Bank	0	0
Bank	0	0
Sub- total	0	0
c. Equity investments (specify)		
Equity/ shares	0	0
Sub- total	0	0
Grand total	0	0

Movement of Equity Investments

Impairment allowance/ provision	Period ended 30th June 2025	Period ended 30th June 2025
	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

Kiambu County Alcoholic Drinks Control Fund

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

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		%	%	%	33.3%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	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	0	0	0	0	0	0
At 1st July 2024						
Additions	0	0	0	0	3,858,500	3,858,500
Disposals	0	0	-	-	-	0
Transfer/Adjustments	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0
At 30th June 2025	0	0	0	0	3,858,500	3,858,500
Depreciation And Impairment						
At 1 st July 2023	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Impairment	0	0	-	-	-	0
At 30th June 2024	0	0	0	0	0	0
At 1st July 2024						
Depreciation	0	0	0	0	643,083	643,083
Disposals	0	0	-	-	-	0
Impairment	0	0	0	-	-	0
Transfer/Adjustment	0	0	0	0	0	0
At 30th June 2025	0	0	0	0	3,215,417	3,215,417
Net Book Values						
At 30 th June 2024	0	0	0	0	0	0
At 30 th June 2025	0		0	0	3,215,417	3,215,417

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23. Intangible assets

Description	Period ended 30th June 2025	Period ended 30th June 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	Period ended 30th June 2025	Period ended 30th June 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	0	0

Kiambu County Alcoholic Drinks Control Fund
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25. Trade and other payables from exchange transactions

Description	Period ended 30th June 2025		Period ended 30th June 2024	
	Kshs		Kshs	
Trade Payables	44,590,277		44,590,277	
Refundable Deposits	0		0	
Accrued Expenses Note 14b	3,278,708		0	
Other Payables	0		0	
Total Trade and Other Payables	47,868,985		44,590,277	
Ageing analysis (Trade and other payables)	Period ended 30th June 2025	% of the Total	Period ended 30th June 2024	% of the Total
Under one year	3,278,708	7%	0	0%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	44,590,277	93%	44,590,277	100%
Total	47,868,985	100%	44,590,277	100%

26. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0
Additional provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

Kiambu County Alcoholic Drinks Control Fund

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

27. Borrowings

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Balance At Beginning of The Period	0	0
External Borrowings During the Year	0	0
Domestic Borrowings During the Year	0	0
Repayments of External Borrowings During the Period	0	0
Repayments of Domestic Borrowings During the Period	0	0
Balance At End of The Period	0	0

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

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From ‘ Organization’	0	0
Sterling Pound Denominated Loan From ‘ Organization’	0	0
Euro Denominated Loan from Organization’	0	0
Domestic Borrowings		
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Borrowings From Other Government Institutions	0	0
Total Balance at End of The Year	0	0

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

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0

Kiambu County Alcoholic Drinks Control Fund

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Total	0	0
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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total	0	0	0	0	0

29. Social Benefit Liabilities

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non-current social benefits	0	0
Total	0	0

Kiambu County Alcoholic Drinks Control Fund

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30. Cash generated from operations.

Description	Period ended June 30 th 2025	Period ended June 30 th 2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	7,567,683	6,933,372
Adjusted For:		
Depreciation	643,083	0
Amortization	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income	0	0
Finance Cost	0	0
Working Capital Adjustments		
Increase In Inventory	0	0
Increase In Receivables	0	0
Increase In Payables	3,278,708	0
Net Cash Flow From Operating Activities	11,489,474	6,933,372

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	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Transfers From Related Parties'	30,000,000	32,000,000
Transfers To Related Parties	249,390,985	276,820,684

c) Key management remuneration

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Board Of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Due From Parent Ministry	0	0
Due From County Government	0	0
Total	0	0

Other Disclosures Continued

e) Due to related parties

Description	Period ended 30th June 2025	Period ended 30th June 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	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

NB: No provisions were done as the County was finalizing policy on provision.

33. Financial risk management

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

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

a) Credit risk

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

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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	21,771,744	0	0	0
Total	21,771,744	0	0	0
At 30 June 2024				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	14,140,770	0	0	0
Total	14,140,770	0	0	0

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

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	3,278,708	44,590,277	47,868,985
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	3,278,708	44,590,277	47,868,985
At 30 June 2024				

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Trade Payables	0	0	44,590,277	44,590,277
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	44,590,277	44,590,277

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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
FY 24-25			
Euro	10%	0	0
USD	10%	0	0
FY 23-24			
Euro	10%	0	0
USD	10%	0	0

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

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:

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Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	(22,881,824)	(30,449,507)
Total funds	(22,881,824)	(30,449,507)
Total borrowings	0	0
Less: cash and bank balances	(21,771,744)	(14,140,770)
Net debt/(excess cash and cash equivalents)	(44,653,568)	(44,590,277)
Gearing	51%	68%

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 Kiambu County Alcoholic Drinks Control Fund is a County Public Fund established by Kiambu County Alcoholic Drinks Control Act, 2024 under the Department of Administration. Its ultimate parent is the County Government of Kiambu.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

37. Prior year adjustments

Prior year adjustments for FY ended 30th June 2025				
Accumulated surplus	FY 23-24	Adjustments c/f	Net changes	Remarks
Accumulated surplus	-30,449,507	-30,474,532	25,025	The accumulated surplus had been overstated by Kshs 25,025 which was transferred to ROR.

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	Observations from Auditor	Management comments	Status:	Timeframe
OAG /NRO/KCE/2023/2024 FINANCIAL STATEMENTS	Long outstanding Trade and Other Payables	Lack of adequate funding	Not resolved. Management response was sent to Assembly Awaiting to meet with Assembly to deliberate on the issue.	Immediately after deliberation
OAG /NRO/KCE/2023/2024 ADCF	Failure to recognize Own Generated Revenue from Liquor Licensing	Decisions regarding the transfer of funds are made by the County Treasury	Not resolved. Management response was sent to Assembly Awaiting to meet with Assembly to deliberate on the issue.	Immediately after deliberation
OAG/NRO/KCE/2023/2024 ADCF LAWFULNESS AND EFFECTIVENESS (1)	Failure to construct a Treatment and Rehabilitation Centre	Lack of adequate funding	Not resolved. Management response was sent to Assembly Awaiting to meet with Assembly to deliberate on the issue.	Immediately after deliberation

Fund Administrator

John M. Maingi

Sign.



Date.

27/10/2025

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Annex II: Inter-Fund Confirmation Letter



COUNTY GOVERNMENT OF KIAMBU
 DEPARTMENT OF ADMINISTRATION AND PUBLIC SERVICE
 DIRECTORATE OF ALCOHOLIC DRINKS CONTROL
 P.O. BOX 2344-00900 Kiambu, Kenya

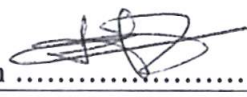
Tel: +254 709 877 000 Email: info@Kiambu.go.ke Website www.Kiambu.go.ke X: @KiambuCountyGovt

The Kiambu County *Alcoholic Drinks Control Fund* wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below.

Confirmation of amounts received by <i>Alcoholic Drinks Control Fund</i> Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Kiambu County (Kshs) as at 30 th June 2025				Amount Received by Kiambu County Alcoholic Drinks Control 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)		
FT25122BJNH6	02/05/2025	15,000,000	0	0	15,000,000	15,000,000	0
FT251920PX6T	30/6/2025	15,000,000	0	0	15,000,000	15,000,000	0
Total					30,000,000	30,000,000	0

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

Head of Accountants ADC Fund:

Name Michael Kangette Sign  Date 27/10/2025

Annex III: Reporting of Climate Relevant Expenditures

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

There was no expenditure on climate change



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Annex IV: Reporting on Disaster Management Expenditure

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

There was no expenditure on disaster management