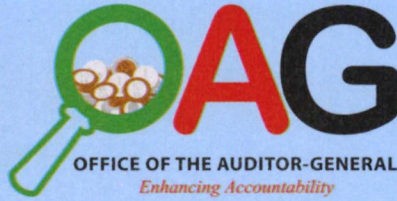


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THE AUDITOR-GENERAL

ON

UASIN GISHU COUNTY
INUA BIASHARA FUND

FOR THE YEAR ENDED
30 JUNE, 2025



UASIN GISHU COUNTY INUA BIASHARA FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE

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UASIN GISHU COUNTY INUA BIASHARA FUND

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

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1. Acronyms, Abbreviations, and Definition of Key Terms

A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Uasin Gishu County Inua Biashara Fund was established by the Uasin Gishu Inua Biashara Fund Act 2018 amended 2020 Further, amended 2022 and derives its authority and accountability from this Act. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya. The funds objective is to promote the establishment of new small business and industries and to promote the development of existing small businesses and for connected purposes. The Funds principal activity is to provide access to capital and financing facilities to micro and small enterprises owned by the residents of Uasin Gishu County especially those owned by youth, women and other special interest groups

(b) Principal Activities

The principal activities of the Fund as provided by Uasin Gishu County Inua Biashara Fund Act, 2018 section 3 are to;

- i. Establish and administer the Uasin Gishu County Inua Biashara Fund
- ii. Promote new small enterprises in the Uasin Gishu County especially those owned by special interest groups
- iii. Promote existing small enterprises in the Uasin Gishu County especially those owned by special interest groups

The proceeds of the Fund shall be appropriated for purposes of, as provided by Uasin Gishu County Inua Biashara Fund Act, 2018 section 4 (2) are,

- a) Providing access to capital and financing facilities to micro and small enterprises owned by residents of Uasin Gishu county especially those owned by youth, women and other special interest persons or their groups.
- b) Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure.
- c) Supporting micro and small enterprises to develop linkages with large enterprises.
- d) Facilitation marketing of products and services of micro and small enterprises owned by the residents of Uasin Gishu county in both domestic and international markets.
- e) Facilitating financial literacy through Capacity building

UASIN GISHU COUNTY INUA BIASHARA FUND

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

- f) Providing access to financing facilities for local purchase orders and contracts particularly those owned by youth, women other special interest groups.

(c) Fund Administration Committee

Ref	Name	Position
1	Mr Nathan Korir	Vice Chairperson
2	Mr Eliud Chemaget	Member
3	Mr Isaac Lagat	Member
4	Ms Loice Kebenei	Member
5	Ms Joanne Mutai	Secretary

(d) Key Management team

Ref	Name	Position
1	Mr Silas Rono	Director Finance
2	Ms Joanne Mutai	Fund Administrator
3	Ms Agnes Cheruiyot	Fund Accountant

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Ms Mary Kiarie
2	Audit Committee Chairperson	CPA Zephania Ruto

(f) Registered Offices

Uasin Gishu County Government,
P.O. Box 40-30100,
KVDA Plaza
Oloo Street Eldoret, KENYA

(g) Fund Contacts

Phone: 05320160000
Email: info@uasingishu.go.ke
County HQ Phone : 05320130148
Email: info@uasingishu.go.ke

UASIN GISHU COUNTY INUA BIASHARA FUND

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(h) Fund Bankers

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

2. Family Bank
P.O. Box 2201 30100
Eldoret

Key Entity Information 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

Uasin Gishu County Government,
P.O. Box 40-30100,
Eldoret, KENYA

UASIN GISHU COUNTY INUA BIASHARA FUND

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

3. Fund Administration Committee

Photo	Name, Details of qualifications and experience
	<p>MR FNATHAN KORIR - VICE CHAIRPERSON CPA Nathan Korir is a financial and strategic operations expert with over 18 years of experience in public sector planning, policy, and the private sector. He is the Chief Officer for Economic Planning in Uasin Gishu County and former CEO of Trans East Africa Safaris Ltd. He holds degrees in Economics and Business Management, and is pursuing an MSc in Logistics. A CPA-K, CPSP, and certified in forensic audit and strategic foresight, he is a member of KISM, ICPAK, IIA, and a Fellow at the Kenya Institute of Management.</p>
	<p>MR ISAAC LAGAT – MEMBER Mr Isaac Lagat holds an Bachelors Degree in Business Management and currently pursuing a masters degree in Project planning and Management form UON. The officer has over 13 years experience in credit management and administration in both private sector commercial financial institutions and public sector financial institutions. He is well versed with public sector management with over 10 years in Public sector management.</p>
	<p>ELIUD CHEMAGET – MEMBER Mr. Eliud Chemaget have vast experience in an industrious environment, entrepreneurship, financial controls, credit, sales and relationship management. He holds Bachelor of Science With IT Major: (Mathematics & Computer Science) from Maseno University and Master of Business Administration (Finance) from Kenyatta University. He is currently the Chief Officer in charge of Finance in County Government of Uasin Gishu.</p>
	<p>MS LOICE KEBENEI – MEMBER She is an advocate of the high court of Kenya with 5 years of experience post admission. She works at County Government of Uasin Gishu as a legal officer since 2015. Holds a post graduate diploma from Kenya School of Law and an LLB Degree from Moi School of Law.</p>
	<p>MS JOANNE MUTAI – FUND MANAGER Phd International Relations, She has a Masters in Management and Leadership – Management University of Africa. International Business Administration (Finance) – United States International University Africa. She was a Business Analyst at Captiva Africa 2014, a Regional Head (Digital Skills for Africa) Google Africa 2017-2019 and currently a Fund Manager- County Government of Uasin Gishu.</p>

UASIN GISHU COUNTY INUA BIASHARA FUND

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

4. Key Management Team

Photo	Name, Details of qualifications and experience
	<p>MR SILAS RONO</p> <p>He has previously served in key positions in the defunct Local Authority as Accountant, Municipal Treasurer, and Deputy Treasurer. Since the inception of devolution, he has served as Principal Accountant and is currently the Director Finance at the County Government of Uasin Gishu. He is a member of the Certified Public Accountants of Kenya and the Certified Public Secretaries of Kenya</p>
	<p>MS JOANNE MUTAI – FUND MANAGER</p> <p>She has a Phd International Relations, an MBA Management and Leadership - Management University of Africa and International Business Administration (Finance) – United States International University Africa. She was a Business Analyst at Captiva Africa 2014, a Regional Head (Digital Skills for Africa) - Google Africa 2017-2019 and currently a Fund Manager- County Government of Uasin Gishu.</p>
	<p>MS AGNES CHERUIYOT – ACCOUNTANT</p> <p>She has a Bachelor of Business Management in Accounting major, CPA-K (certified public accountant) and a member of ICPAK (institute of certified accountants of Kenya). She has worked as an accountant at Davies High School. Currently she is the fund accountant.</p>

5. Fund Chairperson’s Report

The Inua Biashara Fund was aimed at touching the lives of the people of Uasin Gishu County especially the women, Youth and special groups. Our resilience and sustainability are reliant on the degree to which we remain true to our purpose: to make lives better. **Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.**” — **Paul Hawken**. As the head of the oversight team, we have worked to see that the Fund runs with ease. This is the reason the legislation on this particular Fund is very clear on relatively low interest rates of 5% per annum and a fair repayment period of 24 months. In the FY 2024/2025 business people, small and medium size enterprises and special groups were able to benefit from the Fund. During the financial year (FY) 23/24, the number of Fund members increased by 38% to 1524 from 808 MSMEs, and total Fund grew by 29% from KSH 119,000,000 to KSH 131,298,000

The past year was particularly distinctive for the Fund for it was the year when we introduced the first training on green economy to beneficiaries of the Fund. When I joined the Fund ,I was profoundly impressed by how efficiently the Fund leveraged on technology to deliver a high level of service to our members and engagement with our respective stakeholders.

Industry participants emphasized that the digital revolution has changed the way we communicate, work, and live. Numerous advantages have resulted from technological improvements, including more production in MSMEs, better access to information and services, and more prospects for socioeconomic development. While numerous technologies can increase connectivity and get everyone online, achieving 100% connectivity requires the right incentives, sound investments, regulatory frameworks, and capacity building coordinated with a robust innovation ecosystem to achieve universal, accessible, reasonably priced, and secure connectivity.

There was also a significant rapid growth of the Agri-business and its impacts while emphasizing the importance of regulatory expectations to utilize strategically and efficiently new services through business models that ensure efficient service delivery.

UASIN GISHU COUNTY INUA BIASHARA FUND

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

The Uasin Gishu County Inua Biashara Fund Committee oversees the management of the Fund. I wish to sincerely appreciate the establishment of this Fund, whose main focus is the Uasin Gishu County's Women, Youth and Special groups; to empower them acquire the necessary skills through trainings, awarding them loans and necessary linkages, was a noble idea by the County Government of Uasin Gishu. Since inception, the Fund's performance has been outstanding.

In order to ensure transparency and accountability in optimal loan disbursement and recovery, the Board envisages automating all the Fund's operations. Development of an ICT system is on course.

Most entrepreneurs are currently looking up to funding from this establishment terming their reasons to be the low friendly interest rates and the friendly repayment period of two years.

Name.....Nathan Korir.....

Signature.....



Date 3/9/2025

Chairperson of the Board

UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.

6. Report of The Fund Administrator

Inua Biashara Fund being formed under Inua Biashara Fund Act of 2018, gives the administration of this public entity a mandate to execute proper management of the funds as cited in the ACT. As captured in the introduction the core principle activities were executed as per expectation.

This financial year 218 MSMEs were loaned. A typical loaning process is application, vetting then approval by committee. All processes were adhered to. All loanees are trained before disbursement. The training modules are organised to incorporate information on green economy and advantages of technology in the businesses of today.

The fund performance in terms of timely disbursements and training on track. The repayments are abit challenging but measures have been put in place including extra staff to aid the process of following up on defaults. Many beneficiaries have suffered closure of businesses and stagnant businesses but nonetheless we accord them every support they need.

The Fund is currently looking for ways to in cooperate Favourable terms for the agribusiness community. This will put in place avenues to assist beneficiaries pay their loans at ease.

The Fund Committee is in the process of looking for partnerships to work with to enhance the Fund portfolio and ease the burden of over reliance on the exchequer. I look forward to a successful FY25/26 and I am committed to give the best of my ability to this mandate.

Name...Joanne Mutai..... Signature..... 

[Date... 3/9/2025.....

Fund Administrator



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

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity or 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.

Uasin Gishu County Inua Biashara Fund is a fund developed by the County Government of Uasin Gishu through an Act of County Assembly 2018. Its purpose is to provide for the establishments of Inua Biashara Fund to promote the establishment of new small businesses and industries and/or to promote the development of existing small businesses and for connected purposes. The Inua Biashara Fund is tasked to giving loans to SMEs at a subsidized interest rate and a friendly repayment period.

Inua Biashara Fund had an annual budget to disburse Ksh 30,000,000 in the FY 2024/2025. This however did not materialise due to delay on the exchequer remittance. The plan was to give out this amount to provide training, capital and financing to different businesses. The plan therefore was executed.

The Fund was able to advance loans to 218 beneficiaries in FY 2024/2025. The key development objectives of the Inua Biashara Fund in the FY 2024/2025 were:

- a) Provide access to capital and financing facilities to micro and small enterprises owned by the residents of Uasin Gishu County.
- b) Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure
- c) Supporting micro and small enterprises to develop linkages with large enterprises
- d) Facilitating marketing of products and services
- e) Capacity Building
- f) LPO financing

UASIN GISHU COUNTY INUA BIASHARA FUND

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

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provide access to capital and financing activities	Credit disbursed to MSMEs.	Increased number of MSMEs funded	No of loans disbursed	In FY 2024/2025 the loan beneficiaries are repaying.
Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure	Development of proposals to attract investors and donor Funding establishments Exhibitions Social media marketing	Proposals developed and funded. Investment guide and policies for seamless integration of investors. Investment promotion agency	Number of proposals Amount of resources attracted	Yet to be accomplished
Supporting micro and small enterprises to develop linkages with large enterprises	Linking SMEs to markets	Marketing Enhanced	No of MSMEs marketed locally and internationally	Yet to be accomplished
Supporting MSMEs to develop linkages with large enterprises	Identification of MSMEs	Linkages established and strengthened	No of MSMEs linked with large enterprises	Yet to be accomplished
Capacity Building	Train MSMEs on Financial literacy and green economy	MSMEs trained	New market entries and better business management	Accomplished . Increased number of flourishing businesses
LPO Financing	Finance LPOs in the County	LPO financed	No of LPO financed	Yet to be accomplished

8. Corporate Governance Statement

There is an existence of a fund committee known as Uasin Gishu County Inua Biashara Committee as per The Uasin Gishu County Inua Biashara Fund Act, 2018, 5 (1).

In the FY 2024/2025 there were a total of 7 committee meetings.

Meeting 1 - 3rd July 2024

Meeting 2 – 1st August 2024

Meeting 3 – 12th September 2024

Meeting 4 – 26th October 2024

Meeting 5 – 11th Feb 2025

Meeting 6 – 27th March 2025

Meeting 7 – 28th March 2025

Meeting 8- 17th June 2025

The committee consists of

- (1) Non-executive Chairperson
- (2) Chief Officer Finance
- (3) Chief Officer Trade
- (4) Director Trade
- (5) County Attorney
- (6) Fund Manager
- (7) Three other persons appointed by CECM

The chairperson and members appointed under Uasin Gishu County Inua Biashara Fund Act 2018 section 6 (1)(f) shall serve a term of 3 years and shall be eligible for re-appointment for one further term.

The committee member or chairperson shall be subject to such persons

1. Satisfying the requirements of chapter 6 of the constitution.
2. Holding a minimum of a bachelor's degree from a university recognised in Kenya or

UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.

3. On account of their training or experience.
 - i. Having over 10 years distinguished experience in financial, business or economic matters; or
 - ii. Being knowledgeable about trade, industry, finance or the economy; or
 - iii. Having legal knowledge of the matters pertaining to small business; or
 - iv. Having experience in matters connected to it, and of problems experienced by small business enterprises; or
 - v. Complying with other criteria to County Executive Committee Member in charge of trade may prescribe.

As guided by Uasin Gishu County Inua Biashara Fund Act 2018 section 8 (1) a member of the committee may be removed from office only for,

1. Violation of the constitution or any other law
2. Gross misconduct, whether in the performance of the members functions or otherwise,
3. Physical or mental incapacity to perform the functions of office
4. Incompetence
5. Neglect of duty

The committee shall have power to

- a) Receive reports and accounts from the Fund Administrator and forward the same to the County Executive Member for Finance and Economic planning
- b) Prepare or cause to be prepared estimates of the revenue and expenditure of the Fund for that financial year
- c) Receive loan applications from the fund administrator and identify beneficiaries
- d) Perform any other function that can be delegated from time to time by the CECM for Finance and Economic planning.

The performance of the committee members was excellent as per their functions stipulated by the law.

UASIN GISHU COUNTY INUA BIAHARA FUND

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

A committee member whose ethics and conduct are questionable shall be removed by the Executive Committee Member upon recommendation by the committee.

The committee receives allowances from the Fund after every sitting as provided in the Act. 3% administration fee caters for the Committee allowances.

The accounts of the fund shall be examined, audited and reported upon annually by the Auditor-General in accordance with the Public Audit Act 2015.

9. Management Discussion and Analysis

MSME's contribute to over 90 per cent of total labour force and play a key role in poverty reduction and economic development. They are also a source of innovation, competitiveness, goods and services, and entrepreneurial skills.

There are over 7.4 million MSMEs employing approximately 14.9 million Kenyans in various sectors of the economy. In addition, the MSMEs cover a wide range of establishments in almost all sectors of the economy. It is also worth noting that most MSMEs operate informally.

Within the licensed category, it is estimated that MSME's employ approximately 9 million people in Kenya.

The number of employees in MSMEs (Micro, Small, and Medium Enterprises) can be a factor that lenders consider when assessing loan applications. This is because the number of employees can indicate the size and scale of the business, which can affect its ability to generate revenue and repay the loan.

In general, smaller MSMEs may have more difficulty accessing loans than larger ones. This is because larger businesses typically have more resources and a stronger financial position, which can make them more attractive to lenders

Inua Biashara Fund has in the FY23/24 seen growth within the fund regardless of the challenges that the Fund faced.

The Government of Kenya implements several strategies which seek to accelerate social and economic inclusion of vulnerable segments of the society. These include affirmative action funds and social protection. Affirmative action funds include Women Enterprise Fund (WEF), Uwezo fund, Youth Enterprise Development Fund (YEDF) and National Government Affirmative Action Fund (NGAAF). The cash transfers towards social protection which include Orphans and Vulnerable Children (OVCs), Older Persons, Persons with Severe Disabilities (PWSD), households in selected ASAL counties under the Hunger Safety Net Programme. The Government also applies quotas such as provided under Access to Government Procurement Opportunities (AGPO) for women, youth and persons with disabilities.

- MSMEs tend to have less experience, credibility and bargaining power in the marketplace than their larger suppliers, buyers and competitors. Many smaller businesses frequently have to prepay or pay immediately for their inputs because they do not have the track record or buying power to secure better payment terms.
- Long credit terms - At the same time their customers, typically large corporates, expect 30-60-90-day payment terms for the goods and services they buy and hence the working capital of the SME is “locked in” for much of the time.
- Many MSMEs typically have no credit rating, they have few assets that can serve as collateral, and they have no or little formal track-record of borrowing from banks.
- When they do have a track record, they are often not able to present their accounts and finances in a way in which the banks can easily understand and analyse. If SMEs don't have good access to working capital, then they are less able to operate their businesses efficiently – by taking advantage of bulk buy discounts and less able to invest in growing their businesses generally
- MSMEs tend to make limited use of or have limited access to technology which can lead to a waste of resources, poor performance, and a transactional focus with poor service which in turn affects the competitive ability of the business. Many SMEs rely on manual collection processes that are paper intensive. This makes the process slow, unreliable and costly.
- Lack of timely and accurate information - not helped by manual processes characteristic of many SMEs results in further delays with invoice reconciliation and delays in incoming payments.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

Sustainability strategy is captured in 4 main areas (a) Climate Change adaptation (b) Climate Change mitigation (c) Ecological Conservation & Resource Efficiency and (d) pollution prevention. This is also called green finance.

Macroeconomic instability is often characterized by high and variable inflation, serious balance of payments problems, large fiscal deficits, low or negative output growth, and high and growing unemployment. Together these have a serious impact on the environment through their influence on incentives to preserve environmental resources or to invest in environmental protection.

The Key achievement in this area as a fund is that in every Capacity building done, there has been time slots set aside for the discussion on sustainability strategies broadly.

2. Environmental performance

The Inua Biashara Fund does not have its own Environmental Policy. It is guided by the policy used at the County level. The policy covers among other issues (a) Education & employment (b) Health & Social related (c) Social housing (d) Affordable food (e) Affordable infrastructure and (f) Financial services

3. Employee welfare

Inua Biashara Fund being an entity within the County Government, matters hiring and human resource is centrally controlled from the County Government and not the Fund.

4. Marketplace practices

a) Responsible competition practice.

The Inua Biashara Fund takes into considerations fair distribution of Funds across the 30 wards of Uasin Gishu County.

b) Responsible Supply chain and supplier relations

All contractors are vetted within the confines of the Procurement Law and the best contractor awarded respectfully. No contract is awarded before there are Funds in the Account.

c) Responsible marketing and advertisement

In the course of marketing the Inua Biashara Fund, there is put in place areas of emphasis (a) transparency and honesty (b) Client privacy (c) social responsibility (d) authenticity. This principle keeps the Fund in check on matters responsible marketing

d) Product stewardship

The Inua Biashara Fund puts into consideration Article 46 of the Constitution of Kenya provides for the following Consumer rights:

- i. Goods and services of reasonable quality;
- ii. Information necessary to enable consumers gain full benefit from goods and services;
- iii. Protection of consumer health, safety and economic interests; and
- iv. Compensation for loss or injury arising from defects in goods or services.

5. Corporate Social Responsibility / Community Engagements

In the mentioned year of Audit, the entity did not have a budget for CSR.

UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.

11. Report of The Trustees

The Fund Committee submits their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Inua Biashara Fund affairs.

Principal activities

The principal activities of the Entity are

1. Establish and administer the Uasin Gishu County Inua Biashara Fund
2. Promote new small enterprises in the Uasin Gishu County especially those owned by special interest groups
3. Promote existing small enterprises in the Uasin Gishu County especially those owned by special interest groups

Results

The results of the Entity for the year ended June 30, 2025, are set out on page 2.

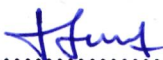
Fund Committee

The members of the Fund Committee who served during the year are shown on page iv. During the year, no fund committee retired/ resigned, and four was appointed with effect from 3rd June 2024 date.

Auditors

The Auditor-General is responsible for the statutory audit of the Inua Biashara Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Inua Biashara Fund for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Name

Corporation Secretary/Secretary to the Board/Committee



12. Statement of Fund Committee Responsibilities

Section 81 or 164 of the Public Finance Management Act, 2012 and Inua Biashara Fund Act, 2018, require the Fund Committee to prepare financial statements in respect of that Inua Biashara Fund which give a true and fair view of the state of affairs of the Inua Biashara Fund at the end of the financial year and the operating results of the Inua Biashara Fund for that year. The Fund Committee are also required to ensure that the Inua Biashara Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Inua Biashara Fund. The Fund Committee is also responsible for safeguarding the assets of the Inua Biashara Fund.

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

The Fund Committee accept responsibility for the Inua Biashara Fund financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Inua Biashara Fund Act, 2018. The Fund Committee are of the opinion that the Inua Biashara Fund financial statements give a true and fair view of the state of the Fund transactions during the financial year ended June 30, 2025 and of the Inua Biashara Fund financial position as at that date. The Fund Committee further confirms the completeness of the accounting records maintained for the *Entity*, which have been relied upon in the preparation of the Inua Biashara Fund financial statements as well as the adequacy of the systems of internal financial control.

UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.

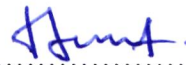
In preparing the financial statements, the Fund Committee have assessed the entity's ability to continue. Nothing has come to the attention of the Fund Committee to indicate that Inua Biashara Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Inua Biashara Fund financial statements were approved by the Board on _____
2025 and signed on its behalf by:



.....
Name **NATHAN KORIR**
Chairperson of Fund Committee



.....
Name **JOANNE MUTAI**
Fund Administrator



REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY INUA BIASHARA FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Uasin Gishu County Inua Biashara Fund set out on pages 1 to 59, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

Report of the Auditor-General on Uasin Gishu County Inua Biashara Fund for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Uasin Gishu County Inua Biashara Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Uasin Gishu County Inua Biashara Fund Act, 2018.

Basis for Qualified Opinion

1. Presentation, Accuracy and Disclosure in the Financial Statements

The financial statements for Uasin Gishu County Inua Biashara Fund had the following anomalies: -

- (i) Statement of financial position foot Note on page 4 indicates the financial statements are set out on pages 2 to 8 instead of pages 1 to 59.
- (ii) A comparison between cash flow statement amounts and statement of comparison of budget and actual amounts revealed the following unreconciled variances.

Description	Amount as per the Statement of Comparison of Budget and Actual Amounts	Amount as per the Statement of Cash Flows	Variance
	(Kshs)	(Kshs)	(Kshs)
Repayments	3,594,718		3,594,718
Proceeds from Loan Principal Repayments		3,598,354	(3,598,354)
Other Income	387,306	0	387,306
General Expenses	18,858,407		18,858,407
Use of Goods and Services		8,097,780	(8,097,780)
Finance Costs	19,580	0	19,580

In the circumstances, accuracy and completeness in the amounts reported in the financial statements could not be confirmed.

2. Understated Interest Income

The statement of financial performance reflects interest income of Kshs.1,632,657 as disclosed in Note 9 to the financial statements. However, analysis of interest from loan amortization schedule provided for audit indicated expected interest amount of Kshs.2,939,455 resulting to an unexplained variance of Kshs.1,306,798.

In the circumstances, the accuracy and completeness of interest income of Kshs.1,632,657 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

Note 29 to the financial statements reflects receivables from exchange transactions balance of Kshs.144,598,486. Included in this balance are receivables described as "other" totaling to Kshs.20,718,661 which were not supported. In addition, workings indicating how the current and long-term receivables were arrived at were not provided for audit review hence the accuracy could not be determined.

Further, review of the loan amortization schedules revealed that there were misstatements in the loan balances for fifteen (15) loanees whose total expected loan repayments for two (2) years (principal plus interest) were reported as Kshs.1,660,000 instead of Kshs.5,698,000 and also the outstanding loan balances reported as Kshs.1,514,414 instead of Kshs.5,552,414. No explanation was provided by management for the variances.

In the circumstances, the accuracy and recoverability of the receivables from exchange transaction balance of Kshs.144,598,486 could not be confirmed.

4. Inaccuracies in the Statement of Cash flows

The statement of cash flows reflects loan disbursements paid out amounting to Kshs.15,886,765 whereas the supporting loan records provided reflected an amount of Kshs.12,340,000 resulting to an unreconciled variance of Kshs.3,546,765.

In the circumstances, the accuracy of loan disbursements amounting to Kshs.15,886,765 and hence the reported receivable balance of Kshs.144,598,486 could not be confirmed.

5. Non-Performing Loans

Note 29 to the financial statements reflects receivables from exchange transactions balance of Kshs.144,598,486. Included in this balance are non-performing loans of balance of Kshs.70,615,913 as reflected in the amortization loan ledgers representing 49% of receivables from exchange transactions. These loans were issued between 22 December, 2020 and 26 June, 2023. However, Management had not taken any action on recovery of non-performing loans which was contrary Section 16(3) of Uasin Gishu County Inua Biashara Fund Act, 2018 which states that any un-repaid loan, including interest thereon, shall be recoverable by the Fund as a civil debt and interest rate automatically reverts to commercial rate.

In the circumstances, there is material uncertainty relating to the Fund's ability to continue as a going concern.

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

Material Uncertainty Relating to Going Concern

The Fund reported an operating deficit for the three (3) years, 2025 Kshs.(5,677,713), 2024 Kshs.(63,930,733) and 2023 Kshs.(51,828,063) amounts which have continue to deplete the Revolving Fund.

The continued cumulation of deficit would negatively impact on the Fund's ability to continue as a going concern and would make the Fund rely of funding from the County Government.

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 matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under report on Financial Statements, Report on Lawfulness and Effectiveness in the use of Public Resources and Report on effectiveness of Internal Controls, Risk management and Governance. However, the issues have remained unresolved.

Other Information

Management is responsible for the other information set out on pages ii to xxii which comprise of Acronyms, abbreviations and definition of Key Terms, Key Entity Information and Management, Fund Administration Committee, Key Management Team, Fund Chairperson's Report Statement, Report of the Fund Administrator, Statement of Performance against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Trustees and Statement of Fund Committee Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Uasin Gishu County Inua Biashara 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. 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 the Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Over Expenditure Beyond 5% of Loan Book Balance

Statement of financial performance reflects total expenses of Kshs.8,240,370 incurred by the Fund which is in excess of Kshs.7,229,924 expenditure by Kshs.1,010,446 allowed by the Uasin Gishu Inua Biashara Fund Act, 2018 and derived at 5% of the outstanding loans balances of Kshs.144,598,486. Section 13(2) of the Act states that expenses incurred shall not exceed 5% of the Fund's loan book from time to time.

In the circumstances, management were in breach of the law.

2. Fund Administrative Committee Composition

Audit review revealed that the Fund Administrative Committee was operating without an appointed Chairperson. The Fund was managed by five (5) members who included; a vice chairperson, three members and one secretary. This was contrary to the Uasin Gishu County Inua Biashara Fund (Amendment) Act, 2020 which states that there will be 10 Committee member, one chairperson, Chief Officer responsible for finance or their representative duly nominated in writing, the Chief Officer responsible for trade or their representative duly nominated in writing, The Chief Officer responsible for trade shall be the Vice-Chairperson of the Committee, the Director responsible for trade or their representative duly nominated in writing, the Fund Administrator who shall also be the Secretary to the Committee, the County Attorney or their representative duly nominated in writing and three other persons appointed by the County Executive Committee Member.

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

3. Lack of Approved Fund Regulations

Review of the Fund legal framework revealed that regulations guiding on the operationalization of Uasin Gishu County Inua Biashara Fund Act, 2018 had not been approved by the County Assembly and are still in draft form. This was contrary to the requirement of Section 22 of the Uasin Gishu County Inua Biashara Fund Act, 2018.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Long Outstanding Receivable from Exchange Transaction

Statement of financial position and Note 29 to the financial statements reflects receivable from exchange transaction of Kshs. 144,598,486 however, an amount of Kshs. 40,974,942 or 28% has been outstanding for more than one (1) year. In addition, no provision for bad and doubtful debt has been provided.

In the circumstances, controls over receivable from exchange transactions could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards for 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 the Board of Trustees/ Fund Management Committee

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 Fund Administration Committee 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 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

29 September, 2025

UASIN GISHU COUNTY INUA BIASHARA FUND


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

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


	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	930,000	3,017,235
Public contributions and donations	7	0	0
Transfers in-kind	8	0	0
		930,000	3,017,235
Revenue from exchange transactions			
Interest income	9	1,632,657	1,587,630
Rendering of services	10	0	0
Rental revenue from facilities and equipment	11	0	0
Fees and other charges	12	0	0
Other income	13	0	0
Total revenue		2,562,657	4,604,865
Expenses			
Use of goods and services	14	8,097,780	68,331,898
Employee costs	15	0	0
Board Expenses	16	0	0
Depreciation and amortization expense	17	142,590	203,700
Repairs and maintenance	18	0	0
Contracted services	19	0	0
Grants and subsidies	20	0	0
Finance costs	21	0	0
Total expenses		8,240,370	68,535,598
Surplus/deficit from operating activities		(5,677,713)	(63,930,733)
Other gains/(losses)			
Gain/Loss on sale of assets	22	0	0
Gain/Loss on foreign exchange transactions	23	0	0
Gain /Loss on fair value of investments	24	0	0
Impairment loss	25	0	0
Surplus/ (deficit) before tax		(5,677,713)	(63,930,733)
Taxation	26	0	0
Surplus/(deficit) for the Year		(5,677,713)	(63,930,733)
Net Surplus for the year		(5,677,713)	(63,930,733)

UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.


The notes set out on pages 10 to 48 form an integral part of these Financial Statements. The Financial Statements set out on pages 10 to 48 were signed on behalf of the Board of Directors/Fund committee by:


.....
Name: Nathan Korir
Chairman Board/Fund

Date 3/9/2025


.....
Name: Joanne Mutai
Accounting Officer

Date 3/9/2025


.....
Name: Agnes Cheruiyot
Head of Finance

ICPAK M/No: 30255
Date



UASIN GISHU COUNTY INUA BIASHARA FUND
Annual Report and Financial Statements for the year ended June 30, 2025.

15. Statement of Financial Position as at 30 June 2025

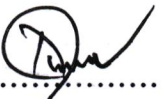
	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	27	72,103	387,306
Prepayments	28	0	0
Receivables from Exchange Transactions	29	128,768,481	94,045,032
Receivables from Non-Exchange Transactions	30	0	0
Inventories	31	0	0
Investments in financial assets	32		
Total Current Assets		128,840,584	94,432,338
Non-Current Assets			
Receivables from Exchange Transactions	29	15,830,005	25,703,373
Investments in financial assets	32		0
Property, Plant and Equipment	33	332,710	475,300
Intangible Assets	34		0
Investment Property	35	0	0
Total Non- Current Assets		16,162,715	26,178,672
Total Assets (A)		145,003,299	120,611,011
Liabilities			
Current Liabilities			
Trade and Other Payables	36	0	0
Refundable Deposits from Customers	37	0	0
Current Provision	38	0	0
Finance Lease Obligation	39	0	0
Deferred Income	40	0	0
Employee Benefit Obligations	41	0	0
Current Portion of Borrowings	42	0	0
Taxation	43	0	0
Total Current Liabilities		0	0
Non-Current Liabilities			
Non-Current Provisions		0	0


UASIN GISHU COUNTY INUA BIASHARA FUND

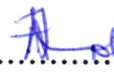
Annual Report and Financial Statements for the year ended June 30, 2025.

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Non-Current Employee Benefit Obligation		0	0
Borrowings		0	0
Service Concession Liability	44	0	0
Deferred Tax Liabilities	45	0	0
Total Non- Current Liabilities		0	0
Total Liabilities (B)		0	0
Net Assets (A-B)		145,003,299	120,611,011
Represented By:			
Reserves		0	0
Accumulated Surplus		(120,292,187)	(114,614,474)
Revolving Fund		265,295,485	235,225,485
Capital Fund		0	0
Net Assets		145,003,299	120,611,011

The financial statements set out on pages 2 to 8 were signed on behalf of the Board of Directors by:


 Name: Nathan Korir
 Chairman Board/Fund


 Name: Joanne Mutai
 Accounting Officer


 Name: Agnes Cheruiyot
 Head of Finance

Date 3/9/2025

Joanne Mutai
 Date 3/9/2025

ICPAK M/No:30255
 Date



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

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at June 30,2023	0	0	(50,683,741)	137,668,220	0	86,984,479
As at July 1,2023	0	0	(50,683,741)	137,668,220	0	86,984,479
Revaluation gain	0	-	-	-	-	0
Fair value adjustment on investments	-	0	-	-	-	
Surplus/ deficit for the year	-	-	(63,930,730)	-	-	(63,930,733)
Funds received During the year	-	-	-	97,557,265	-	97,557,265
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
As at June 30, 2024	0	0	(114,614,474)	235,225,485	-	120,611,011
As at July 1, 2024	0	0	(114,614,474)	235,225,485	-	120,611,011
Revaluation gain	-	-	-	-	-	
Fair value adjustment on investments	-	0	-	-	-	0
Surplus/ (deficit) for the year	-	-	(5,677,713)	-	-	(5,677,713)
Funds received During the year	-	-	-	30,070,000	-	30,070,000
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	
As at June 30, 2025	-	-	(120,292,187)	265,295,485	-	145,003,299

18. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		930,000	3,017,235
Public contributions and donations		0	0
Interest received		399,817	488,103
Rendering of services		-	0
Rental revenue from facilities and equipment		0	0
Fees and other charges		0	0
Other income(<i>specify</i>)			
Total receipts		1,329,817	3,505,338
Payments			
Use of goods and services		(8,097,780)	(68,331,898)
Employee costs		0	0
Board Expenses		0	0
Repairs and maintenance		0	0
Contracted services		0	0
Grants and subsidies		0	0
Finance costs		-	
Total payments		(8,097,780)	(68,331,898)
Net cash flows from/(used in) operating activities	46	(6,767,963)	(64,826,560)
Cash flows from investing activities			
Purchase of PPE		0	0
Purchase of Intangible assets		0	0
Borrowings		(11,328,827)	(2,000,000)
Proceeds from loan principal repayments		3,598,354	4,392,927
Loan disbursements paid out		(15,886,765)	(49,316,730)
Purchase of investments		0	0
Proceeds from sale of investments		0	0
Net cash flows from/(used in) investing activities		(23,617,241)	(46,923,803)
Cash flows from financing activities			
Revolving fund receipts		30,070,000	97,557,265

UASIN GISHU COUNTY INUA BIASHARA FUND

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Proceeds from borrowings		0	0
Repayment of borrowings			4,873,000
Net cash flows from financing Activities		30,070,000	102,430,265
Net increase/(decrease) in cash & Cash equivalents		(315,203)	(9,320,098)
Cash and cash equivalents at the beginning (1st July)	27	387,306	9,707,404
Cash and cash equivalents at the end (30th June)	27	72,103	387,306

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	c= (a+b)	d	e=(c-d)	f=d/c* 100
Budget carryovers from the previous year*	-					
Receipts						
Transfers from Other Governments entities	31,005,000	0	31,005,000	31,000,000	5,000	100%
Public Contributions and Donations						
Interest income	400,000		400,000	399,817	584	99.85%
Rendering of Services						
Rental Revenue from Facilities and Equipment						
Repayments	4,000,000		4,000,000	3,594,718	405,282	
Other Income <i>(specify)</i>			387,306	387,306		
Total Receipts	35,405,000		35,792,306	35,381,440	410,866	99%
Payments						
Fund administration expenses	600,000		600,000	568,200	31,800	95%
General expenses	18,905,000		18,905,000	18,858,407	46,593	100%
Board Expenses						
Repairs and Maintenance						
Contracted Services						
Loans	15,900,000		15,900,000	15,863,150	36,850	100%
Finance costs				19,580	19580	
Total Expenditure Payments	35,405,000		35,405,000	35,309,337	95,663	100%
Capital Expenditure Payments						
Surplus for the period				72,103		

Budget notes

- 1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)*
- 2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

20. Notes to the Financial Statements

1. General Information

Inua Biashara Fund is established by and derives its authority and accountability from Inua Biashara Fund Act, 2018. The entity is wholly owned by the Uasin Gishu County Government and is domiciled in Kenya. The entity's principal activity is providing affordable credit to residents of Uasin Gishu County.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

3. Adoption of new and revised standards

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

UASIN GISHU COUNTY INUA BIASHARA FUND

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, 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>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial 22/23.

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 23/24 was approved by the County Assembly on June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added

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to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Ksh 12,000,000 on the FY 23/24 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section Note 18 of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

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Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

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*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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6. Transfers from Other Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Operational transfers from county government	930,000	3,017,235
Unconditional development grants		
Other Grants(<i>specify</i>)		
Total Unconditional Grants		
Conditional Grants amortised/ transferred to revenue		
Development Grant		
Operational Grant		
Other Organizational Grants (<i>specify</i>)		
Total Government Grants and Subsidies	930,000	3,017,235

b) Transfers from Ministry/County Departments

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (FY2024/2025)	Insert Comparative FY2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/County Department				930,000	3,017,235
Xxx Ministry					
Total				930,000	3,017,235

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7.Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Research Donations		
Donations transferred to revenue on conditions being met.		
Other Public Donations (Specify)		
Total Transfers and Sponsorships		
Reconciliation of Public Contributions and Donations		
Balance Unspent at Beginning of The Year		
Current Year Receipts		
Conditions Met - Transferred to Revenue		
Conditions To Be Met - Remain Liabilities		

8.Transfers in-kind.

Description	2024/2025	2023/2024
	Kshs	Kshs
Payments by Ministry/County Department on behalf of the entity		
Others(<i>specify</i>)		
Total Transfers in-kind		

9.Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on loans	1,632,657	1,587,630
Others(<i>specify</i>)		
Total Interest income	1,632,657	1,587,630

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10. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Training Fees		
Others (specify)		
Total Revenue from The Rendering of Services		

11. Rental Revenue from Facilities and Equipment

Description	2024/2025	2023/2024
	Kshs	Kshs
Operating Lease Revenues		
Contingent Rentals*		
Total Rentals		

12. Fees and other charges

Description	2024/2025	2023/2024
	Kshs	Kshs
Fees		
Charges from defaults		
Others (specify)		
Total Fees and other charges		

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13. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on cash investments and fixed deposits		
Interest on Bank balances		
Interest income from Treasury Bills		
Interest income from Treasury Bonds		
Insurance recoveries		
Income from sale of tender		
Services concession income		
Skills development levy		
Bad debts recovered		
Miscellaneous incomes (<i>specify</i>)		
Total Other income		

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Description	2024/2025	2023/2024
	Kshs	Kshs
Electricity		
Monitoring and evaluation		6,823,480
Subscriptions		
Advertising		
Admin Fees	568,200	2,986,295
Audit Fees		
Conferences and Delegations		
Consulting Fees		
Consumables		
Fuel and Oil		
Insurance		
Legal Expenses		
Licenses and Permits		
General expenses	5,235,000	1,181,340
Printing and Stationery		
Youth and women empowerment		2,850,000
Rent expenses		
Security Costs		
Skills Development Levies		
Inventory Scrapping		
Telecommunication		
Training	2,275,000	19,173,030
Travel, Subsistence & Other Allowances*		
Bank charges	19,580	17,666
Other program support expenses(<i>specify</i>) <i>capacity building</i>		35,300,097
Total	8,097,780	68,331,898

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Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages		
Employer contribution to health insurance schemes		
Employer contribution to pension schemes		
Travel, accommodation, subsistence, & other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Gratuity		
Extraneous		
Other employee related costs *		
Employee costs		

16. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman/Directors' Honoraria		
Sitting Allowances		
Medical Insurance		
Induction and Training		
Travel and Accommodation		
Other Allowances		
Total		

17. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant, and equipment	142,590	203,700
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	142,590	203,700

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18.Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property and equipment		
Investment Property		
Equipment and Machinery		
Vehicles		
Furniture and Fittings		
Computers		
Others (specify)		
Total Repairs and Maintenance		

19.Contractured Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Actuarial Valuations		
Investment Valuations		
Property Valuations		
Others (specify)		
Total Contractured Services		

20.Grants and Subsidies

Description	2024/2025	2023/2024
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Community Trust		
Sporting Bodies		
Others (specify)		
Total Grants and Subsidies		

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21. Finance Costs

Description	2024/2025	2023/2024
	Kshs	Ksh
Borrowings (amortized cost) *		
Finance leases (amortized cost)		
Unwinding of discount on lease liabilities		
Interest on bank overdrafts		
Interest on loans from commercial banks		
Total finance costs		

22. Gain/Loss on Sale of Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment		
Intangible assets		
Other assets not capitalised		
Total gain on sale of assets		

23. Gain/Loss on foreign exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Gain on foreign exchange transactions		
Loss on foreign exchange transactions		
Total Gain/Loss		

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24. Gain/ (loss) on Fair Value Investments

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

25. Impairment Loss

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Taxation

Description	2024/2025	2023/2024
	Kshs	Kshs
Current income tax charge		
Tax charged on rental income		
Tax charged on interest income		
Deferred tax: [note 44]		
Original and reversal of temporary differences		
Income tax expense reported in the statement of financial performance		

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27. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank balances	72,103	387,306
On - Call Deposits		
Fixed Deposits Account (<i>below 3 months</i>)		
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	72,103	387,306

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Bank balances			
Family Bank	085000099594	47,608	255,497
Family Bank	085000092749	24,495	131,809
Sub- Total		72,103	387,306
b) On - Call Deposits			
XXX Bank			
XXX Bank			
Sub- Total			
c) Fixed Deposits Account			
XXX Bank			
XXX Bank			
Sub- Total			
d) Others (Specify)			
Cash In Transit			
Cash In Hand			
Mobile Money Accounts			
Sub- Total			
Grand Total		72,103	387,306

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28. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance		
Rent		
Water		
Internet		
Others specify		
Total		

29. Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Loan interest receivable	4,426,276	3,193,436
Current Loan Repayments Due	103,623,544	77,073,683
Fees and other charges due		
Other (specify) debtors	20,718,661	13,777,913
Less: Impairment Allowance		
Total Current Receivables	128,768,481	94,045,032
Non-Current Receivables		
Long Term Loan Repayments Due	15,830,005	25,703,373
Total Non- Current Receivables	15,830,005	25,703,373
Total Receivables from Exchange Transactions	144,598,486	119,748,405

(b) Ageing analysis for Receivables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current 2024/2025	% of the total	Comparative 2023/2024	% of the total
Less than 1 year	103,623,544	72%	77,073,683	64%
Between 1- 2 years	40,974,942	28%	42,674,722	36%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	144,598,486	100%	119,748,405	100%

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(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

30.Receivables from Non-Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Specify				
Total receivables				
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	5	%	024	%
Between 1-2 years		%		%
Over 3 years		%		%
Total		%		%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

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31. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores		
Other goods held for resale		
Catering		
Others (specify)		
Less: allowance for impairment		
Total inventories at the lower of cost & net realizable value		

Detailed Disclosure on Inventories

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

32. Investments in financial assets

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

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d) Movement of Equity Investments

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

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholdin	Indirect shareholdin	Effective shareholdin		2023/2023	2023/2023
	g	g	g	Kshs	Kshs	Kshs
	%	%	%			
Entity A						
Entity B						
Entity C						

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33. Property, Plant and Equipment

Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Computers and Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	-	-	-	-	-	-	-	-	-
As At 1 July 2022	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	970,000	-	-	970,000
Disposals	-	-	-	-	-	-	-	-	(-)
Transfers/Adjustments	-	-	-	-	-	-	-	-	(-)
As at 30 th June 2023	-	-	-	-	-	970,000	-	-	970,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	-	-	(-)	-	(-)	-	(-)
As at 30th June 2024	-	-	-	-	-	970,000	-	-	970,000
Depreciation And Impairment									
At 1 July 2022	-	(-)	(-)	(-)	(-)	291,000	(-)	-	291,000
Depreciation	-	(-)	(-)	(-)	(-)	-	(-)	-	(-)
Impairment	-	(-)	-	-	-	-	(-)	-	(-)
Transfers/ Adjustments	-	(-)	-	-	(-)	-	(-)	-	(-)
As At 30 th 2023	-	-	-	-	-	291,000	(-)	-	291,000
Depreciation	-	(-)	(-)	(-)	(-)	(203,700)	(-)	-	(203,000)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	-	-	-	(-)	-	(-)
Transfer/Adjustment	-	-	(-)	(-)	-	-	(-)	-	-
As at 30th June 2024	-	-	-	-	-	494,700	-	-	494,700
Net Book Values									
As at 30 th June 2023	-	-	-	-	-	679,000	-	-	679,000
As at 30 th June 2024	-	-	-	-	-	475,300	-	-	475,300
Depreciation						142,500			142,500
Net book values 30th June 2025						332,710			332,710

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Valuation

Land and buildings/ Equipment (be specific) were valued by XXX valuers in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by xxx valuers on this date xxx.

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings			
Plant And Machinery			
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment	970,000	637,290	332,710
Office Equipment			
Furniture and Fittings			
Others (<i>specify</i>)			
Total	970,000	637,290	332,710

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery		
Motor Vehicles including Motorcycles		
Computers and Related Equipment		
Office Equipment		
Furniture and Fittings		
Others (specify)		
Total		

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34.Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year		
Additions		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
Impairment loss		
At end of the year		
NBV		

35.Investment Property

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

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36. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables				
Employee payables				
Third-party payments				
Other payables				
Total trade and other payables				
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

(Provide brief explanation)

37. Refundable Deposits from Customers

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Customer deposits				
Prepayments				
Other deposits				
Total deposits				
Ageing analysis: (Refundable deposits)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total				

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38.Provisions

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

39.Finance Lease Obligation

Description	2024/2025	2023/2024
	Kshs	Kshs
At the start of the year		
Discount interest on lease liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount (Kshs)
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 And Onwards	
Less: Unearned Interest	
Total	

Analysed as:

Description	Amount (Kshs)
Current	
Non- Current	
Total	

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The deferred income movement is as follows:

40. Deferred Income

Description	2024/2025	2023/2024
	Kshs	Kshs
National/ County Government		
Public Contributions and Donations		
Total Deferred Income		

	National/ County Government	Public contributions and donations	Total
	Kshs	Kshs	Kshs
Balance Brought Forward			
Additions			
Transfers To Capital Fund			
Transfers To Income Statement			
Other Transfers			
Balance Carried Forward			

41. Employee Benefit Obligations

Description	Defined benefit plan	Post- employe nt medical benefits	Other Benefits	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Retirement benefit Asset/ Liability

The Entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by xxx while xxx is the custodian of the scheme. The scheme is based on xxx percentage of the salary of an employee at the time of retirement. An actuarial valuation to fulfill the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service

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cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2024/2025	2023/2024
Discount Rates		%
Future Salary Increases	%	%
Future Pension Increases	%	%
Mortality (pre- retirement)	%	%
Mortality (post-retirement)	%	%
Withdrawals		
Ill Health		
Retirement	Years	years

Recognition of Retirement Benefit Asset/ Liability

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

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

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b) Amounts recognised in the Statement of Financial Position

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

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

42. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year		
External borrowings during the year		
Repayments of during the year		
Balance at end of the year		
b) Domestic borrowings		
Balance at beginning of the year	2,000,000	
Domestic borrowings during the year	11,328,827	
Repayments during the year	(11,000,000)	
Balance at end of the year		
Balance at end of the period- domestic and External borrowings c = a+b	2,328,827	

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Short Term Borrowings (Current Portion)	11,328,827	
Long Term Borrowings		
Total	11,328,827	

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

	2024/2025	2023/2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'		
Sterling Pound Denominated Loan From 'Y Organisation'		
Euro Denominated Loan from Z Organisation'		
Domestic Borrowings		
Kenya Shilling Loan From KCB		
Kenya Shilling Loan from Barclays Bank		
Kenya Shilling Loan from Consolidated Bank		
Total Balance at End Of The Year		

43. Taxation

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

44. Service Concession Liability

Description	2024/2025	2023/2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		

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Service concession revenue recognized		
Service concession liability at end of the year		

45. Deferred Tax Liability

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

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

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Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/Deficit for the year	(5,677,713)	-63,930,733
Adjusted for:		
Depreciation	142,590	203,700
Non-cash grants received		
Contributed assets		
Impairment	(1,232,840)	-1,099,557
Gains and losses on disposal of assets		
Contribution to provisions		
Finance costs		
Contribution to impairment allowance		
Working capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	(6,767,963)	64,826,560

47. Financial Risk Management

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

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i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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48. Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has a significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have 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 Entity 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
As at 30th June 2025				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Others (<i>specify</i>)				
Total				
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Others (<i>specify</i>)				
Total				

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

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Financial Risk Management

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:

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

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Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	%		
USD	%		
Sterling pound	%		
Previous FY			
Euro	%		
USD	%		
Sterling pound	%		

b) 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 Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity’s deposits.

Management of interest rate risk

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

Sensitivity analysis

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

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income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of

Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

Fair value of financial assets and liabilities

a) Financial instruments are measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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Financial Risk Management

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024/2025				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Total				
As at 30th June 2023/2024				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Total				

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

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
xxx Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalentents)		
Gearing	%	%

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49. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have the 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies		
Others (specify)		
Total		
b) Purchases from related parties		
Purchases of electricity from KPLC		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. Agencies		
Others (specify)		
Total		
c) Grants /transfers from the government		
Grants from National government		

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Description	2024/2025	2023/2024
	Kshs	Kshs
Grants from County government		
Donations in kind		
Total		
a) Expenses incurred on behalf of related party		
Salaries and wages for xxx employees		
Goods and services for xxx		
Others (<i>specify</i>)		
Total		
b) Key management compensation		
Directors' emoluments		
Compensation to key management		
Total		

50. Segment Information

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

51. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities		
Court Case xx against the Entity		

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Bank Guarantees in Favour of Subsidiary		
Contingent Liabilities arising from Contracts Including PPPs		
Others		
Total		

52.Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised for		
Authorised and contracted for		
Total		

53.Events after the Reporting Period

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

54.Ultimate And Holding Entity

The Entity is a Corporation/ or a Semi-Autonomous Government Agency under the Ministry/County of xxx. Its ultimate parent is the Government of Kenya.

55.Currency

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

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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Receivables from exchange transactions	The fund is on the process of monitoring and evaluation which will enhance repayments	Not resolved	January 2026
	Lack of a policy on provision for bad debts and doubtful debts	The fund is on the process of discussing on how to do with the debts	Not resolved	June 2026
	Non-performing loans	The fund is continuing to enhance its internal control system	Not resolved	April 2026



.....
Fund Administrator

Date:

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Appendix II: Projects implemented by (The Entity)

Projects implemented by the Entity Funded by development partners and/ or the Government.

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

Status of Project Completion

S/No	Project Name	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix IV: Transfers from Other Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Reserve	Deferre d Income	Receivable s	Others - must be specific	
County government of Uasin Gishu		Recurrent	930,000	930,000					930,000
		Development	30,070,000						30,070,000
Total			31,000,000						31,000,000

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Appendix V- Inter-Entity Confirmation Letter


Name of transferring entity:.....COUNTY GOVT OF UASIN GISHU.....

Name of beneficiary entity:....INUA BIASHARA FUND.....


Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
RTGSRT241900ZMP	8/7/2024	300,000	9,700,000	10,000,000	
RTGSFT2429950CIK	25/10/2024	330,000	10,670,000	11,000,000	
RTGSFT250700L915	11/3/2025	300,000	9,700,000	10,000,000	
Total		930,000	30,070,000	31,000,000	

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

Head of Accounts Department - Disbursing Entity:

Name ...MARTIN MUTAI..... Sign  Date 3/9/25

Head of Accounts Department - Beneficiary Entity:

Name ...JOANNE MUTAI..... Sign  Date 3/9/2025

COUNTY GOVERNMENT OF
 UASIN GISHU
 03 SEP 2025
 INUA BIASHARA FUND MANAGER
 P. O. Box 40-30100, ELDORET

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Appendix VI: Reporting of Climate Relevant Expenditures

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

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Appendix VII: Reporting on Disaster Management Expenditure

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

