

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – LIKONI  
CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 17 FEB 2026 DAY. TUESDAY

TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAY



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**LIKONI CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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**Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)**

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

### B. Definition of Key Terms

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

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

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

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

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

### **Mandate**

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

To provide leadership and policy direction for effective and efficient management of the Fund.

### **Core Values**

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

### **Functions of NG-CDF Committee**

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

#### **(b) Key Management**

The NGCDFC LIKONI Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFCB)
- ii. National Government Constituency Development Fund Committee (NGCDFCC)

#### **Fiduciary Management**

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

No	Designation	Name
1.	AIE holder	Mr. Bawazir Mohamed
2.	National Sub-County Accountant	Sabena Wambui
3.	Chairman NG - CDFC	Edward Simiyu Sakwa (operations bank account)
4.	Member NG - CDFC	Mwanamisi Kibanzi (operations bank account)
5.	Member NG - CDFC	Mahmud Juma Salim (deposit bank account)

#### **(c) Fiduciary Oversight Arrangements**

The Audit Committee of the NGCDFC Board provides overall fiduciary oversight on the activities of the NGCDFC Likoni Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDFC Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

**(d) NGCDFC Likoni Constituency Headquarters**

P.O BOX 96780-80110  
NGCDFC Building  
Off Mombasa-Lungalunga Rd (Likoni Flats – Opp Mt. Sinai Academy)  
Mombasa, Kenya

**(e) NGCDFC Likoni Constituency Contacts**

Telephone: (254) 706604839  
E-mail: likonicdf@NGCDFC.go.ke  
Website: likoni.cdf.go.ke

**(f) NGCDFC Likoni Constituency Bankers**

1. Bank A. (Operations Account).  
Cooperative Bank, Likoni Branch  
A/C NO: 01120043565700  
P.O. Box 90430-80100  
Mombasa
2. Bank B. (Deposit account). 01100435657001  
Cooperative Bank, Likoni Branch  
P.O. Box 90430-80100
3. Bank C. (PMC Accounts)  
Cooperative Bank, Likoni Branch  
P.O. Box 90430-80100  
Mombasa

<b>Name</b>	<b>Bank</b>	<b>Account Number</b>
Inspiration Primary School	Coop Bank Likoni	01134627050400
Likoni Primary School	Coop Bank Likoni	01134397352500
Likoni Primary School Classrooms	Coop Bank Likoni	01134627861500
Maji Safi Primary School	Coop Bank Likoni	01139043657504
Longo primary School	Coop Bank Likoni	01129044176500
mtongwe primary school	Coop Bank Likoni	01134627307500
mwangala primary school	Coop Bank Likoni	01134397179700
mweza primary school	Coop Bank Likoni	01134397352700
puma primary school	Coop Bank Likoni	01139628239500
Shikaadabu primary school	Coop Bank Likoni	01139628309800
Mishi Mboko primary Classrooms	Coop Bank Likoni	01141628733203
Mrima Primary School	Coop Bank Likoni	01141628441100
Vyemani Primary School	Coop Bank Likoni	01129627575500

*National Government Constituencies Development Fund (NGCDF)*

*Likoni Constituency*

*Annual Report and Financial Statements for The Year Ended June 30, 2025*

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Likoni Muslim Primary school	Coop Bank Likoni	01139628868200
Timbwani primary school	Coop Bank Likoni	01139657516600
Timbwani primary school p.wall	Coop Bank Likoni	01106575166001
Shonda Primary School	Coop Bank Likoni	01100720472002
Peleleza Primary School	Coop Bank Likoni	01134397155000
Shonda Primary School	Coop Bank Likoni	01100720472003
Mtongwe Girls Secondary school	Coop Bank Likoni	01139628267800
Mwahima Secondary School	Coop Bank Likoni	01139627619701
Timbwani Secondary School	Coop Bank Likoni	01139628892800
Mishimboko Girls Lab	Coop Bank Likoni	01141628434905
Shikaadabu Secondary School	Coop Bank Likoni	01141657594700
Moi Forces Academy	Coop Bank Likoni	01139627577800
Timbwani Secondary School	Coop Bank Likoni	01106288928001
Adult Education Office	Coop Bank Likoni	01141657594400
Timbwani Chief Office	Coop Bank Likoni	01141628638900
Bofu Chief Office	Coop Bank Likoni	01141657595500
Likoni Chiefs Office	Coop Bank Likoni	01141657654500
Mbuta Chiefs Office	Coop Bank Likoni	01141657745800
Shonda Chiefs office	Coop Bank Likoni	01100322378002
Inuka Police station	Coop Bank Likoni	01102043635001
Likoni Ajira Digital Hub	Coop Bank Likoni	01101089966001
Likoni Environment	Coop Bank Likoni	01100435657002
Jamvi La Wageni Primary School	Coop Bank Likoni	01129627675700
Mishi Mboko primary Dorm	Coop Bank Likoni	01141628434902





**(g) Independent Auditor**

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






**(h) Principal Legal Adviser**

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

**3. NGCDFC Committee**

Name	Details
 Edward Simiyu Sakwa	<p><b><u>Male Adult Representative</u></b>                      Date of Birth: 03/02/1973                      Highest Academic Qualification: CPA part 1                      Professional Qualification:                      Work Experience: Business                      Position: NG- CDFC Chairman</p>
 Mwanamisi Matano Kibanzi	<p><b><u>Female Youth Representative</u></b>                      Date of Birth: 08/05/1994                      Highest Academic Qualification: KCSE                      Professional Qualification: None                      Work Experience: None                      Position: NG- CDFC Secretary</p>
 Mohamed Rahesi Mohamed	<p><b><u>PWD's Representative</u></b>                      Date of Birth: 28/12/1994                      Highest Academic Qualification: KCSE                      Professional Qualification: None                      Work Experience: None                      Position: NG- CDFC Member</p>
 Mahmoud Juma Salim	<p><b><u>Male Youth Representative</u></b>                      Date of Birth: 28/12/1990                      Highest Academic Qualification: KCSE                      Professional Qualification: None                      Work Experience: None                      Position: NG- CDFC Member</p>

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 <p>Ali Athumani Mwakashi</p>	<p><b><u>Male Adult Representative</u></b> Date of Birth: 19/10/1991 Highest Academic Qualification: KCSE Professional Qualification: None Work Experience: None Position: NG- CDFC Member</p>
 <p>Peter Odhiambo Ogolo</p>	<p><b><u>Co-opted Member Representative</u></b> Date of Birth: 01/01/1975 Highest Academic Qualification: KCSE Professional Qualification: Driver Work Experience: Driving Position: NG- CDFC Member</p>
 <p>Jane Makau</p>	<p><b><u>Female Adult Representative</u></b> Date of Birth: 08/05/1982 Highest Academic Qualification: KCSE Professional Qualification: None Work Experience: Business woman Position: NG- CDFC Member</p>
 <p>BintiAli Alikiza Gongga</p>	<p><b><u>Female Adult Representative</u></b> Date of Birth: 01/04/1963 Highest Academic Qualification: KCSE Professional Qualification: Board governance course Work Experience: NGO's-Civil Society Position: NG- CDFC Member</p>
 <p>Bawazir Mohamed</p>	<p><b><u>Fund Account Manager</u></b> Date of Birth: 08/11/1979 Highest Academic Qualification: Msc Finance Professional Qualification: CPA-K Work Experience: 11 years Position: Fund Account Manager</p>

**OUTGOING NG-CDF COMMITTEE**

	<b>NAME</b>	<b>DETAILS</b>	<b>PERIOD SERVED</b>
1	Mahmoud Juma Salim	Male Youth Representative	9/12/2022-10-11-2024
2	Mwanamisi Matano Kibanzi	Female Youth Representative	9/12/2022-10-11-2024
3	Mohamed Rahesi Mohamed	Male PWDs Representative	9/12/2022-10-11-2024
4	Jane Makau	Female Adult Representative	9/12/2022-10-11-2024
5	Ali Athumani Mwakashi	Male Adult Representative	9/12/2022-10-11-2024
6	Binti Alikiza Gongga	Female Adult Representative	9/12/2022-10-11-2024
7	Edward Simiyu Sakwa	Male Adult Representative	9/12/2022-10-11-2024
8	Peter Odhiambo Ogollo	Co - Opted Member	9/12/2022-10-11-2024

#### 4. NG-CDFC Chairman's Report



Mr Edward Simiyu Sakwa.

On behalf of Likoni NG-CDFC, I take this opportunity to present the financial statement and reports for the period ending June 30, 2025. This report details the revenue and expenditures for the period just completed. Under my leadership, I would like to report that we are on the right track with regard to implementing of NGCDFC Likoni strategic plan for 2023-2027. I am confident that the new strategic plan will serve as a road map in guiding the constituency in realizing its socio economic goals and objectives.

The NGCDFC Likoni had an approved final budget of Kshs 323,838,096 in the Financial year 2024-2025 comprising of a cash book opening balance for both deposit, operational and Pmcs Reconciled Bank balances, however the actual on comparable basis in fy 2024-2025 was ksh 274,396,142.

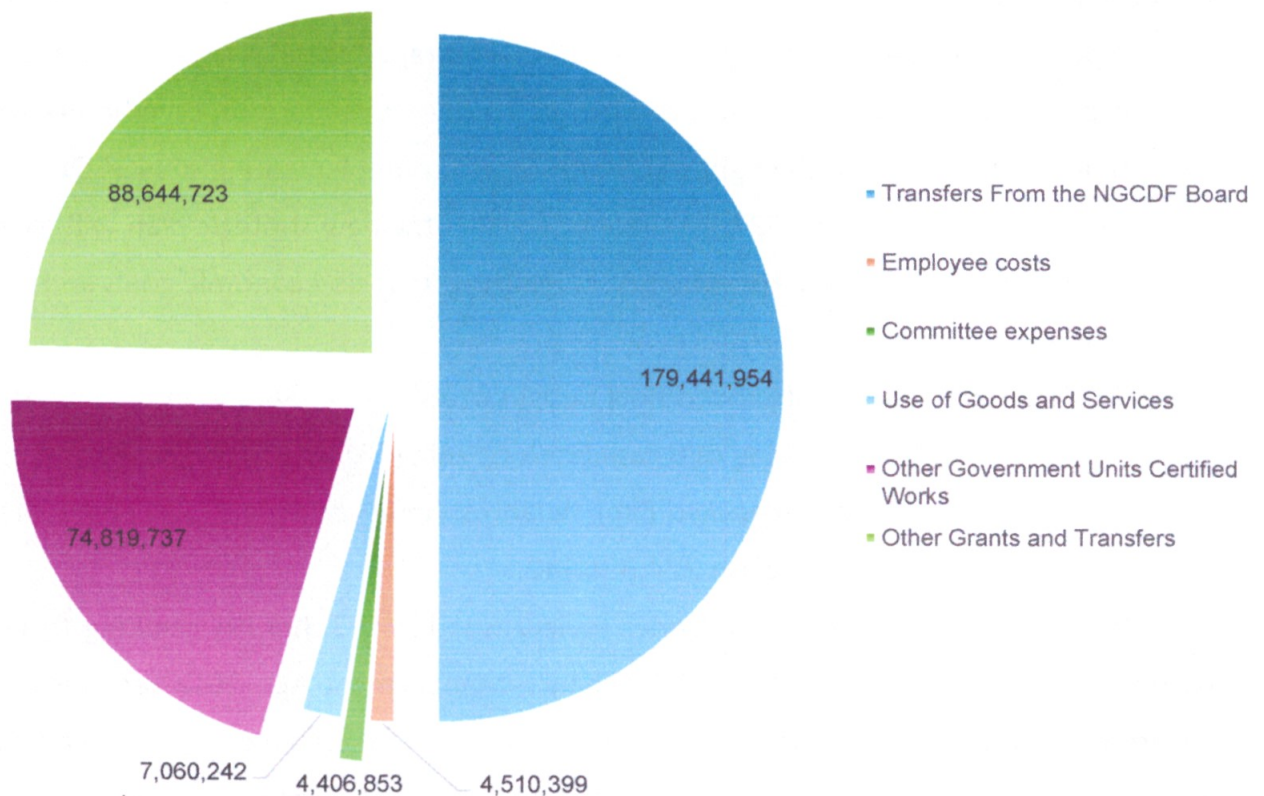
The actual payments for the period under review was ksh 193,893,191 resulting to 60% of the final budget. Section 81 of the Public Finance Management Act, 2012 requires National Government entities to prepare annual reports and financial statements at the end of each financial year. Further, section 81(3) mandates the entities to prepare the annual reports in formats prescribed by the Public Sector Accounting Standards (PSAS) Board, further section 39(4) of the NG- CDF Act 2015 as amended in 2023 mandates the NG- CDF Board to submit

separate financial statements for the secretariat and constituencies to the Auditor General. The constituency is in compliance with the above legal requirements.

Further, the National Treasury vide Press statement released on 3<sup>rd</sup> October, 2024 announced migration from cash-based reporting to accrual basis of accounting. The effective date for the accrual basis was set for 1<sup>st</sup> July, 2024, with the first accrual-based financial statement expected for the financial year ending 30<sup>th</sup> June, 2025. This financial statement is a transition from cash-based to accrual based financial reporting.

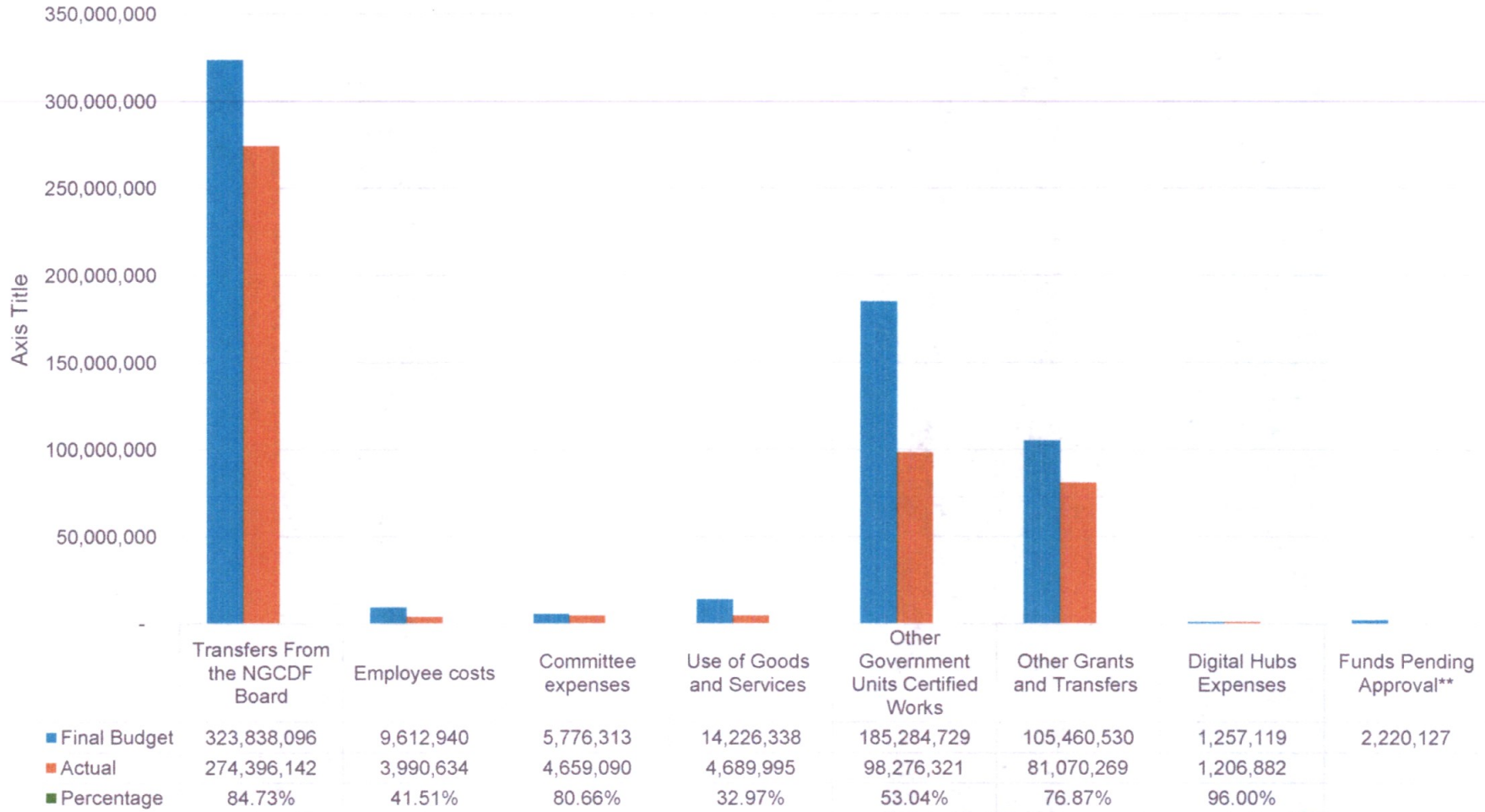
The diagrams below show budgets, receipts and expenditure in FY 2024-2025

### ANNUAL APPROVED BUDGET SUMMARY FY 2024-2025



**Figure 1: SUMMARY BUDGET FOR 2024-2025**

### FINAL BUDGET VS ACTUAL PAYMENT FY-2024-2025



## KEY ACHIEVEMENT

During FY 24-25 we managed to implement some of the following projects listed below

1. Project: Construction of 3 classrooms ground floor building to completion  
Location: Mwahima Secondary School  
Status: Complete



2. Project: Construction of 6 classrooms inclusive of administration block and washrooms block  
Location: Shonda Primary School  
Status: Complete



3. Project: Construction of 4 classrooms on an existing ground floor building  
Location: Likoni Primary School  
Status: Complete





.....  
Name: Edward Simiyu Sakwa

Chairperson NGCDFC Committee

## 5. Statement Of Performance Against Predetermined Objectives for FY2024/25

### Introduction

Section 81 (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 National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *NGCDF Likoni Constituency 2023-2027* plan are to:

- 1) To capture all stakeholders' interests in the constituency.
- 2) To mobilize constituency resources for maximization of available opportunities
- 3) To improve the institutional capacity and visibility of the NG-CDF committee in its pursuit to deliver its mandate.

### Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	<ul style="list-style-type: none"> <li>• Increased enrolment in primary schools to accommodate Junior secondary school</li> <li>• improved transition to secondary schools and eliminate temporary classrooms in the constituency</li> </ul>	Increased enrolment in primary schools to accommodate Junior secondary school, improved transition to secondary schools and eliminate temporary classrooms in the constituency	To build 50 new classrooms, 5 dormitories, 10 Laboratories and renovate 15 schools	<p>In FY 2024/2025 we increased the infrastructure as below;</p> <p>a) Constructed to completion 23 new classrooms at Likoni Muslim, Mwahima Sec School, Mrima Pri. School, Shonda Pri. School, Maji Safi Pri &amp; Timbwani Sec. School</p> <p>b) Construction of Laboratory at Mishimboko Girls-30% completion Level</p>

				c) Renovated 10 classrooms at Inspiration Pri. School
Security	<p>To enhance security in the constituency by 2027, we plan to:</p> <ol style="list-style-type: none"> <li>1. Construct to completion 3 new police station</li> <li>2. Fence 2 Police stations</li> <li>3. Construct 3 new police posts</li> <li>4. Construct 10 units of police house within various police stations</li> <li>5. Construct four chief/Asst. chiefs offices</li> </ol>	<p>Increase the numbers and improve the conditions of police stations within the constituency to mitigate insecurity more so terror attacks</p>	<p>In order to enhancement security within the constituency by 2027:</p> <ol style="list-style-type: none"> <li>a) Three police station constructed</li> <li>b) Three Police station to be fenced</li> <li>c) Constructed 10 Police housing units</li> <li>d) Constructed 3 new police posts</li> <li>e) Constructed 4 chief/Asst chiefs</li> </ol>	<p>In the FY 2024/2025: We are constructing a new Police Station Shonda Location.30% complete.</p>
Climate Change Mitigation Activities	<ol style="list-style-type: none"> <li>a) Enhance clean environment, conservation,</li> <li>b) Preservation and protection of biodiversity</li> <li>c) to mitigate impacts of</li> <li>d) climate change and emergency/disasters</li> </ol>	<ul style="list-style-type: none"> <li>• Restoration of tree nurseries and forest</li> <li>• Tree growing and nurturing</li> <li>• Restoration from degradation and pollution</li> </ul>	<p>Planting of 20,000 mangrove seedlings at Dungu Kundu</p>	<p>20,000 Mangrove seedlings were planted at Dongo Kundu Area in Mbuta Location.</p>

Emergency	To identify uncertain occurrences in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	Ten number Toilet Block was constructed at Jamvi La Wageni Pri. School.
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## 6. Governance Statement

### Statement on Social Corporate Responsibility

The National Government Constituency Development Fund (NG-CDF) Committee is committed to promoting social corporate responsibility through transparent, inclusive, and sustainable development activities within the constituency. The Committee actively engages in the following activities:

- **Community Empowerment:** Implementing projects that enhance livelihoods, such as water supply systems in schools, school infrastructural upgrades, and youth empowerment programs.
- **Education Support:** Providing bursaries and scholarships to underserved students, and developing educational facilities to improve access and quality.
- **Health and Welfare:** Supporting local health initiatives, such as payment for SHA and SHIF to vulnerable persons in the Constituency.
- **Environmental Conservation:** Initiatives aimed at environmental protection, tree planting drives, and waste management to foster sustainable development.
- **Civic Engagement:** Encouraging community participation in decision-making processes through ward meetings to ensure development projects meet local needs and priorities.

The NG-CDF Committee Upholds principles of transparency, accountability, and inclusiveness in all its activities, ensuring that development efforts positively impact the social fabric of the constituency and foster responsible corporate citizenship.

**Appointment and removal of Constituency Committee members:**

The Current NG- CDF Likoni Constituency Committee was appointed vide The Kenya Gazette Notice No. 6462, Vol. CXXVII—No. 98 Nairobi, 21<sup>st</sup> May, 2025. However, the effective date of appointment is 11<sup>th</sup> April, 2025 for a period of 2 years.

Regulation 5(2) creates a vacancy in the Office of Constituencies Committees, in the manner provided. Section 48(8) of the Act is succinct on the expiry of the term of the Committee. Further, Section 43(3) of the NG-CDF Act, 2015 as amended in 2023, the seven persons referred to in Sub-section (2) (b), (c), (d), (e), (f) and (g) shall be selected in the manner prescribed in the Regulations. Regulation 5 and 6 of the NG- CDF Act, 2025 as amended in 2023, provide for the eligibility criteria and procedures for nomination.

Section 43 (13) (a), (b), (c), (d), (e), (f) and (g) provides the manner in which a member of the Constituency Committee may be removed from office, Section 44 of the Act elaborates the manner a Constituency Committee shall be dissolved, Regulation 10 lists the procedure for removal of a Constituency Committee Member and Regulation 5 (2) describes circumstance in which a vacancy may occur in the constituency committee.

**Convening of Constituency Meetings**

Section 43 (6) state that, “The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.”

After appointment of members of the NG- CDF Committee through publication in the Kenya Gazette, and within 120 days of the commencement of the thirteenth parliament, the Deputy County Commissioner (or in his/her absence) the Fund Account Manager shall convene the first meeting of the NG- CDF Committee, during which the members will elect the Chairperson and the Secretary. The Officer of the Board will then submit to the Board the names of the elected Chairperson and Secretary, attaching a certified copy of form four certificate and the academic certificates for the highest level of education attained and the minutes of the NG-

**National Government Constituencies Development Fund (NGCDF)**  
**Likoni Constituency**  
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CDF Committee that approved the appointment. As the management of NG- CDF Likoni Constituency we complied with the Act and its regulations.

In the FY 2023-2024 The Ng-CDF Likoni managed to implement fifteen (15No) NG-CDF Meetings as shown in the table below

Name of NG CDFC member	Meeting s held	Meeting s held	Meeting s held	Meeting s held	Meetings held	Meeting s held	Meetings held	Meetings held
	23/7/24	28/8/24	17/9/24	25/10/24	19/12/24	21/1/25	3/2/25	4/3/25
Binti Ali Kiza	✓	✓	✓	✓	✓	✓	✓	✓
Mwanamii Matano	✓	✓	✓	✓	✓	✓	✓	✓
Mahmud Juma	✓	✓	✓	✓	✓	✓	✓	✓
Mohamed Rahesi	✓	✓	✓	✓	✓	✓	✓	✓
Edward Sakwa	✓	✓	✓	✓	✓	✓	✓	✓
Jane Makao	✓	✓	✓	✓	✓	✓	✓	✓
Peter Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓
Mathew Wambugu	✓	✓	✓	✓	✓	✓	✓	✓

**National Government Constituencies Development Fund (NGCDF)**  
**Likoni Constituency**  
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Name of NG CDFC member	Meeting s held	Meeting s held	Meeting s held	Meeting s held	Meetings held	Meeting s held	Meetings held	Meetings held
	4/3/25	21/3/25	10/4/25	20/4/25	10/5/25	26/6/25	5/6/25	24/6/25
Binti Ali Kiza	✓	✓	✓	✓	✓	✓	✓	✓
Mwanamii Matano	✓	✓	✓	✓	✓	✓	✓	✓
Mahmud Juma	✓	✓	✓	✓	✓	✓	✓	✓
Mohamed Rahesi	✓	✓	✓	✓	✓	✓	✓	✓
Edward Sakwa	✓	✓	✓	✓	✓	✓	✓	✓
Jane Makao	✓	✓	✓	✓	✓	✓	✓	✓
Peter Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓
Mathew Wambugu	✓	✓	✓	x	✓	✓	✓	✓

**Tenure of the Constituency Committee**

As per the provision of Section 43 (8) and (9) of the NG- CDF Act, the tenure of the members of NG- CDF Committee shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act and regulations, while the Fund Account Manager remain the custodian of all the records and equipment of the constituency. As per Regulation 24 of the Act, once the new committee members have been appointed, the Fund Account Manager in liaison with the Deputy County Commissioner, shall facilitate smooth handover between

the outgoing and the newly gazetted NG- CDF Committee members. To facilitate this, the Fund Account Manager prepares a comprehensive handover report on behalf of the outgoing committee.

### **Functions and Operations of the Constituency Committee**

Regulation 11 of NG- CDF Regulations outlines the functions of the Constituency Committee. Implementation of projects through the Projects Management Committees at the community level is one of the mandates. In addition, effective and efficient project management is cardinal achievement of the Fund's objective of poverty reduction while ensuring equitable development across the Constituency. In order to achieve this objective, the Fund Account Manager continuously trains the NG- CDF Committee, the staff and the technical officers from relevant government departments on various projects management. Regulation 11 (1) (a) is the function of the Constituency Committee to build capacity of the Project Management Committees and sensitize the community on the operations of the Fund.

Section 43 (11) of the Act provides that the Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

### **Management of Transition and Handing over**

Pursuant to Section 43 (8) and (9) of the NG- CDF Act 2025 as amended in 2023, the tenure of the members of NG-CDFCs shall expire upon the appointment of a new Constituency Committee in the manner provided in the Act and Regulations, while the Officer of the Board shall remain the custodian of all the records and equipment of the Constituency. Therefore, the officer of the Board shall play an important role of ensuring the assets of the constituency are protected and preserved, and ensure smooth transition between the committees.

Upon appointment of the new committee, the officer of the Board in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG-CDF members. To facilitate this, the Officers of the Board are required to prepare a comprehensive handover report on behalf of the outgoing committee. The handover report

must be signed by the Chairpersons (or a member acting in such capacity), secretary (or a member acting in such capacity) and witnessed by the Officer of the Board.

**6. Management Discussion and Analysis**

**Establishment and Management of the Fund**

Section 4 of the Act state that: There is established a fund to be known as the National Government Constituencies Development Fund which shall—(a) Be a National Government Fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;

The Fund Account Manager shall hold the authority to incur expenditure of the funds at the constituency account. Further, projects under this Act shall only be in respect of works and services falling within the exclusive functions of the national government as provided in the Constitution. However, the administration of the fund is done through the Constituency Committee.

NG- CDF Likoni Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 508,569,100 between FY 2022/2023 and 2024/2025:

<b>FINANCIAL YEAR</b>	<b>ALLOCATION (KSHS)</b>
2022/2023	145,087,603.00
2023/2024	184,039,543.00
2024/2025	179,441,954.00

Sectorial allocation over the period as per the approved code list and Section 24 of the Act, the highest beneficiary being education sector through bursary and schools infrastructural development. The table below shows how the funds were distributed:

*National Government Constituencies Development Fund (NGCDF)*  
*Likoni Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	30,514,146.00	6%
Monitoring and Evaluation	15,257,073.00	3%
Bursary	188,170,567.00	37%
Capital Grants to Primary Schools	96,628,129.00	19%
Capital Grants to Secondary Schools	81,371,056.00	16%
Capital Grants to Tertiary Institutions & Universities	10,171,382.00	2%
Climate Change Mitigation Activities	5,085,691.00	1%
Sports	5,085,691.00	1%
Security	10,171,382.00	2%
Constituency Innovation and Digital Hubs	13,630,832.00	3%
NG- CDF Assets and Renovations	13,960,000.00	3%
Others (Huduma Centre and Strategic Plan)	28,600,000.00	6%

### **Bursary Sector**

The committee over the last 3 years managed to allocate bursary over 11,000 learners every financial year. In addition, the committee managed to train 500 learners through TVET scholarship, Trained 500 learners on driving schools. Further, the committee allocates Kshs. 10,000 to learners at the University pursuing a degree program, Kshs. 8,000 to learners pursuing diploma and certificate courses. With respect to Secondary Schools, learners are allocated Kshs. 7,000 for boarders, Kshs. 5,000 for day scholars and Kshs. 10,000 for learners with PWD'S within the constituency. Full and Partial Scholarship is provided to needy students.

### **Grants to Primary and Secondary Schools**

Poor academic performance in the constituency is contributed to by a lack of proper school infrastructure, such as laboratories and laboratory apparatus, a shortage of dormitories in several schools, insufficient classrooms at the primary level, and unsecured school compounds that are invaded with the community living around.

As a committee we have built five new schools in the constituency over a period of seven years, the new schools are already operating under full capacity, we have also done major renovation works/face lifting in ten schools in the constituency we are also currently establishing boundary walls for every school,

So far 10 Perimeter walls have been done. The committee is finalizing construction of a dormitory and laboratory for two secondary schools to allow students to take advantage of the facilities.

### **Security**

The committee has ensured completion of a chief's office at Bofu, Mbuta, Likoni and Shonda Locations and Proposal of construction of a new Police Station at Inuka to enable enhanced service delivery to the people of Likoni Constituency.

### **Risk Facing the Fund**

The NGCDFC is currently facing a major risk of being declared unconstitutional by different stakeholders despite major achievements observed in the Constituencies in Kenya. The Fund has been an economic enabler in the country. The fund has made huge strides in improving livelihoods at the grass root level hence spurring economic development in the country. In order to overcome the risk of being declared unconstitutional; the stakeholders that is the general members of the public through their representative in the National Assembly have come up with an act of parliament to entrench the NGCDFC act in the constitution of Kenya.

## **7. Environmental and Sustainability Reporting**

The Likoni Constituency NG-CDF is dedicated collecting, analyzing, and disclosing information about the institution's environmental and sustainability performance. This reporting helps the committee track its environmental impact, demonstrate accountability to stakeholders, and improve sustainability practices.

### **1. Sustainability strategy and profile -**

To ensure the sustainability of Likoni Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Likoni Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDFC has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, re-afforestation, grassroots sensitization, and tree seedling production.

## **2. Environmental performance**

Environmental protection is a core initiative of the Likoni NG-CDF. We consider caring for the environment a fundamental responsibility and a crucial aspect of our operational approach. Our commitment to environmental stewardship is deeply integrated in our strategic plan.

As the committee, we are waiting for guidelines from the Board in line with the changes in the NG-CDF Act 2015 as amended in 2023. These will guide the in coming up with future strategies in handling climate change mitigation matters.

Despite that, the committee has allocated sufficient funds fir tree planting at schools. In order to ensure sustainability and survival of the tree growing activity, the committee is constructing perimeter walls for all the schools.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Likoni constituency recruitment is guided by Employment Act, NGCDFC Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Likoni constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Marketplace practices-**

Likoni Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

NGCDFC has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- b) Good business practices, including cordial Supply chain and supplier relations, by honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

#### **5. Community Engagements-**

Likoni Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

#### **Public Participation in Project Identification, Implementation, and Monitoring**

Likoni Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

### **Public Awareness**

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

Likoni Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....  
**Name: Bawazir Mohamed  
Fund Account Manager.**

## **8. Statement Of Management Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDFC-Likoni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

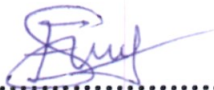
The Accounting Officer in charge of the NGCDFC-Likoni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDFC- Likoni Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDFC Likoni Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee 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 NGCDFC- Likoni Constituency financial statements were approved and signed by the Accounting Officer on 7 November, 2025.



.....  
**Name: Edward Simiyu Sakwa**  
**Chairman – NGCDFC Committee**



.....  
**Name: Bawazir Mohamed**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIKONI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Likoni Constituency set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Likoni Constituency 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 (Including the transitional provision permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **Failure to specify Basis for preparation of first IPSAS Financial Statements**

The financial statements for the year ended 30 June, 2025 are not specific whether they were prepared as transitional IPSAS financial statements or prepared in accordance with the Accrual Basis of Accounting Method under International Public Sector Accounting Standards. IPSAS 33, First time adoption of IPSAS Accrual, requires an entity that transitions at one go will prepare its first set of IPSAS compliance financial statements as at 30 June, 2025. Where an entity elects to have a phased approach, its first set of financial statements will not be IPSAS compliant and therefore will be termed as transitional IPSAS financial statements. These statements will not have all the accrual elements until FY 2026/2027.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Likoni Constituency 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 statement of comparison of budget and actual amounts reflects approved final receipts budget and actual on comparable basis of Kshs.323,838,096 and Kshs.274,396,142 respectively resulting in an under-funding of Kshs.49,441,954 or 15%

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*Report of the Auditor-General on National Government Constituencies Development Fund - Likoni Constituency for the year ended 30 June, 2025*

of the budget. Similarly, the Fund spent Kshs.193,893,191 against actual receipts of Kshs.274,396,142 resulting in an under absorption of Kshs.80,502,951 or 29% of actual receipts.

The under-funding and under-absorption 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's Audit Matters**

In the prior year audit report, one issue was raised under the Report on Financial Statements. The issue was in reference to unconfirmed project management committee balances. Review of the status during audit of the Fund in 2024/2025 revealed that the matter remained unresolved.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxxi which comprise of Key Constituency Information and Management, NGCDFC Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Land Ownership Documents**

Annex I - summary of asset register, reflects property, plant and equipment balance of Kshs.24,848,946. Included in the balance is Kshs.14,256,432 in respect of buildings and structures. However, the Fund does not have a title deed or lease certificate to the land on which the buildings and structures are constructed, thus exposing the Fund to possible loss of property in case of dispute.


In the circumstances, the existence of an effective mechanism to safeguard the assets could not be confirmed.

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

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

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

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

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

**Nairobi**

**03 December, 2025**

## **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.


*National Government Constituencies Development Fund (NGCDF)  
Likoni Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

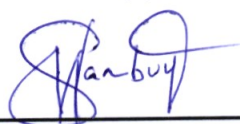
**10. Statement of Financial Performance for the Year Ended 30 June 2025**


	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		-
Transfers from the NGCDFC Board	6	179,441,954
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>179,441,954</b>
<b>Expenses</b>		
Employee costs	10	4,716,054
Committee expenses	11	4,659,090
Use of Goods and Services	12	4,689,995
Other Government Units Actual expenditure	13	101,372,090
Other Grants and Transfers Actual expenditure	14	80,525,316
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	1,206,882
<b>Total expenses</b>		<b>197,169,427</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(17,727,473)</b>

The Constituency financial statements were approved by the NGCDFC on 7/11/2025 2025

and signed by:

  
Chairman NG-CDF  
Committee  
Name: Edward Simiyu

  
National Sub-County  
Accountant  
Name: Sabena Wambui

  
Fund Account Manager  
Name: Bawazir Mohamed  
ICPAK M/NO:14300

*National Government Constituencies Development Fund (NGCDF)*  
*Likoni Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

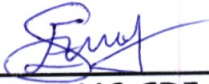
**11. Statement Of Financial Position As At 30th June, 2025**

	Note	2024-2025	Opening statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	80,502,952	90,356,599
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	49,441,954	54,039,543
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>129,944,906</b>	<b>144,396,142</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>129,944,906</b>	<b>144,396,142</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	5,666,255	3,115,438
Lease Liabilities	28	-	-
Gratuity provision	29	1,549,523	824,103
<b>Total Current Liabilities</b>		<b>7,215,778</b>	<b>3,939,542</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>7,215,778</b>	<b>3,939,542</b>
<b>Net Assets (A-B)</b>		<b>122,729,128</b>	<b>140,456,601</b>
<b>Represented by:</b>			
Revaluation Reserves		140,456,601	140,456,601
Accumulated Surplus		(17,727,473)	
<b>Total Net Assets</b>		<b>122,729,128</b>	<b>140,456,601</b>

*National Government Constituencies Development Fund (NGCDF)  
Likoni Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

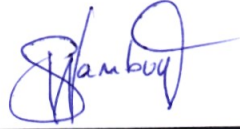
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The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 7/11/ 2025 and signed by:



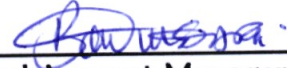
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**Chairman NG-CDF  
Committee  
Name: Edward Simiyu**



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**National Sub-County  
Accountant  
Name: Sabena Wambui**



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**Fund Account Manager  
Name: Bawazir Mohamed  
ICPAK M/NO:14300**

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
<b>Fund Balance as at 30<sup>th</sup> June 2024 (cash basis)</b>		12,175,930	12,175,930
Adjustments: (to recognize assets and liabilities)			
Add Assets		131,396,109	131,396,109
Less Liabilities		3,115,438	3,115,438
<b>As at July 1, 2024</b>		140,456,601	140,456,601
Surplus/(Deficit) For the Period		(17,727,473)	(17,727,473)
Revaluation Gain/Loss		-	-
<b>As at 30<sup>th</sup> June (current year)</b>		<b>122,729,128</b>	<b>122,729,128</b>

Note:

1. (I) Assets of ksh 131,396,109 is represented by Pmc Bank Balances of kshs 77,356,566 and receivables from the NG-CDF Board of kshs 54,039,543 respectively.

(II) Liabilities of ksh 3,115,438 is the retention money as at 1 July 2024.

13. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	Period ended june Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDFC Board		184,039,543
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>184,039,543</b>
<b>Payments</b>		
Employee costs		3,990,634
Committee expenses		4,659,090
Use of Goods and Services		4,689,995
Other Government Units Certified Works		98,276,321
Other Grants and Transfers		81,070,269
Digital Hubs Expenses		1,206,882
<b>Total Payments</b>		<b>193,893,191</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>(9,853,648)</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(9,853,648)</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		
<b>Net Cash Flows from Financing Activities</b>		<b>(9,853,648)</b>
Cash and cash equivalents at Period Start	19	<b>90,356,599</b>
<b>Cash and cash equivalents at Period End</b>	19	<b>80,502,952</b>

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	B		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024-2025	FY 2024-2025		
<b>Revenue</b>							
Transfers From the NGCDFC Board	179,441,954	90,356,599	54,039,543	323,838,096	274,396,142	49,441,954	84.73%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>	<b>179,441,954</b>	<b>90,356,599</b>	<b>54,039,543</b>	<b>323,838,096</b>	<b>274,396,142</b>	<b>49,441,954</b>	<b>84.73%</b>
<b>Expenses</b>							
Employee costs	4,510,399	1,258,097	3,844,444	9,612,940	3,990,634	5,622,306	41.51%

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Committee expenses	4,406,853	71,460	1,298,000	<b>5,776,313</b>	<b>4,659,090</b>	<b>1,117,223</b>	<b>80.66%</b>
Use of Goods and Services	7,060,242	1,405,977	5,760,119	<b>14,226,338</b>	<b>4,689,995</b>	<b>9,536,343</b>	<b>32.97%</b>
Other Government Units Certified Works	74,819,737	77,041,981	33,423,011	<b>185,284,729</b>	<b>98,276,321</b>	<b>87,008,408</b>	<b>53.04%</b>
Other Grants and Transfers	88,644,723	7,101,838	9,713,969	<b>105,460,530</b>	<b>81,070,269</b>	<b>24,390,261</b>	<b>76.87%</b>
Digital Hubs Expenses	-	1,257,119	-	<b>1,257,119</b>	<b>1,206,882</b>	<b>50,238</b>	<b>96.00%</b>
Funds Pending Approval**	-	2,220,127	-	<b>2,220,127</b>	-	<b>2,220,127</b>	
<b>Total Expenditure</b>	<b>179,441,954</b>	<b>90,356,599</b>	<b>54,039,543</b>	<b>323,838,096</b>	<b>193,893,191</b>	<b>129,944,905</b>	<b>59.87%</b>
<b>Surplus for the period</b>					<b>80,502,952</b>		

*\*\*Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

*National Government Constituencies Development Fund (NGCDF)*

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**Explanatory Notes.**

- 1) *The general utilization of funds is at 60% this was brought up by delays in remittances of funds by NG CDF Board.*
- 2) *Compensation of Employees is at 41.5% the bulk of the funds for financial year 2024-2025 had not been utilized.*
- 3) *The use of goods & services is at 39.97% since the bulk of the funds for 2024-2025 had not been utilized.*
- 4) *Transfer to other Government units other grants and transfers is at is at 53.04% & 76.87% respectively due to delays in remittances of funds from NG CDF Board.*


<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	129,944,905
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	49,441,954
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	80,502,952

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 7/11/ 2025 and signed by:



Fund Account Manager

Name: Bawazir Mohamed  
ICPAL M/NO: 14300



National Sub-County Accountant

Name: Sabena Wambui



Chairman NG-CDF Committee

Name: Edward Simiyu

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15. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,555,675	1,258,097	3,844,444	9,658,216	3,990,634	5,667,582
1.2 Committee allowances	2,206,853	10,542	898,000	3,115,395	2,522,340	593,055
1.3 Use of goods and services	4,003,984	1,068,057	3,599,265	8,671,306	4,689,995	3,981,311
<b>Sub-total</b>	<b>10,766,512</b>	<b>2,336,696</b>	<b>8,341,709</b>	<b>21,444,917</b>	<b>11,202,969</b>	<b>10,241,948</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,063,259	-	-	2,063,259		2,063,259
2.2 Committee allowances	2,500,000	60,918	400,000	2,960,918	2,136,750	824,168
2.3 Use of goods and services	747,723	337,920	2,160,854	3,246,497		3,246,497

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<b>Sub-total</b>	<b>5,310,982</b>	<b>398,838</b>	<b>2,560,854</b>	<b>8,270,674</b>	<b>2,136,750</b>	<b>6,133,924</b>
<b>4.0 Emergency</b>						
unutilized	9,444,313	26,147	4,779,569	<b>14,250,029</b>	<b>9,565,663</b>	4,684,366
Jamvi La Wageni Primary School (Construction of 13 door toilet Block)					2,810,063	
Jamvi La Wageni Primary School (Supply of 172sets of Lockers and chairs)					1,198,000	
Jamvi La Wageni Primary School (Supply of 100 sets of Lockers and chairs)					700,000	
puma primary school (Supply of 100 sets of lockers and chairs)					700,000	
Vyemani Primary School (Supply of 100 sets of Lockers and chairs)					30,000	
Timbwani Secondary School (Supply of Lockers and chairs)					1,131,600	
Budget Driving school					2,996,000	
<b>Sub-total</b>	<b>9,444,313</b>	<b>26,147</b>	<b>4,779,569</b>	<b>14,250,029</b>	<b>9,565,663</b>	<b>4,684,366</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools				-		-

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5.2 Secondary Schools	50,000,000	3,905,904		53,905,904	53,713,000	192,904
5.3 Tertiary Institutions	15,000,000	11,000		15,011,000	15,000,000	11,000
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security		1,074,148	2,942,400	4,016,548		4,016,548
<b>Sub-total</b>	<b>65,000,000</b>	<b>4,991,052</b>	<b>2,942,400</b>	<b>72,933,452</b>	<b>68,713,000</b>	<b>4,220,452</b>
<b>7.0 Environment</b>						
	232,000		1,992,000	2,224,000	1,989,600	234,400
				-		
<b>Sub-total</b>	<b>232,000</b>	<b>-</b>	<b>1,992,000</b>	<b>2,224,000</b>	<b>1,989,600</b>	<b>234,400</b>
<b>8.0 Primary Schools Projects</b>						
Longo Primary School	7,532,990	6,940		7,539,930	3,339	7,536,591
Mishimboko Primary School	5,551,844			5,551,844	-	5,551,844
Shonda Primary School	5,749,253			5,749,253		5,749,253
Peleleza Primary School	8,187,717			8,187,717		8,187,717
Likoni Primary School	8,187,717			8,187,717		8,187,717
Inspiration Primary School	5,416,706			5,416,706		5,416,706
Vijiweni Primary School	700,000			700,000	700,000	-

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Mirima Primary School	3,376,000	3,868,184	7,244,184	6,780,721	463,463
Likoni Primary School - classrooms	2,563,631	4,997,494	7,561,125	6,556,192	1,004,933
Maji Safi Primary School	3,378,385	4,997,494	8,375,879	7,887,085	488,794
Likoni Muslim Primary School	1,989,134	6,677,733	8,666,867	8,202,616	464,251
Likoni Primary School-	1,388,000		1,388,000	1,385,575	2,425
mtongwe primary school	6,723		6,723	-	6,723
mwangala primary school	48,000		48,000		48,000
mweza primary school	1,400,555		1,400,555	1,396,600	3,955
puma primary school	214,187		214,187	213,090	1,097
Shikaadabu primary school	1,391,797		1,391,797	1,384,600	7,197
Mishi Mboko primary Classrooms	705,362		705,362	700,575	4,787
Vyemani Primary School	1,578,699		1,578,699	1,443,738	134,961
Timbwani primary school	595,426		595,426	593,575	1,851
Timbwani primary school p.wall	343,571		343,571	343,187	384
Shonda Primary School	23,334,266		23,334,266	22,060,423	1,273,844
<b>Sub-total</b>	<b>41,326,227</b>	<b>42,320,676</b>	<b>20,540,905</b>	<b>104,187,806</b>	<b>44,536,493</b>

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<b>9.0 Secondary Schools Projects (List all the Projects)</b>									
Timbwani Secondary School	25,229,144					25,229,144			25,229,144
Timbwani Secondary School	1,400,000					1,400,000			1,400,000
Mishimboko Girls Secondary School	6,864,365					6,864,365			6,864,365
Moi Forces Academy		4,858,488	8,882,106			13,740,594	8,448,588		5,292,006
Mtongwe Girls Secondary school		321,872				321,872			321,872
Mwahima Secondary School		4,211,971	4,000,000			8,211,971	7,814,932		397,039
Timbwani Secondary School		5,344,373				5,344,373	3,332,648		2,011,725
Mishimboko Girls Lab		9,500,000				9,500,000	9,489,150		10,850
Shikaadabu Secondary School		9,500,000				9,500,000	9,479,150		20,850
Mishi Mboko Girls Dorm		4,681				4,681			4,681
<b>Sub-total</b>	<b>33,493,509</b>	<b>33,741,385</b>	<b>12,882,106</b>			<b>80,117,000</b>	<b>38,564,468</b>		<b>41,552,532</b>
<b>10.0 Tertiary institutions Projects (List all the Projects)</b>									
Adult Education Office		62,685				62,685	60,537		2,148
<b>Sub-total</b>									

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<b>11.0 Security Projects</b>	-	<b>62,685</b>	-	<b>62,685</b>	<b>60,537</b>	<b>2,148</b>
Bofu Chief Office		204,856		204,856	204,431	425
Likoni Chiefs Office		86,946		86,946		86,946
Mbuta Chiefs Office		495,386		495,386	490,575	4,811
Shonda Chiefs office		446,587		446,587	-	446,587
Inuka Police Station	13,868,409			13,868,409	-	13,868,409
<b>Sub-total</b>	<b>13,868,409</b>	<b>1,233,775</b>	-	<b>15,102,184</b>	<b>695,006</b>	<b>14,407,178</b>
<b>12.0 Acquisition of assets</b>				-		
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office		107,123		<b>107,123</b>	107,000	123
<b>Sub-total</b>	-	<b>107,123</b>	-	<b>107,123</b>	<b>107,000</b>	<b>123</b>
<b>13.0 Others</b>						
Innovation Hub		1,255,166	-	<b>1,255,166</b>	1,206,882	48,285
<b>Sub-total</b>	-	<b>1,255,166</b>	-	<b>1,255,166</b>	<b>1,206,882</b>	<b>48,285</b>
<b>Funds pending approval**</b>				-		-
unapproved projects		3,883,058		3,883,058		3,883,058
AiA	-			-		-
<b>Sub-total</b>	-	<b>3,883,058</b>	-	<b>3,883,058</b>	-	<b>3,883,058</b>
<b>Total</b>	<b>179,441,953</b>	<b>90,356,599</b>	<b>54,039,543</b>	<b>323,838,095</b>	<b>193,893,191</b>	<b>129,944,906</b>

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**Likoni Constituency**

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*(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts.)*

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

### **1. General information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Likoni Constituency principal activity is 2025.

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

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

The financial statements have been prepared in accordance with the PFM Act and international Public Sector Accounting Standards (IPSAS). The NGCDF Likoni has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach: Therefore this is the 1<sup>st</sup> transitional financial statements. (The NG-CDF Likoni has recognized all financial Assets which includes cash and cash equivalent for operational account, deposit account and PMC Balances, Receivables (owing from the board and others), Prepayments, PPE and intangible assets acquired in FY 2023/2024 to date of reporting. Liabilities recognized includes trade and other payables, third party deposits and gratuity provisions. Recognition of all other non-financial assets acquired in FY prior to 2023/2024 to be recognized in the third year of transition after identification and valuations have been done.

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The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDFC Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

*i. New and amended standards and interpretations in issue 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 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not applicable at the constituency.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not applicable at the constituency.</i></p>
IPSAS 45: Property Plant	<p><i>Applicable 1<sup>st</sup> January 2025</i></p>

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

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	<i>Not applicable at the constituency this financial year.</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> 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. <i>Not applicable at the constituency.</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> 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. <i>Not applicable at the constituency.</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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>Not applicable at the constituency.</i>

*iii. Early adoption of standards*

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

#### **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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

##### **ii) Revenue from exchange transactions**

##### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget was approved by Parliament on 30 June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under section 15 of these financial statements.

**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.

**d) Leases**

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

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

**e) Intangible assets**

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

**f) 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.

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

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

## **b) Financial liabilities**

### **Classification**

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

### **g) 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:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

#### **h) 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

#### **i) Social Benefits**

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

#### **j) 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.

#### **k) 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.

#### **l) 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.

##### **m) 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.

**n) 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.

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. 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.

6. Transfers from the NGCDFC Board

Description	2024-2025
NGCDFCB Transfers (2024-2025)	179,441,954
<b>TOTAL</b>	<b>179,441,954</b>

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

8. Finance income

Description	2024-2025
	Kshs
Interest Income on Bank Deposits	-
<b>Total</b>	<b>-</b>

*(Provide a brief explanation for this revenue)*

9. Miscellaneous income

Description	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
<b>Total</b>	<b>-</b>

**10. Employees cost**

	<i>2024-2025</i>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,052,320
Personal allowances paid as part of salary	-
House Allowance	412,000
Transport Allowance	320,000
Leave allowance	-
Gratuity to contractual employees	725,420
Employer Contributions Compulsory national social security schemes	162,594
Employer Contributions Compulsory Housing levy	43,720
Employer contributions to National Industrial Training Authority	-
Other Specify	-
<b>Total</b>	<b>4,716,054</b>

**11. Committee Expenses**

	<i>2024-2025</i>
	<b>Kshs</b>
Sitting allowance	892,000
Other Committee expenses	3,767,090
<b>Total</b>	<b>4,659,090</b>

**12. Use of Goods and services**

	<i>2024-2025</i>
	<b>Kshs</b>
Utilities, supplies and services	105,000
Communication, supplies and services	-
Domestic travel and subsistence	282,650
Printing, advertising and information supplies & services	599,400
Office Rent	-
Training expenses	1,345,000
Hospitality supplies and services	853,000
Insurance costs	-
Specialized materials and services	49,300
Office and general supplies and services	1,277,500
Fuel, oil & lubricants	-
Bank charges	21,245
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	156,900
Strategic plan expenses	-
Other operating expenses	-
<b>Total</b>	<b>4,689,995</b>

**13. Other Government Units Actual expenditure**

	<i>2024-2025</i>
<b>Description</b>	<b>Kshs</b>
Primary Schools Actual expenditure	61,219,303
Secondary Schools Actual expenditure	40,092,250
Tertiary Institutions Actual expenditure	60,537
<b>Total</b>	<b>101,372,090</b>

**14. Other Grants and transfers Actual expenditure**

	<i>2024-2025</i>
	<b>Kshs</b>
Bursary – secondary schools	53,713,000
Bursary – tertiary institutions	15,000,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	112,150
Climate change mitigation projects	1,989,600
Emergency projects Actual expenditure	9,710,566
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>80,525,316</b>

**15. Depreciation and Amortization Expenses**

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

**16. Digital Hubs Expenses**

Description	<i>2024-2025</i>
	<b>Kshs</b>
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	1,206,882
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>1,206,882</b>

17. Gain/loss on Sale of Assets

Description	2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Gain/loss on Sale of Asset</b>	-

18. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
<b>Total Impairment Loss</b>	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Cooperative Bank, Account No. 01120043565700 (Operations account)</i>	20,219,445	12,175,930
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. 01100435657001 (Deposit account)</i>	1,549,523	824,103
<i>Cooperative Bank, account No. (PMC accounts) Various</i>	58,733,984	77,356,566
<b>Total</b>	<b>80,502,952</b>	<b>90,356,599</b>

20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
<b>Total Receivables (a+b)</b>	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
		Kshs	Kshs	
		% of the total	Opening Balance	% of the total
Less than 1 year	-	0%	-	0%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	-	<b>0%</b>	-	<b>0%</b>

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

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFCB	49,441,954		54,039,543	
Outstanding Imprest	-		-	
<b>Total</b>	<b>49,441,954</b>		<b>54,039,543</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	0%	54,039,543	100%
Between 1-2 years	49,441,954	100%	-	%
Over 3 years	-	0%	-	%
<b>Total</b>	<b>49,441,954</b>	<b>100%</b>	<b>-</b>	<b>100%</b>

**22. Prepayments**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments ( <i>Specify</i> )	-		-	
<b>Total</b>	<b>-</b>		<b>-</b>	

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
<b>Depreciation Rate(specify)</b>		2%	25%	12.5%	30%	x%		
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>	-	-	-	-	-	-	-	-
<b>Opening Depreciation</b>	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-	-	-	-
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-	-	-

**Valuation**

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30<sup>th</sup> June 2020). These amounts were adopted on xxx.

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

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

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	<b>Cost or valuation</b>	<b>Normal annual depreciation charge</b>
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**24. Intangible Assets**

Description	2024-2025
	Kshs
<b>Cost</b>	
Opening balance at 1 <sup>st</sup> July 2024	-
Additions	-
Disposal	-
<b>At end of the 2025</b>	-
<b>Amortization and impairment</b>	
At beginning of the year	-
Amortization	-
<b>At end of the year</b>	-
Impairment loss	-
<b>At end of the year</b>	-
<b>NBV at July 1<sup>st</sup> 2024</b>	-
<b>NBV at June 30<sup>th</sup> 2025</b>	

**25. Right-of use assets**

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions				
As At 30 June 2025 (Current FY)				
	-	-	-	-
<b>Accumulated Depreciation</b>	-	-	-	-
As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period				
As At 30 June 2024 (Comparative period))				

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Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
<b>Carrying Amount</b>				
As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2024. (Comparative Period)	-	-	-	-

**26. Trade and Other Payables**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	-	-	-	-
Employee payables	-	-	-	-
Other payables	-	-	-	-
<b>Total trade and other payables</b>	-	-	-	-
<b>Aging analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**27. Third-Party deposits**

	<i>2024-2025</i>
	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	3,115,438
Retention held during the year (B)	7,609,735
Retention paid during the Year (C)	5,058,918
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>5,666,255</b>

**Retentions aging analysis.**

	<b>2024-2025</b>	<b>% of the total</b>	<b>Insert Comparative FY</b>	<b>% of the total</b>
Less than 1 year	5,666,255	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>5,666,255</b>		-	

*(The total above should be equal to the closing retention)*

**28. Lease Liabilities**

<b>Description</b>	<i>2024-2025</i>	<i>Opening Statement</i> <i>1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Balance at the beginning of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

<b>Period</b>	<b>Amount</b>
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	-
	-

**Analysed as:**

<b>Description</b>	<b>Amount</b>
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

<b>Description</b>	<i>2024-2025</i>	<i>Opening Statement</i>
	<b>Kshs</b>	<i>1st July 2024</i>
Gratuity at the beginning of the year 1 <sup>st</sup> of July	824,103	824,103
Gratuity held during the year	725,420	-
Gratuity paid during the year	-	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>1,549,523</b>	<b>824,103</b>

### 30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	<b>Kshs</b>
<b>Surplus for the period before tax</b>	<b>(17,727,473)</b>
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	(4,597,589)
Changes in deferred income	-
Changes in Third party deposits	(2,550,816)
Changes in gratuity provision	(725,420)
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>(9,853,648)</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

### 31. Financial Risk Management

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

**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external 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.

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	49,441,954	49,441,954	-	-
Bank balances	80,502,951	80,502,951	-	-
<b>Total</b>	<b>129,944,905</b>	<b>129,944,905</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	54,039,543	54,039,543	-	-
Bank balances	90,356,599	90,356,599	-	-
<b>Total</b>	<b>144,396,142</b>	<b>144,396,142</b>	<b>-</b>	<b>-</b>

## **Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due from the NGCDF Board. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### **ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	5,666,255	5,666,255
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,549,043	1,549,043
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,215,298</b>	<b>7,215,298</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	3,115,438	3,115,438
Current portion of borrowings	-	-	-	-
Gratuity Provisions	-	-	824,103	824,103
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>3,939,541</b>	<b>3,939,541</b>

**iii) Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity'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 way it manages and measures the risk.

**a) Foreign currency risk**

The *Entity* has no transactional currency exposures..

## Financial Risk Management

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

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

### b) Interest rate risk

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

#### Management of interest rate risk

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

#### Fair value of financial assets and liabilities

##### a) Financial instruments measured at fair value.

##### Determination of fair value and fair values hierarchy

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

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

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

**iv) Capital Risk Management**

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

Description	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve	141,069,688	141,069,688
Retained Earnings	(17,727,473)	-
Capital Reserve	-	-
<b>Total Funds</b>	<b>123,342,215</b>	<b>141,069,688</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(80,502,952)	(90,356,599)
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	0%	0%

### 32. Related Party Disclosures

	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	4,659,090	
<b>Transaction with the NGCDFC Board</b>		
Transfers from the NGCDFC Board during the year	184,039,543	
<b>Total</b>	<b>184,039,543</b>	

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

Description	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Give details)*

**Contingent Liabilities**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

**35. Capital Commitments**

Capital Commitments	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
<b>Total</b>	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

**36. Events after the Reporting Period**

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

**37. Ultimate And Holding Entity**

The Likoni Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

**38. Currency**

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

17. Annexes  
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	14,256,432			14,256,432
Transport equipment	6,807,383			6,807,383
Office equipment, furniture, and fittings	2,474,131			2,474,131
ICT Equipment and Other ICT Assets	870,000			870,000
Other Machinery and Equipment	441,000			441,000
Intangible assets				
<b>Total</b>	<b>24,848,946</b>			<b>24,848,946</b>

(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

<b>Name</b>	<b>Bank</b>	<b>Account Number</b>	<b>Account balance as at 30th June 2025</b>	<b>opening balance as at 1st July 2024</b>
Inspiration Primary School	Coop Bank Likoni	01134627050400	5,000,000.00	-
Likoni Primary School	Coop Bank Likoni	01134397352500	5,002,425.00	1,388,000.00
Likoni Primary School Classrooms	Coop Bank Likoni	01134627861500	1,004,933.30	2,563,631.30
Maji Safi Primary School	Coop Bank Likoni	01139043657504	488,793.80	3,378,384.80
Longo primary School	Coop Bank Likoni	01129044176500	5,003,601.05	360.35
mtongwe primary school	Coop Bank Likoni	01134627307500	6,722.75	6,722.75
mwangala primary school	Coop Bank Likoni	01134397179700	48,000.00	48,000.00
mweza primary school	Coop Bank Likoni	01134397352700	3,955.45	1,400,555.45
puma primary school	Coop Bank Likoni	01139628239500	1,096.75	214,186.75
Shikaadabu primary school	Coop Bank Likoni	01139628309800	7,196.65	1,391,796.65
Mishi Mboko primary Classrooms	Coop Bank Likoni	01141628733203	5,004,787.00	705,362.00
Mrima Primary School	Coop Bank Likoni	01141628441100	463,463.00	3,376,000.00
Vyemani Primary School	Coop Bank Likoni	01129627575500	804,960.60	1,578,698.60
Likoni Muslim Primary school	Coop Bank Likoni	01139628868200	464,251.00	1,989,133.90
Timbwani primary school	Coop Bank Likoni	01139657516600	1,850.50	595,425.50
Timbwani primary school p.wall	Coop Bank Likoni	01106575166001	383.50	343,570.50
Shonda Primary School	Coop Bank Likoni	01100720472002	1,273,843.50	23,334,266.00
Peleleza Primary School	Coop Bank Likoni	01134397155000	5,000,000.00	
Shonda Primary School	Coop Bank Likoni	01100720472003	5,000,000.00	
Mtongwe Girls Secondary school	Coop Bank Likoni	01139628267800	321,872.20	321,872.20
Mwahima Secondary School	Coop Bank Likoni	01139627619701	397,039.30	4,211,971.30

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Timbwani Secondary School	Coop Bank Likoni	01139628892800	3,414,125.00	5,344,373.00
Mishimboko Girls Lab	Coop Bank Likoni	01141628434905	5,010,850.00	9,500,000.00
Shikaadabu Secondary School	Coop Bank Likoni	01141657594700	20,850.00	9,500,000.00
Moi Forces Academy	Coop Bank Likoni	01139627577800	5,292,006.00	4,858,488.00
Timbwani Secondary School	Coop Bank Likoni	01106288928001	4,000,000.00	
Adult Education Office	Coop Bank Likoni	01141657594400	2,147.50	62,684.50
Timbwani Chief Office	Coop Bank Likoni	01141628638900	-	68.00
Bofu Chief Office	Coop Bank Likoni	01141657595500	425.20	204,856.20
Likoni Chiefs Office	Coop Bank Likoni	01141657654500	86,946.00	86,946.00
Mbuta Chiefs Office	Coop Bank Likoni	01141657745800	4,811.00	495,386.00
Shonda Chiefs office	Coop Bank Likoni	01100322378002	446,587.00	446,587.00
Inuka Police station	Coop Bank Likoni	01102043635001	5,000,000.00	-
Likoni Ajira Digital Hub	Coop Bank Likoni	01101089966001	237.50	-
Likoni Environment	Coop Bank Likoni	01100435657002	2,400.00	
Jamvi La Wageni Primary School	Coop Bank Likoni	01129627675700	148,742.10	(2,021.45)
Mishi Mboko primary Dorm	Coop Bank Likoni	01141628434902	4,680.50	
<b>GRANT TOTAL</b>			<b>58,733,983.15</b>	<b>77,345,305.30</b>

**Annex 3: Progress On Follow Up of Auditor Recommendations**

The following is a summary of issues raised by the external auditor, management comments provided to the auditor, and subsequent progress made on resolving the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AUDIT CERTIFICATE JUNE 2024	<p><b>Unconfirmed Project Management Committee Balances</b> Note 19.4 on the other important disclosures and annex5 to the financial statements reflects project management committee (pmc) bank balance of ksh 72,135,290 in respect of fifty four (54) bank accounts. However, cashbooks and bank reconciliation statements for the stated bank accounts were not provided for audit. In the circumstances, accuracy and completeness of the pmc balances could not be confirmed.</p>	The Cashbook and bank reconciliation statements were provided for audit but the query was not dropped.	Not Resolved	Awaiting appearance before Decentralized Funds Accounts Committee of the National Assembly.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>EMPHASIS OF MATTER- Budgetary Control and Performance:</b> The summary statements of appropriation reflects final receipt budget and actual on comparable basis of Ksh 281,621,062 and Ksh 225,361,392 respectively, resulting underfunding of Ksh 56,259,670, or 20% of the Budget. The underfunding affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter</p>	<p>The underfunding was as a result of funds not received as at 30<sup>th</sup> June 2025.</p>	<p>Not Resolved</p>	<p>Awaiting appearance before Decentralized Funds Accounts Committee of the National Assembly.</p>

 .....

Name: Bawazir Mohamed  
 Fund Account Manager.