

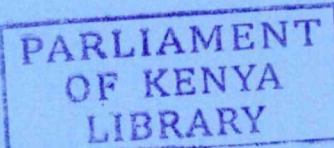
REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**LAMU COUNTY EXECUTIVE STAFF  
HOUSING FUND**

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

|                    | PAPERS LAID |
|--------------------|-------------|
| DATE               | 02/12/2025  |
| TABLED BY          | S.M.L       |
| COMMITTEE          | -           |
| CLERK AT THE TABLE | Chang       |





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## **LAMU COUNTY EXECUTIVE STAFF HOUSING FUND**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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| <b>Table</b>  | <b>of</b>   |
|---|-------------|
| <b>Contents.....</b>  | <b>Page</b> |
| 1. Acronyms, Abbreviations, and Definition of Key Terms .....   | ii          |
| 2. Key Entity Information and Management.....   | iii         |
| 3. The Board of Directors/Fund Committees .....   | vi          |
| 4. Key Management Team .....  | viii        |
| 5. Chairman’s Statement .....   | x           |
| 6. Report of the Chief Executive Officer/Fund Administrator .....   | xi          |
| 7. Statement of Performance against Predetermined Objectives for FY 2024/2025.....                                  | xii         |
| 8. Corporate Governance Statement .....   | xiii        |
| 9. Management Discussion and Analysis.....  | xiv         |
| 10. Environmental and Sustainability Reporting.....   | xv          |
| 11. Report of the Directors/Fund Committee .....  | xvi         |
| 12. Statement of Directors/Fund Committee Responsibilities .....  | xvii        |
| 13. Report of the Independent Auditor for the Financial Statements of Lamu County Executive Staff Housing Fund..... | xix         |
| 14. Statement of Financial Performance for the year ended 30 <sup>th</sup> June 2025 .....                          | 1           |
| 15 Statement of Financial Position as at 30 <sup>th</sup> June 2025 .....   | 3           |
| 16. Statement of Changes in Net Assets for the year ended 30 <sup>th</sup> June 2025 .....                          | 5           |
| 17. Statement of Cash Flows for the year ended 30 <sup>th</sup> June 2025.....                                      | 6           |
| 18. Statement of Comparison of Budget and Actual amounts for the year ended 30 <sup>th</sup> June 2025.....         | 8           |
| 19. Notes to the Financial Statements .....   | 10          |
| 20. Appendices .....  | 52          |

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

a) Acronyms

|       |  |
|-------|--|
| BOM   | Board of Management                                |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards   |
| PFM   | Public Finance Management                          |
| PSASB | Public Sector Accounting Standards Board           |
| Kshs  | Kenya Shillings                                    |

b) Glossary of Terms

|                      |   |
|----------------------|---|
| Fiduciary Management | The key management personnel who had financial responsibility |
|----------------------|---|

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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**2. Key Entity Information and Management**

**(a) Background information**

Lamu County Executive Staff Housing Fund is established by and derives its authority and accountability from Lamu County Executive Staff Housing Regulations, 2019. The Fund is wholly owned by the County Government of Lamu and is domiciled in Kenya.

**(b) Principal Activities**

The principal activity of the Fund is to:

- Provide Loans for the Purchase, Development, Renovation, or repair of residential Houses to members of Staff.
- Raise funds for the implementation of the Objectives stated in paragraph (a)

**(c) Board of Trustees/Fund Administration Committee**

| No. | Name                  | Position   |
|-----|-----------------------|--|
| 1   | H.E Amb. Ali Abbas    | Chairperson  |
| 2   | CPA Salma Omar Ahmed  | Chief Officer Finance - Fund Administrator                                   |
| 3   | Ms. Khadija Fumo      | Chief Officer, Public Service Management and Administration – Member         |
| 4   | Mr. Alex Katana Jimbi | Chief Officer, Infrastructure, Roads, Housing and Urban Development - Member |
| 5   | Ms. Kulthum Harith    | Director Legal Service - Member  |

**(d) Key Management team**

| No. | Name                 | Position   |
|-----|----------------------|--|
| 1   | H.E Amb. Ali Abbas   | Chairperson  |
| 2   | CPA Salma Omar Ahmed | Chief Officer Finance - Fund Administrator                           |
| 3   | Ms. Khadija Fumo     | Chief Officer, Public Service Management and Administration – Member |

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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|   |                       |   |
|---|-----------------------|---|
| 4 | Mr. Alex Katana Jimbi | Chief Officer Infrastructure, Roads, Housing and Urban Development - Member |
| 5 | Ms. Kulthum Harith    | Director Legal Service - Member   |
| 6 | CPA Mohamed Omar      | Fund Accountant   |

**(e) Fiduciary Oversight Arrangements**

| <b>NO.</b> | <b>Position</b>                    | <b>Name</b>                          |
|------------|------------------------------------|--------------------------------------|
| 1.         | Directorate of Accounting Services | CPA Mohamed A. Abubakar              |
| 2.         | Directorate Internal Audit         | Mr. David Njoroge                    |
| 3.         | County Assembly of Lamu            | Public Accounts Investment Committee |
| 4.         | Office of the Auditor General      | Office of the Auditor General        |

**(f) Registered Offices**

P.O. Box 74-80500  
County Headquarters  
Mombasa-Lamu Highway  
Mokowe, Kenya

**(g) Fund Contacts**

Telephone: (254) 715555111/758005005  
E-mail: [treasury@lamu.go.ke](mailto:treasury@lamu.go.ke)  
Website: [www.lamu.go.ke](http://www.lamu.go.ke)

**(h) Fund Bankers**

Diamond Trust Bank  
Lamu Branch - P.O Box 120 – 80500

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**3. The Board of Directors/Fund Committees**

| Name   | Details of qualifications and experience  |
|--|---|
|  <p><b>H.E. Amb. Ali Abbas MBS</b><br/>County Secretary and Head of<br/>Public Service</p>              | <p>Hails from Faza Ward in Lamu East, Amb. Ali Abbas (born 12-02-1958) is a career diplomat having in the Ministry of Foreign Affairs of the Republic of Kenya for over 30 years. He holds a Bachelor's Degree in Arts from the University of Nairobi and a Postgraduate Diploma in International Relations and Economic Cooperation from Deutsche Stiftung Fur Internationale Entwicklung in West Berlin. He was awarded the title of Moran of the Order of the Burning Spear (MBS) by H.E. President Mwai Kibaki in year 2011. He served as Ambassador of Kenya to the Islamic Republic of Iran and the State of Kuwait. He also served in Kenya Missions in Abu Dhabi, Islamabad, Canberra, and Dar es Salaam.</p> |
|  <p><b>CPA Salma Omar</b><br/>Chief Officer Finance, Budget,<br/>Strategy &amp; Economic Planning</p> | <p>CPA Salma Omar Ahmed (born 17.07.1985) is a Certified Public Accountant of Kenya and holds a Bachelor's degree in Business Administration in Finance and Accounting from Moi University. She also holds a certificate in Senior Management and Strategic Leadership from the Kenya School of Government. She is a member of ICPAK. Before her appointment as Chief Officer, she was Ag. Director of Accounting Service, Principal Finance Officer for the County Treasury, and served. She is the Red Cross Lamu Branch Treasurer from year 2015 to date. CPA Salma brings to the Board vast experience in technical and senior managerial skills, having worked in both Private and Public Institutions</p>       |

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

|  |   |
|--|---|
|  <p><b>Mrs. Khadija Fumo</b><br/>Chief Officer - Public Service<br/>Management and Administration</p>         | <p>Mrs Khadija Fumo (born 21-12-1991) holds a Bachelor of Commerce from the University of Nairobi.</p> <p>Before joining the County Government, she served as an associate consultant at Deloitte. She is now appointed as Chief Officer, Public Service Management and Administration.</p>   |
|  <p><b>Mr. Alex Katana</b><br/>Chief Officer, Infrastructure,<br/>Housing and Roads, and Public<br/>Works</p> | <p>Mr. Alex Jimbi (born 5.6.1980) holds a Master of Science in Construction Engineering Management from Universidad Emresarial de Costa Rica and a Bachelor of Science in architectural studies from the University of Nairobi. Mr. Alex has vast experience in building and construction management. He worked with the Mombasa Old Town &amp; Conservation Unit under the umbrella of the National Museum of Kenya. He was transferred to the Lamu Museums in 2004 as an Architect and Conservator due to emerging planning and development control issues. He was seconded to the Local Authority, Lamu County Council, as Chief building inspector and development control officer. In 2013, he served as Chief Building Inspector with the County Government of Lamu, and later in the year 2018, he was appointed as County Chief Officer for Lands, Physical Planning, Infrastructure, and Urban Development</p> |
|  <p><b>Mrs. Kulthum Harith</b><br/>Director Legal Services</p>  | <p>Ms. Kulthum Harith Swaleh (born 16-02-1978) holds a bachelor's degree in law from Moi University and a diploma from Kenya School of Law. She was admitted to the bar on 12th October 2006 and has over 16 years of legal practice. She has been the director of legal affairs County Government of Lamu since January 2015 to date</p>   |

**4. Key Management Team**

| Name   | Details of qualifications and experience  |
|--|---|
|  <p><b>H.E. Amb. Ali Abbas MBS</b><br/>County Secretary and Head of Public Service</p>              | <p>Hails from Faza Ward in Lamu East, Amb. Ali Abbas (born 12-02-1958) is a career diplomat having in the Ministry of Foreign Affairs of the Republic of Kenya for over 30 years. He holds a Bachelor's Degree in Arts from the University of Nairobi and a Postgraduate Diploma in International Relations and Economic Cooperation from Deutsche Stiftung Fur Internationale Entwicklung in West Berlin. He was awarded the title of Moran of the Order of the Burning Spear (MBS) by H. E President Mwai Kibaki in year 2011. He served as Ambassador of Kenya to the Islamic Republic of Iran and the State of Kuwait. He also served in Kenya Missions in Abu Dhabi, Islamabad, Canberra, and Dar es Salaam.</p>   |
|  <p><b>CPA Salma Omar</b><br/>Chief Officer Finance, Budget, Strategy &amp; Economic Planning</p> | <p>CPA Salma Omar Ahmed (born 17.07.1985) is a Certified Public Accountant of Kenya and holds a Bachelor's degree in Business Administration in Finance and Accounting from Moi University. She also holds a certificate in Senior Management and Strategic Leadership from the Kenya School of Government. She is a member of ICPAK. Prior to her appointment as Chief Officer, she was Ag. Director of Accounting Service, Principal Finance Officer for the County Treasury, and served. She has been the Red Cross Lamu Branch Treasurer from year 2015 to date. CPA Salma brings to the Board vast experience in technical and senior managerial skills, having worked in both Private and Public Institutions</p> |

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

|  |  |
|--|--|
|  <p><b>Mrs. Khadija Fumo</b><br/>Chief Officer - Public Service Management and Administration</p>     | <p>Mrs Khadija Fumo (born 21-12-1991) holds a Bachelor of Commerce from the University of Nairobi. Before joining the county government, she served as an associate consultant at Deloitte. She is now appointed as Chief Officer, Public Service Management and Administration.</p>   |
|  <p><b>Mr. Alex Katana</b><br/>Chief Officer, Infrastructure, Housing and Roads, and Public Works</p> | <p>Mr. Alex Jimbi (born 5.6.1980) holds a Master of Science in Construction Engineering Management from Universidad Emresarial de Costa Rica and a Bachelor of Science in architectural studies from the University of Nairobi. Mr. Alex has vast experience in building and construction management. He worked with the Mombasa Old Town &amp; conservation Unit under the umbrella of the National Museum of Kenya. He was transferred to the Lamu Museums in 2004 as an Architect and Conservator due to emerging planning and development control issues. He was seconded to the Local Authority, Lamu County Council, as Chief building inspector and development control officer. In 2013, he served as Chief Building Inspector with the County Government of Lamu and later in the year 2018, he was appointed as County Chief Officer for Lands, Physical Planning, Infrastructure, and Urban Development</p> |
|  <p><b>Mrs. Kulthum Harith</b><br/>Director of Legal Services</p>                                   | <p>Ms. Kulthum Harith Swaleh (born 16-02-1978) holds a bachelor's degree in law from Moi University and a diploma from Kenya School of Law. She was admitted to the bar on 12th October 2006 and has over 16 years of legal practice. She has been the director of legal affairs County Government of Lamu since January 2015 to date</p>  |

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**5. Chairman's Statement**

In our pursuit to improve transparency and accountability in public financial management, I present the 2024/2025 financial year report for the Lamu County Executive Staff Housing Fund. The fund has and will continue to manage its finances in accordance with the principles of fiscal responsibility as spelled out in the Public Finance Management Act (2012) and its regulations and other applicable laws.

In addition, the County Treasury will endeavour to comply with the Lamu County Executive Staff Housing Fund Act, 2019. The Fund's financial statements for the financial year ended June 30, 2025, provide in summary statements of receipts and payments, assets and liabilities, and statements of cash flows.



AMB. ALI ABBAS, (MBS)

CHAIRPERSON

**LAMU COUNTY EXECUTIVE STAFF HOUSING FUND**

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**6. Report of the Chief Executive Officer/Fund Administrator**

Lamu County Executive Staff Housing Fund receives money from the County Treasury through the Department of Finance to enable payments to be made with respect to members of staff for purchases, development, renovation, or repair of residential houses. As the Lamu County Executive Staff Housing Act, 2019 dictates the payments are made upon approval by the fund administration committee.

Lamu County Executive Staff Housing Fund has and will continue to manage its finances in accordance with the principles of fiscal responsibility as spelt out in the Public Finance Management Act (2012) and its Regulations and other applicable laws. In addition, the County Treasury will endeavour to comply with the Lamu County Executive Staff Housing Act, 2019.



.....

CPA SALMA OMAR  
FUND ADMINISTRATOR  
**LAMU COUNTY EXECUTIVE STAFF HOUSING FUND**

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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

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

The key development objectives of the Fund, as per the Lamu County Executive Staff Housing Fund, are to:

- a) Provide Loans for the Purchase, Development, Renovation, or repair of residential Houses to members of Staff.
- b) Raise funds for the implementation of the Objectives stated in paragraph (a)

Below, we provide the progress on attaining the stated objectives:

| <b>Program</b>   | <b>Objective</b>                                       | <b>Outcome</b>                               | <b>Indicator</b>                      | <b>Performance</b> |
|--|--|--|---------------------------------------|--------------------|
| Provision of Mortgage facilities to all members of staff | To ensure all staff have access to Mortgage facilities | Number of mortgages successfully applied for | % of staff taking Mortgage facilities | -                  |

## **8. Corporate Governance Statement**

Lamu County Executive Staff Housing Fund is a Fund kitty for the Lamu County Executive Staff to take up loans to acquire affordable homes. The loans will be accessed at a fair interest rate; the Fund is established under the Staff Housing Fund Act, 2019, which was assented to by the County Assembly in May 2019.

The Fund is wholly owned by the county government of Lamu and is domiciled in Kenya.

### **Principal Activities**

- (a) Provide loans for the purchase, development, renovation, or repair of residential houses to members of Staff.
- (b) Raise Funds for the implementation of the objectives stated in paragraph (a)

### **Appointment of members**

The Lamu County Executive Staff Housing fund regulations of 2019 established a committee to be known as the Housing Loan Management Committee, which shall consist of:

- a. The County Secretary, who is the Chairperson
- b. Chief Officer Finance, who shall be Fund Administrator and the Secretary to the committee
- c. County Chief Officer in charge of Public Service Management and Administration.
- d. County Attorney or person in charge of County Legal Service
- e. County Housing Officer
- f. County Director in charge of Human Resources

**9. Management Discussion and Analysis**

Lamu County Executive Staff Housing Fund receives money from the County Treasury through the Department of Finance to enable payments to be made with respect to members of staff for purchases, development, renovation, or repair of residential houses. As the Lamu County Executive Staff Housing Act of 2019 dictates the payments are made upon approval by the fund administration committee.

**10. Environmental and Sustainability Reporting**

**i) Sustainability strategy and profile**

The Lamu County Executive Staff Housing Fund is established and mandated through the Lamu County Executive Staff Housing Fund Regulation 2019 of the County Assembly of Lamu. This Act has put in place a good governance structure. The Fund is independent. It has a fund administrator and an independent fund administration committee.

**ii) Environmental performance**

**Lamu County Executive Staff Housing Fund** is committed to environmental stewardship through the integration of sustainable practices in all operations. The organization seeks to minimize its environmental footprint, conserve natural resources, and contribute to climate change mitigation and adaptation efforts.

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

The Fund was not involved in any corporate social responsibility activities in the Financial Year 2024/2025.

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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

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

**Principal activities**

The principal activities of the Fund are to provide loans for the purchase, development, renovation, or repair of residential houses to members of Staff.

**Results**

The results of the Fund for the year ended June 30, 2025, are set out on pages 1-4

**Fund Administration Committee**

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

**Auditors**

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

By Order of the Board



.....  
AMB. ALI ABBAS, MBS

CHAIRPERSON

**LAMU COUNTY EXECUTIVE STAFF HOUSING FUND.**

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

Section 81 or 164 of the Public Finance Management Act, 2012 requires the Fund Committee to prepare financial statements in respect of that Lamu County Executive Staff Housing Fund, which give a true and fair view of the state of affairs of the Lamu County Executive Staff Housing Fund at the end of the financial year/period and the operating results of the Lamu County Executive Staff Housing Fund for that year/period. The Directors/Fund Committee is also required to ensure that the fund maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the fund. The Directors/Fund Committee is also responsible for safeguarding the assets of the fund.

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

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

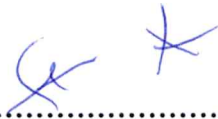
**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

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In preparing the financial statements, the Fund Committee has assessed the Lamu County Executive Staff Housing Fund's ability to continue as a going concern (disclose, as applicable, matters relating to the use of the going concern basis of preparation of the financial statements). Nothing has come to the attention of the Directors/Fund Committee to indicate that the fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

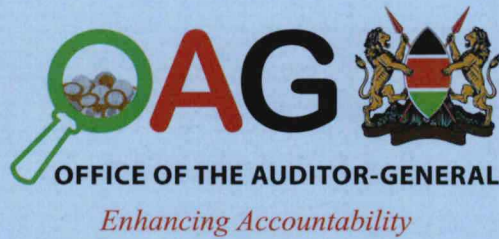
The fund's financial statements were approved by the Board on 25<sup>th</sup> July 2025 and signed on its behalf by:



.....  
CPA SALMA OMAR  
FUND ADMINISTRATOR  
**LAMU COUNTY EXECUTIVE STAFF HOUSING FUND**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON LAMU COUNTY EXECUTIVE STAFF HOUSING FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Lamu County Executive Staff Housing Fund set out on pages 1 to 52, 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 financial statements present fairly, in all material respects, the financial position of Lamu County Executive Staff Housing Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Lamu County Executive Staff Housing Regulations, 2019 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Long Outstanding and Defaulted Loans**

The statement of financial position reflects current portion of long-term receivable balance of Kshs.1,959,334 and long-term receivables from exchange transactions balance of Kshs.4,160,000 as disclosed in Notes 19 and 29 to the financial statements. As previously reported, review of the loan documents provided for audit revealed that a loan of Kshs.23,400,000 was disbursed to an officer on 9 July, 2019, at an interest rate of 3% and repayment period of thirty-six (36) months. However, as at the time of the audit the loan was not fully repaid and a balance of Kshs.6,119,334 was outstanding as indicated below.

|   | <b>Item description</b> | <b>Amount (Kshs)</b> |
|---|-------------------------|----------------------|
| 1 | Principal Amount        | 4,160,000            |
| 2 | Accumulated interest    | 1,959,334            |
|   | <b>Total</b>            | <b>6,119,334</b>     |

The title deed used as collateral in case of default was not deposited with the Housing Loans Management Committee as at the time of audit. Further, the borrower was no longer an employee of the County Government of Lamu and had not given prior authority in writing for pension dues and any other employee benefits to be utilized to clear the debt in case the member loses his job before repaying the loan. Also, the fund administrative committee did not pass a resolution of converting the loan to commercial terms.

In the circumstances, the recoverability, accuracy and completeness of the long-term and current receivables from exchange transactions balance of Kshs.6,119,334 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lamu County Executive Staff Housing Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year audit report, three (3) issues were raised, an issue in every section of the report, that is under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance, respectively. These issues included long outstanding and defaulted loan repayment, late submission of financial statements for audit and failure to effectively utilize appropriated funds. Review of the status during audit of the Fund in 2024/2025 revealed that only the issue on long outstanding and defaulted loan repayment remained unresolved.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Entity Information and Management, The Board of Directors/Fund Committees, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer/Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors/Fund Committee and Statement of Directors/Fund Committees 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 effect(s) of the matter(s) 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**

#### **1. Underutilized County Funds**

The statement of financial position reflects a balance of Kshs.35,628,352 on cash and cash equivalents as disclosed in Note 27 to financial statements. The Fund had the same balance in the prior year and did not disburse any loan during the year under review. The Fund therefore did not utilize its available resources during the year under review. No explanation was provided for keeping public funds idle at the expense of delivering services to the public.

In the circumstances, the effectiveness of the fund in meeting the intended purposes could not be confirmed.

#### **2. Dysfunctional Loan Management Committee**

A review of the documents provided for audit revealed that the Housing Loan Management Committee was charged with running the operations of the Fund. However, the committee did not have any committee sitting during the year under review. This was contrary to Section 109(6) of the Public Finance Management Act, 2012 which provides that the County Treasury shall obtain the written approval of the Controller of Budget before withdrawing money from the County Revenue Fund under the authority of an Act of the County Assembly that appropriates money for a public purpose; an Act of Parliament or county legislation that imposes a charge on that Fund; or this Act in accordance with sections 134 and 135. In addition, Regulation 7(1) of the

Lamu County Executive Staff Housing Fund Regulations,2019 provides that there shall be a committee known as the Housing Loans Management Committee, which shall consist of the County Secretary(Chairperson), the Chief Officer of finance (Fund administrator), the County Chief Officer in charge of Public Service Management and Administration, the County Attorney or the person in charge of the County Legal Officer, the County Housing Officer and the County Director in charge of Human Resource. Regulation 7(2) requires that the committee process loan applications in accordance with the existing terms of borrowing and supervise the day-to-day operations of the fund established by regulation 3.

In the circumstances, effectiveness of internal controls, risk management and governance could not be confirmed.

### **3. Failure to Enact an Act of The County Assembly**

Review of the records revealed that the County Executive Committee Member of Finance has not developed enabling Act for proper implementation of the Fund. This was contrary to Section 116(1) of the Public Finance Management Act, 2012 which states that a County Executive Committee Member for finance may establish other public funds with the approval of the County Executive Committee and the County Assembly.

In the circumstances, effectiveness of internal controls, risk management and governance 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.

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

**Nairobi**

**21 November, 2025**

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

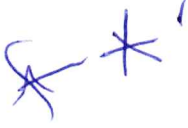
**14. Statement of Financial Performance for the year ended 30<sup>th</sup> June 2025**

|  | Notes | 2024-2025      | 2023-2024      |
|--|-------|----------------|----------------|
|  |       | Kshs           | Kshs           |
| <b>Revenue from non-exchange transactions</b>    |       |                |                |
| Transfers from other government entities         | 6     | -              | -              |
| Public contributions and donations               | 7     | -              | -              |
| Transfers in-kind                                | 8     | -              | -              |
|  |       | -              | -              |
| <b>Revenue from exchange transactions</b>        |       |                |                |
| Interest income                                  | 9     | 180,631        | 175,300        |
| Rendering of services                            | 10    | -              | -              |
| Rental revenue from facilities and equipment     | 11    | -              | -              |
| Fees and other charges                           | 12    | -              | -              |
| Other income                                     | 13    | -              | -              |
| <b>Total revenue</b>                             |       | <b>180,631</b> | <b>175,300</b> |
|  |       |                |                |
| <b>Expenses</b>                                  |       |                |                |
| Use of goods and services                        | 14    | -              | -              |
| Employee costs                                   | 15    | -              | -              |
| Board Expenses                                   | 16    | -              | -              |
| Depreciation and amortization expense            | 17    | -              | -              |
| Repairs and maintenance                          | 18    | -              | -              |
| Contracted services                              | 19    | -              | -              |
| Grants and subsidies                             | 20    | -              | -              |
| Finance costs                                    | 21    | -              | -              |
| <b>Total expenses</b>                            |       | <b>-</b>       | <b>-</b>       |
| <b>Surplus/deficit from operating activities</b> |       | <b>-</b>       | <b>-</b>       |
| <b>Other gains/(losses)</b>                      |       |                |                |
| Gain/Loss on sale of assets                      | 22    | -              | -              |
| Gain/Loss on foreign exchange transactions       | 23    | -              | -              |
| Gain /Loss on fair value of investments          | 24    | -              | -              |
| Impairment loss                                  | 25    | (-)            | (-)            |
| <b>Surplus/ (deficit) before tax</b>             |       | <b>-</b>       | <b>-</b>       |
| Taxation   | 26    | (-)            | (-)            |
| <b>Surplus/(deficit) for the Year</b>            |       | <b>180,631</b> | <b>175,300</b> |
| <b>Net Surplus for the year</b>                  |       | <b>180,631</b> | <b>175,300</b> |

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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The notes set out form an integral part of these Financial Statements. The Financial Statements set out were signed on behalf of the Board of Directors/Fund committee by:



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Fund Administrator  
Name: CPA Salma Omar Ahmed  
**ICPAK Member No: 15009**



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Fund Accountant  
Name: CPA Mohamed Omari Mohamed  
**ICPAK Member No: 24281**

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**15 Statement of Financial Position as at 30<sup>th</sup> June 2025**

|  | Notes | 2024-2025         | 2023-2024         |
|--|-------|-------------------|-------------------|
|  |       | Kshs              | Kshs              |
| <b>Assets</b>                              |       |                   |                   |
| <b>Current Assets</b>                      |       |                   |                   |
| Cash and Cash equivalents                  | 27    | 35,628,352        | 35,628,352        |
| Prepayments                                | 28    | -                 | -                 |
| Receivables from Exchange Transactions     | 29    | 1,959,334         | 1,778,703         |
| Receivables from Non-Exchange Transactions | 30    | -                 | -                 |
| Inventories                                | 31    | -                 | -                 |
| Investments in financial assets            | 32    | -                 | -                 |
| <b>Total Current Assets</b>                |       | <b>37,587,686</b> | <b>37,407,055</b> |
|  |       |                   |                   |
| <b>Non-Current Assets</b>                  |       |                   |                   |
| Receivables from Exchange Transactions     | 29    | 4,160,000         | 4,160,000         |
| Investments in financial assets            | 32    | -                 | -                 |
| Property, Plant and Equipment              | 33    | -                 | -                 |
| Intangible Assets                          | 34    | -                 | -                 |
| Investment Property                        | 35    | -                 | -                 |
| <b>Total Non-Current Assets</b>            |       | <b>4,160,000</b>  | <b>4,160,000</b>  |
| <b>Total Assets (A)</b>                    |       | <b>41,747,686</b> | <b>41,567,055</b> |
|  |       |                   |                   |
| <b>Liabilities</b>                         |       |                   |                   |
| <b>Current Liabilities</b>                 |       |                   |                   |
| Trade and Other Payables                   | 36    | -                 | -                 |
| Refundable Deposits from Customers         | 37    | -                 | -                 |
| Current Provision                          | 38    | -                 | -                 |
| Finance Lease Obligation                   | 39    | -                 | -                 |
| Deferred Income                            | 40    | -                 | -                 |
| Employee Benefit Obligations               | 41    | -                 | -                 |
| Current Portion of Borrowings              | 42    | -                 | -                 |
| Taxation                                   | 43    | -                 | -                 |
| <b>Total Current Liabilities</b>           |       | <b>-</b>          | <b>-</b>          |
|  |       |                   |                   |

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

|   | Notes | 2024-2025         | 2023-2024         |
|---|-------|-------------------|-------------------|
|   |       | Kshs              | Kshs              |
| <b>Non-Current Liabilities</b>          |       |                   |                   |
| Non-Current Provisions                  | 38    | -                 | -                 |
| Non-Current Employee Benefit Obligation | 41    | -                 | -                 |
| Borrowings                              | 42    | -                 | -                 |
| Service Concession Liability            | 44    | -                 | -                 |
| Deferred Tax Liabilities                | 45    | -                 | -                 |
| <b>Total Non-Current Liabilities</b>    |       | -                 | -                 |
| <b>Total Liabilities (B)</b>            |       | -                 | -                 |
| <b>Net Assets (A-B)</b>                 |       | <b>41,747,686</b> | <b>41,567,055</b> |
|   |       |                   |                   |
| <b>Represented By:</b>                  |       |                   |                   |
| Reserves                                |       | -                 | -                 |
| Accumulated Surplus                     |       | 1,747,686         | 1,567,055         |
| Revolving Fund                          |       | 40,000,000        | 40,000,000        |
| Capital Fund                            |       | -                 | -                 |
| <b>Net Assets</b>                       |       | <b>41,747,686</b> | <b>41,567,055</b> |

The financial statements set out were signed on behalf of the Board of Directors by:



\_\_\_\_\_  
Fund Administrator  
Name: CPA Salma Omar Ahmed  
ICPAK Member No: 15009



\_\_\_\_\_  
Fund Accountant  
Name: CPA Mohamed Omari Mohamed  
ICPAK Member No: 24281

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

| <b>Description</b>                                   | <b>Revaluation reserve</b> | <b>Fair value adjustment reserve</b> | <b>Accumulated surplus</b> | <b>Revolving Fund</b> | <b>Capital/ Development Grants/Fund</b> | <b>Total</b>      |
|--|----------------------------|--------------------------------------|----------------------------|-----------------------|---|-------------------|
|  | Kshs                       | Kshs                                 | Kshs                       | Kshs                  | Kshs                                    | Kshs              |
| <b>As at July 1, 2023</b>                            | -                          | -                                    | <b>1,391,755</b>           | <b>40,000,000</b>     | -                                       | <b>41,391,755</b> |
| Revaluation gain                                     | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Fair value adjustment on investments                 | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Surplus/ deficit for the year                        | -                          | -                                    | 175,300                    | -                     | -                                       | 175,300           |
| Funds received during the year                       | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Transfers from accumulated surplus to revolving fund | -                          | -                                    | (-)                        | -                     | -                                       | -                 |
| Capital/development grants received during the year  | -                          | -                                    | -                          | -                     | -                                       | -                 |
| <b>As at June 30, 2024</b>                           | -                          | -                                    | <b>1,567,055</b>           | <b>40,000,000</b>     | -                                       | <b>41,567,055</b> |
|  |                            |                                      |                            |                       |   |                   |
| <b>As at July 1, 2024</b>                            | -                          | -                                    | <b>1,567,055</b>           | <b>40,000,000</b>     | -                                       | <b>41,567,055</b> |
| Revaluation gain                                     | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Fair value adjustment on investments                 | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Surplus/ (deficit) for the year                      | -                          | -                                    | 180,631                    | -                     | -                                       | 180,631           |
| Funds received during the year                       | -                          | -                                    | -                          | -                     | -                                       | -                 |
| Transfers from accumulated surplus to revolving fund | -                          | -                                    | (-)                        | -                     | -                                       | -                 |
| Capital/development grants received during the year  | -                          | -                                    | -                          | -                     | -                                       | -                 |
| <b>As at June 30, 2025</b>                           | -                          | -                                    | <b>1,747,686</b>           | <b>40,000,000</b>     | -                                       | <b>41,747,686</b> |

**Lamu County Executive Staff Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**17. Statement of Cash Flows for the year ended 30<sup>th</sup> June 2025**

|  | Notes | 2024-2025 | 2023-2024 |
|--|-------|-----------|-----------|
|  |       | Kshs      | Kshs      |
| <b>Cash flows from operating activities</b>                |       |           |           |
| <b>Receipts</b>  |       |           |           |
| Transfers from other government entities                   |       | -         | -         |
| Public contributions and donations                         |       | -         | -         |
| Interest received  |       | -         | -         |
| Rendering of services                                      |       | -         | -         |
| Rental revenue from facilities and equipment               |       | -         | -         |
| Fees and other charges                                     |       | -         | -         |
| Other income( <i>specify</i> )                             |       | -         | -         |
| <b>Total receipts</b>                                      |       | -         | -         |
| <b>Payments</b>  |       |           |           |
| Use of goods and services                                  |       | (-)       | (-)       |
| Employee costs   |       | (-)       | (-)       |
| Board Expenses   |       | (-)       | (-)       |
| Repairs and maintenance                                    |       | (-)       | (-)       |
| Contracted services  |       | (-)       | (-)       |
| Grants and subsidies                                       |       | (-)       | (-)       |
| Finance costs  |       | (-)       | (-)       |
| <b>Total payments</b>                                      |       | (-)       | (-)       |
| <b>Net cash flows from/ (used in) operating activities</b> | 46    | -         | -         |
|  |       |           |           |
| <b>Cash flows from investing activities</b>                |       |           |           |
| Purchase of PPE  |       | (-)       | (-)       |
| Purchase of Intangible assets                              |       | (-)       | (-)       |
| Proceeds from the sale of PPE                              |       | -         | -         |
| Proceeds from loan principal repayments                    |       | -         | -         |
| Loan disbursements paid out                                |       | (-)       | (-)       |
| Purchase of investments                                    |       | (-)       | (-)       |
| Proceeds from the sale of investments                      |       | -         | -         |
| <b>Net cash flows from/ (used in) investing activities</b> |       | -         | -         |
|  |       |           |           |
| <b>Cash flows from financing activities</b>                |       |           |           |
| Revolving fund receipts                                    |       | -         | -         |
| Proceeds from borrowings                                   |       | -         | -         |
| Repayment of borrowings                                    |       | (-)       | (-)       |

**Lamu County Executive Staff Housing Fund**

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

|   |       | 2024-2025  | 2023-2024  |
|---|-------|------------|------------|
|   | Notes | Kshs       | Kshs       |
| Net cash flows from financing Activities                          |       | -          | -          |
|   |       |            |            |
| Net increase/(decrease) in cash & Cash equivalents                |       | -          | -          |
| Cash and cash equivalents at the beginning (1 <sup>st</sup> July) | 27    | 35,628,352 | 35,628,352 |
| Cash and cash equivalents at the end (30 <sup>th</sup> June)      | 27    | 35,628,352 | 35,628,352 |

**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**18. Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June 2025**

|  | Original budget | Adjustments | Final budget   | Actual on a comparable basis | Performance difference | % of utilization |
|--|-----------------|-------------|----------------|------------------------------|------------------------|------------------|
|  | Kshs            | Kshs        | Kshs           | Kshs                         | Kshs                   |                  |
|  | a               | b           | c= (a+b)       | d                            | e=(c-d)                | f=d/c*100        |
| <b>Budget carryovers from the previous year*</b> | 35,628,352      | -           | 35,628,352     | 35,628,352                   | -                      | 100%             |
| <b>Receipts</b>                                  |                 |             |                |                              |                        |                  |
| Transfers from Other government entities         | -               | -           | -              | -                            | (-)                    | -                |
| Public Contributions and Donations               | -               | -           | -              | -                            | (-)                    | -                |
| Interest income                                  | 180,631         | -           | 180,631        | -                            | 180,631                | 0%               |
| Rendering of Services                            | -               | -           | -              | -                            | (-)                    | -                |
| Rental Revenue from Facilities and Equipment     | -               | -           | -              | -                            | -                      | -                |
| Fees and other charges                           | -               | -           | -              | -                            | (-)                    | -                |
| <b>Total Receipts</b>                            | <b>180,631</b>  | <b>-</b>    | <b>180,631</b> | <b>-</b>                     | <b>180,631</b>         | <b>0%</b>        |
| <b>Payments</b>                                  |                 |             |                |                              |                        |                  |
| Use of Goods and Services                        | -               | -           | -              | -                            | (-)                    | -                |
| Employee costs                                   | -               | -           | -              | -                            | (-)                    | -                |
| Board Expenses                                   | -               | -           | -              | -                            | (-)                    | -                |
| Repairs and Maintenance                          | -               | -           | -              | -                            | -                      | -                |
| Contracted Services                              | -               | -           | -              | -                            | (-)                    | -                |
| Grants and Subsidies                             | -               | -           | -              | -                            | (-)                    | -                |
| Finance costs                                    | -               | -           | -              | -                            | (-)                    | -                |
| <b>Total Expenditure Payments</b>                | <b>-</b>        | <b>-</b>    | <b>-</b>       | <b>-</b>                     | <b>(-)</b>             | <b>-</b>         |
| <b>Capital Expenditure Payments</b>              | <b>-</b>        | <b>-</b>    | <b>-</b>       | <b>-</b>                     | <b>-</b>               | <b>-</b>         |
| <b>Surplus for the period</b>                    | <b>180,631</b>  | <b>-</b>    | <b>180,631</b> | <b>-</b>                     | <b>180,631</b>         | <b>0%</b>        |



**Lamu County Executive Staff Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Note: Budget carryovers\*** This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer/CRF.

**Budget notes**

- For the financial year under review, the Executive Housing Fund did not record any financial or operational activity.
- There were no amendments between the original and final budget for the Executive Housing Fund.

**Budget Reconciliation**

|  | <b>Description of Particulars</b>                                   | <b>Amount in Kshs</b> |
|--|---|-----------------------|
|  | Actual Surplus Amounts as per the statement of Budget               | <b>180,631</b>        |
|  | Closing Cash and Cash Equivalent as per the statement of Cash flows | <b>35,628,352</b>     |

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

### **1. General Information**

The Lamu County Executive Staff Housing Fund is established by and derives its authority and accountability from the Lamu County Executive Staff Housing Fund Act. The Entity is wholly owned by the County Government of Lamu and is domiciled in Kenya.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations 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**

When an IPSAS becomes effective on 1<sup>st</sup> January 2025, it is applicable in Kenya from 1<sup>st</sup> July 2025

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

| <b>Standard</b> | <b>Effective date and impact:</b>             |
|-----------------|---|
| IPSAS 43:       | <i>Applicable 1<sup>st</sup> January 2025</i> |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|   |   |
|---|---|
| Leases  | <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 recognise, measure, and present information on right-of-use assets and lease liabilities.</p>  |
| <p>IPSAS 44:<br/>Non-Current<br/>Assets Held for<br/>Sale and<br/>Discontinued<br/>Operations</p> | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale are to be measured at the lower of carrying amount and fair value less costs to sell, and the depreciation of such assets is to cease and.</p> <p>Assets that meet the criteria to be classified as held for sale are 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>IPSAS 45:<br/>Property, Plant<br/>and Equipment</p>  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles, e.g., valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> |
| <p>IPSAS 46:<br/>Measurement</p>  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>  |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|  |     |  |
|--|-----|--|
|  |     | <p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures.</p> <p>The standard also introduces a public sector-specific measurement basis called the current operational value.</p>  |
| IPSAS 47:<br>Revenue                         |     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS<br>Transfer<br>Expenses                | 48: | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>   |
| IPSAS<br>Retirement<br>Benefit Plans         | 49: | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans that provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>  |
| IPSAS 50:<br>Exploration For &<br>Evaluation |     | <p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the of exploration for and evaluation of mineral resources. The Standard requires:</p>   |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|                   |   |
|-------------------|---|
| Mineral Resources | <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> |
|-------------------|---|

*ii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees and other charges**

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

**Transfers from other government entities**

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

financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the County Assembly on *30<sup>th</sup> April 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity recorded additional appropriations of *zero (0)* on the 2024-2025 budget following the governing body's approval. The Lamu County Executive Staff Housing Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

**c) Taxes**

**Current income tax**

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

**Deferred tax**

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

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

**Sales tax**

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-

day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

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

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

**f) Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Lamu County Executive Staff Housing Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Lamu County Executive Staff Housing Fund 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 Lamu County Executive Staff Housing Fund will obtain ownership of the asset by the end of

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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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 Lamu County Executive Staff Housing Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

The fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Lamu County Executive Staff Housing Fund can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when

development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually, with any impairment losses recognized immediately in surplus or deficit.

### **Financial instruments**

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

#### **a) Financial assets**

##### **Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity

manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a surplus or deficit model.

### **Impairment**

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

### **b) Financial liabilities**

#### **Classification**

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

### **i) Inventories**

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

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

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

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) Contingent assets**

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

**m) Nature and purpose of reserves**

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

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

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

**o) Employee benefits**

**Retirement benefit plans**

The Lamu County Executive Staff Housing Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Lamu County Executive Staff Housing Fund (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 triannually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when the construction

of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

The fund regards a related party as a person or an Entity with the ability to exert control individually or jointly or to exercise significant influence over the *Entity*, or vice versa.

**Service concession arrangements**

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

**s) Cash and cash equivalents.**

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

**t) Comparative figures**

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

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

**Estimates and assumptions.**

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

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**6. Transfers from Other Government Entities**

| Description  | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| Unconditional Grants                                 | -         | -         |
| Total Unconditional Grants                           | -         | -         |
| Conditional Grants amortised/ transferred to revenue | -         | -         |
| <b>Total Government Grants and Subsidies</b>         | <b>-</b>  | <b>-</b>  |

**b) Transfers from the Ministry/County Departments**

| Name of The Entity Sending the Grant | Amount recognized to Statement of Financial Performance. * | Amount deferred under deferred income. | Amount recognized in the capital fund. | Total transfers 2024-2025 | 2023-2024 |
|--------------------------------------|--|--|--|---------------------------|-----------|
|                                      | Kshs   | Kshs                                   | Kshs                                   | Kshs                      | Kshs      |
| <b>Total</b>                         | <b>-</b>   | <b>-</b>                               | <b>-</b>                               | <b>-</b>                  | <b>-</b>  |

**7. Public Contributions and Donations**

| Description             | 2024-2025 | 2023-2024 |
|-------------------------|-----------|-----------|
|                         | Kshs      | Kshs      |
| Total Transfers in-kind | -         | -         |

**8. Transfers in-kind.**

| Description             | 2024-2025 | 2023-2024 |
|-------------------------|-----------|-----------|
|                         | Kshs      | Kshs      |
| Total Transfers in-kind | -         | -         |

**9. Interest income**

| Description                  | 2024-2025      | 2023-2024      |
|------------------------------|----------------|----------------|
|                              | Kshs           | Kshs           |
| Interest on loans            | 180,631        | 175,300        |
| <b>Total Interest income</b> | <b>180,631</b> | <b>175,300</b> |

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**10. Rendering of Services**

| Description                                  | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| Total Revenue from The Rendering of Services | -         | -         |

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

| Description   | 2024-2025 | 2023-2024 |
|---------------|-----------|-----------|
|               | Kshs      | Kshs      |
| Total Rentals | -         | -         |

**12. Fees and other charges**

| Description                  | 2024-2025 | 2023-2024 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| Total Fees and other charges | -         | -         |

**13. Other Income**

| Description        | 2024-2025 | 2023-2024 |
|--------------------|-----------|-----------|
|                    | Kshs      | Kshs      |
| Total Other income | -         | -         |

**14. Use of Goods and Services**

| Description | 2024-2025 | 2023-2024 |
|-------------|-----------|-----------|
|             | Kshs      | Kshs      |
| Total       | -         | -         |

**15. Employee Costs**

| Description    | 2024-2025 | 2023-2024 |
|----------------|-----------|-----------|
|                | Kshs      | Kshs      |
| Employee costs | -         | -         |

**16. Board Expenses**

| Description | 2024-2025 | 2023-2024 |
|-------------|-----------|-----------|
|             | Kshs      | Kshs      |
| Total       | -         | -         |

17. Depreciation and Amortization Expense

| Description                         | 2024-2025 | 2023-2024 |
|-------------------------------------|-----------|-----------|
|                                     | Kshs      | Kshs      |
| Total depreciation and amortization | -         | -         |

18. Repairs and Maintenance

| Description                   | 2024-2025 | 2023-2024 |
|-------------------------------|-----------|-----------|
|                               | Kshs      | Kshs      |
| Total Repairs and Maintenance | -         | -         |

19. Contracted Services

| Description               | 2024-2025 | 2023-2024 |
|---------------------------|-----------|-----------|
|                           | Kshs      | Kshs      |
| Total Contracted Services | -         | -         |

20. Grants and Subsidies

| Description                | 2024-2025 | 2023-2024 |
|----------------------------|-----------|-----------|
|                            | Kshs      | Kshs      |
| Total Grants and Subsidies | -         | -         |

21. Finance Costs

| Description         | 2024-2025 | 2023-2024 |
|---------------------|-----------|-----------|
|                     | Kshs      | Kshs      |
| Total finance costs | -         | -         |

22. Gain/Loss on Sale of Assets

| Description                  | 2024-2025 | 2023-2024 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| Total gain on sale of assets | -         | -         |

23. Gain/Loss on foreign exchange transactions

| Description     | 2024-2025 | 2023-2024 |
|-----------------|-----------|-----------|
|                 | Kshs      | Kshs      |
| Total Gain/Loss | -         | -         |

24. Gain/ (loss) on Fair Value Investments

| Description | 2024-2025 | 2023-2024 |
|-------------|-----------|-----------|
|             | Kshs      | Kshs      |
| Total Gain  | -         | -         |

25. Impairment Loss

| Description           | 2024-2025 | 2023-2024 |
|-----------------------|-----------|-----------|
|                       | Kshs      | Kshs      |
| Total Impairment Loss | -         | -         |

26. Taxation

| Description  | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| Income tax expense is reported in the statement of financial performance | -         | -         |

27. Cash and Cash Equivalents

| Description                     | 2024-2025  | 2023-2024  |
|---------------------------------|------------|------------|
|                                 | Kshs       | Kshs       |
| Bank balances                   | 35,628,352 | 35,628,352 |
| Total Cash and Cash Equivalents | 35,628,352 | 35,628,352 |

Detailed Analysis of the Cash and Cash Equivalents

| Financial Institution     | Account number | 2024-2025  | 2023-2024  |
|---------------------------|----------------|------------|------------|
|                           |                | Kshs       | Kshs       |
| a) Bank balances          |                |            |            |
| Diamond Trust Bank        | 0904554001     | 35,628,352 | 35,628,352 |
| Sub-Total                 |                | 35,628,352 | 35,628,352 |
| b) On-Call Deposits       |                | -          | -          |
| c) Fixed Deposits Account |                | -          | -          |
| Grand Total               |                | 35,628,352 | 35,628,352 |

28. Prepayments

| Description | 2024-2025 | 2023-2024 |
|-------------|-----------|-----------|
|             | Kshs      | Kshs      |
| Total       | -         | -         |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**29. Receivables from Exchange Transactions**

| Description   | 2024-2025        | 2023-2024        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| <b>Current Receivables</b>                          |                  |                  |
| Loan interest receivable                            | 1,959,334        | 1,778,703        |
| Current Loan Repayments Due                         | -                | -                |
| Fees and other charges due                          | -                | -                |
| Less: Impairment Allowance                          | (-)              | (-)              |
| <b>Total Current Receivables</b>                    | <b>1,959,334</b> | <b>1,778,703</b> |
| <b>Non-Current Receivables</b>                      |                  |                  |
| Long-Term Loan Repayments Due                       | 4,160,000        | 4,160,000        |
| <b>Total Non-Current Receivables</b>                | <b>4,160,000</b> | <b>4,160,000</b> |
| <b>Total Receivables from Exchange Transactions</b> | <b>6,119,334</b> | <b>5,938,703</b> |

**Ageing analysis for Receivables from exchange transactions**

| Description        | 2024-2025        |                | 2023-2024        |                |
|--------------------|------------------|----------------|------------------|----------------|
|                    | Kshs             |                | Kshs             |                |
|                    | 2024-2025        | % of the total | 2023-2024        | % of the total |
| Less than 1 year   | 180,631          | 3%             | 175,300          | 3%             |
| Between 1- 2 years | 175,300          | 3%             | -                | 0%             |
| Between 2-3 years  | -                | 0%             | -                | 0%             |
| Over 3 years       | 5,763,403        | 94%            | 5,763,403        | 97%            |
| <b>Total (a+b)</b> | <b>6,119,334</b> | <b>100%</b>    | <b>5,938,703</b> | <b>100%</b>    |

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

| Impairment allowance/ provision | 2024-2025 | 2023-2024 |
|---------------------------------|-----------|-----------|
|                                 | Kshs      | Kshs      |
| At the beginning of the year    | -         | -         |
| At the end of the year          | -         | -         |

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

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

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

| Description                  | 2024-2025 | 2023-2024 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| At the beginning of the year | -         | -         |
| At the end of the year       | -         | -         |

**31. Inventories**

| Description  | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Total inventories at the lower of cost &amp; net realizable value</b> | -         | -         |

**Detailed Disclosure on Inventories**

| Description     | 2024-2025 | 2023-2024 |
|-----------------|-----------|-----------|
| Opening balance | -         | -         |
| Closing balance | -         | -         |

**32. Investments in financial assets**

| Description                                      | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| a) Investment in Treasury bills and bonds        |           |           |
| b) Investment with Financial Institutions/ Banks |           |           |
| <b>Grand total</b>                               | -         | -         |

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Movement of Equity Investments**

| <b>Impairment allowance/ provision</b> | <b>2024-2025</b> | <b>2023-2024</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| At the end of the year                 | -                | -                |

**Shareholding in other entities**

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

| <b>Name of Entity where investment is held</b> | <b>No of shares</b>        |                              |                               | <b>Nominal value of shares</b> | <b>Fair value of shares</b> | <b>Fair value of shares</b> |
|--|----------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------|-----------------------------|
|  | <b>Direct shareholding</b> | <b>Indirect shareholding</b> | <b>Effective shareholding</b> |                                |                             |                             |
|  | <b>%</b>                   | <b>%</b>                     | <b>%</b>                      | <b>Kshs</b>                    | <b>Kshs</b>                 | <b>Kshs</b>                 |
|  | -                          | -                            | -                             | -                              | -                           | -                           |

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**33. Property, Plant and Equipment**

The fund does not have PPE

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Valuation**

No valuation was done during the Period ending 30<sup>th</sup> June 2025

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

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

| Description  | Cost | Accumulated Depreciation | NBV  |
|--------------|------|--------------------------|------|
|              | Kshs | Kshs                     | Kshs |
| <b>Total</b> | -    | -                        | -    |

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

| Description  | Cost or valuation | Normal annual depreciation charge |
|--------------|-------------------|-----------------------------------|
| <b>Total</b> | -                 | -                                 |

**34. Intangible Assets**

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

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**35. Investment Property**

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

**36. Trade and Other Payables**

| Description  | 2024-2025         |                       | 2023-2024             |                       |
|--|-------------------|-----------------------|-----------------------|-----------------------|
|  | Kshs              |                       | Kshs                  |                       |
| Trade payables                                     | -                 |                       | -                     |                       |
| Employee payables                                  | -                 |                       | -                     |                       |
| Third-party payments                               | -                 |                       | -                     |                       |
| Other payables                                     | -                 |                       | -                     |                       |
| <b>Total trade and other payables</b>              | -                 |                       | -                     |                       |
|  |                   |                       |                       |                       |
| <b>Ageing analysis: (Trade and other payables)</b> | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</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>                  | -                 |                       | -                     |                       |

**37. Refundable Deposits from Customers**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|              |   |   |   |   |
|--------------|---|---|---|---|
| 1-2 years    | - | % | - | % |
| 2-3 years    | - | % | - | % |
| Over 3 years | - | % | - | % |
| <b>Total</b> | - |   | - |   |

**38. Provisions**

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

**39. Finance Lease Obligation**

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

**Maturity Analysis**

| <b>Period</b>           | <b>Amount (Kshs)</b> |
|-------------------------|----------------------|
| Year 1                  | -                    |
| Less: Unearned Interest | (-)                  |
| <b>Total</b>            | -                    |

**Analysed as:**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

The deferred income movement is as follows:

**40. Deferred Income**

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

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

**41. Employee Benefit Obligations**

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

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Recognition of Retirement Benefit Asset/ Liability**

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

| Description   | 2024-2025 | 2023-2024 |
|---|-----------|-----------|
|   | Kshs      | Kshs      |
| The return on defined plan assets                                       | -         | -         |
| Actuarial gains/ losses arising from changes in demographic assumptions | -         | -         |
| Actuarial gains/ losses arising from changes in financial assumptions   | -         | -         |
| Actuarial gains and losses arising from experience adjustments          | -         | -         |
| Adjustments for restrictions on the defined benefit asset               | -         | -         |
| <b>Remeasurement of the net defined benefit liability (asset)</b>       | -         | -         |

b) Amounts recognised in the Statement of Financial Position

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

**42. Borrowings**

| Description                           | 2024-2025 | 2023-2024 |
|---------------------------------------|-----------|-----------|
|                                       | Kshs      | Kshs      |
| <b>a) External borrowings</b>         |           |           |
| Balance at the beginning of the year  | -         | -         |
| External borrowings during the year   | -         | -         |
| Repayments during the year            | (-)       | (-)       |
| <b>Balance at the end of the year</b> | -         | -         |
| <b>b) Domestic borrowings</b>         |           |           |
| Balance at the beginning of the year  | -         | -         |
| Domestic borrowings during the year   | -         | -         |
| Repayments during the year            | (-)       | (-)       |
| <b>Balance at the end of the year</b> | -         | -         |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|   |   |   |
|---|---|---|
|   |   |   |
| <b>Balance at the end of the period- domestic and External borrowings c = a+b</b> | - | - |
|   |   |   |
| <b>Short Term Borrowings (Current Portion)</b>                                    | - | - |
| <b>Long-term Borrowings</b>   | - | - |
| <b>Total</b>  | - | - |

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

| <b>Description</b>                                    | <b>2024-2025</b> | <b>2023-2024</b> |
|---|------------------|------------------|
|   | <b>Kshs</b>      | <b>Kshs</b>      |
| <b>External Borrowings</b>                            |                  |                  |
| Dollar-Denominated Loan From 'X Organization'         | -                | -                |
| Sterling Pound Denominated Loan From 'Y Organization' | -                | -                |
| Euro Denominated Loan from Z Organization'            | -                | -                |
| <b>Domestic Borrowings</b>                            |                  |                  |
| Kenya Shilling Loan From KCB                          | -                | -                |
| <b>Total Balance at the End of The Year</b>           | <b>-</b>         | <b>-</b>         |

**43. Taxation**

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

**44. Service Concession Liability**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**45. Deferred Tax Liability**

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

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

**46. Cash Generated from Operations**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**47. Financial Risk Management**

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

**i) Credit risk**

The Lamu County Executive Staff Housing Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and its 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 into 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 (Current FY)</b> |              |                  |          |          |
| Receivables from exchange transactions         | -            | -                | -        | -        |
| Receivables from non-exchange transactions     | -            | -                | -        | -        |
| Bank balances                                  | -            | -                | -        | -        |
| <b>Total</b>                                   | -            | -                | -        | -        |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

|  |   |   |   |   |
|--|---|---|---|---|
| <b>As at 30 June (Previous FY)</b>         |   |   |   |   |
| Receivables from exchange transactions     | - | - | - | - |
| Receivables from non-exchange transactions | - | - | - | - |
| Bank balances                              | - | - | - | - |
| <b>Total</b>                               | - | - | - | - |

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Lamu County Executive Staff Housing Fund has a significant concentration of credit risk on amounts due from June 30,2025. The board of directors sets the Lamu County Executive Staff Housing Fund’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 Lamu County Executive Staff Housing Fund’s directors, who have built an appropriate liquidity risk management framework for the management of the Lamu County Executive Staff Housing Fund’s short, medium, and long-term funding and liquidity management requirements. The Lamu County Executive Staff Housing Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Lamu County Executive Staff Housing Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| <b>Description</b>                             | <b>Less than 1 month</b> | <b>Between 1-3 months</b> | <b>Over 5 months</b> | <b>Total</b> |
|--|--------------------------|---------------------------|----------------------|--------------|
|  | <b>Kshs</b>              | <b>Kshs</b>               | <b>Kshs</b>          | <b>Kshs</b>  |
| <b>As at 30<sup>th</sup> June (Current FY)</b> |                          |                           |                      |              |
| Trade payables                                 | -                        | -                         | -                    | -            |
| Current portion of borrowings                  | -                        | -                         | -                    | -            |
| Provisions                                     | -                        | -                         | -                    | -            |
| Deferred income                                | -                        | -                         | -                    | -            |
| Employee benefit obligation                    | -                        | -                         | -                    | -            |
| <b>Total</b>                                   | -                        | -                         | -                    | -            |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

| 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 (Previous FY)</b> |                   |                    |               |       |
| Trade payables                                  | -                 | -                  | -             | -     |
| Current portion of borrowings                   | -                 | -                  | -             | -     |
| Provisions                                      | -                 | -                  | -             | -     |
| Deferred income                                 | -                 | -                  | -             | -     |
| Employee benefit obligation                     | -                 | -                  | -             | -     |
| <b>Total</b>                                    | -                 | -                  | -             | -     |

**Financial Risk Management**

**iii) Market risk**

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

**a) Foreign currency risk**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Financial Risk Management**

The carrying amount of the Lamu County Executive Staff Housing Fund's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period is as follows:

**Current FY**

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

**Foreign currency sensitivity analysis**

**Current FY**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Financial Risk Management**

The following table demonstrates the effect of the Lamu County Executive Staff Housing Fund'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<br>currency rate | Effect on Profit<br>before tax | Effect on<br>Equity/Net assets |
|--------------------|----------------------------|--------------------------------|--------------------------------|
|                    | Kshs                       | Kshs                           | Kshs                           |
| <b>Current FY</b>  |                            |                                |                                |
| Euro               | -                          | -                              | -                              |
| USD                | -                          | -                              | -                              |
| Sterling pound     | -                          | -                              | -                              |
| <b>Previous FY</b> |                            |                                |                                |
| Euro               | -                          | -                              | -                              |
| USD                | -                          | -                              | -                              |
| Sterling pound     | -                          | -                              | -                              |

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Fair value of financial assets and liabilities**

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

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

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Lamu County Executive Staff Housing Fund'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.

**Financial Risk Management**

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

| Description                                     | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
|   | Kshs    | Kshs    | Kshs    | Kshs  |
| <b>As at 30 June (Current FY)</b>               |         |         |         |       |
| <b>Financial Assets</b>                         |         |         |         |       |
| Quoted Equity Investments                       | -       | -       | -       | -     |
| <b>Non-Financial Assets</b>                     |         |         |         |       |
| Investment Property                             | -       | -       | -       | -     |
| <b>Total</b>                                    | -       | -       | -       | -     |
| <b>As at 30<sup>th</sup> June (Previous FY)</b> |         |         |         |       |
| <b>Financial Assets</b>                         |         |         |         |       |
| Quoted Equity Investments                       | -       | -       | -       | -     |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

| <b>Non-Financial Assets</b> |   |   |   |   |
|-----------------------------|---|---|---|---|
| Investment Property         | - | - | - | - |
| <b>Total</b>                | - | - | - | - |

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

**iv) Capital Risk Management**

The objective of the Lamu County Executive Staff Housing Fund’s capital risk management is to safeguard the Lamu County Executive Staff Housing Fund’s ability to continue as a going concern. The Lamu County Executive Staff Housing Fund capital structure comprises of the following funds:

| <b>Description</b>                           | <b>2024-2025</b>  | <b>2023-2024</b>  |
|--|-------------------|-------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>       |
| Reserves                                     | -                 | -                 |
| Accumulated Surplus                          | 1,747,686         | 1,567,055         |
| Revolving Fund                               | 40,000,000        | 40,000,000        |
| <b>Total Funds</b>                           | <b>41,747,686</b> | <b>41,567,055</b> |
| Total Borrowings                             | -                 | -                 |
| Less: Cash and Bank Balances                 | 35,628,352        | 35,628,352        |
| Net Debt/ (Excess Cash and Cash Equivalents) | 6,119,334         | 5,938,703         |
| <b>Gearing</b>                               | <b>0.15</b>       | <b>0.14</b>       |

**48. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Lamu County Executive Staff Housing Fund include those parties that have the ability to exercise control or significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Lamu County Executive Staff Housing Fund, holding 100% of the Lamu County Executive Staff Housing Fund’s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors/Fund Committees.

| Description  | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Transactions with related parties</b>                     |           |           |
| <b>a) Sales to related parties</b>                           |           |           |
| Rent income from the government Agencies                     | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>b) Purchases from related parties</b>                     |           |           |
| Purchases of electricity from KPLC                           | -         | -         |
| Purchase of water from govt service providers                | -         | -         |
| Training and conference fees paid to the government Agencies | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>c) Grants /transfers from the government</b>              |           |           |
| Grants from the National government                          | -         | -         |
| Grants from the County government                            | -         | -         |
| Donations in kind  | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>a) Expenses incurred on behalf of a related party</b>     |           |           |
| Salaries and wages for xxx employees                         | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>b) Key management compensation</b>                        |           |           |
| Directors' emoluments  | -         | -         |
| Compensation to key management                               | -         | -         |
| <b>Total</b>   | -         | -         |

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**49. Segment Information**

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

**50. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

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

**Contingent Liabilities**

| Description   | 2024-2025 | 2023-2024 |
|---|-----------|-----------|
|   | 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>  | -         | -         |

**51. Capital Commitments**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**52. Events after the Reporting Period**

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

**53. Ultimate And Holding Entity**

The Lamu County Executive Staff Housing Fund is a corporation/ or a Semi-Autonomous Government Agency under the County Government of Lamu. Its ultimate parent is the Government of Kenya.

**54. Currency**

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**


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**20. Appendices**

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

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>          | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
| 1   | Long Outstanding and Defaulted Loan Repayment     | The Management still working on it to resolve the issue   | Not Resolve                              | 2025/2026   |
|   | Late Submission of Financial Statements for Audit | The County Executive acknowledges the delay in submitting the financial statements. However, the financial statements were subsequently submitted and have since been audited | Resolved                                 | 2024/2025   |
| 1   | Failure to Effectively Utilize Appropriated Funds | The management put a mechanism to resolve the issue   | Not Resolve                              | 2025/2026   |

  
 .....  
 CPA Salma Omar Ahmed  
 Fund Administrator

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**Lamu County Executive Staff Housing Fund**

**Appendix II: Projects implemented**

Projects implemented by the Entity, Funded by development partners and/ or the Government. Not Project was implemented during the year

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

**Status of Project Completion**

*(Provide a summary of the project implementation status, i.e. total costs incurred, stage which the project is etc)*

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

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

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

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

There is no amount disbursed to the fund.

| Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY) |                |               |                 |                 |         |
|--|----------------|---------------|-----------------|-----------------|---------|
| Reference Number   | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
|  |                |               |                 |                 |         |
|  |                |               |                 |                 |         |
|  |                |               |                 |                 |         |
| Total  |                |               |                 |                 |         |

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

**Head of Accounts Department - Disbursing Entity:**  
 Name Mehamed Abbas Sign [Signature] Date 11/10/2025

**Head of Accounts Department - Beneficiary Entity:**  
 Name Ahmed T. T. T. Sign [Signature] Date 11/10/2025

**Lamu County Executive Staff Housing Fund**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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

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

**Lamu County Executive Staff Housing Fund  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

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

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