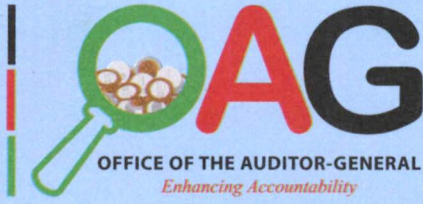


REPUBLIC OF KENYA



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REPORT

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ON

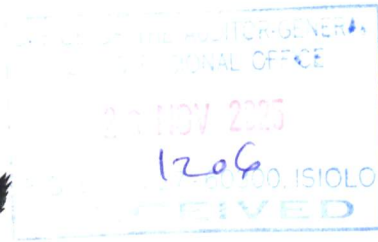
COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN
AND MORTGAGE (MEMBERS) SCHEME FUND

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	19/2/26
TABLED BY	Minority Whist
COMMITTEE	—
CLERK AT THE TABLE	Angels

2026

Revised 30th June 2024



**THE COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN AND MORTGAGE
(MEMBERS) SCHEME FUND**

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

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

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2

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. Acronyms and Glossary of 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
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

Laikipia County Assembly Car and Mortgage Fund is established by and derives its authority and accountability from Public Finance Management Act 2012- Laikipia County Assembly Mortgage scheme fund regulations 2023. The Fund is wholly owned by the County Government of Laikipia and is domiciled in Kenya.

The fund's objective is to facilitate members to purchase personal vehicles to ease their movement while performing their duties and mortgages to enable members acquire private residences. The Fund's principal activity is advancing of car loans and mortgage to staff of the county assembly of Laikipia.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is advancing of car loans and mortgage to members of the county assembly of Laikipia.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon Lempaira Korkole Nicholas	Chairman
2	Hon Antony Theuri Wambui	Vice Chairman
3	Hon Lekopien Sammy Parleto	Member
4	Hon Irene Wachuka John	Member
5	Hon George Karuiru Wairimu	Member
6	Moses Waweru Gichuki	Fund Administrator

d) Key Management team

Ref	Name	Position
1	Moses Waweru Gichuki	County Assembly Clerk
2	Ndiritu Kimondo	Director Finance and Accounting
3	Miriam Mwangi	Director Human Resources & Administration
4	Martha Wamuicho	Internal Auditor
5	Grace Mwenda	Legal Counsel

Key Entity and Management (Continued)

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Martha Wambui Wamuicho
2	Members car Mortgage and car Loan Advisory Committee	
3	County assembly service board (CASB)	
4	Audit committee	
5	Risk management policy	

f) Registered Offices

P.O. Box 487-10400
COUNTY ASSEMBLY BUILDING
Nyeri-Nanyuki Highway
Nanyuki, KENYA

g) Fund Contacts

Telephone: (254) 716311702, 716311703
E-mail: assembly@ca.laikipiacounty.go.ke
Website: www.laikipiaassembly.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank
Nanyuki Branch
AC 1152453270

Key Entity and Management (Continued)

3. Independent Auditors

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




4. Principal Legal Adviser

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

5. County Attorney

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
<p>Hon Nicholas Lempaira</p> 	<p>Member of County assembly of Laikipia –MUKOGODO WEST WARD</p>
<p>Hon Anthony Theuri</p> 	<p>Member of County assembly of Laikipia –NANYUKI WARD</p>
<p>Hon Irene Wachuka John</p> 	<p>Member of County assembly of Laikipia –IGWAMITI WARD</p>

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Hon Lekopien Parletto



Member of County assembly of Laikipia –**SOSIAN
WARD**


Hon JGeorge Karuiru



Member of County assembly of Laikipia –**OLMORAN
WARD**

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

4. Management Team

Name	Details of qualifications and experience
<p>Gichuki Waweru</p> 	<p>County Assembly Deputy Clerk Date of birth 05.12.1969 Academic qualifications Bachelor of Economics and LLB</p>
<p>Ndiritu Kimondo</p> 	<p>Director Finance and Accounting Services Date of birth 09.09.1975 Academic qualifications PHD-Finance JKUAT (On going) MBA-Finance (Meru university) Maseno University Bachelors of Arts (Economics and Business Studies) Certified Public Accountant CPA(K)</p>
<p>Miriam Mwangi</p> 	<p>Director Human Resources and Administration. Date of birth 08.07.1978 Academic qualifications PHD Leadership-JKUAT (On going) KEMU University Masters of Business Administration (Human Resource Option) Maseno University Bachelors of Arts (Economics and Business Statistics)</p>
<p>Martha Wambui</p>	<p>Internal Auditor Date of birth 08.10.1981 Academic qualifications JKUAT-Masters in Leadership and Governance</p>

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**



Egerton University-Degree in Natural Resources Management
Certified Public Accountant CPA(K)-22953
IIA Member-3500751

Grace Mwenda



Principal Legal Counsel
Date of birth 20.04.1986
Academic qualifications
Moi University Bachelors of Law
Kenya School of Law Higher Diploma

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Board/Fund Chairperson's Report

It is my pleasure to present, on behalf of the fund, the Laikipia County Assembly Members car loan and mortgage fund financial statements for the year ended 30th June 2025. The financial statements present the financial performance of the fund over the past year.

Start up and funding

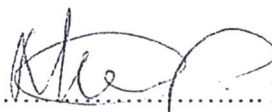
Pursuant to PFM act 2012 section 116 (1) the County Executive member for finance and planning established The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund to cater for members of the county assembly. The County Executive member then formulated the regulations that were approved by the County Assembly on 12th April 2023. These regulations set the modalities for the establishment and management of a fund for the two facilities (Car and Mortgage scheme). This is after the salaries and remuneration commission (SRC) had approved car and mortgage loans for members of the county assemblies via circular SRC/TS/CGOVT/3/16 of Kenya shillings two million (Kshs 2,000,000) and Kenya shillings three million (KShs 3,000,000) respectively. SRC in a later circular SRC /TS/CAF/3/61/49(46) dated 13th December 2017 reviewed its earlier circular to consolidate and cap the benefit at 5m for purchase of a car and/or mortgage facility. In 2021 through SRC Circular SRC/TS/COG/3/61//48VOL. 11(123) of 9th February 2021 the car loan was converted to a car grant. The fund paid a total of fifty-two million, five hundred and twenty (Kshs 52,000,000) to members on the conversion.

Review of performance

In the financial year ending 30th June 2025, the fund received no funds from exchequer to facilitate members in getting the loans since all members had received their full amount of Ksh 5,000,000 each. The surplus for the year was Ksh 2,069,728. The full amount due to the fund was recovered through the payroll hence no amount was defaulted in the year

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the county assembly service board, the members, management committee and staff for their continued support that has enabled achieves this milestone. I look forward to your continued support in the year 2025/2026

Signed.......... Date..... 28/08/2025.....

HON NICHOLAS LEMPAIRA
CHAIRPERSON

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

6. Report of The Fund Administrator

It is my pleasure to present the Laikipia County Assembly members car loan and mortgage scheme fund financial statements for the year ended 30th June 2025. The financial statements present the financial performance of the fund over the financial year 2024-2025.

Financial Performance

a) Income

The fund earned Ksh 2,418,971 as interest income and Ksh 600 as other income

b) Administration costs.

The total expenditure for the financial year 2024-2025 was Ksh 349,843 being administration cost plus bank charges resulting to a surplus of Ksh 2,069,728

c) Loans

During the year 2024/2025, the fund disbursed Kshs 6,500,000 to a few members as remaining balance. All the 23 members, 2 CASB members and the speaker has benefited fully from the fund

d) Challenges of the Fund

- i) Cash flow problem due to late disbursement of funds
- ii) Limited time of 5 years term for members and strict application requirement

e) Management strategies

- i) Fast tracking of application for members
- ii) Proper budgeting and prioritizing fund requisition of members' fund

f) Conclusion

I take this opportunity to thank the board of trustees for their support. I would also want to thank all staff who we have worked hand in hand to ensure that County Assembly of Laikipia car loan and mortgage fund achieves its mission.

Signed: _____

MOSES WAWERU GICHUKI
FUND ADMINISTRATOR

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

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

The key development objectives of the Fund as per the strategic plan for 2018-2023 are to:

- a) Provide members with a car to facilitate movement while carrying out their role
- b) Provide members with a house and improve their welfare while playing their role

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provide members with a car loan	Facilitate members movement	Ease of transport	Car	100%
Provide members with a mortgage	Improve members standard of living through housing	Shelter	House	100%

8. Corporate Governance Statement

The board held three meetings during the year and has been able to issue loans to 23 members, the speaker and two board members despite the limited resources. The involvement of internal audit department in auditing and the audit committee of the financial statements for the fund has greatly improved their accuracy and preparation according the required standards. The technical committee scrutinizes the application documents and then forwarded to the board of trustees for the implementation of the approved applications. There is always a training to enable the committees carry out their duties. The regulations are also in place to guide on issuance of loans and follow up

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

9. Management Discussion and Analysis

The table below shows the total amount disbursed to all the beneficiaries to date

Loan Disbursement to Members to date		
No	Members Name	Loan issued
1	Hon Lantano Nabaala	12,815,704.00
2	Hon. Daniel Mugweru	5,000,000.00
3	Hon. Stephen Ndiritu	5,000,000.00
4	Hon. Anthony Wambui	5,000,000.00
5	Hon. Paul Shuel	5,000,000.00
6	Hon. Catherine Kibue	5,000,000.00
7	Hon. John Gichuki Maina	2,585,540.00
8	Hon. Simon Kanyutu	5,000,000.00
9	Hon. Nicholas Lempaira	5,000,000.00
10	Hon. Catherine Umija	5,000,000.00
11	Hon George Karuiru	5,000,000.00
12	Hon Salim Endung	5,000,000.00
13	Hon Nicholas Mwaniki	5,000,000.00
14	Hon Irene Wachuka	5,000,000.00
15	Hon Eunice Salaten	4,999,000.00
16	Hon Joseph Gitahi	5,000,000.00
17	Hon Charles Ndungu	5,000,000.00
18	Hon Samuel Mugambi Gatati	5,000,000.00
19	Hon Caroline Kihika	5,000,000.00
20	Hon Husein Leila	5,000,000.00
21	Hon Sammy Lekopien	5,000,000.00
22	Hon Benson Kuria	5,000,000.00
23	Hon Purity Mumbi	5,000,000.00
24	Hon Mary Gathoni	5,000,000.00
25	Hon Denis Kaniaru	3,000,000.00
26	Hon Veronicah Ikunyua	3,000,000.00
	Total	131,400,244

The individual total loan disbursed never exceeded the stated limit for members and the speaker as guided by the SRC circular and regulations and is recovered through the payroll

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Corporate Social Responsibility / Community Engagements

Laikipia County assembly car and mortgage fund is a public funded revolving fund with no budget for corporate social responsibility

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund are to issue car loans and mortgages to members to facilitate their welfare in carrying out their mandate

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1-7

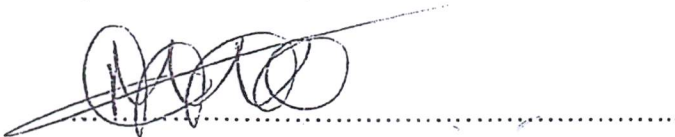
Trustees

The members of the Board of Trustees who served during the year are shown on page Vi-iX. The changes in the Board during the financial year are as shown below:

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. The Auditor General carried out the audit of the fund for the year ended 30th June, 2025.

By Order of the Board



Fund Management Committee

Date: 28/08/2025

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by (Laikipia County Assembly Mortgage scheme fund regulations 2023) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

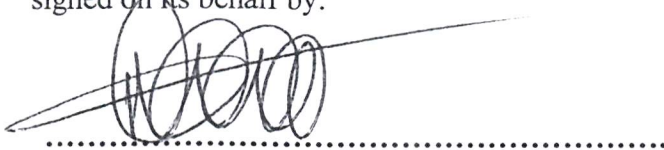
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (Laikipia County Assembly Mortgage scheme fund regulations 2023). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/11/ 2025 and signed on its behalf by:


.....

FUND ADMINISTRATOR

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 THE COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund set out on pages 1 to 39, which

Report of the Auditor-General on the County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund for the year ended 30 June, 2025

comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The audit of the financial statements for the year ended 30 June, 2025 revealed several material inaccuracies and inconsistencies, as detailed below;

- i. Note 25 to the financial statements presented working capital adjustments amounting to Kshs.2,443,978, without any breakdown to show the corresponding movements in receivables, payables, or other current assets and liabilities. The Note also discloses nil changes in receivables and payables while recalculation of the changes in receivables and payables results to an increase in receivables of Kshs.7,009,170 and a decrease in payables of Kshs.345,000. The resultant variances were not reconciled or explained
- ii. The cash flow statement did not provide supporting details or analysis for interest received of Kshs.2,793,221, loan repayments of Kshs.29,857,360, disbursements of Kshs.6,500,000 and refunds of Kshs.30,617,214.

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

2. Unexplained Variance in Long Term Receivables from Exchange Transactions

The statement of financial position and Note 13 to the financial statements reflect long term receivables from exchange transactions balance of Kshs.80,280,925. However, the ledger supporting the loan balance from members reflects a balance of Kshs.69,095,253, resulting in an unexplained variance of Kshs.11,185,672.

In the circumstances, the accuracy and completeness of long-term receivables from exchange transactions balance of Kshs.80,280,925 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in the year 2024-2025 revealed that the following matters remained unresolved;

1. Unsupported Administration Costs
2. Inaccurate Long-Term Receivables from Exchange transactions
3. Irregular Management of Imprest
4. Performance Information

Other Information

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Mortgage Loans not Supported with Required Insurance Policies

The statement of cash flows discloses an amount of Kshs.6,500,000 as loan disbursements paid out during the year under review. However, review of supporting documentation revealed that the mortgage loans issued were not supported with Mortgage Protection and Fire Insurance policies. This was contrary to Regulation 14(1)(a) of the County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund Regulations, 2023 that requires that a borrower receiving a mortgage loan must take out and maintain both a Mortgage Protection Policy and a Fire Insurance Policy with an insurance firm approved by the financier.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters 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. Unremitted Loan Repayment Deductions

The statement of financial position and Note 13 to the financial statements reflect current portion of long-term receivables from exchange transactions totalling Kshs.10,305,522. Audit review revealed that Kshs.4,881,978 had remained outstanding for more than twelve (12) months, despite the County Assembly of Laikipia deducting loan repayments through the check-off system. Management did not provide evidence of any follow-up with the County Assembly to ensure that the deducted amounts are remitted to the Fund.

In the circumstances, the effectiveness of internal controls over loan repayment remittance could not be confirmed.

2. Irregular Lending of Funds to the County Assembly of Laikipia and County Assembly of Laikipia Car Loan and Mortgage (Staff) Fund

The statement of financial position and Note 13 to the financial statements reflect receivables from non-exchange transactions totalling Kshs.78,671,556, comprising of Kshs.18,340,000 and Kshs.58,338,071 advanced to the County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund and the County Assembly of Laikipia, respectively. However, Management did not provide any approved policy, guidelines, or authorization permitting the lending of Members' Fund resources to these entities. Further, no repayment schedules, agreements or refund timelines were provided for audit, and the amounts remained outstanding at the close of the financial year.

In the circumstances, the effectiveness of internal controls over inter-fund lending, monitoring and recovery could not be confirmed.

3. Lack of a Financial Management System

Management had not established a reliable financial management system for the Fund and continued to rely on a Microsoft Excel-based application, which lacked the controls like the approved passwords which provides security of data. The security of data will ensure accurate and reliable financial reporting which can be used to support informed decision-making.

In the circumstances, the efficiency and effectiveness of internal controls over financial management and reporting 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 Management and the Board of Trustees

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.

The Board of Trustees is 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

04 December, 2025

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		
Transfers From the County Government	2		
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4	2,418,971	3,173,666
Other Income	5	600	
Total Revenue		2,419,571	3,173,666
Expenses			
Employee Costs	6		
Use of goods and services	7	349,843	875,675
Depreciation and Amortization Expense	8		
Finance Costs	9		
Total Expenses		349,843	875,675
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		
Surplus/(Deficit) for the Period		2,069,728	2,297,991

.....
Moses Gichuki Waweru
Fund Administrator.

.....
Ndiritu Kimondo
Fund Accountant
ICPAK Member Number:16861

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

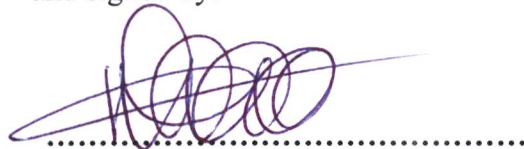
15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	27,368,978	10,522,144
Current Portion of Long- Term Receivables from Exchange Transactions	13	10,305,522	12,105,849
Receivables from Non-Exchange Transactions	13	78,671,556	69,862,052
Prepayments	14		
Inventories	15		
Investments in financial assets	16		
Total current assets		116,346,056	92,490,045
Non-Current Assets			
Property, Plant and Equipment	17		
Intangible Assets	18		
Long Term Receivables from Exchange Transactions	13	80,280,925	102,412,208
Investment Property	19		
Total non- current assets		80,280,925	102,412,208
Total Assets (A)		196,626,981	194,902,253
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	45,079,098	45,424,098
Current Provisions	21		
Current Portion of Borrowings	22		
Employee Benefit Obligations	23		
Social benefit liabilities	24		
Total current liabilities			
Non-Current Liabilities			
Non-Current provisions	21		
Long Term Portion of Borrowings	22		

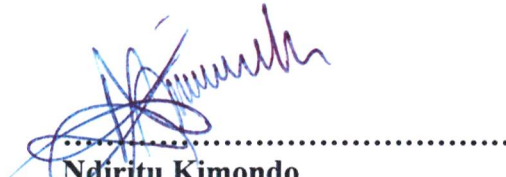
The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Non-Current Employee Benefit Obligation	23		
Social benefit liabilities	24		
Total Liabilities (B)		45,079,098	45,424,098
Net Assets (A-B)		151,547,883	149,478,155
Represented By:			
Revolving Fund		199,313,447	199,313,447
Reserves			
Accumulated Surplus		(47,765,564)	(49,835,292)
Net Assets		151,547,883	149,478,155

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/6 2025 and signed by:



Moses Gichuki Waweru
Fund Administrator.



Ndiritu Kimondo
Fund Accountant
ICPAK Member Number:16861

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	199,313,447		(52,133,283)	147,180,164
Surplus/(Deficit) For the Period			2,297,991	2,297,991
Funds Received During the Year			-	
Transfers				
Revaluation Gain				
Balance As At 30 June 2024	199,313,447		(49,835,292)	149,478,155
Balance As At 1 July 2024	199,313,447		(49,835,292)	149,478,155
Surplus/(Deficit) For the Period			2,069,728	2,069,728
Funds Received During the Year				
Transfers				
Revaluation Gain				
Balance As At 30 June 2025	199,313,447		(47,765,564)	151,547,883

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government			
Interest received		2,793,221	2,676,447
Receipts from other operating activities		600	
Total receipts			2,676,447
Payments			
Fund administration expenses			
General expenses		(349,843)	(875,675)
Finance cost			
Other payments			
Total Payment			(875,675)
Net cash flows from operating activities	25	2,443,978	1,800,772
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments		29,857,360	20,605,342
Loan disbursements paid out		(6,500,000)	(6,380,231)
Net cash flows used in investing activities		23,357,360	14,225,111

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Cash flows from financing activities			-
Proceeds from revolving fund receipts			
Lending to Assembly		(39,426,718)	4,770,000
Refund to Members Fund from Assembly		30,617,214	(5,200,000)
Additional borrowings			(7,093,567)
Refund from Members Fund to Staff Fund		(145,000)	
Net cash flows used in financing activities		(8,954,504)	(7,523,567)
Net increase/(decrease) in cash & cash Equivalents		16,846,834	8,502,316
Cash and cash equivalents at 1st July		10,522,144	2,019,828
Cash and cash equivalents at 30 June		27,368,978	10,522,144

18. Statement of Comparison of Budget and Actual Amounts for the Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Transfers From County Govt.						
Interest Income	3,000,000	0	3,000,000	2,418,971	581,029	80.7
Other Income						
Total Income	3,000,000	0	3,000,000	2,418,971	581,029	80.7
Expenses						
Fund Administration Expenses	500,000	0	500,000	349,843	150,157	70
General Expenses						
Finance Cost						
Total Expenditure	500,000	0	500,000	349,843	150,157	70
Surplus For the Period	2,500,000	0	2,500,000	2,069,128	430,0872	82.8
Capital expenditure						

Budget notes.

The variation in interest income has been caused by expected income with expectations that the funding will be received early enough while the funds were released late hence disbursement was delayed

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the County Assembly of Laikipia and is domiciled in Kenya. The entity’s principal activity is issue car loans and mortgage to members

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires,

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</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><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>State the expected impact of the standard to the Entity if relevant</i>
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(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly by 30th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly.

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section two of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	75,000,000
Payments By County on Behalf Of The Entity		
Unconditional Development grants		
Total	-	75,000,000

3. Fines, penalties and other levies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income from and Car and Mortgage Loans	2,418,971	3,173,666
Interest Income from Car Loans		
Interest Income from Investments in financial assets		
Interest Income on Bank Deposits		
Total Interest Income	2,418,971	3,173,666

(The income is the total accrued interest earned charged on car loans and mortgage issued to members)

Notes to the Financial Statements Continued

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

5. Other income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Members Gratuity	-	-
Members Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
General Office Expenses		
Loan Processing Costs		
Professional Services Costs		
Administration Fees		
Committee Allowances	344,400	870,410
Electricity And Water Expenses		
Fuel And Oil Costs		
Insurance Costs		
Postage And Courier		
Printing And Stationery		
Rental Costs		
Security Costs		

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Telephone And Communication Expenses		
Bank Charges	5,443	5,265
Audit Fees		
Provision For Doubtful Debts		
Other (<i>Fridge Benefit Tax</i>)		
Social benefit expenses*		
Total	349,843	875,675

8. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

10. Gain/(loss) on disposal of assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund	27,368,978	10,522,144
County Mortgage Account		
Fixed Deposits Account		
On – Call Deposits		
Current Account		
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	27,368,978	10,522,144

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank			
Equity Bank, Etc.			
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank - Etc.			
Sub- Total			
c) Current Account			
Kenya Commercial Bank	1152453270	198,736	10,522,144
Family Bank	064000081970	27,170,242	
Sub- Total		27,368,978	10,522,144
d) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		27,368,978	10,522,144

13. Receivables from exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	893,898	1,239,162
Current Loan Repayments Due	9,411,624	10,866,687
Sub Total	10,305,522	12,105,849
Other Exchange Debtors-Non-Exchange	78,671,556	69,862,052
Less: Impairment Allowance		
Total Current Receivables	88,977,078	81,967,901
Non-Current Receivables		
Long Term Loan Repayments Due	80,280,925	102,412,208
Total Non- Current Receivables	80,280,925	102,412,208
Total Receivables from Exchange Transactions	169,258,003	184,380,109

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years		
Accrued interest receivable from of long-term loans of previous years		
Interest receivable from current portion of long-term loans issued in the current year	893,898	1,239,162
Current loan repayments due		
Current portion of long-term loans from previous years		
Accrued principal from long-terms loans from previous periods		
Current portion of long-term loans issued in the current year	9,411,624	10,866,687

14. Prepayments

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

15. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Consumable Stores		
Spare Parts And Meters		
Catering		
Other Inventories (<i>Specify</i>)		
Total Inventories at The Lower of Cost and Net Realizable Value		

Notes to the Financial Statements Continued

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

16. Investments in financial assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK		
Sub- total		
b. Investment with Financial Institutions/ Banks		
Bank x		
Bank y		
Sub- total		
c. Equity investments (specify)		
Equity/ shares in Entity xxx		
Sub- total		
Grand total		

Movement of Equity Investments

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

e) Shareholding in other entities

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

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
Cost					
At 1st July 2022					
Additions					
Disposals					
Transfers/Adjustments					
At 30th June 2023					
At 1st July 2023					
Additions					
Disposals					
Transfer/Adjustments					
At 30th June 2024					
Depreciation And Impairment					
At 1st July 2022					
Depreciation					
Impairment					
At 30th June 2023					
At 1st July 2023					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30th June 2024					
Net Book Values					
At 30th June 2023					
At 30th June 2024					

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Notes To the Financial Statements (Continued)

18. Intangible assets

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

19. Investment Property

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes To the Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade Payables	45,079,098		45,224,098	
Refundable Deposits				
Accrued Expenses				
Other Payables				
Total Trade and Other Payables	45,079,098		45,224,098	
Ageing analysis (Trade and other payables)	FY 2023-2024	% of the total	FY 2022-2023	% of the Total
Under one year				
1-2 years			45,224,098	100%
2-3 years	45,079,098	100%		
Over 3 years				
Total (tie to above total)	45,079,098	100%	45,424,098	100%

21. Provisions

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Notes To the Financial Statements (Continued)

22. Borrowings

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

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

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

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

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes To The Financial Statements (Continued)

23. Employee benefit obligations

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

24. Social Benefit Liabilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non-current social benefits		
Total (tie to totals above)		

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025
 Notes To the Financial Statements (Continued)

25. Cash generated from operations.

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	2,069,728	1,427,357
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses on Disposal of Assets		
Interest Income	374,250	(497,219)
Finance Cost		
Working Capital Adjustments	2,443,978	1,800,772
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow from Operating Activities	2,443,978	1,800,772

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes To the Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Key management remuneration

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Board Of Trustees		
Key Management Compensation		
Total		

d) Due from related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due From Parent Ministry		
Due From County Government		
Total		

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Other Disclosures Continued

e) Due to related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due To Parent Ministry		
Due To County Government		
Due To Key Management Personnel		
Total		

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Xxx Against the Fund		
Bank Guarantees		
Total		

(Give details)

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				
At 30 June 2021				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables				
Current Portion of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				
At 30 June 2023				
Trade Payables				
Current Portion of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets			
Investments			
Cash			
Debtors/ Receivables			
Liabilities			
Trade And Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro			
USD			
(Comparative FY)			
Euro			
USD			

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2022: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2021 – Kshs).

**The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To the Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve		
Revolving fund		
Accumulated surplus		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

29. Events after the reporting period

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

30. Ultimate and Holding Entity

Laikipia County Assembly Car and Mortgage Fund is established by and derives its authority and accountability from Public Finance Management Act 2012- Laikipia County Assembly Mortgage scheme fund regulations 2023

31. Currency

The financial statements are presented in Kenya Shillings (Kshs).

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025

20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Irregular management of imprest	Payment of subsistence allowance made without imprest warrant	Payment current made after the attendance have been confirmed and if before imprest warrant is issued	Resolved	

Fund Administrator County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund)

Date.....25/11/25.....

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Annex II: Inter-Fund Confirmation Letter

REPUBLIC OF KENYA



Telegraphic Address
Tel: 0622 031 498
Fax: 0622 032 774

Physical Address
Clerk Chambers
County Assembly of Laikipia

Email: assembly@laikipiacounty.go.ke

P. O. Box 487 – 10400, Nanyuki

COUNTY ASSEMBLY OF LAIKIPIA

The [The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund] wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Laikipia Car Loan and Mortgage (Members) Scheme Fund] as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025			Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025(E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total						

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

Fund Administrator:

Name Moses G. Nanyuki Sign [Signature] Date 25/11/2025

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Annex III: Reporting of Climate Relevant Expenditures

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

The County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund

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

Annex IV: Reporting on Disaster Management Expenditure

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