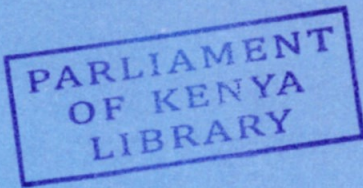


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

WOMEN ENTERPRISE FUND

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY HON. OWEN BATA MP
CLERK-AT THE TABLE:	J. LEMERELLE



**WOMEN ENTERPRISE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

<i>CS</i>	<i>Cabinet Secretary</i>
<i>PS</i>	<i>Principal Secretary</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OSHA</i>	<i>Occupational Safety and Health Act of 2007</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PPE</i>	<i>Property Plant & Equipment</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>SAGAs</i>	<i>Semi-Autonomous Government Agencies</i>
<i>SC</i>	<i>State Corporations</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>WB</i>	<i>World Bank</i>

B: Definition of Key Terms

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

Women Enterprise Fund

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

2. Key MDA Information and Management

(a) Background information

The Women Enterprise Fund was incorporated/ established under the Legal Notice No.147 of 2007. The Fund is domiciled in Kenya and has branches in sixteen regions, namely; Eldoret, Embu, Garissa, Isiolo, Kakamega, Kapenguria, Kisii, Kisumu, Machakos, Malindi, Mombasa, Nairobi, Nakuru, Nyeri, Rumuruti and Wajir.

The Fund is a Semi-Autonomous Government Agency under the Ministry of Gender, Culture and Children Services, under the State Department for Gender, and Affirmative Action established primarily to provide accessible and affordable credit and business support services to women entrepreneurs to start and/or expand businesses for wealth and employment creation.

(b) Mandate

Principal Activities

Fund's Vision is 'A sustainable Fund Empowering Kenyan Women for Social and Economic Development.'

While the Mission is 'To facilitate women socio-economic empowerment by providing access to credit, capacity building, market linkages, market infrastructure, and domestic and international trade and through utilization of technological innovations

The mandates are:

- i. Provision of affordable and accessible credit to women for enterprise development.
- ii. Capacity building of women beneficiaries and their institutions.
- iii. Facilitate and support local and international marketing of goods produced by women.
- iv. Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises.
- v. Facilitate and support investments in infrastructure that support women enterprises e.g., decent market spaces or business incubators.

(c) Key Management

The Fund's day-to-day management is under the following key organs:

- i. Principal Secretary, Ministry of Public Service, Gender, and Affirmative Action and specifically in the State Department of Gender and Affirmative Action
- ii. Advisory Board
- iii. A Secretariat headed by a Chief Executive Officer

(d) Fiduciary Management

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

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No	Designation	Name	Date of Appointment
1	Chief Executive Officer	CHRP Rachael Musyoki	14/11/2024
2	Manager, Finance & Accounts	Julius Cheche	14/10/2024
3	Manager, Credit	Raphael Kimolo	08/01/2017
4.	Ag. Senior, Audit & Risk officer	Mercy Mulinge	29/05/2025
5.	Manager, Marketing, Research & Communication	Everlyne Lusweti	01/10/2024
6.	Manager, M&E	Carilus Okoth	10/03/2020
7.	Deputy Manager, ICT	Nilton Mutungi	11/01/2022
10.	Deputy Manager, HRM &T	Amos Odhiambo	14/10/2024
11.	Assistant Manager, Supply Chain	Catherine Otido	08/06/2020
12.	Assistant Manager, Legal	Mariam Sadik	15/11/2022

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

(e) Fiduciary Oversight Arrangements

The Fund is structured to be governed through the following oversight committees:

i Board Audit & Compliance Committee

- a. Formulate policies for effective risk management framework for the Fund.
- b. Review the effectiveness of the risk management system and strategies and make appropriate recommendations.
- c. Review the Fund's compliance with the relevant statutes, policies, rules, regulations, administrative government circulars and guidelines.
- d. Review the adequacy of internal policies, procedures and process to ensure necessary and sufficient internal controls are in place.
- e. Review the effectiveness of the internal audit function.
- f. Receive and review external auditor's reports and management responses thereto including the action taken to address any material issues raised.
- g. Review compliance with the Fund's service charter and board charter.
- h. Recommend carrying out of independent special investigations/audits on to a need basis.
- i. Any other relevant assignment by the Board.

ii Board Finance, Staff & Administration Committee

- a. Formulate and review human resources policies on recruitment, remuneration, performance, retention and discipline and recommend to the Board for approval.
- b. Develop policies on capacity building of the institution and women beneficiaries of the Fund services.
- c. Monitor and evaluate the implementation of policies and make appropriate recommendations to the Board.
- d. Review the financial performance of the Fund including annual budgets and quarterly management reports and make appropriate recommendations.
- e. Monitor the execution of the strategic plan.
- f. Review the staff performance on an annual basis and make appropriate recommendations.
- g. Monitor staff development and succession planning.
- h. Monitor and evaluate the impact of the capacity building of women beneficiaries.
- i. Any other relevant assignment by the Board.

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

iii Board Credit Committee

- a. Formulate and periodically review the rules, regulations and procedures for the granting and repayment of loans to women entrepreneurs and financial intermediary partners and make such recommendations as necessary to the Board.
- b. Formulate new loan policies and recommend changes to existing ones when necessary to the Board.
- c. Receive and review loan applications from the approved channels and recommend the same to the Board for necessary action.
- d. Receive and analyse proposals from management on new loan products and make appropriate recommendations to the Board.
- e. Assess and monitor loan repayments from existing channels and make appropriate recommendations to the Board.
- f. Review these terms of reference from time to time to take into account the dynamism of the operating environment and recommend the same to the Board for consideration.
- g. Any other relevant duties that may be assigned by the Board from time to time.

iv Board Strategy, Innovation and Technology Committee

- a. To consider, vet and approve potential partners for ratification by the Board.
- b. To continuously review the partnership guidelines and if necessary, recommend amendments to the Board.
- c. To monitor the performance of partners.
- d. To engage partners if called upon to do so by management or the Board.
- e. To undertake any other relevant tasks/responsibilities that may be assigned by the Advisory Board from time to time.

(f) Fund Headquarters

P.O. Box 17126-00100
Britam Tower 11th Floor
Hospital Road
Nairobi, KENYA

(g) Fund Contacts

Telephone: (254) 714 606 845-6
E-mail: info@wef.co.ke
Website: www.wef.co.ke
Twitter: wef kenya
Face book: women enterprise fund
Youtube: wef kenya

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(h) Fund Bankers

Kenya Commercial Bank Ltd
P. O. Box 30081-00100
Moi Avenue
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

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3. Profiles of The Board of Directors

Photo and Name of Board Member	Board Member's Key qualifications and work experience
 <p>Dr. Jane Lang'at (Ph.D)</p>	<p>Chairperson of the Advisory Board Responsible for providing overall leadership to the Board in areas of policy development and direction.</p> <p>Qualifications: Doctor of Philosophy (Ph. D) Counsellor Education and Supervision, Duquesne University, Pittsburgh, PA Master's in counselling psychology- Alliance Graduate School of Counselling NY. Bachelor of Arts Degree- Belhaven University Jackson, MS</p> <p>Appointed February 2023</p>
 <p>Mr. Kenneth Maina</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Theology specializing in Church History • Bachelor of Divinity • Diploma in Theology <p>Appointed in February 2023.</p> <p>Chair of Credit Committee and a member of Finance, Human Resource and Administration Committee from March 2023.</p>
 <p>Ms. Yvonne Tonkei</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor's degree in mass communication (Public Relations Major) • Diploma in Mass Communication • Diploma in Human Resources Management <p>Appointed in February 2023.</p> <p>Chairperson of Strategy, Innovation and Technology Committee and a member of Finance, Human Resource and Administration Committee from March 2023.</p>
 <p>Racheal Leyian</p>	<p>Qualifications</p> <ul style="list-style-type: none"> • Degree in Bachelor of Arts • Diploma in social work development advocacy • Certificate in Computer Applications <p>Chairperson Audit and Compliance Committee from September 2024 and member of Strategy, Innovation and Technology Committee.</p>

**Women Enterprise Fund
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	<p>Qualifications:</p> <ul style="list-style-type: none"> • Master of science in Agricultural Economics • Bachelor of science Degree in Agriculture and Home Economics <p>Appointed in September 2022 to representative PS, Crop Development and Agricultural Research</p> <p>Member of Credit Committee and Strategy, Innovation and Technology Committee from January 2023.</p>
	<p>Qualifications:</p> <ul style="list-style-type: none"> • PHD, Community Resource Management, MSC Community studies and extension, B.A Sociology and Religious studies • Experience: 27 years in Civil Service <p>Appointed in December 2024 to represent the PS State Department for Gender and Affirmative Action</p> <p>Member of Audit and Compliance Committee and a member of Credit Committee from January 2025 to date.</p>
	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Arts in Mass Media communication • Diploma, Mass Communication <p>Appointed February 2023</p> <p>Member of Finance, Human Resource and Administration Committee and member of Strategy, Innovation and Technology Committee .</p>
	<p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Public Administration • Bachelor of Arts (Sociology & Economics) <p>Appointed in March 2023 to represent PS National Treasury</p> <p>Member of Finance, Human Resource and Administration Committee and Audit and Compliance Committee from March 2023.</p>

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Ms. Debora Oluk

Qualifications:

- Master in Gender and Development Studies
- Bachelor of Business Management

Appointed in March 2024 to represent the PS, Trade

Member of Finance, Human Resource and Administration Committee and Credit Committee.



Louis Yaa

Qualifications

- MBA Strategic Management
- Bachelor of Commerce (Accounting)
- Associate of the Kenya Institute of Bankers (A.K.I.B)



Chairperson of Finance,
Human Resource and Administration Committee and
Member of credit committee.

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4. Profiles of Accounting Officer and Key Management.

Name, and key profession/academic qualifications	Main area of responsibility
 <p>Racheal Musyoki Chief Executive Officer</p> <p>Experience: Over 28 years of experience in public service in management positions.</p> <p>Qualifications: Master of science in Human Resource Bachelor's degree in Business Administration Member of Institute of Human Resource Management (IHRM). Certified Human Resource Professional (CHRP-K)</p>	<ul style="list-style-type: none"> • Responsible for the day-to-day running of the Fund under the direction and guidance of the Advisory Board. • Facilitate the preparation and implementation of annual work plans, procurement plans, budgets, Performance contract, goals and objectives. • Ensure maintenance of effective internal / external controls to safeguard the Fund's assets and oversee financial audit processes as required. • Responsible for providing leadership in the development, execution and achievement of the Fund's strategic objectives. • Build effective relationships with the Board, government, regulators, partners and other stakeholders.
 <p>Raphael Ndambuki Kimolo Credit Manager</p> <p>Over 14 years' experience in Credit Management.</p> <p>Master of Science in Entrepreneurship and Innovations Management, Bachelor of Science degree in Applied Statistics, Certificate in Auditing Risk Management Certificate in Sustainable Finance Initiative Certificate in Agricultural Finance Member- Kenya Institute of Management</p>	<ul style="list-style-type: none"> • Formulation and implementation of lending policies, procedures and practices to minimize credit risks, prevent losses and maximize recoveries. • Development and implementation of control systems in compliance with the approved lending policy guidelines • Growth of quality loan portfolio. • Staff development & performance management

**Women Enterprise Fund
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 <p>Everlyn Lusweti Manager, Marketing, Research & Communication</p> <p>Experience: Over 20 years of experience in Marketing and Communications, building brands in both the public and private sectors.</p> <p>Qualifications: MBA – Strategic Management, BA Communications Member – PRSK & MSK</p>	<ul style="list-style-type: none"> • Managing the strategic communication and outreach/advocacy functions. • Manage Fund’s reputation & image and facilitate Fund’s publicity to increase awareness on the importance of Women economic empowerment. • Coordination of Partnership engagement and resource mobilization. • Coordination of Market access support & linkages. • Resource Mobilization and partnership management • Brand & Reputation management, Media liaison & monitoring, Event management.
 <p>Carilus Okoth Manager, Monitoring & Evaluation</p> <p>Experience: 19 years of experience in both private and public sectors.</p> <p>Qualifications: MBA (Strategic Management); BSc. (Appropriate Technology), Certified Senior Project Manager, Chartered Credit Analyst, Certificate in Monitoring & Evaluation, Certificate in Performance Management Systems, Certificate in Productivity Measurement and Improvement, Certificate Quality Management Systems, Certificate Enterprise Risk Management. Member- Institute of Leadership & Management, American Academy of Financial Management, Evaluation Society of Kenya</p>	<ul style="list-style-type: none"> • Responsible for coordinating research, policy formulation, strategic planning, performance contracting, monitoring and evaluation, quality assurance and risk management function in the Fund • Responsible for capacity building activities for the women entrepreneurs.

**Women Enterprise Fund
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 <p>Julius Cheche Manager Finance & Administration Experience: 24 years of experience in private and public service. Qualifications: Master's in business administration strategic management, Bachelor's Degree in Business administration Member of Institute of Certified Public Accountant (CPA K).</p>	<ul style="list-style-type: none"> • Providing strategic leadership on all matters pertaining to financial management in the Fund • Formulation and interpretation of financial policies, strategies and programmes • Prioritization of projects and activities for the purpose of financing and reporting; oversight of commitment of funds and expenditure trends. • Coordination and management of office accommodation and equipment, customer care services, registry services, transport services, security and records management.
 <p>Mrs. Catherine N. Otido Assistant Manager, Supply Chain Over 15 years' cumulative experience, 9 years in Supply Chain Master's in Business Administration, Bachelor of Education, Diploma in Purchasing & Supplies Management (KIM) and Diploma from Chartered Institute of procurement and Supplies Member: KISM, CIPS</p>	<ul style="list-style-type: none"> • Formulate Supply Chain management procedures in compliance with the procurement laws • Prepare the annual procurement plan in consultation with the heads of department • Manage the procurement life cycle
 <p>Nilton Mutungi Deputy Manager, ICT Experience: Over 14 years in both the private and public sector. Qualifications: Master of Science in Data Communication, BSc. Information Technology.</p>	<ul style="list-style-type: none"> • Formulation, implementation and coordination of ICT policies, strategies and programmes in the Fund; • Keeping up to date with emerging information communication technological trends communication, innovative and technological trends; • Ensuring timely implementation of ICT standards in line with the needs of the Fund and effective maintenance of ICT systems; • Preparation of ICT status reports and ensuring professional standards and guidelines are adhered to; • Management and coordination of the department and supervision of ICT staff; • Safeguard the integrity of the organization's data;

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 <p>Amos Odhiambo Deputy Manager, HRM & Training Over 10 years experience in both private and public sector. Certified Human Resource Professional (CHRP-K) Master of Science in Human Resource Management. Bachelor of Science in Human Resource Management; (MIHRM) Member: Institute of Human Resource Management (IHRM)</p>	<ul style="list-style-type: none"> • Responsible for developing, reviewing and implementation of human resources strategies, policies, programs and procedures • Manage the employee resourcing processes in the organisation • Responsible for providing leadership in the development and review of human resource instruments including the Organisation structure & Staff Establishment, Career Progression Guidelines & Human resources Policy Manual • Oversee talent management and training and development in the Fund.
 <p>Mariam Sadik Assistant Manager, Legal</p> <p>Experience 11years experience in both private and public sector</p> <p>Qualifications Bachelor of Laws (LLB), Post Graduate Diploma in Law (Dip-KSL), Member – LSK.</p>	<ul style="list-style-type: none"> • Fund secretarial services • Contract management • Dispute resolution and management • Ensuring legal compliance by the Fund • Legal Research and Writing • Case Management

Women Enterprise Fund

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

5. Statement by the Chairperson of Board

Introduction

It is my pleasure to present the Annual Report and Financial Statements for the Financial Year 2024/2025. This past year has been a period of significant progress and strategic transformation for the Fund. We've remained focused on our mission to empower women entrepreneurs across Kenya, and I am confident that the foundational work we've accomplished will lead to even greater impact in the future.

Overall performance

The Fund has achieved a significant milestone by cumulatively disbursing Ksh. 27.65 billion since its inception. This demonstrates our sustained commitment and impact over time.

During the 2024/2025 financial year, we successfully disbursed Ksh. 457.4 million through the Constituency Women Enterprise Scheme (CWES). This vital funding reached 1,180 groups and benefited 12,538 women entrepreneurs. Our collections under this channel were robust, with Ksh. 309,130,108 received in loan repayments, reflecting the high credit discipline of our beneficiaries.

We are proactively reviewing our Digital Lending Channel to enhance its efficiency and collection performance, building on the foundation of KES 941.9 million disbursed to SHGs in the previous period.

Strategic Growth & Institutional Strengthening

This financial year marked the second year of implementing the WEF Strategic Plan 2023-2027. This plan is our roadmap to becoming a more efficient, responsible, and impactful organization. We have made excellent progress across our five key result areas: fund growth, financial inclusion, capacity building, market accessibility, and institutional strengthening.

To enhance our operational efficiency, the Board successfully reviewed and updated several key policies, including those for Credit, Communication, Finance, and Legal. Furthermore, we revitalized our Board Charter, Board Audit Compliance Charter, Fraud Management & Procedure manual, and Internal Audit Charter. A new Partnership and Resource Mobilization Policy was approved to diversify our revenue streams and secure the Fund's financial resilience.

Key strategic partnerships were forged with organizations such as the Kenya School of Government, GIZ, and the ILO, which will significantly enhance our capacity to deliver on our mandate and provide better services to our beneficiaries.

Human Capital & Governance

Recognizing that our people are our greatest asset, the Board approved the regularization of our staff, transitioning them from contract-based positions to permanent and pensionable terms. This crucial decision fosters loyalty, retains institutional knowledge, and ensures long-term stability and motivation within our team.

To provide enhanced strategic direction, we made four key appointments to our senior leadership team: a new Chief Executive Officer, a Finance Manager, a Business Development Services Manager, and a Human Resources Manager. This fortified leadership team is poised to drive our strategic objectives forward and ensure we deliver on our promises.

The Board remains fully committed to the successful implementation of our Strategic Plan, focusing on restructuring our business model for greater impact and reinforcing our legal and policy framework to ensure long-term sustainability. We are re-engineering our lending process to make our services even more seamless and accessible for women entrepreneurs across the country.

Women Enterprise Fund
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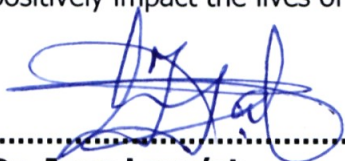
Future Outlook

Looking ahead, the Board is championing the comprehensive re-engineering of our lending processes. Our goal is to create a seamless, digitally enabled, and more accessible service experience for every woman entrepreneur in Kenya. We remain dedicated to fostering strategic alliances, expanding entrepreneurial training, and enhancing financial inclusion to ensure the long-term sustainability and impact of the Fund.

Appreciation

Our accomplishments this year would not have been possible without the steadfast support of His Excellency the President of the Republic of Kenya, Dr William Samoei Ruto, The Head of Public Service, The parent Ministry of Gender, Culture, and Children Services and The National Treasury. Their belief in our mission and continued exchequer support is the bedrock upon which we build our success.

I extend my profound gratitude to my fellow Board Directors for their invaluable guidance and unwavering commitment. I also thank our dedicated management and staff for their resilience, our loyal customers for their trust and timely repayments, and our partners for their invaluable collaboration. It is through our collective efforts that we have been able to fulfil our mandate and positively impact the lives of countless women.



.....
Dr. Jane Lang'at
Chairperson of the Board

Women Enterprise Fund

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6. Report of the Chief Executive Officer

I am pleased to present this review of the operational performance and achievements of the Women Enterprise Fund (WEF) for the Financial Year ending 30th June 2025. This report summarizes our key activities, financial highlights, and strategic progress in fulfilling our mandate to empower women entrepreneurs across Kenya, amidst a dynamic economic landscape.

Operational Performance and Program Delivery

The Fund successfully resumed lending under the Constituency Women Enterprise Scheme (CWES) in November 2024. During the reporting period, the Management Credit Committee approved loans totaling KES 457.4 million. These disbursements benefited 1,180 Self-Help Groups, directly impacting 12,538 individual beneficiaries. The scheme demonstrated strong sustainability, with KES 309.1 million received in loan repayments.

A comprehensive review of the digital lending product was undertaken to address inclusivity challenges, particularly for clients in remote areas. Though the Digital Model was halted to incorporate a better Know Your Customer (KYC), the Fund was able to collect KES 267.0 million from the digital portfolio during the financial year.

Investing in our People and Operations

A significant milestone was achieved with the successful transition of secretariat staff from contract to permanent and pensionable terms of service. Furthermore, a comprehensive medical insurance cover was provided for all staff. These critical investments in our human capital yielded a direct positive impact on organizational output, with the Fund's productivity index improving from 1.259 (Low Productivity) in FY 2023/24 to 2.618 (High Productivity) in FY 2024/25.

Strategic Partnerships

The Fund actively cultivated strategic collaborations to enhance its capacity and reach. Key partnerships were strengthened with, International Labour Organisation (ILO), for capacity building of field officers through a Training of Trainers (TOT) program. GIZ, to enhance operational capabilities, Kenya School of Government, to support the Fund's training needs and Resource Mobilization Needs, ID Insight, to bolster Monitoring and Evaluation functions, among others.

Compliance and Corporate Citizenship

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

The Fund maintained full compliance with Government directives and regulations. ON Environmental Conservation, we exceeded the National Tree Growing target by 110%, cultivating 21,962 trees against a goal of 20,000.

Local Content and Empowerment, we awarded tenders worth KES 12.6 million to enterprises under the Access to Government Procurement Opportunities (AGPO) category and KES 65.6 million under the Buy Kenya Build Kenya initiative.

E-Procurement, successfully registered on the public procurement information portal in preparation for the full transition to E-Procurement effective 1st July 2025, as per National Treasury circulars.

On Talent Development, we hosted attachment students and interns from various institutions and the Public Service Commission.

Financial Highlights

Total revenue for the period amounted to KES 387.2 million, comprising of KES 216.1 million in recurrent funding from the National Exchequer, KES 161.8 million generated from the Fund's own exchange transactions.

The Fund reported an operational deficit of KES 261.6 million, attributable to a non-remittance of development funding from the exchequer. Despite this shortfall, the Fund's net assets remain strong at KES 3.98 billion, providing a solid foundation for future operations.

Conclusion and Outlook

The Fund made substantial progress in the second year of implementing the WEF Strategic Plan 2023-2027. Our focus remains on enhancing operational efficiency, expanding financial inclusion, and fostering strategic partnerships to ensure long-term sustainability and impact.

We extend our gratitude to the Government of Kenya, our Board of Directors, dedicated staff, partners, and the resilient women entrepreneurs we serve. Their support and trust are the cornerstones of our continued mission to drive women's economic empowerment



**CHRP RACHEAL MUSYOKI
CHIEF EXECUTIVE OFFICER**

**Women Enterprise Fund
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7. Statement of Performance Against Predetermined Objectives for FY2024/25

The Fund has five key result areas (KRAs) within its Strategic Plan for the FY 2023/2024- 2026/2027. They are as follows:

- 1) KRA1: Fund Growth
- 2) KRA2: Financial inclusion
- 3) KRA3: Capacity building
- 4) KRA4: Market accessibility
- 5) KRA5: Institutional development

The Fund develops its annual work plans based on the above KRAs. Assessment of the Fund's performance against its annual work plan is done on a quarterly basis. The Fund achieved its performance targets set for the FY 2024/2025 period for its KRAs, as indicated in the diagram below:

Key Result Area	Outcome	Outcome Indicator	Baseline	Cummulative Achievements as at FY 2024/2025
KRA1: Fund Growth	Growth in Fund capititation	Fund growth in Kshs.	4.4 Billion	3.9 Billion
KRA2: Financial inclusion	Increased access to loans	No. of women entrepreneurs accessing loans	1.1Million	18,955 groups translating to 189,550 beneficiaries
		Amount disbursed to women entrepreneurs	27.65 Billion	Disbursed Kshs. 457.4 Million under C-WES
KRA3: Capacity building	Women possess better capacity to manage their businesses	No. of women entrepreneur's capacity built	1.7Million	230,231 Beneficiaries trained cumulatively
KRA4: Market Accessibility-Market Linkages	Women benefiting from improved market access	No of women accessing markets	45,000	17,153 women supported to market their products through exhibitions and selected trade fairs

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Programme performance

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Women Enterprise Fund	To enhance capacity for women entrepreneurs on financial literacy, Value chain addition and AGPO	Women possess better capacity to manage their businesses	Train 100,000 women entrepreneurs on Financial Literacy (FL)	Number of women entrepreneurs trained on Financial Literacy	100,000	109,675	9,765	100,000	109,675	+9,765	Targets achieved
			Train 1,500 women entrepreneur on AGPO	Number of women entrepreneurs trained on AGPO	1,500	4,987	3,487	1,500	4,987	+3,487	

8. Governance Statement

Introduction

The Fund is committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable public service delivery. The Fund continues to adhere to its obligations as a Semi-Autonomous Agency set up under the Ministry of Public Service, Gender, and Affirmative Action in compliance with The Public Finance Management Act, 2012. The Fund also adheres to other regulations promulgated by the government and the ethical standards prescribed in the Mwongozo Code of Governance. In addition, WEF abides by the tenets of the Constitution of Kenya and all other laws as a law-abiding corporate citizen.

The Fund believes that good corporate governance is critical to the achievement of high level of integrity and professional ethics our dealings as part of the public service. In the financial year under review, we continued to achieve high levels of corporate governance by focusing on the following areas:

- Continued implementation of our Strategic Plan for the long-term sustainability of the Fund.
- Timely and relevant disclosures and financial reporting to the Office of the Auditor General for a clear understanding of the Fund's operations and compliance.
- Ensuring execution of strong audit procedures, audit independence and continuously enforcing strong internationally recognised accounting principles.
- Focus on clearly set out board and management duties and responsibilities.
- Ensuring Board competencies through induction for new Board members;
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices Board charter

The Administrator of Women Enterprise Fund is committed to ensure that the Fund operates with integrity and ethics maintaining high standards of Corporate Governance in the interest of its stakeholders. The Board affirms that the Fund has complied with the guidelines on Corporate Governance Practices as is required of public officers.

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

The Fund continues to enjoy high levels of corporate governance by adhering to the following principles amongst others:

- i. Adoption of appropriate strategies aimed at enabling and promoting the long-term prosperity of the Fund;
- ii. Timely and relevant disclosures and transparency to provide stakeholders with a clear understanding of the Fund and its products;
- iii. Implementation of strong audit procedures through ensuring audit independence, maintaining strong internationally recognized accounting principles, ensuring the undertaking of a well scoped annual audit and maintenance of robust internal controls.
- iv. Employee participation in enhancing stakeholders' interests.
- v. Compliance with laws and disclosure of policies to all relevant stakeholders; and
- vi Upholding the highest levels of integrity in the Fund's culture and practices through a well-defined and implemented code of conduct and ethics.

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

9. Management Discussion and Analysis

SECTION A: OPERATIONAL & FINANCIAL PERFORMANCE

Highlights of the Financial Performance

2.1 Revenues

2.1.1 Revenue from Exchange Transactions

A total of **Ksh. 169,395,557** was generated from exchange transactions. The breakdown is as under:

a. Administration fee @6% on Digital Lending	27,444,000
b. Training Fees for CWES borrowers	1,253,800
c. Income from sale of loan Tracker booklets	236,000
d. Interest Income from call deposits	140,461,757

2.1.2 Revenue from non-exchange transactions

Revenues from non-exchange transactions consist of **Ksh 216.1** million being allocation in respect of recurrent exchequer.

2.1.3 Total Incomes

The total recurrent income for the period ended 30th June 2025 amounted to **Ksh. 387,243,057**

2.1.4 Development funding

There was no remittance in respect to development exchequer funding for the period ended 30th June, 2025.

2.2.0 Expenditure charged to the Fund.

Total recurrent expenditure charge for the Fund as at 30th June 2025 is reported at **Ksh. 630,096,233** composed of:

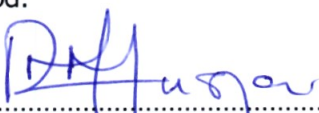
a) Staff Costs	392,432,990
b) Mandate costs	135,542,718
c) Governance costs	29,785,377
d) Operations and Maintenance	59,261,774
e) Provisions, Depreciation & Amortization	17,265,507

2.2.2 Corporate taxes paid amounted to **Ksh. 17,531,473**

2.2.3 The operational deficit after tax for the period amounted to **Ksh. 261,697,301**

2.24 Fund Value

The Fund value for the period is reported at **Ksh. 3,902,994,161** compared to **Ksh.4,164,691,462** as at 30th June, 2024. The decrease in Fund size is attributable to the deficit reported during the period.


.....
CHRP RACHEAL MUSYOKI
CHIEF EXECUTIVE OFFICER

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

HIGHLIGHTS OF PERFORMANCE PER MANDATE

On Provision of Affordable & Accessible Credit to Women for Enterprise Development, which addresses the historical financial exclusion and marginalization of our target clients by the conventional lenders the Fund achieved the following:

- i. On resumption of lending in November, 2024, **CWES loans** worth **Ksh.457,400,000** were approved by the Management Credit Committee benefiting **1,180 Self Help Groups** and **12,538 beneficiaries** within the period ending 30th June 2025. In the FY 2024/2025 the Fund targeted to disburse Ksh.2billion to 730,000 individual women.
- ii. A total of **Ksh.309,130,108** has been received as **repayments** under the CWES lending channel against an annual target of **Ksh1.5 billion..**
- iii. From the digital loans worth Ksh.941,901,105 disbursed to 18,955 Self Help Groups within the period of FY 2023/2024, up to September 2023, **Ksh.267,022,357** has been received as collections.
- iv. **Ksh.5,495,428** is in the suspense account pending reconciliation to respective loan accounts following cancellation of WEF Pay bill account. The figure is high due to challenge in matching clients' payments to respective loan accounts. Sensitization through social media platforms and Barazas have been made to encourage borrowers to embrace E-citizen payment platform.
- v. **Ksh.2,479,000 was repaid from outstanding LPO loans** representing **93%** repayment rate.
- vi. A total of **Ksh.24,042,199 was paid in respect of SACCO loans** representing **99%** repayment rate.

On Capacity Building of Women Beneficiaries & their Institutions; Promotion of local and international marketing and Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises, the Fund has achieved the following:

- i. Trained 9,707 groups 109,675 women entrepreneurs on Financial Literacy.
- ii. Trained 4,987 women on AGPO.
- iii. Trained 107 women on Value Chain.
- iv. Trained 24 TOT candidates under the WEF-ILO partnership on SIYB/DYB.
- v. Reviewed a total of 15 institutional policies.

Women Enterprise Fund

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

During the period under review, the Fund actively participated in various events and initiatives under marketing as outlined below:

i. National Tree Growing Activities were undertaken in the following areas:

Isiolo South 360, North Horr 40, Kitui West 20, Kibra 12, Ruaraka 10, Embakasi South 10, Embakasi North 10, Embakasi East 17, Embakasi West 10, Kamukunji 11, Kajiado East 28, Thika Town 10, Kikuyu 30, Marakwet West 20, Aldai 70, Bahati 20, Rongai 20, Narok North 46, Kabondo Kasipul 40, Kasipul 120, Rangwe 70, South Mugirango 50, South Imenti 30, Manyatta 500, Tigania East 100, North Imenti 20, National Tree Growing Initiatives took place in Ganze, 1 Constituency, 35 tree seedlings were planted, Shimba Hills Forest Conservancy - 18th September (5000 Seedlings), Samburu West (1500), Seme (100), Dagoretti North and South (25), Roysambu (30), Embakasi Central (15), Makadara (10), Gatundu North (15), Kabete (30), Kuresoi North (700), Bomet Central (100), Chepalungu (100), Konoin (600), Lugari (50), Ikolomani (500), Kanduyi (500), Rongo (400), Nyatike (150), Kitutu Chache South (45), West Mugirango (150), Nyeri Town (100), Kirinyaga (280), Muranga (541), Kilifi North and Malindi (54), Maara (30), Tharaka (20). Kisumu East (500)

ii. On facilitating marketing of goods and services of women enterprises in both domestic and international markets, a total of 379 Women Groups were facilitated to participate in 23 targeted exhibitions:

Rabai Groups Exhibition Day (29th April), Nanyuki ASK Show (22nd to 24th May), International Widows Day Celebrations (19th June), Meru ASK Show (28th to 31st May), Nakuru Biz Link Expo (29th to 31st May). International Investment Conference, Kisumu, (6th to 8th February 2025), International Women's Day 8th March, Bomet International Women's Day 8th March, Homabay County, Kirinyaga County Farmers Fields Day Kirinyaga 7th-8th March, Diani Regata Cultural Festival on 23rd February, 2025, National Disability Inclusion Conference 2024, 27th – 28th November 2024, Launch of 16 days of Activism against Gender Based Violence on 25th November, 2024, Maa Cultural Festival in Samburu County from 5th to 10th November, 2024, Uwezo Fund Hamisi Cheque Issuance and Sensitization (7th November, 2024), Omugusii Cultural Festival (31st Dec.), Festac Africa Festival, (25th Aug-1st Sept. 2024) in Kisumu County, Mombasa International Trade Fair, (4th TO 8th Sept. 2024) in Mombasa, Financial Literacy And Social Inclusion Training By Echo Network Africa Foundation (29th August) in Nairobi, Stakeholders Meeting And Exhibition (6th-7th Sept) in Kisumu, UWEZO Fund Cheque Issuance Exercise in Ikolomani (7th Sept.) in Kakamega, ASK Central National Show, (11th-14th Sept.) in Nyeri, Soko Fresh Expo (21st August), Nyamira, Kilifi Innovation And Business Summit (13th-14th Sept.), Kilifi.

iii. The Fund was represented in the following Stakeholder Engagements

- International Widows Day Celebration in Kilifi on 23rd June, 2025
- International Widows Day National Event in Nyeri on 27th June, 2025
- Inaugural National Green Skills Gap Baseline Survey convened by Jacob's Ladder Africa on 12th June, 2025
- National Disability Inclusion Conference 2024, 27th – 28th November 2024
- Launch of 16 days of Activism against Gender Based Violence on 25th November 2024
- Maa Cultural Festival in Samburu County from 5th to 10th November 2024

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

- Celebrations of the International Day of the Girl Child in Kajiado County on 11th October 2024'
- Chama Fest Exhibition in Kisumu Central from 28th to 30th November, 2024
- Signing of the MOU between the Fund and Hand-in-Hand, (November, 2024).
- Signing of the MOU between the Fund and Nairobi City County Government, (November, 2024)
- Uwezo Fund Hamisi Cheque Issuance and Sensitization (7th November, 2024)
- Uwezo Fund Cheque Issuance Emgwen Constituency (18th-21st Nov. 2024)
- Cheque issuance and group visits in Nairobi County on 8th January, 2025
- Cheque issuance and group visits in Nakuru County on 9th January, 2025
- Cheque issuance and group visits in Bomet County on 10th January, 2025
- Women empowerment drive in West Pokot on 16th January, 2025
- Bi-Annual National Gender Sector Working Group in Nairobi on 27th January, 2025
- Cheque issuance and group visits in Kiambu County on 30th January, 2025
- Cheque issuance and group visits in Kiambu County on 5th February, 2025
- Attended the Festac Nyanza International Investment Conference in Kisumu on 10th February, 2025
- Diani Regata Cultural Festival on 23rd February, 2025 in Malindi County
- Signing of the MOU between the Fund and the Kenya School of Government, (February, 2025).
- International Women's Day 8th March, Bomet
- International Women's Day 8th March, Homabay County,
- Kirinyaga County Farmers Fields Day Kirinyaga 7th-8th March,

On Institutional Strengthening the following has been achieved:

- i. **Conducted recruitment** of vacant positions for the CEO ,Key Management and other positions to strengthen capacity of staff and enhance service delivery to the public.
- ii. **Medical Cover:** Medical insurance for Credit Assistants together with all staff Group Life, GPA/WIBA covers are ongoing and nearing conclusion.
- iii. **Training & Development:** Implemented the annual training programme for various secretariat staff on various areas of learning.
- iv. **Induction:** No new employees have been recruited during the period under review.
- v. **Approved HR Instruments:** Initiated the implementation of the approved HR instruments which included the job mapping exercise for the new organizational structure.
- vi. **Pension Scheme:** Pension Scheme procured and is now running effective February, 2025, Secretariat Staff only onboarded.
- vii. **Job Evaluation:** Development of new job descriptions for staff done.

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

ICT & E-Services – Board Update

1. Resumption to Lending – Strengthening KYC

- Verification of groups & members via **BRNET**.
- Integration with **IPRS** for National ID validation.
- **Mobile number validation** with Safaricom & Airtel.
- Mandatory **training certification & social services registration**.
- Strict adherence to **female-only membership (18+ years)**.
- Group size regulated (**10–30 members**).
- Members are restricted to **one group only**.

2. ICT Policy Review & Implementation

- ICT policy under review to align with emerging technologies, cybersecurity standards, and organizational needs.
- Implementation to strengthen governance, security, and accountability in ICT operations.

3. Business Process Reengineering (BPR)

- **Core objective:** Transition towards a **paperless environment**.
- **Process mapping** underway to identify manual vs. automated processes.
- Expected outcome: Improved efficiency, reduced paperwork, and enhanced digital workflows.

4. Key Challenges

- **Cybersecurity threats:** Strengthening defense posture and enhancing investments in cyber resilience.
- **Limited Exchequer allocations:** Impacting ICT project funding and timely execution.

Partnerships

- i. Entered into various agreements with various strategic partners to advance the mandate of the Fund at county levels e.g., Strathmore University.
- ii. Entered into a consultancy agreement with international partners to aid in the visibility of the fund and gather data on the performance of the Fund e.g. ID insight agreement

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

On Procurement, the Fund achieved the following:

- i. Ksh. **12,649,445** was awarded worth of tenders for the AGPO category during the period against a target of **Ksh 24,336,600** for the period.
- ii. Awarded a total of Ksh. **65,658,427** worth of tenders were awarded under Buy Kenya Build Kenya against the target of Ksh. **32,448,800** for the period.
- iii. Implementation of presidential directives- the fund successfully uploaded awarded tenders on to the public procurement information portal.

The division was not able to meet its targets for AGPO due to Budget cuts circulars stopping some procurements especially branded items and merger

iv. E-GP Update

- The Fund was registered in the system as per The National Treasury circular on all public entities to transition to E- Procurement from 1st July 2025,. The Chairperson, Chief Executive Officer and Head of Procurement have also been registered in the system.
- Training of five (5) staff from SCM, ICT and Finance departments was undertaken in the month of July 2025 by The National Treasury.
- The Draft Budget is under review by Treasury for the Procurement and Disposal plans to be uploaded also in the system.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

WEF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on WEF pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

ii) Environmental performance

In fulfilment of the Presidential directive on the National Tree Planting Campaign, the Fund involved stakeholder in various counties to undertake the exercise as outlined below.

SUMMARY OF TREE PLANTING INITIATIVES FY 2024/2025	
COUNTY	NO. OF SEEDLINGS PLANTED
KWALE	205
MOMBASA	806
KILIFI	249
WAJIR	135
MANDERA	140
ISIOLO	560
MARSABIT	340
MERU	150
THARAKA-NITHI	50
EMBU	580
KITUI	70
MACHAKOS	1700
MAKUENI	1000
SAMBURU	1500
MURANGA	541
KIRINYAGA	420
NYERI	487
NAIROBI	265
KAJIADO	102
KIAMBU	307
TURKANA	2000
UASIN GISHU	100
ELGEYO-MARAKWET	40
NANDI	500
NAKURU	780
NAROK	59
BOMET	950
KAKAMEGA	500
BUNGOMA	4400
SIAYA	120
KISUMU	600
HOMA BAY	310
MIGORI	796
KISII	810
NYAMIRA	390
TOTAL	21962

Women Enterprise Fund Annual Report and Financial Statements for the year ended June 30, 2025.

iii) Employee welfare

The Fund has in place a recruitment procedure that guides the way it attracts talent that ensures that the talent being recruited to the Fund has the right skills, knowledge, and abilities. The hiring process considers fairness by ensuring the Fund adheres to regional balance and consideration for marginalized communities and person with disabilities.

A key people deliverable for the Fund is improving skills for its staff and the Fund ensures adequate budgetary allocations on annual basis towards training its staff. A career progression guideline is in place to allow to guide staff on the process of upward mobility.

Performance management is carried out on an annual and semi-annual basis focussing on continual improvements. The products of annual performance appraisals feeds to reward and sanction mechanisms.

The Fund also is guided by the policy on Occupational Safety and Health Act of 2007, (OSHA) and we have put all out staff on WIBA/GPA cover to mitigate them against risks associated with work.

iv) Market place practices

Responsible competition practice.

- a) The Fund has embraced a collaborative approach in addressing matters competition. With other Affirmative Funds, WEF participated in joint sensitization programs dubbed Huduma Mashinani where all parties leverage on the strength of each other to achieve their mandates.
- b) On anti-corruption, the Fund undertakes Corruption Risk Assessment and updates the Corruption Risk Mitigation Plan through publication of awarded contracts and "First Come First Served" in payment to suppliers as well as submitting quarterly performance reports to EACC using the prescribed reporting format.
- c) The Fund works with National and County administrators to execute her mandate. This has enhanced a spirit of togetherness with the political elites who are our strong brand ambassadors.
- d) From time to time, we meet with the officials from other financial institutions to compare best practices as well as come up with strategies to complement each other's mandate.

Responsible Supply chain and supplier relations

- i. The Fund sets aside 30% of each financial year's budget to cater for the AGPO category.
- ii. Suppliers are given an equal opportunity to bid for tenders, thus ensuring that all those who were listed in the prequalified list are considered with the financial period.

Women Enterprise Fund

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

- iii. The Fund also shares the list of awarded tenders with National Treasury through Public Procurement Information Portal to enhance transparency.
- iv. Evaluation of Tenders is carried out as outlined in the Procurement ACT 2015 and Regulation 2020
- v. Payment to suppliers is honoured promptly as stipulated in the Service Charter. (30 days after invoicing)

Responsible marketing and advertisement

- i. Working together with various media houses to create visibility on the Fund.
- ii. Participation on Corporate Social responsibility activities as guided by the Fund's CSR Policy Guidelines
- iii. Ensuring that all advertisements are truthful in the sense that all information given are factual and can be defended by availing authentic evidence.

Product stewardship

- i. Working together with various media houses to create visibility on the Fund.
- ii. Participation on Corporate Social responsibility activities as guided by the Fund's CSR Policy Guidelines
- iii. Ensuring that all advertisements are truthful in the sense that all information given are factual and can be defended by availing authentic evidence.

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

11. Report of the Directors

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

i) Principal activities

The principal activities of the Fund as stipulated in the Legal Notice No. 147 of August 2007 are;

- a) Provision of affordable and accessible credit to women for enterprise development.
- b) Capacity building of women beneficiaries and their institutions.
- c) Facilitate and support local and international marketing of goods produced by women.
- d) Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises.
- e) Facilitate and support investments in infrastructure that support women enterprises e.g., decent market spaces or business incubators.

ii) Results

The results of the Fund for the year ended June 30, 2025, are set out on page 1-41.

iii) Directors

The members of the Board of Directors who served during the year are shown on page 9 - 11.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Fund did not make any surplus during the year (FY 2024/25 Kshs. Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board



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**CHRP RACHEAL MUSYOKI
CHIEF EXECUTIVE OFFICER**

Women Enterprise Fund
Annual Report and Financial Statements for the year ended June 30, 2025.

12. Statement of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Legal Notice No.147 of August 2007 require the Directors to prepare financial statements in respect of that Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Directors are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund.

The Directors are 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 period ended 30th June 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 Directors accept 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 Legal Notice No.147 of August 2007. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the period ended 30th June 2025, and of the Fund's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

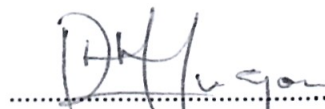
Nothing has come to the attention of the Directors to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Fund's* financial statements were approved on 14th July 2025 and signed by:



DR. JANE LANG'AT
CHAIRPERSON OF THE BOARD



CHRP RACHEAL MUSYOKI
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON WOMEN ENTERPRISE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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 Women Enterprise Fund set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the 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 the Women Enterprise Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 17 to the financial statements reflects receivables from exchange transactions balance of Kshs.2,542,537,262. Review of the financial records revealed Constituency Women Enterprise Schemes had a total loan of Kshs.1,495,245,894 out of which an amount of Kshs.1,122,162,805 had been outstanding for more than one (1) year contrary to the loans policy of the Fund. Management did not explain the measures instituted to recover the loans.

In addition, review of financial records indicated that an amount of Kshs.695,753,373 were loans in respect of digital loans issued to 15,234 groups in July, August and September, 2023. It was noted that the loans had been outstanding for more than two years. Management did not demonstrate measures in place to recover the outstanding loans balances.

In the circumstances, the accuracy, completeness and recoverability of the receivables of Kshs.2,542,537,262 could not be confirmed.

2. Non-Performing Loans to Financial Intermediary Partners

Included in the statement of financial position and Note 17 is Kshs.2,542,537,262 in respect of receivables from exchange transactions. This amount includes non-performing loans from eight (8) financial intermediary partners of Kshs.70,255,000. Management has made a provision of Kshs.53,750 in relation to this uncertainty in recovery. However, the basis of the provision and adequacy could not be confirmed.

Further, according to explanations by Management the financial intermediary partners debts outstanding had been handed over to the legal office for follow-up. However, the legal office has not provided evidence to show whether their efforts have been successful and whether they will result in any recovery. It is, therefore, not possible to confirm whether the legal office is actively following-up these cases.

In the circumstances, the accuracy and recoverability of the receivables of Kshs.70,255,000 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 17 to the financial statements reflects receivables from exchange transactions of Kshs.2,542,537,262. Included in the balance is Car and Mortgage Scheme balance of Kshs.258,717,140. However, the balance was not supported with a statement indicating details of the beneficiaries, amounts issued, amounts repaid and loan balance as at 30 June, 2025. Further, Management did not explain the reasons for lack of movement in the account.

In the circumstances, the accuracy and completeness of car and mortgage balance of Kshs.258,717,140 could not be confirmed.

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

Emphasis of Matter

1. Material Uncertainty Related to Sustainability of Services

I draw attention to the statement of financial performance indicating that the Fund recorded total revenue and expenditure of Kshs.387,243,057 and Kshs.631,408,884 respectively resulting in a net deficit of Kshs.261,697,301 from the previous year's deficit of Kshs.324,722,613. The Fund therefore continues to operate at a loss, which, if not managed, may affect its future operations and sustainability of services.

The Fund may be unable to meet its financial obligations as and when they fall due and there is a risk the Fund being technically insolvent.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.531,114,848 and Kshs.387,243,057 respectively resulting in revenue shortfall of Kshs.143,871,791 or 27% of the budget. Similarly, the statement reflects actual expenditure of Kshs.648,940,357 against an approved budget of Kshs.751,187,803 resulting to an under expenditure of Kshs.102,247,446 or 14% of the budget.

In the circumstances, the under-funding and under-expenditure may have affected the operations and planned activities of the Fund and hence impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

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 and Material Uncertainty Related to Going Concern sections, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

As disclosed under follow-up on the auditor's recommendations on prior years audit issues, various prior years audit issues remained unresolved as at 30 June, 2025. Management has not provided reasons for the delay in resolving the prior year's audit issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiii which comprise of Key Fund Information and Management, Key Management Team, Fiduciary Management, Fiduciary Oversight Management, Chairperson' Statement, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Women Enterprise Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Preparation of Financial Statements for Staff Mortgages and Car Loan Fund

The statement of financial position and Note 17 to the financial statements reflects receivables from exchange transactions totalling Kshs.2,542,537,262. Included in the amounts is car and mortgage scheme balance of Kshs.258,717,140. It was however noted that the Fund did not prepare separate financial statements as required by templates issued by the Public Sector Accounting Standards Board (PSASB) which require separate financial statements as opposed to being shown as a line item in the statement of financial position.

In the circumstances, the financial statements were not prepared in accordance with the financial reporting templates and Management was in breach of the law.

2. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects budgeted revenue and budget expenditure of Kshs.531,114,848 and Kshs.751,187,803 respectively, resulting in an unbalanced budget of Kshs.220,072,955. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced.

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

3. Irregular Board meetings

It was observed that Women Enterprise Fund Board held ten (10) Full Board meetings, eight (8) Special Full Board meetings, Five (5) Finance, Human Resource and Administration committee meetings, six (6) Special Finance, Human Resource and Administration committee meetings, Four (4) Audit and Compliance Committee meetings, four (4) Strategy, Innovation and Technology committee meetings, Four (4) Credit Committee meetings, giving rise to a total of forty one (41) board meetings during the 2024/2025 financial year. However, the additional meetings were not approved.

In the circumstances, Management was in breach of the law and Mwongozo Code of Governance.

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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on the 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. Lack of System Ownership and Weak Internal Controls Over Digital loans

The Women enterprise Fund does not own or control the system that disbursed Kshs.941,905,755 to women groups. This severely limited WEF authority and oversight in the administration of digital lending.

Further, five hundred and sixty-nine thousand, two hundred and fifty-eight (569,258) members were registered in more than one group. A total of three thousand, eight hundred and nine (3,809) groups with fewer than ten (10) members received payouts amounting to Kshs.189,366,122, while forty (40) groups with more than thirty (30) members were paid Kshs.1,992,550.

Further, a total of six thousand, one hundred and ninety-two (6,192) groups accessed Kshs.307,924,743 using duplicate contract loan IDs. Additionally, three hundred and nineteen (319) groups received amounts below the Kshs.50,000 limit, with a total of Kshs.9,905,755 disbursed below the set threshold.

In the circumstances, the Fund does not have control of the disbursement system.

2. Staff Over-Establishment

Review of the approved staff establishment and staff in post at the Fund revealed there were two hundred and sixty-four (264) Assistant Credit Officer II/III against one hundred and thirty-six (136) captured in the staff establishment resulting to an over-establishment of one hundred and twenty-eight (128) officers.

In the circumstances, the effectiveness of the staff establishment as a Human Resource Management control could not be confirmed.

3. Understaffing

The fund has an approved staff establishment of three hundred and seventy-eight (378) staff. However, review of the human resource data revealed an under staffing of One hundred and seventy-six (176). Some department such as Corporate Communication & Customer Service Division do not have any staff.

Further, it was noted that two hundred and seventy-three (273) Credit Assistant Officer II were employed as field officers. This is against two hundred and ninety (290) constituencies leading to an understaffing of seventeen (17) officers.

In the circumstances, failure to employ and fill the approved establishment may have negatively affected service delivery to the public.

4. Weakness in Internal Audit Function

Review of internal audit function revealed that the Internal Audit Department did not undertake any internal audit engagements or submit any internal audit reports to the Audit and Compliance Committee for the financial year 2024/2025. This was contrary to Regulation 171 of the public finance management regulation (National Government) 2015 that states “(1) The findings and recommendations arising from each internal audit assignment shall be promptly reported to the accounting officers. (2) The final report, including the actions taken by the accounting officer shall be reported to the audit committee in the format determined by the Cabinet Secretary”.

Further, review of the staffing levels in the Internal Audit Department revealed that the department has only one member of staff instead of the three provided in the staff establishment. Further, the officer, who is also the head of the internal audit unit is placed in WEF 6 contrary to the Head of Public Service circular dated 11 March, 2020 which directed the Head of Internal Audit to be placed between level 2 and 3 of the grading structures.

In the circumstances, the Fund did not benefit from the oversight role and advice from the Internal Audit Function and hence, the effectiveness of Internal Audit was not fully realized.

5. Breach in Governance Structure

During the audit of Women Enterprises Board expenses for the financial year 2024/2025, it was noted that the Board of Directors participated directly in operational aspects of the staff recruitment process. Specifically, the Board was involved in: Generation of longlists and shortlists of candidates, conducted candidate interviews and Preparing interview results and reports. This was observed in the recruitment of a Senior Officer-Audit & Risk, Assistant Manager-Audit & Risk, Manager-Audit & Risk, Manager-Marketing, Research & Communication, Manager- Finance & Administration, Assistant Manager-HR & Admin. During this process, Board members sat 14 times with the core purpose of recruiting officers for Women Enterprise Fund and were paid allowances from board expense vote without written approval confirming that the process was actually within their mandate and not that of the Human resource department.

In the circumstances, the Board of Directors is in breach of governance structure on segregation of duties.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

05 December, 2025

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

14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	216,100,000	297,200,000
Transfers from Grants - ILO		1,747,500	-
		217,847,500	297,200,000
Revenue from exchange transactions			
Rendering of services	7	28,933,800	30,587,555
Finance income	8	140,461,757	76,427,661
Sub- Total		169,395,557	107,015,216
Total revenue		387,243,057	404,215,216
Expenses			
Use of goods and services	9	59,261,774	29,580,031
Employee costs	10	392,432,990	374,208,903
Board Expenses	11	29,785,377	29,939,547
Depreciation and amortization expense	12	13,147,530	26,340,565
Repairs and maintenance	13	12,385,014	7,573,500
General Expenses	14	123,157,704	191,589,272
Increase/(Decrease) in provision for bad & doubtful debts		1,238,495	-6,696,340
Total expenses		631,408,884	652,535,478
Other gains/(losses)			
Surplus/ (deficit) before tax		(244,165,827)	(248,320,262)
Taxation-Corporate tax on call deposit interest	15	17,531,473.02	76,402,351
Surplus/(deficit) for the period/year		(261,697,301)	(324,722,613)
Net Surplus for the year		(261,697,301)	(324,722,613)

The Financial Statements set out on pages 1 to 40 were signed by:



CHRP Racheal Musyoki
Chief Executive Officer

Date: 12/11/25



Julius Cheche
ICPAK Member No. 6977
Head of Finance

Date: 12/11/25



Dr. Jane lang'at (Phd)
Chairperson of the Board

Date: 12/11/25


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

15. Statement of Financial Position as at 30th June 2025


	Notes	Kshs 2024-25	Kshs 2023-24
Assets			
Current Assets			
Cash and Cash equivalents	16	1,351,098,134	1,808,361,591
Receivables from Exchange Transactions	17	2,542,537,262	2,519,005,846
Inventory	18	2,965,182	3,997,933
Total Current Assets		3,896,600,578	4,331,365,370
Non-Current Assets			
Property, Plant and Equipment	19	58,383,771	70,198,073
Intangible Assets	20	485,553	728,330
Total Non- Current Assets		58,869,324	70,926,403
Total Assets (A)		3,955,469,902	4,402,291,773
Liabilities			
Current Liabilities			
Trade and Other Payables	21	51,454,798	48,398,585
Employee Benefit Obligation	21	1,020,942	105,497,798
Total Current Liabilities		52,475,740	153,896,383
Non-Current Liabilities			
Total Non- Current Liabilities		0	0
Total Liabilities (B)		52,475,740	153,896,383
Net Assets (A-B)		3,902,994,162	4,248,395,390
Represented by:			
Capital Fund		4,719,104,394	4,719,104,394
Accumulated Surplus		(816,110,233)	(554,412,932)
Net Assets		3,902,994,162	4,164,691,462



CHRP Racheal Musyoki
 Chief Executive Officer
 Date: 12/11/25



Julius Cheche
 ICPAK Member No. 6977
 Head of Finance
 Date: 12/11/25



Dr. Jane lang'at (Phd)
 Chairperson of the Board
 Date: 12/11/2025

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

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1st, 2023	4,339,050,000	27,224,393	(229,690,319)	42,500,000	4,179,084,074
Surplus/ (deficit) for the year	-	-	(324,722,613)	-	(324,722,613)
Capital/development grants received during the year	-	-	-	310,330,000	310,330,000
As at June 30th, 2024	4,339,050,000	27,224,393	(554,412,932)	352,830,000	4,164,691,461
As at July 1st, 2024	4,339,050,000	27,224,393	(554,412,932)	352,830,000	4,164,691,461
Surplus/ (deficit) for the year	-	-	(261,697,301)	-	(261,697,301)
Capital/development grants received during the year	-	-	-	-	-
As at June 30th, 2025	4,339,050,000	27,224,393	(816,110,233)	352,830,000	3,902,994,161



**Women Enterprise 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


		<i>FY 2024-25</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	216,100,000
Transfers from grants		1,747,500
Levies, fines, penalties and forfeitures		-
Licenses, fees and permits		-
Rendering of services	7	28,933,800
Rental revenue from facilities and equipment		-
Finance income	8	140,461,757
Other income		-
Total receipts		387,243,057
Payments		
Employee costs	10	392,432,990
Use of goods and services	9	59,261,774
Transfers to other Government Entities		-
Board Expenses	11	29,785,377
Other Grants and Subsidies		-
Repairs and Maintenance	13	12,385,014
General expense	14	123,157,704
Total payments		617,022,859
Net cash flows from/(used in) operating activities		(229,779,802)
Cash flows from investing activities		
Purchase of PPE		-
Purchase of Intangible Assets		-
Proceeds from sale of PPE		-
Net cash flows from/(used in) investing		0
Cash flows from financing activities		
Loans from Women Entrepreneurs		(454,580,493)
Loans		227,096,514,838
Net cash flows from financing Activities		(227,483,655)
Net change in cash & equivalents		(457,263,457)
Balance at 1 July 2024	16	1,808,361,591
Balance at 30 June 2025	16	1,351,098,134


has been adopted.


Agency to present one statement of cash flow, at the time of adoption of the reporting template, this election has been made; therefore, there are no adjustments to the financial statements (method of cash flow preparation.)

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Transfers from Other Governments entities	297,220,000	0	297,220,000	216,100,000	81,120,000	73%
Rendering of Services	183,894,848	0	183,894,848	28,933,800	154,961,048	16%
Finance Income	30,000,000	0	30,000,000	140,461,757	-102,929,437	468%
Resource mobilization	20,000,000	0	20,000,000	1,747,500	181,052,500	9%
Total Receipts	531,114,848	0	531,114,848	387,243,057	314,204,111	73%
Payments						
Use of Goods and Services	96,869,010	0	96,869,010	59,261,774	37,607,236	57%
Employee costs	406,532,218	0	406,532,218	392,432,990	14,099,228	97%
Remuneration of Directors	30,000,000	0	30,000,000	29,785,377	214,623	99%
Repairs and Maintenance	32,505,160	0	32,505,160	12,385,014	20,120,146	38%
General Expenses	185,281,415	0	185,281,415	123,157,704	62,123,711	66%
Depreciation and Amortization	0	0	0	13,147,530	-13,147,530	
Decrease in provision for bad debt	0	0	0	1,238,495	-1,238,495	
Taxation	0	0	0	17,531,473	-17,531,473	
Total Payments	751,187,803	0	751,187,803	648,940,357	102,247,446	
Surplus for the period	220,072,955	0	-220,072,955	-261,697,300	211,956,665	


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CHRP Racheal Musyoki
Chief Executive Officer


.....
Julius Cheche
ICPAK Member No. 6977
Head of Finance


.....
Dr. Jane lang'at (Phd)
Chairperson of the Board

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

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(261,697,300)
1	Reason for differences – Deficit attributable to budgetary cuts by National Treasury comparative to prior year’s allocation. Amount provided not adequate to cater for Operational costs	-
2	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,351,098,134

Budget notes

Rendering of services- The decline in Revenue from Rendering of services was attributable to the suspension of lending resulting in loss in revenue from interest and administration fee approval for manual lending was resumption was done in the 2nd half of the Financial year.

Finance Income- Increase in revenues from finance income is attributable to Interest earned from increased bank balances resulting from discontinuation of lending. Funds were placed on call pending disbursement under the new model.

Use of Goods-The under-expenditure was as a result of austerity measured undertaken during the year.

Compensation of Employees- Actual expenditure was within the budget margins.

Repairs and Maintenance costs- The under-expenditure was largely as a result of a new fleet of Motor Vehicles whose maintenance was low. In addition, the new office premises did not require much maintenance since the Fund’s HQ had only moved in.

Depreciation and Amortization expense- This represents a non-cash outflow item. The item contributed to the reported deficit for the year.

Women Enterprise Fund

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

19. Notes to the Financial Statements

1. Establishment

Women Enterprise Fund is a Semi-Autonomous Government Agency under the Ministry of Gender, Culture The Arts and Heritage under the State Department for Gender and Affirmative Action established by and derives its authority and accountability under Legal notice No. 147 of 2007. The Public Finance Management Act of 2012, Categories WEF as a Public Fund. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to provide accessible and affordable credit and business support services to women entrepreneurs to start and/or expand business for wealth and employment creation.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Women Enterprise Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Women Enterprise Fund.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the financial statements

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues

Women Enterprise Fund

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are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *Fund* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The *Fund* pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *Fund* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *Fund* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *Fund's* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest

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and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. Fund's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the Fund as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets,</p>

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

Standard	Effective date and impact:
	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.
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard</p>

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Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="459 891 1449 969">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="459 969 1449 1093">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <li data-bbox="459 1093 1449 1292"><i>iii.</i> Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. 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. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Fund 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.

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d) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Fund incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Fund expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

e) Tangible Natural Resources

The Fund recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the Fund; the Fund controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the Fund discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. A Fund shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Fund also recognizes the associated lease

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liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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.

g) Research and development costs

The Fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Fund can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The Fund 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 Fund'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 a Fund has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

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Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

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Notes to the Financial Statements (Continued)

g) Inventories

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

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

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

h) Provisions

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

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Notes to the Financial Statements (Continued)

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Fund 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 Fund will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Employee benefits

Retirement benefit plans

The Provides for gratuity to employees upon expiration of employment contract.

m) Foreign currency transactions

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

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n) Related parties

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

Notes to the Financial Statements (Continued)

o) Service concession arrangements

The *Fund* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Fund* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Fund* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

p) 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.

q) Comparative figures

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

r) Subsequent events

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

Women Enterprise Fund
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Disclosure on Changes in prior year opening balances.

The opening balances on rendering of services , finance income and Total revenue differ from closing balances of the audited Financial statements for the period FY2023/2024 arising from amendments of the financial statements which was done post audit to address recommendations of the audit report which had an effect on the overall financial performance of the statement of the Fund. The table below highlights the affected entries.

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Item	Closing Balance FY 2023/24 Audit report	Opening Balance FY2024/25 Statements	Variance	Remarks
Finance Income	Ksh.71,060,851	Ksh.76,427,661	Ksh.5,366,810	Financial statements were amended to correct understatement of finance income
Rendering of services	Ksh.30,587,555	Ksh.30,587,555	Nil	No variance
Total revenue	Ksh.404,215,216	Ksh.398,848,406	Ksh.5,366,810	The difference is attributable to the amendments is Finance income that affected the total revenue.
Cash and Cash equivalents	1,815,567,600	1,808,361,591	7,206,009	Variance is attributable to amendment of financial statement to correct casting errors in Cash and cash equivalent as per audit recommendation
Receivables from Exchange Transactions	2,510,430,962	2,519,005,846	-8,574,884	Variance is attributable to amendment of financial statement to correct receivables
Inventory	0	3,997,933	-3,997,933	Amendment of financial statement to recognize closing inventory for the period
Accumulated Surplus	-476,075,812	-554,412,932	78,337,120	Amendment of financial statement to correct prior year casting errors.

Notes to the Financial Statements (Continued)

6. Transfers from Exchequer/

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended 30 th June 2025
	Kshs	Kshs	Kshs
Recurrent	216,100,000	-	216,100,000
Development	-	-	-
Total	216,100,000	-	216,100,000

The amount relates to exchequer receipts transferred within the financial for recurrent expenditure. No amount was allocated under development vote.

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7. Rendering Of Services

Description	FY2024-25	FY2023-2024
	Kshs	Kshs
Interest rate @2.2% on digital lending		6,319,337
Administration fee@ 6% on Lending	27,444,000	23,409,912
Administration fee on CWEs loan		0
Training Fees for CWEs borrowers	1,253,800	0
Income from sale of loan Tracker booklets	236,000	0
Income from LPO financing		250,900
Sacco Processing fee & income from Bid bonds & penalties		607,406
Total Revenue from The Rendering of Services	28,933,800	30,587,555

8. Finance Income

Description	FY 2024-25	FY 2024-25
	Kshs	Kshs
Cash investments and fixed deposits-Interest on call deposits	140,461,757	76,427,661
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Others (specify)	-	-
Total	140,461,757	76,427,661

9. Use of Goods and Services

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Utilities, supplies and services	2,431,880	3,953,618
Communication, supplies and services	2,783,516	5,208,730
Purchases, consumables	4,241,918	1,217,700
Courier & postal Services, advert.	7,602,518	6,376,791
Supplies and Accesories for Computers & Printers	1,059,782	
Hospitality supplies and services	4,882,708	
Insurance costs	22,014,915	
Sanitary and Cleaning Materials Supplies&Services	3,841,066	
Office and general supplies and services	1,542,554	3,729,080
Fuel Oil and Lubricants	4,869,510	9,094,112
Other operating expenses	3,991,407	
Total	59,261,774	29,580,031

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10. Employee Costs

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Basic salaries of permanent employees	281,706,883	340,230,996
Basic wages of temporary employees	220,362	
Personal allowances – part of salary	70,729,538	
Gratuity Expense/Pension and other social security contributions	23,614,952	33,977,907
Employer contributions to compulsory national social security schemes	11,389,191	
Employer contribution to housing levy	4,772,064	
Employee costs	392,432,990	374,208,903

11. Board Expenses

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Chairman’s Honoraria	695,245	
Sitting Allowances	13,402,000	29,939,547
Chairman telephone allowances	56,000	
Meal Allowance	430,350	
Travel and Accommodation	9,422,120	
Other Board Expenses	5,779,662	
Total	29,785,377	29,939,547

12. Depreciation and Amortization Expense

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Property, plant and equipment	12,904,753	26,340,565
Intangible assets	242,777	
Total	13,147,530	26,340,565

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13.Repairs and Maintenance

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Repairs & Maintenance- Motor Vehicles	3,533,747	7,323,833
Repairs & Maintenance – Furniture	4,000	45,310
Repairs & Maintenance-Non IT Equipments	400	
Maintainance of Computers, Software & Networks	8,610,679	68,292
Repairs & Maintenance -Building	236,189	136,065
Total Grants and Subsidies	12,385,014	7,573,500

14.General Expense

Description	FY 2024-25	FY 2024-25
	Kshs	Kshs
Travel Costs (Airlines, Mileage Allowances, etc.)	8,630,432	
Accommodation - Domestic Travel	48,816,842	70,780,078
Sundry Items (e.g. Airport Tax, Taxis, etc.)	313,507	
Foreign Travel	2,419,269	
Foreign Accommodation	1,000,200	
Sundry Items (e.g. Airport Tax, Taxis, etc.)	165,000	
Publishing and Printing	72,753	61,860
Subscriptions to Newspapers, Magazines and Periodicals	599,880	
Publicity & Promotional Materials	979,860	
Media Adverts & Postage	857,645	8,620,405
Rents and Rates - Non-Residential	19,348,800	20,184,000
Travel- Capacity Building, Community Mobilization	156,780	
Conferences-Capacity Building, Community Mobil.	3,422,099	
Tuition-Capacity Building/Staff Training	30,826,000	58,667,606
Conferences-Capacity Building, Community Mobil.	5,548,637	
Total	123,157,704	191,589,272

Note: Reporting format for general expenses changed with some items being taken to use of goods and services

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15. Taxation

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Current income tax charge	17,531,473	76,402,631
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	17,531,473	76,402,351

16. Cash and Cash Equivalents

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
Recurrent Account	94,282,164	1,808,361,591
On - Call Deposits	1,256,639,231	-
Others-Mpesa	176,739	2,568,457
Total	1,351,098,134	1,808,361,591

16 (b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank			
· Main Account	1109218818	34,221,554	1,630,222,077
· Collection Account	1111394423	6,742,909	7,086,014
· Loan Disbursement Account	1157880533	841,971	21,439
· Gratuity Account	1150260386	1,020,942	119,557,492
· WEF Savings Account	1316539350	51,454,788	48,906,112
Sub- Total		94,282,164	1,805,793,134
b) On - Call Deposits			
Kenya Commercial Bank			
Sub- Total		1,256,639,231	-
c) Others			
M-pesa		176,739	2,568,457
Sub- Total		1,256,815,970	2,568,457
Grand Total		1,351,098,134	1,808,361,591

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17.Receivables from Exchange Transactions

Description	2024-2025	2023-2024		
	Kshs	Kshs		
Current Receivables			Increase/Decrease	Provision for b/debts
Digital Loans	695,753,373	684,196,409	11,556,964	577,848.19
Loan to FI partners	70,255,000	71,330,000	- 1,075,000	53,750.00
Loans to CWES's	1,495,245,894	1,451,894,549	43,351,345	2,167,567.25
Sacco Loans	11,430,577	34,522,965	- 23,092,388	1,154,619.39
LPO Loans/ Financing	8,467,500	10,946,500	- 2,479,000	123,950.00
PikiPiki Loan Financing	283,333	283,333	-	-
Thamini Loan Product	2,222,039	3,757,646	- 1,535,607	76,780.34
Car & Mortgage Scheme	258,717,140	258,717,140	-	-
Imprests & Advances	1,400,901	3,357,306	- 1,956,405	97,820.25
Total Current Receivables	2,543,775,757	2,519,005,848		1,238,495.45

18.Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Assets – Inventory		
Closing stock for Various stores items	2,965,182	3,997,933
Total Inventory	2,965,182	3,997,933

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19. Property, Plant, and Equipment

Cost	Motor vehicles.	Furniture and Fittings.	Computers	Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024	59,153,979	72,819,859	47,034,501	4,648,303	183,656,644
Additions/ Revaluation	-	0	0	-	
As at 30th June 2025	59,153,979	72,819,859	47,034,501	4,648,303	183,656,644
Depreciation					
At 1st July 2024	-33,162,366	-32,426,574	-	-3,431,279	-112,368,120
Depreciation charge for the period	-6,497,903	-5,049,161	-1,341,867	-15,822	-12,904,753
As At 30th June 2025	-39,660,269	-37,475,735	-	-3,447,101	-125,272,873
Net Book Values					
As at 30th June 2025	19,493,710	35,344,124	2,344,733	1,201,202	58,383,771
As at 30th June 2024	35,887,352	47,959,402	11,047,952	422,108	95,388,966

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at , PPE has been valued at the current operational value which is the amount the Fund would pay for the remaining service potential of an asset at the measurement date.

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Notes to the Financial Statements (Continued)

20.Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	27,941,775	27,941,775
Additions	-	-
At end of the year	27,941,775	27,941,775
Amortization and impairment		
At beginning of the year	27,213,445	26,849,826
Amortization	242,777	363,619
At end of the year	27,456,222	27,213,445
NBV	485,553	728,330

21.Trade and Other Payables

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade payables		
Total trade and other payables - Gratuity	1,020,942	1,303,510
Total trade and other payables - Women Savings accrued from digital lending	51,454,798	47,095,075
Total	52,475,740	48,398,585

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AGEING ANALYSIS REPORT FOR RECEIVABLES 30.06.2025												
CLASSIFICATION	CWES CHANNEL		LPO CHANNEL		SACCO CHANNEL		FI CHANNEL		THAMINI CHANNEL		DIGITAL CHANNEL	
	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)	Arrears Amount (Ksh.)	Out. Loan Bal (Ksh.)
Normal without arrears	-	334,969,567	0	0	0	10,983,875	0	0	0	0	0	0
Normal in arrears (1-180 Days)	3,892,738	27,532,322	0	0	0	0	0	0	0	0	0	0
Watch (181-360 Days)	10,531,654	10,531,654	0	0	0	0	0	0	287,948	287,948	0	0
Sub-standard (361-720 Days)	94,446,464	94,465,767	0	0	0	0	0	0	1,503,759	1,503,760	0	0
Doubtful (721-1080 Days)	119,096,765	119,126,765	737,500	737,500	446,702	446,702	0	0	239,000	239,000	678,008,159	678,008,159
Loss (Above 1080 Days)	908,619,576	908,619,820	7,730,000	7,730,000	0	0	70,255,000	70,255,000	191,331	191,331	0	0
Total	1,136,587,197	1,495,245,895	8,467,500	8,467,500	446,702	11,430,577	70,255,000	70,255,000	2,222,038	2,222,039	678,008,159	678,008,159

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31 Events after the Reporting Period

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

32 Ultimate And Holding Fund

The Fund is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Gender, Culture, The Arts and Heritage. Its ultimate parent is the Government of Kenya.

33 Currency

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

Women Enterprise Fund

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19. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	Inaccuracies in the Financial Statements	The detailed schedules that support the general ledger entries and all the relevant documentations were provided. These explained the variances raised by the OAG.	Resolved	Done
2	Non-performing Loans to Financial Intermediary partners	Ksh.1,075,000 has been fully recovered against African Women Foundation reducing the non-performing financial intermediary partners to seven (7). Consequently, legal proceedings against PAWDEP, SIDEP & Adok Timo were instituted and the judgement was in favour of the Fund. The Fund has enlisted new valuers and auctioneers to conduct auction for the securities pledged by the four institutions.	-1 account has been closed -7 accounts unresolved	Before the end of FY 25/26
3	Unsupported Receivables from Exchange Transactions	The suspense balance was primarily due to the abrupt closure of the Fund’s official Paybill number 830800, following a presidential directive , and the subsequent delay by the ICT Authority in integrating the WEF account into Paybill number 222222. integration of the Br.Net system with the E-Citizen	Resolved.	Done

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>platform which has since stopped the accumulation of suspense amounts has been done.</p> <p>The Fund is committed to ensuring the balances are fully reconciled and posted to the respective client accounts.</p>		
4	Understatement of Finance Income	The management will review and improve our internal processes to ensure all income sources are properly recorded and disclosed.	Unresolved	On-going
5	Non-Disclosure of Inventories	The inventory was subsequently recognized in the amended financial statements, to comply with the reporting requirements of IPSAS accrual accounting.	Resolved	Done
6	Unsupported Gratuity Payments	The management has provided the supporting schedule for audit verification indicating the actual gratuity payment of Kshs. 33,977,907.00 which was made in accordance with the terms of engagement outlined in the respective employees' contracts	Resolved	Done
7	Inaccuracies in Cash and Cash Equivalents Balance	<p>The financial statements were amended to reflect the correct balances.</p> <p>Adjusting journal entries, cash books bank statements and board of</p>	Resolved	Done

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		survey reports reflecting the accurate balances have been availed for audit verification purposes.		
7.1	Unsupported and Unaccounted for Mobile Money Funds	<p>Transition to a single payment platform under pay bill number 222222, resulted in closure of previous paybills.</p> <p>The delay in remittance was attributed to procedural engagements between the Fund and Safaricom regarding settlement and reconciliation of the accounts during the transition. The M-PESA balance certificate and statements—including those for pay bill number 8360000—along with the relevant bank statement were provided</p>	Resolved	Done
8	Inaccuracies in Employee Costs	chairperson's honoraria and other allowances are included in the board expenses. The honoraria and telephone allowances are processed monthly alongside salary payments. While the vouchers for these payments are signed at the same time the payments are recorded in separate accounts.	Resolved	Done

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
9	Unsupported Training Expenses	we can confirm that all expenditures were in line with the approved training plan and all staff levels were given the opportunity to develop their skills and capabilities in accordance with identified needs. We remain committed to ensuring that all documentation is readily available and fully transparent for future audits	Resolved	Done
10	Material Uncertainty Related to Sustainability of Services	The reported deficit is primarily due to limited exchequer allocation by the National Treasury for the recurrent budget. Additionally, digitization of lending reduced loan uptake which is a primary revenue stream, Management has proactively engaged with the National Treasury to seek an increased allocation for the recurrent budget. Furthermore, the Fund has resumed lending operations and anticipates higher revenue from loan charges	Unresolved	On-going
11	Budgetary Control and Performance	Budget deficit resulted from shortfall in revenue primarily resulting from the suspension of lending activities which generates Appropriation in Aid to	Unresolved	On-going

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		support the operational budget. Management has implemented measures including the resumption of lending activities and ongoing engagement with the National Treasury to secure an increased allocation for the exchequer budget.		
12	Unresolved Prior Year Matters	Management has been engaging the Office of the Auditor General on the outstanding prior year matters most of which have consequently been resolved	Unresolved	On-going
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1	Non-Preparation of Financial Statements for Staff Mortgages and Car Loan Fund	Fund is currently aligning its accounting processes and records in readiness for the preparation of final report for the financial year will incorporate all required disclosures and comply with applicable accounting standards and regulations.	Unresolved	30/08/2025
2	Unbalanced Budget	Management has implemented corrective measures including the resumption of lending activities and ongoing discussions with the National Treasury to	Unresolved	On-going

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		secure an increased allocation for the exchequer budget		
3	Non-Compliance with Fiscal Responsibility Principles	The management has initiated a review of a compensation structure and operational budget to ensure compliance with the PFM Act and the constitutional requirement for sustainable fiscal management under Article 201	Unresolved	On-going
4	Outstanding Imprests and Advances	The recovery is currently ongoing through monthly deductions from the respective employees' salaries. Management is committed to ensuring full recovery and strengthening internal controls to avoid recurrence of such instances	Resolved	On-going
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1	Irregular Board meetings	the frequency of the meetings during this period was driven by the need for the Board to address critical and time-sensitive issues that had financial, legal, and strategic implications for the Fund. The Board remains committed to ensuring proper governance, accountability, and alignment with the Fund's objectives and legal requirements	Resolved	Done

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CHRP RACHEAL MUSYOKI
CHIEF EXECUTIVE OFFICER