

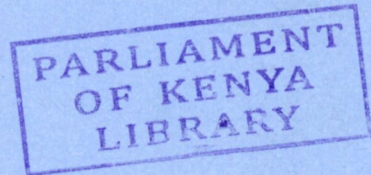
REPUBLIC OF KENYA



REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

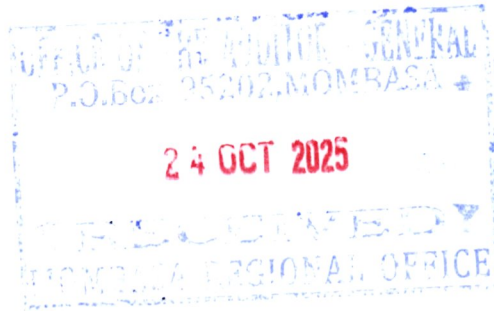
ON

MOMBASA COUNTY ELIMU SCHEME

FOR THE YEAR ENDED

30 JUNE, 2025

	PAPERS LAID
DATE	26/11/25
TABLED BY	J.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda



Revised 30th June 2025



Mombasa County Elimu Scheme

**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)**

Mombasa County Elimu Scheme

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

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1. Acronyms and Definition of Key Terms

a) Acronyms

<i>CT</i>	<i>County Treasury</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KSHS</i>	<i>Kenya Shillings</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>TVETs</i>	<i>Technical and Vocational Educational Training Institutions</i>

b) Definition of Terms

1. Fiduciary Management - The key management personnel who had financial responsibility.

Mombasa County Elimu Scheme

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

2. Key Entity Information and Management

a) Background information

The *Elimu Scheme* is established by and derives its authority and accountability from Mombasa County Elimu Scheme Act, 2023. The Mombasa County Elimu Scheme is wholly owned by the County Government of Mombasa and is domiciled in Kenya.

The Scheme's objective is to administer bursaries, scholarships, capitation grants and loans.

b) Principal Activities

The principal activity/mission/ mandate of the Scheme is to solicit for and administer bursaries, scholarships, capitation grants and loans to the needy and bright students of Mombasa County.

c) Board of Trustees/Fund Administration Committee

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

Ref	Name	Position
1	FCPA Dalton James Mwaghogho	Chairperson
2	CPA Abdulkader Abdulmajid Bagha	Member
3	Ms. Bennette Nzamba	Member
4	Ms. Samira Abdalla	Member
5	CPA Gloria Mwasi	Chief Officer Education & Vocational Training
6	Mr. Swaleh Rashid Mwalizuma	Chief Officer Finance & Investment
7	Dr. Jamal Ali Mohammed Noor	Ag. CEO & Scheme Administrator

d) Fiduciary Management

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

Ref	Name	Position
1	Dr. Jamal Ali Mohammed Noor	Ag. CEO & Scheme Administrator
2	Mr. Randiek Odida	Financial Aid Manager
3	Mr. Alhadin Athman	Asst. Financial Aid Manager

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Ag. Director, Internal Audit	Mr. Nicholas Mwachiru.

f) Registered Offices

P.O. Box 90381-80100,
4th floor, Bima Tower Building,
Digo Road
Mombasa, Kenya.

g) Fund Contacts

E-mail : elimufund@mombasa.go.ke
Website: www.mombasa.go.ke

h) Fund Bankers

Kenya Commercial Bank,
Treasury Square Branch,
P.O. Box 90254 – 80100,
Mombasa, Kenya.

Key Entity and Management (Continued)

i) Independent Auditor

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

j) Principal Legal Adviser

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

k) County Attorney




Office of the County Attorney
6th Floor, Bima Tower
Digo Road
P.O. Box 90440 – 80100,
Mombasa, Kenya.

3. Board Members Profiles

Name	Details of qualifications and experience
 <p>FCPA DALTON MWAGHOGHO</p>	<p style="text-align: center;">BOARD CHAIRPERSON</p> <p>FCPA Dalton Mwaghogho James is a highly accomplished and qualified professional, holding certifications as a Fellow of a Certified Public Accountant (FCPA), Fellow of Chartered Certified Accountants (FCCA), and a member of various prestigious accounting and secretarial bodies. With an MBA in Strategic Management and extensive experience in financial leadership and strategic planning, he has effectively guided institutions like the Technical University of Mombasa and Taita Taveta University in financial strategies, budgeting, accounting, and reporting. His expertise in financial management, regulatory compliance, and process improvement is underpinned by strong communication skills and a collaborative nature that allows for effective interaction with colleagues and stakeholders across all levels. Additionally, Dalton has demonstrated proactive involvement in industry forums, mentorship initiatives, and public service roles, showcasing a well-rounded and dedicated professional.</p>
 <p>MS. BENNETTE NZAMBA</p>	<p style="text-align: center;">BOARD MEMBER.</p> <p>Ms. Bennette Wamwene Nzamba is an Advocate of the High Court of Kenya dedicated and ambitious Kenyan legal professional with a profound passion for advancing her career in the Legal Profession and Managing Partner and founder of BENNETTE NZAMBA & COMPANY ADVOCATES. With an academic background including a Bachelor of Laws and a pending Master of Laws in International Trade and Investments Law, she possesses a solid grasp of various legal domains. Her expertise encompasses Commercial law, Civil and Criminal Procedure, and Advocacy skills, complemented by strong analytical abilities and effective communication. Ms. Nzamba has gained substantial experience through her roles in legal research, litigation, consultancy, and alternative dispute resolution. Ms. Nzamba Certified Professional Mediator (CPM) - Judiciary of Kenya and a member of Chartered Institute of Arbitrators (CIArb). She aims to utilize her legal acumen to contribute innovative ideas and solutions to the legal profession, promoting justice, fairness, and upholding the Rule of Law. Alongside her legal pursuits, she is actively engaged in societal contributions and holds positions within legal committees and community organizations. Her determination and commitment underline her drive to make a positive impact in the dynamic and challenging field of law.</p>
 <p>MS. SAMIRA ABDALLAH</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Ms. Samira Abdallah is a highly experienced and decisive lecturer with an impressive 32-year track record in teaching and project management. Holding a Bachelor's degree in Communication & Public Relations from Moi University and a Diploma in Education from Siriba Teachers College, she possesses excellent organizational skills and a knack for strategic and analytical thinking. Notably, Samira has excelled as a Small Business Centre Coordinator, overseeing diverse training programs and offering business advice. She has successfully managed various projects and committees, including chairing the Bursary Committee in Nyali Sub County and coordinating City Polytechnic. In her current role as Principal at Likoni Technical & Vocational College, she effectively manages curriculum implementation, human resources, and institutional finances while demonstrating strong leadership and financial acumen.</p>

Name	Details of qualifications and experience
 <p>CPA. GLORIA MWASI</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>CPA Gloria Mwasi is the County Chief Officer of Department of Education & Vocational Training at County Government of Mombasa and has 15 years' work experience in Public Finance Management.</p> <p>She holds a Bachelor of Art Degree in Economics from Kenyatta University and a Master of Arts in Project Planning and Management from University of Nairobi.</p> <p>She is a professional accountant, registered with ICPAK and has work experience in Public Finance Management.</p>
 <p>CPA ABDUL KADER ABDUL MAJID BAGHA</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Mr. Abdul Bagha is a seasoned finance professional with over 25 years of experience, including 20 years in audit and assurance services, tax advisory, and consultancy. He holds certifications as a Certified Public Accountant (CPA) and Association of Chartered Certified Accountants (ACCA). He has a strong background in strategic financial management, encompassing budgeting, cash flow and asset management, risk mitigation, and corporate financial affairs. Abdul has held key roles in both the public and private sectors, with notable achievements such as establishing independent accounts and internal audit departments for a large conglomerate, implementing budgeting and standard costing methodologies, and spearheading joint ventures in the milling industry. He has also played a pivotal role in the growth and management of accounting firms, contributing to their expansion and enhancing client service delivery. Abdul's diverse skills, extensive expertise, and active involvement in community organizations make him a versatile and accomplished finance professional.</p>
 <p>MR. SWALEH RASHI MWALIZUMA</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Mr. Swaleh R Mwalizuma holds a Masters in Project Planning and Management (JKUAT) and undergraduate in Development studies. Started as a Graduate trainee at Kenya Commercial Bank in 2010 and rose through the ranks of Relationship Manager in SME.</p> <p>Currently he is the Chief Officer Finance and Investment, County Government of Mombasa</p>
 <p>DR. JAMAL MOHAMED NOOR</p>	<p style="text-align: center;">AG. CEO & SCHEME ADMINISTRATOR</p> <p>Dr. Jamal Ali Mohammed Noor is a seasoned finance professional with a PhD in Business Administration (Finance), an MBA (Finance), and a BCom in Finance. He has extensive experience, including his role as Director of Finance and Administration for the County Government of Mombasa, County Public Service Board, where he developed financial strategies, ensured regulatory compliance, and supported key decision-making processes. With over 15 years of private sector experience, Dr. Jamal's leadership and financial expertise have consistently driven organizational success, positioning him to lead Elimu Scheme effectively in meeting its financial goals.</p>

4. Key Management Team

Name	Details of qualifications and experience
 <p>DR. JAMAL MOHAMED NOOR</p>	<p style="text-align: center;">AG. CEO & SCHEME ADMINISTRATOR</p> <p>Dr. Jamal Ali Mohammed Noor is a seasoned finance professional with a PhD in Business Administration (Finance), an MBA (Finance), and a BCom in Finance. He has extensive experience, including his role as Director of Finance and Administration for the County Government of Mombasa, County Public Service Board, where he developed financial strategies, ensured regulatory compliance, and supported key decision-making processes. With over 15 years of private sector experience, Dr. Jamal's leadership and financial expertise have consistently driven organizational success, positioning him to lead Elimu Scheme effectively in meeting its financial goals.</p>
 <p>MR. RANDIEK ODIDA</p>	<p style="text-align: center;">FINANCIAL AID MANAGER.</p> <p>Mr. Odida has been at the helm as the Bursary Manager since his distinguished appointment in February 2017. Armed with a prestigious Bachelor of Science degree in Business Statistics from the esteemed Makerere University, his expertise shines brightly. With a remarkable nine years of dedicated service in the field of Bursary Management, Mr. Odida has honed his skills and knowledge both in the corridors of the Department of Education in Mombasa County and during his tenure as a Bursary Manager at the illustrious Elimu Scheme. At the heart of his role, Mr. Odida bears the mantle of overseeing the day-to-day operations of a dynamic Bursary team comprised of eight exceptionally talented individuals. His unwavering commitment to the cause and wealth of experience make him an invaluable asset to the organization.</p>
 <p>MR. ALHADIN ATHUMANI</p>	<p style="text-align: center;">ASSISTANT FINANCIAL AID MANAGER.</p> <p>Mr. Athman assumed the role of Assistant Bursary Manager at Elimu Scheme in February 2017, marking the beginning of his dedicated service in this capacity. He holds a Bachelor degree in Business Administration and a Diploma in Journalism and Mass Communication. With an impressive track record, Mr. Athman boasts an extensive 9-year tenure in the realm of Bursary Management. This wealth of experience was cultivated during his tenure within the Department of Education in Mombasa County and subsequently, at Elimu Scheme. His role primarily centres on providing invaluable support to the Bursary Manager, contributing significantly to the effective management of the Elimu Scheme's operations.</p>

5. Chairman's Report

This year has been a remarkable journey for us, marked by significant achievements and renewed commitment to our mission of promoting education and empowering the youth in our County. We have continued to support the scholarship program from the milestone set last year with the launch of our scholarship program in partnership with the Mombasa County Government

Board Vision

The board members have demonstrated an unwavering dedication to our shared vision of transforming the education sector in our County. Our goal is to make education accessible and impactful for all, recognizing its crucial role in both individual development and societal advancement.

The Importance of Education

Education is the bedrock of both personal growth and community development. It equips individuals with knowledge, skills, and opportunities, enabling them to lead fulfilling lives and contribute meaningfully to their communities. Education is a driving force behind economic growth, social equality, and cultural enrichment. The Elimu Scheme acknowledges the transformative power of education, not just as a fundamental right but as a tool to break the cycle of poverty, fuel innovation, and foster unity among diverse groups. Our mission is to ensure that quality education is accessible to all, leaving no one behind.

Key Achievements of the Year

Intergovernmental Partnership Agreement

The County Government of Mombasa successfully signed an **Intergovernmental Partnership Agreement** with the National Government, through the Ministry of Education, on the issuance of **Bursaries and Scholarships**.

This landmark agreement provides Elimu Scheme with the **legal mandate** to operate its Financial Aid programs to all levels of Education, ensuring smooth, transparent, and timely service delivery. Most notably, it has resolved the long-standing challenge of **delays in fund disbursements** from the Controller of Budget, thereby safeguarding continuity in supporting needy learners across the County.

Elimu Scheme Scholarships

Elimu Scheme launched the first scholarship program in Mombasa County Government for form 1 2024 secondary students who finished their KCPE in 2023 and are enrolled in various secondary schools across the country. Each public primary school in Mombasa County selected the top 4 performing KCPE candidates; 2 boys & 2 girls from mixed schools and 3 students from single schools. From 2024, more than Kshs. 14,000,000 has benefitted 374 students from a scholarship that will cater for tuition fee payments from form 1 to form 4.

ECDE Support Program

More than 8,000 learners in Early Childhood Development Education (ECDE) centres received learning support, enhancing foundational education and school readiness across the county. These learners have benefitted from support worth over Kshs. 27,000,000.

Driving School Bursaries

The Elimu Scheme continues to broaden its scope in providing comprehensive educational support to the community. As part of its commitment to fostering vocational training opportunities, the **Driving School Bursary Program** has been introduced to equip beneficiaries with essential driving skills while contributing to skill development and economic empowerment.

The program has empowered **5,000 students**, enabling them to graduate with SMART Driving Licenses and acquire valuable skills that enhance their employability. A total of **Kshs. 105,000,000** was allocated to this initiative, reflecting a significant investment in the community's vocational and economic growth.

Future Programs

Elimu Scheme Secondary School Bursaries

Elimu Scheme launched the No Child Left Behind Campaign which ensured that all secondary day schools' students in Mombasa County, both private and public secondary schools benefit from a bursary worth Kshs. 5,000 per student. The beneficiaries in boarding schools were awarded Kshs. 10,000.

In June 2025, Elimu Scheme has disbursed more than 42,000 bursary application forms to students in secondary day schools in Mombasa County and more than 14,000 applications for Mombasa County applicants who study in boarding schools across Kenya. The process of Digitizing and vetting is ongoing.

Resource Mobilization

To support our growing programs, we will engage in proactive resource mobilization, seeking partnerships with local businesses, government bodies, philanthropic organizations, and international stakeholders to secure the necessary funding and resources.

In conclusion, I extend my heartfelt thanks to the County Government of Mombasa, our dedicated board members, partners, and all stakeholders who have contributed to this year's successes. Your continued support motivates us to pursue even greater impact in the coming years.

Though the road ahead may present challenges, it is through our collective efforts that we will continue to transform the education sector in Mombasa County. Education is the key to unlocking a brighter future, and together, we can open doors of opportunity for the next generation.

Thank you for your trust in the Elimu Scheme. We look forward to another year of progress, growth, and positive change.

Sincerely,



FCPA DALTON MWAGHOGHO
CHAIRPERSON
ELIMU SCHEME BOARD

6. Report of The Scheme Administrator

Elimu Scheme – Key Achievements for the year ended 30th June 2025.

The Elimu Scheme remains a central pillar in advancing education and empowering learners across Mombasa County. Within the past year, the program has delivered transformative interventions at various stages of learning. Below are the notable milestones reached by 30th June 2025:

1. Scholarships for Secondary Education

For the first time in Mombasa County, a comprehensive scholarship program was introduced to support Form 1 students who sat for KCPE in 2023. Public primary schools nominated their best candidates—four from mixed schools (two boys and two girls) and three from single-sex schools. Since 2024, over **Kshs. 14 million** has been allocated to cover tuition for **374 beneficiaries**, ensuring their education is fully supported from Form 1 through Form 4.

Financial Year	No of Students	Amount
2023-24	374	14,366,689
2024-25	366	12,294,324

2. KCSE Candidate Support

In 2024, the Scheme enhanced exam preparedness by distributing more than **6,000 revision booklets** to KCSE candidates in both public and private schools. These resources were tailored to strengthen learners' revision and improve performance in national examinations.

3. Early Childhood Development Education (ECDE)

Over **8,000 ECDE learners** across Mombasa benefited from learning materials valued at **Kshs. 27 million**. This investment lays a solid foundation for young learners, equipping them for a smooth transition into primary education.

4. Driving School Bursaries

To boost employability and technical readiness, the Scheme introduced a Driving School Bursary. By June 2025, **5,000 students** had successfully graduated with **SMART Driving Licenses**, supported by a **Kshs. 100 million** investments. The initiative equips young people with practical, marketable skills to access economic opportunities.

5. Secondary School Bursaries – *No Child Left Behind*

Elimu Scheme plans for students in day secondary school to receive **Kshs. 5,000 bursaries**, while boarding school students to be awarded **Kshs. 10,000** each.

Elimu scheme therefore printed and disbursed 45,000 forms for day school students and 20,000 forms for boarding school students.

6. Tujiajiri Program (Youth Empowerment)

In partnership with the **KCB Foundation**, the county launched *Tujiajiri* to empower vulnerable youth (ages 18–35) through vocational training. Both partners committed **Kshs. 20 million each**, totaling **Kshs. 40 million**. By 19th June 2025:

- **8,236 applications** had been received.
- Interviews were conducted in **11 institutions across 6 sub-counties**, drawing nearly **4,000 youths**.
- Shortlisting is scheduled for early July 2025.

7. Vocational Training Centres (VTC) Support

To strengthen technical education, bursaries worth **Kshs. 8,025,000** were issued to **535 students** enrolled in 50 TVET institutions across the county. The investment seeks to:

- Secure sustainable funding for public VTCs.
- Promote equitable access to technical education.
- Enhance the quality and relevance of training.
- Improve retention, completion, and certification rates.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

The table below shows the performance of Elimu Scheme on award of Bursaries over the last decade

FINANCIAL YEAR	SECONDARY	COLLEGE & DRIVING	SPECIAL NEED	UNIVERSITY	CITY POLYTECHNIC	ECDE	SCHOLARSHIPS	TOTAL
2015-16	4,136	570	28	1,126	-	-	-	5,860
2016-17	9,764	2,745	107	1,937	-	-	-	14,553
2017-18	15,403	5,312	325	2,111	-	-	-	23,151
2018-19	8,514	-	532	-	-	-	-	9,046
2019-20	7,976	-	4,444	1,316	-	-	-	13,736
2020-21	12,951	2,701	710	1,721	108	-	-	18,191
2022-23	9,635	-	-	-	-	-	-	9,635
2023-24	48,562	-	-	-	-	-	374	48,936
2024-25		5000			535	8,208	366	14,109
GRANDTOTAL	116,941	16,328	6,146	8,211	643	8,208	366	157,217

FINANCIAL YEAR	SECONDARY	COLLEGE & DRIVING	SPECIAL NEED	UNIVERSITY	CITY POLYTECHNIC	ECDE	SCHOLARSHIPS	TOTAL
2015-16	28,952,000	5,700,000	280,000	16,890,000	-	-	-	51,822,000
2016-17	68,348,000	21,960,000	1,070,000	15,496,000	-	-	-	106,874,000
2017-18	107,821,000	45,152,000	3,250,000	18,999,000	-	-	-	175,222,000
2018-19	87,600,000	-	5,320,000	-	-	-	-	92,920,000
2019-20	72,325,000	-	4,440,000	13,160,000	-	-	-	89,925,000
2020-21	101,865,000	24,728,000	7,100,000	15,489,000	2,935,100	-	-	152,117,100
2022-23	64,845,000	-	-	-	-	-	-	64,845,000
2023-24	324,905,000	-	-	-	-	-	14,366,689	339,271,689
2024-25		100,000,000			4,012,500	13,132,800	12,294,324	129,439,624
GRAND TOTAL	856,661,000	197,540,000	21,460,000	80,034,000	6,947,600	13,132,800	21,596,630	1,202,436,413

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

Report of Scheme Administrator (Continued)

Challenges and Key Board decisions in FY 2024/2025

- The County Bursary should be timed according to opening of Schools; this is a key factor in reducing child drop out during beginning of school years. The Bursaries are determined by the current funds availed to Elimu Scheme which do not necessarily adhere to school open dates.
- The Bursary should be made available to all the Needy students of Mombasa County and not just the best performers. There should not be a grading criterion for the Bursaries; all Needy students should be given an equal opportunity.
- Engage and collect views from various key stakeholders across the County to help us improve our networks and process and service delivery.

Key Objectives of the Scheme in the coming Financial Year

- Carry out a holiday mentorship holiday program aiming at increasing student academic performance and mentoring students.
- Establishing a Governor's School Talent Support Program
- Consultancy for provision of resource mobilization services
- Run the Loans and Scholarship program effectively in addition to Bursaries.
- Recruit additional staff to run Elimu Scheme and achieve its mandate.
- Capacity Build the staff and Board to improve delivery of services to all stakeholders.
- Engage with local, national and international partners to fund various financial aid programs.
- Seek to digitize the application of Bursaries to improve service delivery and reduce costs.

We look forward to increasing opportunities to empower the youth and children of Mombasa to enhance their education, which will improve their future.

Signed:



Dr. JAMAL A M NOOR, PhD
Administrator of the Elimu Scheme

Mombasa County Elimu Scheme

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

7. Statement of Performance Against Predetermined Objectives for FY 2024-2025

Introduction

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

The key development objectives of the Scheme are to:

- a) To improve the transition rates.
- b) To raise funds from donors.
- c) To develop human resource.

8. Statement of Corporate Governance

STATEMENT OF THE BOARD

The Elimu Scheme is constituted as per the Mombasa County Elimu Scheme Act 2023 and is administered by the Scheme Administrator, who is responsible for the day-to-day management of the scheme. It also has a Board of Trustees headed by the chairperson responsible for the general policy and strategic direction of the scheme.

The Scheme is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the Scheme is a formal governance structure with the Board of Trustees at its apex. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

THE BOARD OF TRUSTEES

The Board of Trustees shall be made up of eight trustees, who consist of a chairperson and seven other members identified for appointment by the CEC in charge of Education. The Board of Trustees is responsible for the long-term strategic direction of the Scheme and recruitment of the Scheme Administrator and senior management. The Board of Trustees exercises leadership, enterprise, integrity and judgment in directing the Scheme.

The trustees are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the Scheme is delegated to the Scheme administrator but the Board of Trustees is responsible for establishing and maintaining the Scheme's system of internal controls for the realization of its mandate of providing financial aid to needy students in Mombasa County.

All members of the Board of Trustees have been taken through a comprehensive induction programme and are adequately trained on their roles as board members. The trustees are professional, committed and guided by the mission, vision and core values of the Scheme in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Scheme Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

CONFLICT OF INTEREST

Members of the Board of Trustees or Companies in which they hold shares shall not be allowed to bid for the Scheme's contracts and any other activity of the Scheme that may raise conflict of interest within the Scheme.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The trustees are responsible for reviewing the effectiveness of the Scheme's system of internal control, which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information. These controls are designed to manage rather than eliminate the risk of failure to achieve objectives.

Mombasa County Elimu Scheme

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

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained throughout its processes and performance. The Scheme has identified training needs and will initiate plans so that the staff will be trained, equipped and prepared so that they can implement the Scheme policies and functions.

Strategic Plan

The Scheme is working on its strategic plan, which will be for 5 years from 2025 to 2028. The strategic plan will set out the objectives of the Scheme, and the annual targets to be met to attain those objectives in the following years. The strategic plan will be evaluated quarterly to assess the achievement of those objectives. Progress against the plan will be monitored frequently.

Management Team

The management team headed by the Scheme Administrator Dr. Jamal Noor, implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently.

Auditor

The scheme is audited by the Auditor-General.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

Financial Performance

Elimu Scheme Key Projects

Bursary and scholarship assistance to Needy students in Mombasa County in Secondary Schools

Holiday Mentorship Program for Secondary schools aimed at increasing performance in schools and mentoring the students to ensure they don't engage in unproductive activities during the holiday.

Elimu Scheme aims at helping more needy students from Mombasa County and Kenya at large. To achieve this goal, Elimu Scheme plans to solicit funds from both local and foreign investors as well as lobbying for more allocation from the County Government of Mombasa.

Elimu Scheme aims at having the draft amendment enacted by the County Assembly and adapted which will enable running the Loans and Scholarship program effectively in addition to Bursaries.

Elimu Scheme seeks to ensure development of human resource capacity through training its staff in Kenya School of Government.

Risks Facing the Scheme

- Despite Government subsidizing tuition fee, this cannot accommodate all students. Many ends up in private schools with a higher rate which reflects an increase in the demand for bursaries.
- Limited funds from the County Government to sustain the high level of assistance requested by Needy cases in Mombasa County

Compliance with Statutory Requirement

Preparation and presentation of the Scheme's Financial Statements for the Audit purposes

Material arrears in statutory and other financial obligations

There are no arrears.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

10. Environmental and Sustainability Reporting

The Elimu Scheme did not undertake any Environmental and Sustainability activities in the year ended **June 30, 2025**.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Trustees/Committee

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

Principal activities

The principal activities of the Scheme are to continue to be administering the County Bursary and giving out loans to assist students further their studies and to raise funds to fulfil our mandate.

Results

The results of the Scheme for the year ended June 30th 2025, are set out on page 1.

Trustees

The members of the Board of Trustee who served during the year are shown in page 5 and 6 of the financial statements.

Auditors

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



Chair of the Board

Date: 27th August 2025.

Mombasa County Elimu Scheme

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

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund 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 Elimu Scheme Fund is responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Scheme 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 Elimu Scheme accepts responsibility for the Scheme's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Mombasa County Elimu Scheme Act, 2023. The Administrator of the Scheme 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 Scheme's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Scheme, 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 Elimu Scheme has assessed the Scheme's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Scheme 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 Scheme's financial statements were approved by the Trustee on **27th August 2025** and signed on its behalf by:



Dr. JAMAL A M NOOR, PhD
Administrator of the Elimu Scheme

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MOMBASA COUNTY ELIMU SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mombasa County Elimu Scheme set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Mombasa County Elimu Scheme for the year ended 30 June, 2025

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mombasa County Elimu Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis)] and comply with the Mombasa County Elimu Scheme Act, 2023 ,and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 17 to the financial statements reflects long term receivables from exchange transactions of Kshs.160,986,240. However, the balance was not supported by a detailed analysis or schedule. Further, no aging analysis was prepared as required by the reporting template.

In the circumstances, the accuracy, completeness and recoverability of long-term receivables from exchange transactions of Kshs.160,986,240 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mombasa County Elimu Scheme 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 reflects final revenue budget and actual on comparable basis of Kshs.401,877,250 and Kshs.342,177,250, respectively, resulting in under-realization in revenue of Kshs.59,700,000 or 15% of the budget. Similarly, Management spent Kshs.221,334,791 out of the total receipts of Kshs.342,177,250 resulting to under absorption of Kshs.120,842,459 or 35% of the receipts.

The underfunding and under absorption affected implementation of planned activities and impacted negatively on service delivery to the citizens.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Audit Matters

In the audit report for the previous financial year, several issues as listed below were raised in respect of the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or provided explanation for failure to implement the recommendations as listed below.

1. Unsupported cash and cash equivalents
2. Non-compliance with the Public Sector Accounting Standards Board (PSASB) reporting template
3. Irregular procurement – provision of event management services
4. Failure to maintain memorandum cashbook on standing imprest
5. Unconfirmed bursary awards and disbursements

Other Information

The Management is responsible for the Other Information set out on page iii to xx which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. 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 has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Data Protection Act

Review of financial and operational records revealed that the Scheme collects and manages personal information of students and their parents or guardians, including names, phone numbers, photographs, and location details in the course of processing bursary applications and payments. However, it was established that the entity had not been registered with the Office of the Data Protection Commissioner as a data controller or data processor, contrary to Section 18(1) of the Data Protection Act, 2019, which requires that no person shall act as a data controller or data processor unless registered with the Data Commissioner.

In the circumstances, Management was in breach of the Law

2. Acting Beyond the Stipulated Period

Review administrative records revealed that the Scheme Administrator was serving in an acting capacity for a period exceeding six (6) months, contrary to the provisions of Section 34(3) of the Public Service Commission Act, 2017. The officer was appointed effective 1 September, 2024 and continued to hold the position beyond the stipulated period. Further, it was observed that the County Public Service Board had not regularized the appointment or initiated the substantive recruitment process for the position.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 Board of Directors

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

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 November, 2025

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	2,677,250	4,057,667
Transfers From the County Government	2	339,500,000	481,500,100
Fines, Penalties and Other Levies		0	0
		342,177,250	485,557,767
Revenue From Exchange Transactions			
Interest Income	4	0	0
Other Income	5	0	0
		0	0
Total Revenue		342,177,250	485,557,767
Expenses			
Bursary and Support Programs	6	(182,469,931)	(324,955,760)
Scholarship grants	7	(13,441,673)	(12,294,324)
Mentorship Program	8	(3,168,000)	(87,276,991)
Scheme Administration Expenses	9	(7,649,600)	(7,194,796)
General Expenses	12	(883,505)	(1,812,945)
Use of Goods and Services	13	(13,732,082)	(48,572,100)
Total Expenses		(221,344,791)	(482,106,916)
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	0	0
Gain /Loss on fair value of investments	16	0	0
Surplus/(Deficit) For the Period		120,832,459	3,450,851



Name: **Dr. JAMAL A M NOOR, PhD**
Administrator of the Scheme



Name: **MANASE LODUNG'U**
Scheme Accountant
ICPAK Member Number: 29679

Mombasa County Elimu Scheme

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

15. Statement of Financial Position for the year ended 30th June 2025.

Description	Note	FY2024-2025	FY2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	14	(24,884,271)	4,283,270
Current Portion of Long- Term Receivables from Exchange Transactions	17	150,000,000	160,986,240
Prepayments	18	0	0
Inventories	19	0	0
Investments in financial assets	20	0	0
Total current assets		125,115,729	165,269,510
Non-Current Assets			
Property, Plant and Equipment	21	0	0
Intangible Assets	22	0	0
Long Term Receivables from Exchange Transactions	17	160,986,240	160,986,240
Investment Property	23	0	0
Total non- current assets		0	0
Total Assets (A)		286,101,969	165,269,510
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	24	0	0
Current Provisions	25	0	0
Current Portion of Borrowings	26	0	0
Employee Benefit Obligations	27	0	0
Social benefit liabilities	28	0	0
Total current liabilities		0	0
Non-Current Liabilities			
Non-Current Provisions	25	0	0
Long Term Portion of Borrowings	26	0	0
Non-Current Employee Benefit Obligation	27	0	0
Social benefit liabilities	28	0	0
Total Liabilities (B)		0	0

Mombasa County Elimu Scheme
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Description	Note	FY2024-2025	FY2023-2024
		Kshs	Kshs
Net Assets (A-B)		286,101,969	165,269,510
Represented By:			
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		286,101,969	165,269,510
Net Fund		286,101,969	165,269,510

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 **27th August 2025** and signed by:



.....
Name: Dr. JAMAL A M NOOR, PhD
Administrator of the Scheme



.....
Name: MANASE LODUNG'U
Scheme Accountant
ICPAK Member Number: 29679

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

15. 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 1st July 2023	0	0	161,818,659	161,818,659
Surplus/(Deficit) For the Period	0	0	3,450,851	3,450,851
Funds Received During the Period	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance as at 30th June 2024	0	0	165,269,510	165,269,510
Balance as at 1st July 2024	0	0	165,269,510	165,269,510
Surplus/(Deficit) For the Period	0	0	120,832,459	120,832,459
Funds Received During the period	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance as of 30th June 2025	0	0	286,101,969	286,101,969

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

16. 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		2,677,250	4,057,667
Transfers from the county government		189,500,000	481,500,100
Interest received		0	0
Receipts from other operating activities		0	0
Total receipts		192,177,250	485,557,767
Payments			
Bursary and Support Programs		(182,469,931)	(324,955,760)
Scholarship grants		(13,441,673)	(12,294,324)
Mentorship Program		(3,168,000)	(87,276,991)
Scheme Administration Expenses		(7,649,600)	(7,194,796)
General Expenses		(883,505)	(1,812,945)
Use of Goods and Services		(13,732,082)	(48,572,100)
Receivables : (Increase)/Decrease			0
Total payments		(221,344,791)	(482,106,916)
Net cash flows from operating activities	14	(29,167,541)	3,450,851
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		(29,167,541)	3,450,851
Cash and cash equivalents at 1st July 2024		4,283,270	832,419
Cash and cash equivalents as at 30th June 2025	14	(24,884,271)	4,283,270

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From the County Government	499,200,000	(100,000,000)	399,200,000	339,500,000	59,700,000	85%
Public Contributions and Donations	0	2,677,250	2,677,250	2,677,250	0	100%
Finance Income	0	0	0	0	0	
Other receipts	0	0	0	0	0	
Total Income	499,200,000	(97,322,750)	401,877,250	342,177,250	59,700,000	85%
Expenses						
Bursary and Support Programs	(402,000,000)	(49,322,750)	(352,677,250)	(182,459,931)	(170,217,319)	52%
Scholarship grants	(17,000,000)	(2,000,000)	(15,000,000)	(13,441,673)	(1,558,327)	90%
Mentorship Program	(10,000,000)	(5,000,000)	(5,000,000)	(3,168,000)	(1,832,000)	63%
Scheme Administration Expenses	(13,200,000)	0	(13,200,000)	(7,649,600)	(5,550,400)	58%
General Expenses	(2,000,000)	(1,000,000)	(-1,000,000)	(883,505)	(116,495)	88%
Use of Goods and Services	(55,000,000)	(40,000,000)	(15,000,000)	(13,732,082)	(1,267,918)	92%
Total Expenditure	(499,200,000)	(97,322,750)	(401,877,250)	(221,334,791)	(180,542,459)	55%
Surplus				120,842,459		

- The County did not achieve its projected revenue targets for the financial year 2024/2025, which directly affected the overall disbursement of funds. As a result, only **85%** of the allocated budget was received, reflecting the shortfall in collections and the consequent adjustments made to align expenditure with available resources.
- The disbursement of funds was delayed following a directive from the Controller of Budget requiring counties to sign an intergovernmental agreement with the National Government on the issuance of bursaries and scholarships. Mombasa County finalized this agreement on 27th May 2025 hence the absorption of 52% of Bursary and Support programs and overall, 55%.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation

Budget Reconciliation		
	Description of Particulars	Amount in Kshs
1	Actual Surplus Amounts as per the statement of Budget	120,832,459.00
2	Opening Cash and Cash Equivalent	4,283,270.00
3	Receivable	(150,000,000.00)
4	Closing Cash and Cash Equivalent as per the statement of Cash flows	(24,884,271.00)

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Elimu Scheme is established by and derives its authority from The Mombasa County Elimu Scheme Act, 2023. The entity is wholly owned by the Mombasa County Government and is domiciled in Kenya. Elimu Scheme's principal activity is activities is to provide comprehensive educational support to the community.

2. Statement of compliance and basis of preparation

Elimu Scheme's financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Scheme. 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 financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43 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 cashflows of an Entity. The new standard requires entities to recognise, 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 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

Mombasa County Elimu Scheme

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

Standard	Effective date and impact:
	<p>measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>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.</p>
<p>IPSAS 50: Exploration For & Evaluation of</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

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Standard	Effective date and impact:
Mineral Resources	<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.

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

Revenues from non-exchange transactions 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.

b) Budget information

The original budget for FY 2025 was approved by the County Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

Mombasa County Elimu Scheme'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.

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

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

c) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) Impairment

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

Financial liabilities

Classification

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

d) Provisions

Provisions are recognized when the Mombasa County Elimu Scheme 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 Mombasa County Elimu Scheme 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.

e) Contingent liabilities

Mombasa County Elimu Scheme 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 probable.

f) Contingent assets

Mombasa County Elimu Scheme 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

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events not wholly within the control of the Mombasa County Elimu Scheme 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.

g) Nature and purpose of reserves

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

h) Changes in accounting policies and estimates

The Mombasa County Elimu Scheme recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) 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.

j) Related parties

The Mombasa County Elimu Scheme 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 Mombasa County Elimu Scheme, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Scheme administrator and senior managers.

k) 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.

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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1. Public contributions and donations

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Donation From Development Partners	2,677,250	4,057,667
Contributions From the Public	0	0
Total	2,677,250	4,057,667

2. Transfers from County Government

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	339,500,000	481,500,100
Payments By County on Behalf of the Entity	0	0
Total	339,500,000	481,500,100

2A.

Payee	Date Received	Amount
Mombasa County Elimu Scheme	11-Nov-24	10,000,000
Mombasa County Elimu Scheme	13-Nov-24	20,000,000
Mombasa County Elimu Scheme	28-Nov-24	50,000,000
Mombasa County Elimu Scheme	07-Jan-25	12,500,000
Mombasa County Elimu Scheme	07-Jan-25	5,000,000
Mombasa County Elimu Scheme	21-Jan-25	25,000,000
Mombasa County Elimu Scheme	05-Mar-25	32,000,000
Mombasa County Elimu Scheme	05-Mar-25	15,000,000
Mombasa County Elimu Scheme	03-Apr-25	5,000,000
Mombasa County Elimu Scheme	26-May-25	15,000,000
Mombasa County Elimu Scheme	03-Jul-25	150,000,000
Total Amount		339,500,000

3 Finance income.

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income on Bank Deposits	0	0
Others (<i>Specify</i>)	0	0
Total finance Income	0	0

4 Interest income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income from Car Loans	0	0
Interest Income from Investments	0	0
Interest Income on Bank Deposits	0	0
Total Interest Income	0	0

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5 Other income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cheque write backs	0	0
Total Other Income	0	0

6. Bursary Transfers

Bursary Transfers		
Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Universities		0
TVETs and Colleges		0
Elimu Scheme Support Program	67,524,495	0
Secondary schools	10,925,000	324,955,760
Driving School and Expenses	104,020,436	0
Total	182,469,931	324,955,760

7. Scholarships Grants

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Secondary schools (Term 3 2024 & Term 1 2025)	13,441,673	12,294,324
Total	13,441,673	12,294,324

8. Mentorship

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Mentorship and Kenya Music Festival		68,948,010
Facilitators, Teachers, ICT Clerks	3,168,000	18,328,981
EALA - Teachers & Students Allowances		0
Total	3,168,000	87,276,991

9. Scheme Administration Expenses

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Board Facilitation & Allowances	1,845,900	949,996
Holiday Program Students Allowances	-	0
Sub County Financial Aid Allowances	932,100	1,143,400
Other Staff Allowances (See Note 9a)	4,582,200	5,101,400
Holiday Program Teachers, Principal, Facilitators	-	0
Mombasa County Public Service Board Allowances	289,400	0
Holiday Program Supervisors Allowances		0
Lunch & Transport Allowances (Students)	-	0
Total	7,649,600	7,194,796

9a. Other Staff Allowances

Description	Amount
Tender Opening, Evaluation & Inspection Allowances	705,000
Bursary and Data Clerks Allowances	3,658,700
IPSAS Accrual Training-DSA & Ground Transport (Sawela)	218,500
Total Amount	4,582,200

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10. Depreciation and Amortization Expense

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

11. Finance costs

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans from Banks	0	0

12. General Expenses

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Consumables	78,500	92,267.00
Hospitality	368,689	1,098,095.00
Transport	199,395	145,000.00
Printing and Stationery	50,120	60,800.00
Postage and Courier	30,125	46,250.00
Telephone and Communication Expenses	70,100	68,555.00
Bank Charges	82,010	292,545.00
Miscellaneous Charges	4,566	9,433.00
Total	883,505	1,812,945

13. Other use of goods & services

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Provision of Services	13,732,082	35,053,700
Printing of Bursary Forms	0	5,112,000
Printing of Bursary Cheques	0	4,060,000
Printing of Success Cards	0	2,850,000
Printing of Revision Materials	0	1,496,400
Total	13,732,082	48,572,100

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14. Cash and cash equivalents.

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
On – Call Deposits	0	0
Current Account	(24,884,271)	4,283,270
Others (<i>Specify</i>)	0	0
Total Cash and Cash Equivalents	(24,884,271)	4,283,270

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

Financial Institution	Account number	FY2024-2025	FY2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1168118506	(24,884,271)	4,283,270
Bank - Etc.		0	0
Sub- Total		(24,884,271)	4,283,270
b) Others (Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		(24,884,271)	4,283,270

15. Gain/(loss) on disposal of assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (<i>specify</i>)	0	0
Total Gain	0	0

16. Gain/ (loss) on Fair Value Investments

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (<i>specify</i>)	0	0
Total Gain	0	0

17. Non-Exchange Receivables

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Revenue receivable	160,986,240	160,986,270
Others (<i>Specify</i>)	0	0
Total non-exchange receivables	160,986,240	160,986,270

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18. Exchange Receivables

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Interest receivable	0		0	
Others (<i>Specify</i>)	0		0	
Total exchange receivables	0		0	

19. Trade and other payables

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Trade Payables	0		0	
Other Payables (<i>specify</i>)	0		0	
Total Trade and Other Payables	0		0	
Ageing analysis (Trade and other payables)	FY2024-2025	% of the Total	FY2023-2024	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	0		0	

20. Investment in Financial Assets.

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year				
Adjusted For:				
Working Capital Adjustments				
Payments for the Year				
Receipts for the Year				
Net Cash Flow from Operating Activities				

21. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Mombasa County Elimu Scheme 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 Mombasa County Elimu Scheme is related to the following entities:

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- a) The County Government.
- b) Key management.
- c) Board of Trustees, etc.

b) Related party transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transfers from related parties	0	0
Transfers to related parties	0	0

c) Key management remuneration

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Board Members	876,000	949,996
Total	876,000	949,996

d) Due from related parties

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Due From County Government	160,986,270	160,986,270
Total	160,986,270	160,986,270

Other Disclosures Continued

e) Due to related parties

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Due to County Government	0	0
Due to Key Management Personnel	0	0
Total	0	0

22. Contingent assets and contingent liabilities

Contingent Liabilities	FY2024-2025	FY2023-2024
	Kshs	Kshs
Court Case xx Against the Mombasa County Elimu Scheme	0	0
Bank Guarantees	0	0
Total	0	0

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(Give details)

23. Financial risk management

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

a) Credit risk

The Mombasa County Elimu Scheme 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	Impai red Kshs
At 30 June 2025				
Receivables From Non-Exchange Transactions	282,022,641	282,022,641	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	4,079,328	4,079,328	0	0
Total	286,101,969	286,101,969	0	0
As at 30th June 2024				
Receivables From Non-Exchange Transactions	160,986,240	160,986,240	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	4,283,270	4,283,270	0	0
Total	165,269,510	165,269,510	0	0

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

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

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b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Mombasa County Elimu Scheme 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 Mombasa County Elimu Scheme 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	0	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Total	0	0	0	0
As at 30 June 2024				
Trade Payables	0	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

c) Market risk

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

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

The Mombasa County Elimu Scheme'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.

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i. Foreign currency risk

The Mombasa County Elimu Scheme 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			
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities			
Trade And Other Payables	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Mombasa County Elimu Scheme's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the two 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
FY 2024-2025			
Euro	0	0	0
USD	0	0	0
Other (<i>Specify</i>)	0	0	0
FY 2023-2024			
Euro	0	0	0
USD	0	0	0
Other (<i>Specify</i>)	0	0	0

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 Mombasa County Elimu Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Mombasa County Elimu Scheme's deposits.

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Management of interest rate risk

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

Sensitivity analysis

The Mombasa County Elimu Scheme 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.

d) Capital risk management.

The objective of the Scheme's capital risk management is to safeguard the Scheme'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
Accumulated surplus	286,101,969	165,269,510
Total funds	286,101,969	165,269,510
Less: cash and bank balances	4,079,328	4,283,270
Net debt/(excess cash and cash equivalents)	282,022,641	160,986,240
Gearing	98.6%	97%

24. Events after the reporting period

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

25. Currency

The financial statements are presented in Kenya Shillings (Kshs)

Mombasa County Elimu Scheme

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
OAGICRIAUDI5/8/2022/2023/18	Lack of Regulations and Guidelines	Elimu Scheme is working to ensure all regulations and Guidelines are drafted and passed.	Unresolved	FY 2024/2025
OAGICRIAUDI5/8/2022/2023/18	Lack of Operational Manuals	Elimu scheme is working to ensure that all necessary operation manuals and policies and drafted and passed	Unresolved	FY 2024/2025
OAG/MRO/MCACLMF/2023/2024 / (17)	Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements	The template was changed on the notes. However, we take serious note on the same and undertake to ensure maximum compliance with template provided by Public Sector Accounting Standards Board.	Resolved	FY2024/2025
OAG/MRO/MCACLMF/2023/2024 / (17)	Failure to Maintain Memorandum Cashbook on Standing Imprest	Elimu Scheme operates on re-imburement basis. This is accounted for using receipts which are then surrendered.	Resolved	FY2024/2025
OAG/MRO/MCACLMF/2023/2024 / (17)	Unconfirmed Bursary Awards and Disbursements	The bursary application form was structured to accurately capture the NEMIS number of each applicant.	Resolved	FY2024/2025
OAG/MRO/MCACLMF/2023/2024 / (17)	Procurement of Event Management Services	Event management services was fully budgeted for under the Elimu Scheme budget for the financial year 2023-2024. Furthermore, these expenditures were incorporated into the Annual Procurement Plan	Resolved	FY2024/2025



Dr. Jamal Noor, PhD.
Ag. CEO & Scheme Administrator
Date: 27th August 2025.

**Mombasa County Elimu Scheme
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Annex II : Inter-Entity Confirmation Letter.

Name of transferring entity: **Mombasa County Treasury**

Name of beneficiary entity: **Mombasa County Elimu Scheme**

ENTITY NAME:		ELIMU SCHEME		
Breakdown of Transfers from the County Executive of Mombasa County Government				
FY 2024-2025				
a.	Recurrent Grants	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amount relates
	Bursary	11-Nov-24	10,000,000	FY24-25
	Bursary	13-Nov-24	20,000,000	FY24-25
	Bursary	28-Nov-24	50,000,000	FY24-25
	Bursary	07-Jan-25	12,500,000	FY24-25
	Bursary	07-Jan-25	5,000,000	FY24-25
	Bursary	21-Jan-25	25,000,000	FY24-25
	Bursary	05-Mar-25	32,000,000	FY24-25
	Bursary	05-Mar-25	15,000,000	FY24-25
	Bursary	03-Apr-25	5,000,000	FY24-25
	Bursary	26-May-25	15,000,000	FY24-25
	Bursary	03-Jul-25	150,000,000	FY24-25
b.	Development Grants	Bank Statement Date	Amount (Kshs)	
			00	
		Total	000	
c.	Direct Payments	Bank Statement Date	Amount (Kshs)	
			00	
		Total	000	

The above amounts have been communicated to and reconciled with the County Treasury

Dr. JAMAL NOOR, PhD.
Ag. CEO & SCHEME ADMINISTRATOR
ELIMU SCHEME.

SWALEH MWALIZUMA
CCO FINANCE & INVESTMENT
MOMBASA COUNTY

