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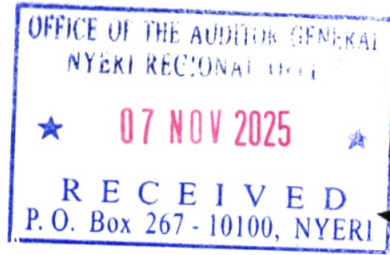
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KIRINYAGA COUNTY ALCOHOLIC DRINKS
AND SUBSTANCE ABUSE CONTROL FUND

FOR THE YEAR ENDED
30 JUNE, 2025

505



**KIRINYAGA COUNTY ALCOHOLIC DRINKS & SUBSTANCE ABUSE
CONTROL FUND**

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|------------|--|
| BOM | Board of Management |
| CPA-K | Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| C.E.C.M | County Executive Committee Member |
| C.O.S | Chief Officer Sports |
| D. I. A | Directorate of Internal Audit |
| C.O.A.R. A | Chief Officer Accounting Services, Revenue & Audit |
| F. M | Fund Manager |
| T.C.M | Trustee Committee Member |
| C.M | County Commissioner |
| C.P.H.O | County Public Health Officer |
| C.P.C | County Police Commander |
| S. C. A | Sub County Administrator |

2. Key Entity Information and Management

a) Background information

Alcoholic Drinks & Substance Abuse Control Fund is established by and derives its authority and accountability from Public Finance Management Act. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

The fund's objective is to enable the department regulate the production, distribution, promotion, sale and consumption of alcoholic beverages within the county and ensure fairness and ethical Liquor enforcement exercise.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to support and facilitate County Liquor licensing Board, the directorate in-conjunction with Sub-County committee in carrying out public/citizen participation, educating general public, youth/County residents on issues relating to Alcoholic drug and substance abuse, Facilitate the department in carrying out research relating to drug use, Alcohol use and substance abuse.

The fund also facilitates both County liquor licensing board and county Alcoholic drinks control enforcement and coordinating committee in carrying out their functions such as enforcing to the liquor premises to ensure compliance and adherence of the act is implemented and achieved accordingly.

The fund also promotes responsible consumption of Alcoholic drinks and mitigates the adverse effects of Alcohol abuse on public health, safety, and social welfare.

The fund research, education, and public awareness programs on Alcohol related issue, including harm reduction strategies and Alcohol dependency prevention in collaboration with other state and non-state actors, civil society, organizations, religious organizations and other relevant stakeholders.

Key Entity and Management (Continued)

c) Fund Administration Committee

| Ref | Name | Position |
|-----|------------------------|---|
| 1 | Dennis Muciimi Gichobi | County Executive Committee Member Sports, Culture and Social Services |
| 2 | Kepha M.Kariuki | Chief Officer Sports, Culture and Social Services |
| 3 | CPA Edward Nyaga Njagi | Chief Officer Finance & Economic Planning |
| 4 | Susan Wambura Koigi | Fund Manager/ Administrator |

d) Key Management team

| Ref | Name | Position |
|-----|--------------------------|---|
| 1 | Dennis Muciimi Gichobi | County Executive Committee Member Sports, Culture and Social Services |
| 2 | Kepha M.Kariuki | Chief Officer Sports, Culture and Social Services |
| 3 | CPA Edward Nyaga Njagi | Chief Officer Finance & Economic Planning |
| 4 | Susan Wambura Koigi | Fund Manager/ Administrator |
| 5 | CPA Ann joy Kageni Mburu | Fund Accountant |

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Director Internal Audit
Philomena Nyokabi
Department of Accounting, Revenue and Audit
County headquarters, ground floor
Kutus, Kenya

f) Registered Offices

Kirinyaga County
Department of finance & economic planning
County headquarters, ground floor
P.O. BOX 260
Kutus, Kenya

g) Fund Contacts

Ms. Susan Wambura Koigi
Telephone: (254) 722 209 858
E-mail: info@kirinyaga.go.ke
Website: www.kirinyaga.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Co-operative Bank
P.O. Box 635-10300
KERUGOYA

Key Entity and Management (Continued)

i) Independent Auditors

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





j) Principal Legal Adviser

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






k) County Attorney

Caroline Nyawira Kinyua
P.O Box 260 - 10304
County headquarters, ground floor
Kutus, Kenya

3. Fund Administration Committee

| NAME /PHOTO | DETAILS OF ACADEMIC QUALIFICATION AND EXPERIENCE |
|---|--|
|  Mr. Dennis Muciimi Gichobi | CEC Member-Sports, Culture and Social services Date of Birth- 12/12/1989 Academic Qualification Bachelor of Finance & Banking Over 9 years of experience |
|  Mr. Kepha M. Kariuki | Chief Officer-Sports, Culture and Social services Date of Birth- 10/12/1990 Academic Qualification Bachelor of Laws (LLB) University of Nairobi Over 14 Years' experience |
|  CPA. Edward Nyaga | Chief officer -Finance and Economic Planning Date of Birth- 1 st Feb 1973 Academic Qualification MBA – Human Resource Option Bachelor of co-operative management CPA K Finalist Over 17 years of experience |
|  Susan Wambura Koigi | Fund Administrator Date of Birth- 14/11/1967 Academic Qualification Bachelor of Education Over 10 years of experience |

4. Management Team

| NAME /PHOTO | DETAILS OF ACADEMIC QUALIFICATION AND EXPERIENCE |
|---|--|
|  Mr. Dennis Muciimi Gichobi | CEC Member-Sports, Culture and Social services Date of Birth- 12/12/1989 Academic Qualification Bachelor of Finance & Banking Over 9 years of experience |
|  Mr. Kepha M. Kariuki | Chief Officer-Sports, Culture and Social services Date of Birth- 10/12/1990 Academic Qualification Bachelor of Laws(LLB)University of Nairobi Over 14 Years' experience |
|  CPA Edward Nyaga | Chief officer -Finance and Economic Planning Date of Birth- 1 st Feb 1973 Academic Qualification MBA – Human Resource Option Bachelor of co-operative management CPA-K Finalist Over 17 years of experience |
|  Susan Wambura Koigi | Fund Administrator Date of Birth- 14/11/1967 Academic Qualification Bachelor of Education Over 10 years of experience |
|  CPA Ann joy Mburu | Accountant Date of Birth- 26/10/1980 Academic Qualification Bachelor of Business Administration (Finance Option) CPA-K Finalist Over 17 years of experience |

5. Board/Fund Chairperson's Report

It is my honor to present the Annual report of the Kirinyaga County Alcoholic Drinks & Substance Abuse Control Fund. The Annual financial report has been prepared in accordance with Accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS)

The approved budget 2024/2025 financial year was kshs. **17,529,000** the rate of absorption was **42%** of the general administration such payment of Alcoholic Drinks control committee members, sensitization of bar owners on issues of drug and substance abuse, Inspection of liquor premise among others.

The activities during the year were -;

Public participation for purposes of licensing Alcoholic outlets for the calendar year 2025, Inspection of liquor outlets to confirm with set laws and regulations

Review of authorized manufacturers to protect the consumers from illicit brews.

Review of the distributors to ensure conformity with set laws and regulations and enforcement of all liquor outlets to ensure compliance with set laws and regulations.

During the year there were several activities such as liquor enforcement exercise which enhanced our revenue collection hence enabled the department achieve its target of 100%

Conclusion

All underlying issues will be worked on and there will be more improvements in revenue collection and handling all issues regarding the Alcoholic Drinks control in the upcoming subsequent years.

Name J. Kibira Signature [Handwritten Signature] Date 7/11/25

Chairperson of the Board/Fund

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

6. Report of the Fund Administrator

It is my honor to present the Annual report of the Kirinyaga County Alcoholic Drinks & Substance Abuse Control Fund. The Annual financial report has been prepared in accordance with Accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

The approved budget **2024/2025** financial year was kshs.**17,529,000** the rate of absorption was **42%** of the general administration such payment of Alcoholic Drinks control committee members, sensitization of bar owners on issues of drug and substance abuse, Inspection of liquor premise among others.

The approved budget **2023/2024** financial year was kshs.**1, 549,000** the rate of absorption was **96%** of the total budget.

In the financial year **2022/2023** the budget was Kshs.**1, 549, 000** and the rate of absorption was **95%** of the total budget.

The activities during the year were -;

Public participation for purposes of licensing Alcoholic outlets for the calendar year 2025, Inspection of liquor outlets to confirm with set laws and regulations

Review of authorized manufacturers to protect the consumers from illicit brews.

Review of the distributors to ensure conformity with set laws and regulations and enforcement of all liquor outlets to ensure compliance with set laws and regulations.

During the year there were several activities such as liquor enforcement exercise which enhanced our revenue collection hence enabled the department achieve its target of 100%

Conclusion

All underlying issues will be worked on and there will be more improvements in revenue collection and handling all issues regarding the Alcoholic Drinks control in the upcoming subsequent years.

Statement of comparison of budget and actual amounts for the year 2022/2023

| Description | Original Budget Kshs | Adjustments Kshs | Fund budget Kshs | Actual on comparable basis | Performance Difference Kshs |
|----------------------------------|-------------------------|---------------------|---------------------|----------------------------|--------------------------------|
| Transfers From County Government | 1,549,000 | 306,988 | 1,855,988 | 1,470,420 | 385,568 |
| Surplus for the period | | | Absorption; 79% | | 385,568 |

Statement of comparison of budget and actual amounts for the period 2023/2024

| Description | Original Budget Kshs | Adjustments Kshs | Fund Budget Kshs | Actual on Compara ble basis | Performance difference |
|--|---------------------------------|-----------------------------|-----------------------------|--|-----------------------------------|
| Transfers From County Government | 1,549,000 | 385,568 | 1,934,568 | 1,857,320 | 77,248 |
| Surplus for the period | | | Absorption: 96% | | 77,248 |

Statement of comparison of budget and actual amounts for the period 2024/2025

| Description | Original Budget Kshs | Adjustments Kshs | Fund Budget Kshs | Actual on Compara ble basis Kshs | Performan ce Difference Kshs |
|--|---------------------------------|-----------------------------|-----------------------------|---|---|
| Transfers From County Government | 17,529,000 | 77,248 | 17,606,248 | 7,329,423 | 10,276,825 |
| Surplus for the period | | | Absorption: 42% | | 10,276,825 |

Note: The **42%** underutilization of the fund is due to late disbursement from the National Treasury.

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

Program Name: Control the sale, production of adulterated alcoholic drinks
Objective: To control and minimize the usage of alcoholic and other substances
Outcome: a well informed and a healthy community

Progress on attainment of Strategic development objectives

| Program | Objective | Outcome | Indicator | Performance |
|-------------------------------------|--|---|---|---|
| Liquor application | To know the total no. of applicants/outlets in the county | Total no of applicants | No. of applicants | The year under review we had a total no of 2281 .applicants |
| Liquor premises inspection | To check compliance | No. of premises inspected. The year under review 2281 premises were inspected most were approved and others were differed and rejected | 2281 premises were inspected | 2036 premises approved 245 premises were differed |
| Liquor enforcement exercises | Check for both compliance and adherence of both Finance and Alcoholic Drinks Control Act. | No. of Liquor premises enforced/wards 2281 of non-compliant 245 | No. of compliant premises 2036 Revenue collected Kshs.51,446,500 | 2281 premises were Enforced and about 2036 Premises have Adhered to the act. |
| Issuance of Liquor premises | Control the sale and production of Liquor within the County. | Total no. of licenses 1909 | Total No. of licenses 1909 | Issued about 1909 liquor license to the bar owners/operators |
| Public participation | To inform and engage to the general public on matter pertaining Alcoholic Drinks | Total No. of attendee No. of public participation conducted | No. of Liquor premises enforced/wards No. of non-compliant | Held 1 public participation in all the 5 sub-counties |
| Board/Stake holder meetings | Discuss the deliberate on emerging issues regarding to Alcoholism and drug use within the county | | No. of the meetings 2 . | Held at least 2 stakeholders Meeting. Held 2 County liquor licensin board meeting and 1 Sub-County Advisory committee meeting in every Sub-county. |

8. Corporate Governance Statement

Pursuant to Kirinyaga County Alcoholic Drinks Control Act 2024, department is mandated to facilitate and support all the committee/boards constituted as per the Acts. Subsequently the acts outline the four board/committee as follows:

(i) BOARDS

A) County Liquor Licensing Committee comprises of the following members which include:

- a) County Commissioner
- b) County Public Health Person
- c) County Police Commander
- d) Chairperson
- e) Sub-county Administrator-two members of the County Executive members
- f) C.E.C Trade
- g) C.E.C Sports Culture and Social Services
- h) One representative from the County Chamber of Commerce
- i) 2 ex-officials
- j) A youth
- k) Person with disability
- l) The secretary Directorate

APPOINTMENTS

The chairman of the board and the 2 ex-official members are appointed by her Excellency the Governor or in her absence the Deputy Governor and approved by the County Assembly of Kirinyaga.

BOARD MEETINGS/ATTENDANCE

The county Liquor Licensing Committee should hold a maximum of two meetings annually. However, during 2024/2025 Financial year the board held a total of two meeting in the year ended 30th June 2025.

FUNCTIONS OF THE BOARD

- (i) The purpose of the Fund is to provide resources to be utilized in the regulation and control of Alcoholic Drinks in the County and for connected services
- (ii) Support the regulatory activities of the County and sub-county Alcoholics Drinks Control committees and activities related to the oversight.

- (iii) Promote responsible consumption of Alcoholic drinks and mitigate the adverse effects of Alcohol abuse on public health, safety and social welfare.
- (iv) Facilitate research, education and public awareness programs on Alcohol.
- (v) Provide financial support for initiatives aimed at addressing alcohol-related harm and promoting community-based interventions.
- (vi) Formulating, publishing and disseminating documents related to review of Alcohol policy issues, working papers and guidelines geared towards modernization.
- (vii) Funding any other relevant activities as may be assigned by the County Executive committee member responsible for finance.

(ii) ADVISORY COMMITTEES

The fund shall be managed by the Kirinyaga County Alcoholic Drinks Control Fund Committee established under section 12 of the Act,

- a) County Executive Committee Member in charge of social services
- b) Chief Officer at the time being in-charge of Accounting
- c) Fund Administrator
- d) Director Alcoholic Drinks Control
- e) Director Public Health and
- f) Three members of the public each representing the interests of gender, youth and persons with disability appointed by the county Executive Member in consultation with the Governor.

Removal of a member

The alcoholic drinks control act state that a person shall not be a member of the committee if such person is the:

- a) The holder of or has a license in the county under the act
- b) Undischarged bankrupt
- c) If a person is convicted of an offence under the act or of a felony

9. Management Discussion and Analysis

Kirinyaga County Alcoholic Drinks Fund was established by an act of Kirinyaga County Alcoholic Drinks Control Fund regulation 2024. This Act is in compliance with the provisions of public Finance Management Act (cap 412). The Directorate has a Fund Administrator who has been appointed by the County Executive Member in-charge of Finance.

The Fund Administrator shall, in consultation with the county Executive Committee Member for the time being in-charge of Finance, put in place financial controls to ensure fiduciary standards are maintained in all Fund operations and to achieve the desired transparency and accountability with a view to-

- (a) Promoting regular accurate reporting of all financial Transactions on the Directorate of Alcoholic Drinks Control Fund.
- (b) Ensuring that funds are disbursed efficiently to facilitate timely and effective implementation of projects funded by the fund to maximize on outputs and outcomes.
- (c) Ensuring that the financial management of the fund is subject to timely accounting reporting and auditing by a qualified and independent Auditor.
- (d) Preparing of budget for approval by the County Executive Committee Member for social services.

The fund is meant to enhance the directorate perform its core mandate such as-regulate the production, distribution, promotion, sale and consumption of Alcoholic beverages within the county and assist the County Licensing Board and Sub-County Liquor Advisory Committee in carrying out their functions.

Projects and programs implemented

- (i) Hold public participation with the general public to deliberate on matters and issues relating to Alcohol and drug abuse within our communities.
- (ii) Carry out liquor inspections to all outlets within the county
- (iii) Hold meetings in all committees' i.e. Sub-County liquor advisory committee and County liquor licensing committee as required by the law.
- (iv) Conducted sensitization meetings for bar owners together with the committee members
- (v) Carried out enforcement activities to all liquor premises in the aim of checking compliance and enhancing revenue collection.
- (vi) Review all the manufacturers and distributors to protect the consumers against illicit Alcohol consumption.

Besides implementing all these programs, the department was faced with some challenges such as-;

- (i) The delay in disbursement of funds to County Governments. The County Government therefore had limited resources, hurting timely implementation of the budget during the period under review.
- (ii) Budget constraints were also another key issue that hampered development of the fund's activities during the financial year under review.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The department is headed by the C.E.C member, there is the Chief Officer, and the Director Alcohol and Committee members who work along with the Chairman who is appointed by the Governor and vetted by the County Assembly. The C.E.C and Chief Officer are appointed and vetted at assembly while other staff are employed on permanent basis.

ii) Environmental performance

The department has not developed the environmental policy. This is due to the fact that most of the activities and programs haven't taken off due to non-funding, though there is a draft of the policy on how to curb solid waste generated from the liquor industry.

iii) Employee welfare

The department doesn't hire directly but through the public service board which follows the public policy and other statutory requirements as outlined in the constitution regarding hiring of employees including gender ratio. The department however facilitates officers to attend seminars and trainings to improve their skills though this financial year the department did not facilitate any person/officer to attend any seminar due to inadequate funding.

iv) Market place practices-

- a) The directorate enforces best market practices by ensuring there is stakeholder involvement and inviting all stakeholders in public participation and meetings to ensure all their views are taken into consideration hence enhance decision making in the liquor industry.
- b) The department has also contract with the competition Authority of Kenya who also advise on the competition requirements as required by law. The department is also in contract with the EACC to ensure fairness in the dealings of the activities mandated. The department does all the procurement through the procurement department as presented in the public procurement Act. This ensures fairness and good business practices and treatment of suppliers by ensuring honoring of contracts and respecting payment practices.

11. Report of the Management Committee

The Committee submit their report together with the audited financial statements for the year ended June 30th 2025 which show the state of the fund affairs.

Principal activities

The principal activities of the fund are to support and facilities sub-county committee, administration in carrying out their functions.

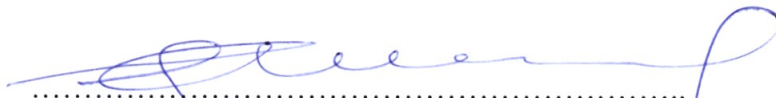
Results

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

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. For the year/period ended June 30, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....

Chair of the Board/Fund Administration Committee

Date:7/1/25.....

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by section 116 of the PFM ACT 2012 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 7/11/25 2025 and signed on its behalf by:

.....
Susan Wambura K.
Administrator of the County Public Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA COUNTY ALCOHOLIC DRINKS AND SUBSTANCE ABUSE CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial

Report of the Auditor-General on Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund for the year ended 30 June, 2025

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, the financial statements present fairly, in all material respects, the financial position of Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Kirinyaga County Alcoholic Drinks Control Act, 2023 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts revealed that the Fund expensed a total of Kshs.7,329,423 out of total income of Kshs.17,606,248 resulting in under-expenditure of Kshs.10,276,825 or 58% of total income.

In the circumstances, the under-expenditure may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of this this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance,

respectively. However, review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

| | Financial Year | Audit Issue |
|---|-----------------------|--|
| 1 | 2023/2024 | Failure to Set aside Emergency Reserve Fund |
| 2 | 2023/2024 | Non-Adherence with Alcoholic Drinks Control Fund Regulations on Revenue Allocation |

Other Information

Management is responsible for the Other Information set out on page iii to xix which comprise Key Entity Information and Management, Chairman’s Report, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Report of the Fund Administration Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Incorporate the Gender, Youth and Persons with Disability in Fund Committee

The Fund failed to include representation of gender, youth and persons with disability in the composition of the Fund Committee. This is contrary to Regulation 10 (2) of the Public Finance Management (Kirinyaga County Alcoholic Drinks Control Fund) Regulations, 2024 which states that the Fund Committee shall comprise: members of the

public each representing the interests of gender, youth, and persons with disability appointed by the County Executive Member in consultation with the Governor.

In addition, the Sub-county Alcoholic Drinks Control Committees did not include two nominees appointed by the Executive Committee Member contrary Section 7 (1) (m) of Kirinyaga County Alcoholic Drinks Control Act, 2024.

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

2. Non- Remittance of Capacity Building Levy of 0.03%

During the year, the Fund awarded contracts totalling to Kshs.2,931,000 from 1 September, 2024 to 30 June, 2025. However, Management did not provide evidence that capacity building levy was deducted and the amount remitted to the Authority as per the Public Procurement Regulatory Authority Circular number 01/2024 (Ref;PPRA/6/5 VOL 11 (224) dated 30 August, 2024 which states that procuring entities are expected to collect the capacity building levy at the rate of 0.03% of the contract sum from suppliers on all procurement contracts signed between the suppliers and procuring entity and remit to the authority through the e-citizen platform.

In the circumstances, non-compliance in respect to capacity building levy may lead to accumulation of penalties and interest.

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 effects of the matter 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

Lack of Internal Audit Function

During the year under review, the Fund was not subjected to internal audit and Management did not provide for audit review audit work plans, reports or any minutes to show that there were any arrangements to conduct internal audit of the Fund. This is contrary to Section 155 (1), (3) of the Public Finance Management Act.

In the circumstances, the assurance on risk management, internal controls and governance could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2025

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

| Description | Note | FY 2024/2025 | FY 2023/2024 |
|---|------|-------------------|------------------|
| | | Kshs | Kshs |
| Revenue From Non-Exchange Transactions | | | |
| Public Contributions and Donations | 1 | - | - |
| Transfers From the County Government | 2 | 17,529,000 | 1,549,000 |
| Fines, Penalties and Other Levies | 3 | - | - |
| | | 17,529,000 | 1,549,000 |
| Revenue From Exchange Transactions | | | |
| Interest Income | 4 | - | - |
| Other Income | 5 | - | - |
| | | - | - |
| Total Revenue | | 17,529,000 | 1,549,000 |
| Expenses | | | |
| Employee Costs | 6 | - | - |
| Use of goods and services | 7 | 7,329,423 | 1,857,320 |
| Depreciation and Amortization Expense | 8 | - | - |
| Finance Costs | 9 | - | - |
| Total Expenses | | 7,329,423 | 1,857,320 |
| Other Gains/Losses | | | |
| Gain/Loss on Disposal of Assets | 10 | - | - |
| Gain /Loss on fair value of investments | 11 | - | - |
| Surplus/(Deficit) for the Period | | 10,199,577 | (308,320) |

.....
 Name: *Susan Wambura K.*
 Administrator of the Fund

.....
 Name: *ANNJOY MBURU*
 Fund Accountant
 ICPAK Member Number: *11003*

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

15. Statement of Financial Position as at 30 June 2025

| Description | Note | FY 2024/2025 | FY 2023/2024 |
|--|------|-------------------|---------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 12 | 10,276,825 | 77,248 |
| Current Portion of Long- Term Receivables from Exchange Transactions | 13 | - | - |
| Prepayments | 14 | - | - |
| Inventories | 15 | - | - |
| Investments in financial assets | 16 | - | - |
| Total current assets | | 10,276,825 | 77,248 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 17 | - | - |
| Intangible Assets | 18 | - | - |
| Long Term Receivables from Exchange Transactions | | - | - |
| Investment Property | 19 | - | - |
| Total non- current assets | | - | - |
| Total Assets (A) | | 10,276,825 | 77,248 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables from Exchange Transactions | 20 | - | - |
| Current Provisions | 21 | - | - |
| Current Portion of Borrowings | 22 | - | - |
| Employee Benefit Obligations | 23 | - | - |
| Social benefit liabilities | 24 | - | - |
| Total current liabilities | | - | - |
| Non-Current Liabilities | | | |
| Non-Current Provisions | | - | - |
| Long Term Portion of Borrowings | | - | - |
| Non-Current Employee Benefit Obligation | | - | - |
| Social benefit liabilities | | - | - |

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

| Description | Note | FY 2024/2025 | FY 2023/2024 |
|------------------------------|------|-------------------|---------------|
| | | Kshs | Kshs |
| | | | |
| Total Liabilities (B) | | - | - |
| | | | |
| Net Assets (A-B) | | 10,276,825 | 77,248 |
| | | | |
| Represented By: | | | |
| Revolving Fund | | - | - |
| Reserves | | - | - |
| Accumulated Surplus | | 10,276,825 | 77,248 |
| Net Assets | | 10,276,825 | 77,248 |

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

.....
 Name: Susan Wambua K
 Administrator of the Fund

.....
 Name: ANNJOY MBURU
 Fund Accountant
 ICPAK Member Number: 11003

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

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

| Description | Revolving Fund | Revaluation Reserve | Accumulated surplus | Total |
|-----------------------------------|----------------|---------------------|---------------------|-------------------|
| | | Kshs | Kshs | Kshs |
| Balance As At 1 July 2023 | - | - | 385,568 | 385,568 |
| Surplus/(Deficit) For the Period | - | - | (308,820) | (308,820) |
| Funds Received During the Year | - | - | | |
| Transfers | - | - | - | - |
| Revaluation Gain | - | - | - | - |
| Balance As At 30 June 2024 | - | - | 77,248 | 77,248 |
| | | | | |
| Balance As At 1 July 2024 | - | - | 77,248 | 77,248 |
| Surplus/(Deficit) For the Period | - | - | 10,199,577 | 10,199,577 |
| Funds Received During the Year | - | - | - | - |
| Transfers | - | - | - | - |
| Revaluation Gain | - | - | - | - |
| Balance As At 30 June 2025 | - | - | 10,276,825 | 10,276,825 |

**Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund
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17. Statement of Cash Flows for the Year Ended 30 June 2025

| Description | Note | FY 2024/2025 | FY 2023/2024 |
|---|------|-------------------|------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Public contributions and donations | | - | - |
| Transfers from the county government | | 17,529,000 | 1,549,000 |
| Interest received | | - | - |
| Receipts from other operating activities | | - | - |
| Total receipts | | 17,529,000 | 1,549,000 |
| Payments | | | |
| Fund administration expenses | | - | - |
| General expenses | | 7,329,423 | 1,857,320 |
| Finance cost | | - | - |
| Other payments | | - | - |
| | | 7,329,423 | 1,857,320 |
| Net cash flows from operating activities | 25 | 10,199,577 | (308,320) |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment and Intangible assets | | - | - |
| Proceeds from sale of property, plant & equipment | | - | - |
| Proceeds from loan principal repayments | | - | - |
| Loan disbursements paid out | | - | - |
| Net cash flows used in investing activities | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from revolving fund receipts | | - | - |
| Additional borrowings | | - | - |
| Repayment of borrowings | | - | - |
| Net cash flows used in financing activities | | - | - |
| Net increase/(decrease) in cash & cash Equivalents | 25 | 10,199,577 | (308,320) |
| Cash and cash equivalents at 1 July | | 77,248 | 385,568 |
| Cash and cash equivalents at 30 June | 12 | 10,276,825 | 77,248 |

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

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % Utilization |
|---|-------------------|---------------|-------------------|----------------------------|------------------------|---------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| | a | b | C=(a+b) | D | e=(c-d) | f=d/c*100 |
| Budget carryovers from the previous year 2024/2025 | - | 77,248 | 77,248 | 77,248 | - | 100% |
| Receipts | | | | | | |
| Public Contributions and Donations | - | - | - | - | - | - |
| Transfers From County Govt. | 17,529,000 | | 17,529,000 | 17,529,000 | - | 100% |
| Interest Income | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - |
| Total Income | 17,529,000 | 77,248 | 17,606,248 | 17,606,248 | - | 100% |
| Expenses | | | | | | |
| Fund Administration Expenses | - | - | - | - | - | - |
| General Expenses | 17,529,000 | 77,248 | 17,606,248 | 7,329,423 | 10,276,825 | 42% |
| Finance Cost | - | - | - | - | - | - |
| Total Expenditure | 17,529,000 | 77,248 | 17,606,248 | 7,329,423 | 10,276,825 | 42% |
| Capital expenditure | - | - | - | - | - | |
| Surplus For the Period | - | - | - | 10,276,825 | - | |

Budget notes

- (ii) The 42% underutilization was due to late release of funds from the National Treasury
- (iii) The difference between the original and final budget is because of the budget carry overs from the previous budget.

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

Budget Reconciliation

| | Description of Particulars | Amount in Kshs |
|---|--|-------------------|
| | Actual Surplus Amounts as per the statement of Budget | 10,276,825 |
| 1 | Reason for differences | - |
| 2 | Reason for differences | - |
| 3 | Reason for differences | - |
| 4 | Reason for differences | - |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | 10,276,825 |

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Alcoholic Drinks and Substance Abuse Control entity is established by and derives its authority and accountability from Public Finance Management Act 2012. The entity is wholly owned by the Kirinyaga County Government and is domiciled in Kenya. The entity's principal activity is to support and facilitate County Liquor Licensing Board in issues relating to Alcoholic drugs, and substance Abuse.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of |

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

| | |
|--|---|
| | discontinued operations to be presented separately in the statement of financial performance. |
| IPSAS 45: Property Plant and Equipment | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. |
| IPSAS 46: Measurement | <i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. |
| IPSAS 47: Revenue | <i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. |
| IPSAS 48: Transfer Expenses | <i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard |

**Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund
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| | |
|---|--|
| | 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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. |

(i) Early adoption of standards

The Entity did not adopt any new or amended standards in the financial year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 08/08/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of **17,529,000** on the FY 2024/2025 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

There were no provisions raised during the financial year under review.

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.

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

Notes to the Financial Statements Continued

1. Public contributions and donations

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

2. Transfers from County Government

| Description | FY 2024/2025 | FY 2023/2024 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Transfers From County Govt. –Operations | 17,529,000 | 1,549,000 |
| Payments By County on Behalf of The Entity | - | - |
| Unconditional Development grants | - | - |
| Total | 17,529,000 | 1,549,000 |

3. Fines, penalties and other levies

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

4. Interest income

| Description | FY 2024/2025 | FY 2023/2024 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Interest Income from Mortgage Loans | - | - |
| Interest Income from Car Loans | - | - |
| Interest Income from Investments in financial assets | - | - |
| Interest Income on Bank Deposits | - | - |
| Total Interest Income | - | - |

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

5. Other income

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

6. Employee Costs

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

7. Use of Goods and Services

| Description | FY 2024/2025 | FY 2023/2024 |
|--|--------------|--------------|
| | Kshs. | Kshs. |
| General Office Expenses (Supply of sports Equipment's) | 2,877,885 | 1,728,550 |
| Loan Processing Costs | - | - |
| Professional Services Costs | - | - |
| Administration Fees (Tax Allowance) | 142,970 | - |
| Committee Allowances | 3,816,460 | - |
| Bank Charges | - | - |
| Electricity And Water Expenses | - | - |
| Fuel And Oil Costs | 343,938 | 128,770 |
| Insurance Costs | - | - |
| Postage And Courier | - | - |
| Printing And Stationery | 123,000 | - |
| Rental Costs | - | - |
| Security Costs | - | - |
| Telephone And Communication Expenses | 21,000 | - |

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

| Description | FY 2024/2025 | FY 2023/2024 |
|------------------------------|------------------|------------------|
| | Kshs. | Kshs. |
| Bank Charges | 4,170 | - |
| Audit Fees | - | - |
| Provision For Doubtful Debts | - | - |
| Other | - | - |
| Social benefit expenses* | - | - |
| Total | 7,329,423 | 1,857,320 |

8. Depreciation and Amortization Expenses

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

9. Finance costs

| Description | FY 2024/2025 | FY 2023/2024 |
|------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Interest On Bank Overdrafts | - | - |
| Interest On Loans from Banks | - | - |
| Total | - | - |

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

10. Gain/(loss) on disposal of assets

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

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

| Description | FY 2024/2025 | FY 2023/2024 |
|--|-------------------|---------------|
| | Kshs | Kshs |
| County Car Loan Account | - | - |
| County Mortgage Account | - | - |
| Fixed Deposits Account | - | - |
| On – Call Deposits | - | - |
| Current Account | 10,276,825 | 77,248 |
| Others Bal c/d | - | - |
| Total Cash and Cash Equivalents | 10,276,825 | 77,248 |

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

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

| Financial Institution | Account number | FY 2024/2025 | FY 2023/2024 |
|----------------------------------|-----------------|-------------------|---------------|
| | | Kshs | Kshs |
| a) Fixed Deposits Account | | | |
| Kenya Commercial Bank | | - | - |
| Equity Bank, etc. | | - | - |
| Sub- Total | | - | - |
| b) On - Call Deposits | | | |
| Kenya Commercial Bank | | - | - |
| Equity Bank - Etc. | | - | - |
| Sub- Total | | - | - |
| c) Current Account | | | |
| Cooperative Bank | 011415672202401 | 10,276,825 | 77,248 |
| Bank B | | - | - |
| Sub- Total | | 10,276,825 | 77,248 |
| d) Others(Specify) | | | |
| Cash In Transit | | - | - |
| Cash In Hand | | - | - |
| Sub- Total | | - | - |
| Grand Total | | 10,276,825 | 77,248 |

13. Receivables from exchange transactions

| Description | FY 2024/2025 | FY 2023/2024 |
|---|--------------|--------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Interest Receivable | - | - |
| Current Loan Repayments Due | - | - |
| Other Exchange Debtors | - | - |
| Less: Impairment Allowance | - | - |
| Total Current Receivables | | |
| Non-Current Receivables | | |
| Long Term Loan Repayments Due | - | - |
| Total Non- Current Receivables | - | - |
| Total Receivables From Exchange Transactions | - | - |

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

Additional disclosure on interest receivable

| Description | FY 2024/2025 | FY 2023/2024 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Interest Receivable | | |
| Interest receivable from current portion of long-term loans of previous years | - | - |
| Accrued interest receivable from of long-term loans of previous years | - | - |
| Interest receivable from current portion of long-term loans issued in the current year | - | - |
| Current loan repayments due | | |
| Current portion of long-term loans from previous years | - | - |
| Accrued principal from long-terms loans from previous periods | - | - |
| Current portion of long-term loans issued in the current year | - | - |

14. Prepayments

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

15. Inventories

| Description | FY 2024/2025 | FY 2023/2024 |
|--------------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Consumable Stores | - | - |
| Spare Parts And Meters | - | - |
| Catering | - | - |
| Other Inventories (<i>Specify</i>) | - | - |
| Total Inventories | - | - |

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

Detailed disclosure on inventories

| | FY 2024/2025 | FY 2023/2024 |
|----------------------------------|--------------|--------------|
| Opening balance | - | - |
| Additional Inventory in the year | - | - |
| Inventory expensed in the year | - | - |
| Write-downs in the year | - | - |
| Others specify | - | - |
| Closing balance | - | - |

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

16. Investments in financial assets

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

Movement of Equity Investments

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

e) Shareholding in other entities

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

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

17. Property, plant, and equipment

| | Land | Buildings | Motor vehicles | Furniture and fittings | Computers and office equipment | Total |
|-------------------------------------|------|-----------|----------------|------------------------|--------------------------------|-------|
| Rate | X% | X% | X% | X% | X% | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| At 1st July 2023 | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Transfers/Adjustments | - | - | - | - | - | - |
| Revaluation Adjustments | - | - | - | - | - | - |
| At 30th June 2024 | - | - | - | - | - | - |
| At 1st July 2024 | | | | | | |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Transfer/Adjustments | - | - | - | - | - | - |
| Revaluation Adjustments | - | - | - | - | - | - |
| At 30th June 2025 | - | - | - | - | - | - |
| Depreciation And Impairment | | | | | | |
| At 1 st July 2023 | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - |
| At 30th June 2024 | - | - | - | - | - | - |
| At 1st July 2025 | | | | | | |
| Depreciation | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - |
| Transfer/Adjustment | - | - | - | - | - | - |
| At 30th June 2025 | - | - | - | - | - | - |
| Net Book Values | | | | | | |
| At 30th June 2024 | - | - | - | - | - | - |
| At 30th June 2025 | - | - | - | - | - | - |

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

18. Intangible assets

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

19. Investment Property

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

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

20. Trade and other payables from exchange transactions

| Description | FY 2024/2025 | | FY 2023/2024 | |
|--|--------------|----------------|--------------|----------------|
| | Kshs | | Kshs | |
| Trade Payables | - | | - | |
| Refundable Deposits | - | | - | |
| Accrued Expenses | - | | - | |
| Other Payables | - | | - | |
| Total Trade and Other Payables | - | | - | |
| | | | | |
| Ageing analysis (Trade and other payables) | FY 2024/2025 | % of the Total | FY 2023/2024 | % of the Total |
| Under one year | - | - | - | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| Over 3 years | - | - | - | - |
| Total (tie to above total) | - | | - | |

21. Provisions

| Description | Leave provision | Gratuity Provision | Other provision | Total |
|---|-----------------|--------------------|-----------------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Balance at the beginning of the year | - | - | - | - |
| Additional provisions | - | - | - | - |
| Provision utilised | - | - | - | - |
| Change due to discount and time value for money | - | - | - | - |
| Total provisions year end | - | - | - | - |
| Current Provisions | - | - | - | - |
| Non-Current Provisions | - | - | - | - |

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

22. Borrowings

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

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

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

| Description | FY 2024/2025 | FY 2023/2024 |
|-----------------------|--------------|--------------|
| | Kshs | Kshs |
| Short Term Borrowings | - | - |
| Long Term Borrowings | - | - |
| Total | - | - |

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

23. Employee benefit obligations

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

24. Social Benefit Liabilities

| Description | FY 2024/2025 | FY 2023/2024 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Health social benefit scheme | - | - |
| Unemployment social benefit scheme | - | - |
| Orphaned and vulnerable benefit scheme | - | - |
| Elderly social benefit scheme | - | - |
| Bursary social benefits | - | - |
| Total | - | - |
| Current social benefits | - | - |
| Non- current social benefits | - | - |
| Total | - | - |

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

25. Cash generated from operations.

| Description | FY 2024/2025 | FY 2023/2024 |
|---|-------------------|------------------|
| | Kshs | Kshs |
| Surplus/ (Deficit) For the Year Before Tax | 10,199,577 | (308,320) |
| Adjusted For: | | |
| Depreciation | - | - |
| Amortization | - | - |
| Gains/ Losses on Disposal of Assets | - | - |
| Interest Income | - | - |
| Finance Cost | - | - |
| Working Capital Adjustments | | |
| Increase In Inventory | - | - |
| Increase In Receivables | - | - |
| Increase In Payables | - | - |
| Net Cash Flow from Operating Activities | 10,199,577 | (308,320) |

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

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

d) Due from related parties

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

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

Other Disclosures Continued

e) Due to related parties

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

27. Contingent assets and contingent liabilities

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

28. Financial risk management

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

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

a) Credit risk

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

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

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

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

b) Liquidity risk management

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

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|-------------------|--------------------|---------------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2025 | | | | |
| Trade Payables | - | - | - | - |
| Current Portion Of Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Employee Benefit Obligation | - | - | - | - |
| Total | - | - | - | - |
| At 30 June 2025 | | | | |
| Trade Payables | - | - | - | - |
| Current Portion Of Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Employee Benefit Obligation | - | - | - | - |
| Total | - | - | - | - |

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control

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market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

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

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

| Description | Other currencies | | Total |
|---|------------------|------|-------|
| | Kshs | Kshs | Kshs |
| At 30 June 2025 | | | |
| Financial Assets | - | - | - |
| Investments | - | - | - |
| Cash | - | - | - |
| Debtors/ Receivables | | | |
| Liabilities | | | |
| Trade And Other Payables | - | - | - |
| Borrowings | - | - | - |
| Net Foreign Currency Asset/(Liability) | - | - | - |

Foreign currency sensitivity analysis

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

| Description | Change in currency rate | Effect on surplus/ deficit | Effect on Equity |
|---------------------|----------------------------|-------------------------------|---------------------|
| | Kshs | Kshs | Kshs |
| FY 2024/2025 | | | |
| Euro | 10% | - | - |
| USD | 10% | - | - |
| FY 2023/2024 | | | |
| Euro | 10% | - | - |
| USD | 10% | - | - |

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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Capital risk management.

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

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

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by public Finance Management Act 2012 under the Ministry of Sports Culture and Social Services Its ultimate parent is the County Government of Kirinyaga.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| 1 | Failure to Submit financial statement for the year 2014/2015 | The issue was dealt with and the financial statement was submitted to the Office of the Auditor General. | Resolved | Resolved |
| 2 | Failure to Allocate Emergency Reserve Fund | The issue was discussed by the management and explanation given was that Emergency Reserve Fund was attributed to insufficient funds | Work In Progress | Resolved |
| 3 | Non-Adherence with Alcoholic Drinks Control Fund Regulation on Revenue Allocations | The matter is still being handled by management | Work In Progress | Resolved |
| | | | | |
| | | | | |

Guidance Notes:

Fund Manager/Accounting Officer (Alcoholic Drinks & Substance Abuse Control Fund)

Date..... 7/11/25

[Handwritten Signature]

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Annex II: Inter-Fund Confirmation Letter
Alcoholic Drinks & Substance Abuse Control Fund

The Kirinyaga County Government wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by Kirinyaga County Alcoholic Drinks and Substance Abuse Control Fund as at 30 th June 2025 | | | | | | | |
|---|----------------|---|-----------------|-----------------------|---|------------------------------|-------------------|
| Reference Number | Date Disbursed | Amounts Disbursed by Alcoholic Drinks & Substance Abuse Control Fund] (Kshs) as at 30 th June 2025 | | | Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E) | Differences (KShs) (F)=(D-E) | |
| | | Recurrent (A) | Development (B) | Inter-Ministerial (C) | | | Total (D)=(A+B+C) |
| S74203999 | 03/12/2024 | 7,250,000 | 0 | 0 | 7,250,000 | 0 | |
| S32610155 | 02/07/2025 | 7,299,000 | | | 7,299,000 | | |
| S32611105 | 02/07/2025 | 2,980,000 | | | 2,980,000 | | |
| Total | | 17,529,000 | 0 | 0 | 17,529,000 | | |

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

Head of Accountants department of beneficiary Fund:

Name Raphael Mwangi Sign  Date 7/11/2025

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Annex III: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | |
| | | | | | | | | | |
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Annex IV: Reporting on Disaster Management Expenditure

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