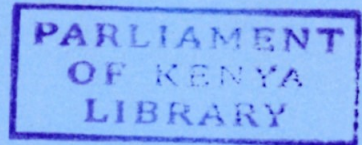


REPUBLIC OF KENYA



Enhancing Accountability

REPORT




OF

THE AUDITOR-GENERAL

ON

**KENYA PLANT HEALTH INSPECTORATE
SERVICES MORTGAGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

| | |
|---|-----------------|
|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 10 MAR 2026 | DAY: TUESDAY |
| FILED BY: HON. OKIEN BAYA, MP | |
| FILED AT: CHRISTINE NDIRITU | |



KENYA PLANT HEALTH INSPECTORATE SERVICE MORTGAGE FUND/SCHEME

**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)**

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*KEPHIS Mortgage Fund
Annual Report and Financial Statements For the year ended 30th June 2025*

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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|-------|--|
| CEO | Chief Executive Officer |
| DG | Director General |
| CBK | Central Bank of Kenya |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| KCB | Kenya Commercial Bank |
| MD | Managing Director |
| NT | National Treasury |
| OCOB | Office of the Controller of Budget |
| OAG | Office of the Auditor General |
| 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 |
| S&L | Savings and Loans |

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Fund information and management

a) Background information

KEPHIS Mortgage Fund was established and derives its authority and accountability from the State Corporations Act CAP 446 Section 5(4) on 19th May 2009, as well as SRC regulations Ref. No. SRC/ADM/CIR/1/13 Vol. III (128). The Fund is entirely owned by KEPHIS and is based in Kenya. The Fund commenced operations with an initial contribution of KShs. 60M into the scheme.

KEPHIS entered into the agreement with S&L (Now KCB Group) to formalize this arrangement through a contract signed on 19th May 2009. The agreement was amended in 2021.

b) Principal Activities

The primary objective of the Fund is to offer staff access to cost-effective loans aimed at facilitating the acquisition and ownership of residential property. The administration of the Fund is managed by the Fund Administrator, KCB S&L. A committee has been established to handle the processing of loans from applicants in line with established regulations, to create a revolving Fund for loan disbursement, and to oversee the daily operations of the Fund.

The fund administrator oversees the daily operations.

c) Board of Trustees/Fund Administration Committee

The fund administration committee members who held office during the financial year ended 30th June 2025 were:

| SN | Position | Name |
|-----------|-----------------|---------------------------|
| 1 | Chairperson | Prof. Theophilus M. Mutui |
| 2 | Member | CPA Nancy N. Ndumia |
| 3 | Member | Ms. Faith Kaluai |
| 4 | Member | CPA Bartonjo Cheptarus |
| 4 | Secretary | Mr. Bernard Kiilu |

Key Fund and Information Management (Continued)

d) Key Management

| SN | Position | Name |
|-----------|--------------------|---------------------------|
| 1 | Fund Chairperson | Prof. Theophilus M. Mutui |
| 2 | Fund Administrator | CPA Nancy N. Ndumia |
| 3 | Fund Secretary | Bernard Kiilu |
| 4 | Fund Accountant | Bartonjo Cheptarus |

e) Fiduciary Oversight Arrangements

| SN | Position | Name |
|-----------|-----------------------------------|-----------------------------------|
| 1 | Directorate Internal Audit | CPA David Kagoithe |
| 2 | Staff Mortgage Advisory Committee | Human Resource Advisory Committee |

f) Registered Offices

KEPHIS HQTS Complex
Oloolua Ridge, Karen
P.O. Box 49592 -00100
NAIROBI, KENYA

g) Fund Contacts

Telephone: 0206618000/0709891000
E-mail: director@kephis.org
Website: www.kephis.org

h) Fund Bankers

Kenya Commercial Bank Ltd
P.O Box 7206 00100
NAIROBI, KENYA

Key Fund and Information 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

3. The Board of Trustees/ Fund Administration Committee

The Fund is administered by KCB S& L. Key Management Team members presented below also serve as members of the Mortgage Scheme Committee.

4. Management Team/Fund Administration Committee

Prof. Theophilus M. Mutui (Ph.D.) – Managing Director



Prof. Theophilus M. Mutui, holds a PhD in Horticultural Sciences from Leibniz University of Hannover, Germany. He did his post-doctorate studies at the University of Georgia, Athens in the USA, and the United States Department of Agriculture (USDA) in Maryland under a fellowship from the International Atomic Energy Agency (IAEA). Prof. Mutui is the International Plant Protection Convention (IPPC) official contact point for the Republic of Kenya. He is also the Representative of Kenya to the Council of the International Union for the Protection of New Varieties of Plants (UPOV) as well as in the Organization for Economic Co-operation and Development (OECD) Fruit and Vegetables Schemes and OECD Seed Schemes. He has over 30 years of experience, having previously worked at the National Biosafety Authority (NBA) as the Acting Director, Technical Services. At NBA, he was involved in establishing networks and partnerships with government entities, the private sector and development partners that were favorable to the Authority.

Prof. Mutui was previously the Country Coordinator for Better Training for Safer Food (BTSF) Programme for DG-SANCO for the European Union (EU) and a member of the National Food Safety Coordinating Committee. He has a wealth of experience in research, consultancy and teaching. He is a member in good standing of many local and International professional societies such as the International Society for Biosafety Research (ISBR), International Society of Horticultural Sciences (ISHS), Horticultural Association of Kenya (HAK) and a member of Kenya DAAD Scholars Association (KDSA). Prof. Mutui has widely published in international refereed journals and he is regularly invited as a guest speaker in international scientific conferences.

Ms. Nancy Ndumia - Director of Corporate Services



Ms. Ndumia joined KEPHIS in June 2024 as the Director, Corporate Services. She is an accomplished management executive with over 15 years' experience and a proven track record of enhancing financial performance and operational efficiency in diverse business environments.

She holds a Master's in Business Administration from the University of Sunderland (UK) and a Bachelor's Degree in Commerce (Finance Option) from the University of Nairobi.

She is also a Certified Public Accountant and is a member of the Institute of Certified Public Accountants, Kenya (ICPAK).

Ms. Faith Kaluai - Corporation Secretary & Director Legal Services



Ms. Faith Kaluai joined KEPHIS in July 2024 as Director Legal Services and Corporation Secretary. She has 14 years' experience having worked in the public sector with various state organs. She holds an LLB from Moi University, a Master's degree from Kenyatta University, and a Higher Diploma in Human Resource Management. She has vast experience in Labour Law, Policy Development, Contract Management and Risk Management. She is an Advocate of the High Court of Kenya, Certified Public Secretary CPS (K), Certified Governance Auditor and a Certified Professional Mediator CPM

(MTI).

Mr. Bartonjo Cheptarus- Deputy Director Finance and Accounts



Since joining KEPHIS in 2002, Mr. Bartonjo has held the positions of Head of Audit and Head of Finance. He graduated from the University of Nairobi with a Bachelor of Commerce (Finance Option) degree. He is a member of the Institute of Certified Public Accountants, Kenya (ICPAK) and holds a CPA certification.

Mr. Bernard Kiilu – Deputy Director Human Capital



Mr. Bernard M. Kiilu is the Deputy Director and Head of Human Resources at the Kenya Plant Health Inspectorate Service (KEPHIS), with over 20 years of experience in strategic HR management, organizational development, and leadership. He has successfully led transformative HR initiatives that have improved institutional performance, strengthened employee engagement, and fostered a culture of accountability. Bernard holds a Master's degree in Human Resource and Strategic Management and brings expertise in talent management, policy formulation, change management, industrial relations, and leadership development. He is a member of the Institute of Human Resource Management (IHRM) and serves as Vice Chairman of the Africa Public Sector Human Resource Practitioners Network, Kenya Chapter.

5. Chairman's Report

This report presents a comprehensive overview of the performance of the KEPHIS Staff Mortgage Fund over the past fiscal year, highlighting key achievements, emerging challenges, and strategic initiatives aimed at strengthening the program. The fund plays a pivotal role in enhancing staff welfare by facilitating access to affordable housing—thereby promoting financial security and overall well-being.

1. Performance Summary

- **Fund Utilization**

Since its inception in 2009, the fund has disbursed a cumulative total of over KES 90 million to 27 employees through a revolving credit arrangement. As of the reporting period, the utilization rate stands at 100%, reflecting high demand and effective uptake across the organization.

- **Repayment Status**

The repayment rate remains at a perfect 100%, with zero defaults recorded. Risk mitigation measures embedded in the mortgage agreement with KCB ensure that default liabilities are transferred to the bank, thereby protecting the integrity of the initial deposit made by KEPHIS.

2. Key Challenges

- **Inadequate Funding**

The current capital allocation of KES 62 million is insufficient to meet the housing needs of over 450 employees. The optimal fund level is estimated at KES 200 million. Going forward the Sponsor is committed to pursuing additional funding as the financial outlook improves.

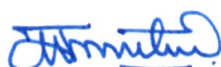
3. Strategic Initiatives

- **Capital Expansion Plan**

The KEPHIS Board has approved a phased capital expansion over a seven-year period, subject to the availability of funds. This move is intended to scale the program and extend housing support to more employees. The implementation of the capital enhancement is expected to commence in the FY 2025-26.

4. Conclusion

The Staff Mortgage Fund continues to serve as a strategic asset in promoting employee welfare through housing support. Sustained repayment performance and strong utilization metrics affirm its effectiveness. By addressing current challenges and executing forward-looking initiatives, KEPHIS remains committed to strengthening the fund's impact and ensuring its long-term sustainability.



PROF. THEOPHILUS M. MUTUI, PHD
CHAIRMAN – FUND ADMINISTRATION COMMITTEE

6. Report of the Fund Administrator

KEPHIS Staff Mortgage Fund: Empowering Home Ownership Since 2009

Established in 2009 with an initial capital injection of KES 60 million, the KEPHIS Staff Mortgage Fund continues to serve as a cornerstone of staff welfare and empowerment. Administered by Kenya Commercial Bank (KCB), the Fund was designed to facilitate access to affordable housing for KEPHIS employees—an objective it has consistently fulfilled albeit the limited capital.

Resilience Amid Demand Pressures

Despite periodic funding constraints relative to staff demand, the Fund has demonstrated remarkable resilience and operational effectiveness. Its structure includes a risk-sharing arrangement with KCB, under which the bank assumes liability for any loan defaults. This strategic design has safeguarded the Fund’s sustainability and ensured uninterrupted service delivery.

100% Repayment Record

A key highlight of the Fund’s performance is its unblemished repayment history. Since inception, the Fund has maintained a 100% repayment rate, with no recorded defaults. This achievement has enabled the continuous revolving of resources, thereby expanding access to mortgage support for a growing number of staff members.

Government Support & Strategic Impact

We extend our sincere appreciation to the Government of Kenya for its sustained support, which has significantly enhanced the Fund’s capacity to deliver on its mandate. Through this partnership, many staff members have transitioned from tenants to proud homeowners—contributing to national housing goals and personal financial stability.

Sustained Viability & Future Outlook

The Fund remains a viable and thriving financial instrument, well-positioned to continue serving KEPHIS staff in the years ahead. Its strong governance and positive performance affirm its status as a *going concern with* enduring relevance. There is however urgent need to inject additional funds into the scheme to enable it meet increasing demand for loans.

Signed: *Ndumia*

Date: *25th August 2025*

CPA NANCY NDUMIA
FUND ADMINISTRATOR

7. Statement of Performance Against Predetermined Objectives

Predetermined Objectives for the **KEPHIS Staff Mortgage Scheme Fund**, tailored for inclusion in the financial statements and aligned with Section 81(2)(f) of the PFM Act:

The Fund’s performance was guided by two strategic pillars outlined in the current Strategic Plan (FY2021/22–FY2024/25). Annual work plans were developed in alignment with these pillars, and quarterly assessments were conducted to monitor progress. The Fund successfully met its performance targets for the year, as detailed below:

Strategic Pillars and Performance Overview

| Strategic Pillar/Theme | Objective | Key Performance Indicators | Activities | Achievements |
|---|--|---|---|--|
| 1. Staff Welfare and Empowerment | Facilitate access to affordable housing for KEPHIS staff | <ul style="list-style-type: none"> - Number of loans issued - Repayment rate - Number of Pending Loans | <ul style="list-style-type: none"> - Process mortgage applications - Conduct staff sensitization forums - Monitor repayment trends - Submit quarterly reports | <ul style="list-style-type: none"> - 27 loans issued totalling KES 90.2 M - 100% repayment rate - 3 against target of 0 |
| 2. Governance and Compliance | Ensure adherence to statutory and institutional frameworks | <ul style="list-style-type: none"> - Audit compliance - Timeliness of reporting - Policy reviews | <ul style="list-style-type: none"> - Conduct internal audits - Update mortgage policy instruments | <ul style="list-style-type: none"> - Full compliance with PFM Act - No audit queries - Policy updated in May 2025 |

Link to Performance Contracts

The achievements under each strategic pillar were tied to institutional performance as reflected by the Sponsor’s commitment to enhance the Scheme’s funding.

8. Corporate Governance Statement

Governance Framework of the KEPHIS Staff Mortgage Fund

The KEPHIS Staff Mortgage Fund operates under a robust governance framework that ensures transparency, accountability, and institutional alignment with expectations. Its administration reflects the principles outlined in the following key instruments:

- Public Finance Management (PFM) Act
- State Corporations Act CAP 446 Section 5(4)
- Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/ADM/CIR/1/13
- Mortgage Agreement between KEPHIS and KCB
- KEPHIS Human Resource Policy Instruments

This multifaceted compliance structure provides the foundation for ethical and efficient Fund operations, safeguarding both organizational interests and employee welfare.

Oversight and Strategic Monitoring

Governance of the Fund is strengthened through multi-tiered oversight mechanisms:

- Key Management Staff undertake routine monitoring of the Scheme's performance. This is done through detailed quarterly reports submitted by the appointed Scheme Administrator (Kenya Commercial Bank), who manages the day-to-day operations and loan processing.
- The KEPHIS Board of Directors exercises strategic oversight and policy direction, ensuring that the Scheme remains aligned with the organization's broader human capital objectives and national housing goals.

Staff Engagement and Mortgage Approval Process

The Fund maintains a participatory governance model that incorporates employee views:

- The Human Resource Advisory Committee, together with the Managing Director, reviews staff concerns related to the mortgage scheme, recommending policy adjustments or support interventions as needed.
- Mortgage loan applications are submitted to the Managing Director, who exercises approval authority before forwarding requests to the Scheme Administrator for processing. This dual-layer vetting process reinforces risk mitigation and procedural integrity.

Assurance of Institutional Integrity

Through this layered governance and approval structure, the Fund ensures:

- Compliance with financial and human resource regulations
- Protection of institutional resources and employee interests
- Continuous improvement via routine feedback and performance monitoring

Together, these elements affirm the Fund's commitment to operational excellence, ethical stewardship, and sustainable staff empowerment.

9. Management Discussion and Analysis

During the fiscal year under review, the KEPHIS Staff Mortgage Fund demonstrated continued growth in uptake and responsiveness to employee demand. Key financial indicators are summarized as follows:

| | 2024/2025 | 2023/2024 |
|---|-------------------|-------------------|
| Total Fund Value in KShs | 62,242,903 | 62,205,659 |
| Mortgage Loans Balance in KShs. | 60,580,103 | 54,422,312 |
| New Disbursements in KShs. | 11,934,217 | 6,000,000 |
| Total Repayments in KShs. | 5,740,157 | 5,225,086 |
| New Applicants Served | 3 | 1 |
| Number of Mortgage Holders During the Year | 18 | 15 |
| Number of Cleared Loans during the Year | 2 | 1 |

The total fund value closed at KShs. 62.2 million, out of which KShs. 60.6M was in form of loans, representing a 97% utilization rate. This reflects sustained demand and effective resource deployment. New disbursements rose by 99% compared to the prior year, signalling increased uptake facilitated by awareness initiatives and growing staff interest.

However, the value of pending loan applications as of year-end stood at KShs. 29 million—clearly indicating unmet demand and reinforcing the need for additional capital infusion. The number of active mortgage holders increased to 18, while cleared loans doubled from the previous period.

The Fund continues to benefit from strong governance and adherence to accountability standards. The mortgage agreement with Kenya Commercial Bank provides a built-in safeguard against default risk, which is contractually transferred to the Bank. Notably, the Fund has maintained a zero-default record since inception.

The reporting period saw a marked rise in mortgage-related inquiries, largely from new staff and heightened awareness of the Scheme. Despite this promising trend, conversion of intent into actual mortgage applications remains constrained by limited funding. Although the KEPHIS Board has approved a phased increase of the Fund to KShs. 200 million over seven years, implementation is expected from 2025/26FY onwards.

10. Environmental And Sustainability Reporting

The KEPHIS Staff Mortgage Fund remains steadfast in its pursuit of sustainability, balancing financial performance with environmental stewardship, employee welfare, and community impact. Through strategic governance, ethical practices, and inclusive programming, the Fund continues to deliver value to its stakeholders while contributing meaningfully to Kenya's sustainable development agenda.

1. Sustainability Strategy and Profile

The KEPHIS Staff Mortgage Fund is committed to embedding sustainability into its operational ethos, governance structures, and stakeholder engagements. Our strategy aligns with Kenya's government's agenda on housing and policy encapsulated in SRC Circulars.

Strategic Sustainability Objectives:

- Promote environmentally responsible lending practices
- Foster employee well-being through housing and welfare initiatives
- Uphold ethical standards in marketplace interactions
- Advance community development through targeted CSR programs

Sustainability Integration Framework:

- Governance: Oversight by the Fund Administration Committee and KEPHIS Board.
- Operations: Carbon-neutral fund administration with digital-first processes.
- Monitoring: Quarterly reporting on fund sustainability KPIs.
- Partnerships: Collaboration with KCB which also upholds ESG principles.

2. Environmental Performance

KEPHIS Staff Mortgage Fund recognizes its role in promoting ecological stewardship through responsible fund management and operational practices.

Key Environmental Highlights:

- **Carbon Neutral Operations:** All fund activities during the reporting period were conducted with zero greenhouse gas emissions.
- **Paperless Processing:** Transition to digital mortgage application workflows is expected to reduce paper usage.
- **Tree Planting Drives:** Over 500 indigenous trees planted by fund members in collaboration with local communities and KEPHIS HQ.
- **Energy Efficiency:** The fund administration utilized energy-saving lighting and equipment, contributing to reduced electricity consumption.

These initiatives reflect our commitment to climate resilience and environmental accountability.

3. Employee Welfare

The Fund continues to serve as a strategic instrument for enhancing staff welfare, particularly in the domain of housing and financial security.

Welfare Achievements:

-
- **Affordable Housing Access:** 27 employees benefited from mortgage loans totalling KES 90.2 million.
 - **Zero Default Rate:** Sustained 100% repayment performance, affirming financial discipline and support structures.
 - **Staff Sensitization Forums:** KEPHS staff are periodically sensitized on mortgage during meetings
 - **Inclusive Access:** New staff members actively engaged, with 3 new applicants serviced during the year.

These outcomes reinforce the Fund's role in promoting dignity, stability, and empowerment among KEPHIS staff.

4. Marketplace Practices

The Fund upholds high standards of transparency, fairness, and ethical conduct in its dealings with stakeholders and service providers.

Marketplace Integrity Measures:

- **Transparent Loan Processing:** All applications vetted through a dual-layer approval system involving HR and Fund Administrator.
- **Risk-Sharing Agreement:** Strategic partnership with KCB ensures default liabilities are absorbed by the bank, safeguarding fund assets.
- **Policy Updates:** Mortgage policy instruments reviewed and updated in 2019 to reflect evolving market dynamics and regulatory expectations.
- **Timely Reporting:** Quarterly performance and compliance reports submitted by KCB.

These practices ensure trust, accountability, and operational excellence in fund administration.

5. Corporate Social Responsibility & Community Engagement

KEPHIS Staff Mortgage Fund actively contributes to societal well-being through targeted CSR initiatives and community partnerships.

CSR Highlights:

- **Community Tree Planting:** Joint initiatives with local schools and youth groups to promote environmental awareness and reforestation. In support of the national policy to increase forest cover,
- **Fund members actively participated in tree planting activities** throughout the fiscal year. These efforts not only contribute to climate resilience but also foster community engagement and ecological restoration.
- **Volunteerism:** Fund members participated in local clean-up drives and mentorship programs for youth in Karen and surrounding areas.
- **Support for National Goals:** The Fund's housing initiatives align with Kenya's Affordable Housing Agenda and SDG 11 (Sustainable Cities and Communities).

These engagements reflect our commitment to shared prosperity and responsible citizenship.

11. Report of The Trustees/ Fund Administration Committee

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

Principal activities

The principal activities of the Fund are to facilitate access to mortgage loans for home ownership by KEPHIS staff

Performance

The performance of the Fund for the year ended June 30, 2025, is set out on page 4 to 27

Trustees

The members of the Fund Administration Committee who served during the year are shown on page Vii to Viii.

Auditors

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

By Order of the Board



.....

CHAIRPERSON, FUND ADMINISTRATION COMMITTEE

12. Statement of Management's Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

KEPHIS Mortgage Fund
Annual Report and Financial Statements For the year ended 30th June 2025

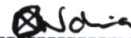
Approval of the financial statements

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



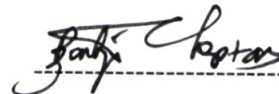
Prof. Theophilus M. Mutui
(PHD)

Chairperson of the Fund



CPA Nancy Ndumia

Administrator of the
Fund



CPA Bartonjo Cheptarus

Deputy Director Finance &
Accounts

ICPAK M/No. 4391

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYA PLANT HEALTH INSPECTORATE SERVICES MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Plant Health Inspectorate Services Mortgage Fund set out on pages 1 to 26, which comprise of the statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Plant Health Inspectorate Services Mortgage Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with Kenya Plant Health Inspectorate Service Act, 2012, Salaries and Remuneration Commission Circular SRC/ADM/CIR/1/13 Vol. III (128) and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Plant Health Inspectorate Services Mortgage 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 opinion.

Key Audit Matters

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

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Irregular Interest Rate Charged on Mortgage

Review of the contract agreement between Kenya Plant Health Inspectorate Service and Savings and Loan Kenya Limited on employee's special housing Fund dated 19 May, 2009 clause 8 indicates that interest on loans shall be charged at 6% per annum on reducing balance. Further, the first addendum to the employees special housing Fund between KCB Bank Kenya Limited (KCB_ and Kenya Plant Inspectorate Service (KEPHIS) dated 21 May, 2021 directed the deletion of the interest rate of 6% p.a. and replacing the same with 4% p.a. This was contrary to Part 6 of the SRC/ADM/CIR/1/13 Vol. III (128) which states that the rate of interest applicable to both the car loan and mortgage fund shall be three (3%) per annum on a reducing balance for the duration of the loan.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Auditor-General's Responsibilities for the Audit


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

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

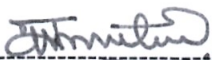
Nairobi

11 December, 2025

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

| Description | Note | FY2024/25 | FY2023/24 |
|---|------|------------------|---------------|
| | | KShs. | KShs. |
| Revenue from non-exchange transactions | | | |
| Transfers from Parent Ministry/ SC/SAGA | | | - |
| | | | - |
| Revenue from exchange transactions | | | |
| Interest income | 6 | 2,061,176 | 43,092 |
| Other income | 7 | 54,250 | - |
| | | 2,115,426 | 43,092 |
| Total revenue | | 2,115,426 | 43,092 |
| Expenses | | | |
| Employee costs | | | |
| Use of goods and services | 8 | 2,078,183 | 2,130 |
| Depreciation and amortization expense | | | - |
| Finance costs | | | - |
| Total expenses | | 2,078,183 | 2,130 |
| Other gains/losses | | | |
| Gain/loss on disposal of assets | | - | - |
| Surplus/(deficit) before tax | | 37,243 | 40,962 |
| Taxation | | - | - |
| Surplus/Deficit after Tax | | 37,243 | 40,962 |

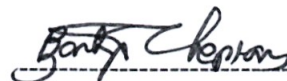
The Fund financial statements were approved on 25th August 2025 and signed by:



Prof. Theophilus M. Mutui (PHD)
Chairperson of the Fund



CPA Nancy Ndumia
Administrator of the Fund



CPA Bartonjo Cheptarus
Deputy Director Finance & Accounts

ICPAK M/No. 4391

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

| Description | Note | FY2024/25 | 2023/24 FY (Restated) |
|--|------|-------------------|--------------------------|
| | | Kshs. | Kshs. |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 9 | 1,662,800 | 7,783,347 |
| Receivables from exchange transactions | 10 | 5,189,316 | 5,333,486 |
| Receivables from non-exchange transactions | | - | - |
| Prepayments | | - | - |
| Inventory | | - | - |
| Total Current Assets | | 6,852,116 | 13,116,834 |
| Non-current assets | | | |
| Receivables from exchange transactions | 10 | 55,390,787 | 49,088,826 |
| Property, plant, and equipment | | - | - |
| Intangible assets | | - | - |
| Total Non-Current Assets | | 55,390,787 | 49,088,826 |
| Total assets | | 62,242,903 | 62,205,660 |
| Liabilities | | | |
| Trade and other payables | | - | - |
| Total Current Liabilities | | - | - |
| Total liabilities | | - | - |
| Net assets | | | |
| Mortgage revolving fund | | 60,000,000 | 60,000,000 |
| Accumulated surplus (<i>Reserves</i>) | | 2,242,903 | 2,205,660 |
| Total net assets and liabilities | | 62,242,903 | 62,205,660 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

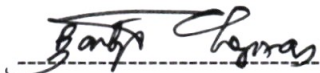
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Fund



CPA Bartonjo Cheptarus
Deputy Director Finance
& Accounts
ICPAK M/No. 4391

*KEPHIS Mortgage Fund
Annual Report and Financial Statements For the year ended 30th June 2025*

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

| Description | Mortgage Fund | Accumulated surplus | Total |
|----------------------------------|----------------------|----------------------------|-------------------|
| | Kshs. | Kshs. | Kshs. |
| As at 30 June 2023 | 60,000,000 | 2,164,697 | 62,164,697 |
| Surplus/(deficit) for the period | - | 40,962 | 40,962 |
| Funds received during the year | - | - | - |
| Transfers | - | - | - |
| As at 30 June 2024 | 60,000,000 | 2,205,660 | 62,205,660 |
| As at 30 June 2024 | 60,000,000 | 2,205,660 | 62,205,660 |
| Surplus/(deficit) for the period | - | 37,243 | 37,243 |
| Funds received during the year | - | - | - |
| Transfers | - | - | - |
| As at 30 June 2025 | 60,000,000 | 2,242,903 | 62,242,903 |

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

| Description | Note | 2024/25 | 2023/24 |
|---|----------|--------------------|------------------|
| | | Kshs. | Kshs. |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from Parent Ministry/ SC/SAGA | | - | - |
| Interest received | | 2,115,426 | 43,092 |
| Other income | | - | - |
| Total receipts | | 2,115,426 | 43,092 |
| Payments | | | |
| Employee costs | | - | - |
| Use of goods and services | | 2,078,183 | 2,130 |
| Finance cost | | - | - |
| Total payments | | 2,078,183 | 2,130 |
| Net cash flow from operating activities | | 37,243 | 40,962 |
| Cash flows from investing activities | | | |
| Purchase of PPE and intangible assets | | | - |
| Proceeds from sale of PPE | | | - |
| Proceeds from loan principal repayments | | 5,776,426 | 5,225,086 |
| Loan disbursements paid out | | (11,934,217) | (6,000,000) |
| Net cash flows used in investing activities | | (6,157,791) | (774,914) |
| Cash flows from financing activities | | | |
| Receipts into the mortgage revolving fund | | - | - |
| Net cash flows used in financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | (6,120,548) | (733,952) |
| Cash and cash equivalents at 1 July | 9 | 7,783,347 | 8,517,299 |
| Cash and cash equivalents at 30 June | 9 | 1,662,800 | 7,783,347 |

18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2024

| Description | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Performance difference | % of utilization |
|-------------------------------|------------------|-------------|------------------|----------------------------|------------------------|------------------|
| | Kshs. | | | Kshs. | Kshs. | |
| | a | | | b | c=(a-b) | d=a/c |
| Revenue | | | | | | |
| Interest income | 2,100,000 | | 2,100,000 | 2,061,176 | (6,692) | -15% |
| Other income | 50,000 | | 50,000 | 54,250 | - | 0% |
| Total Revenue | 2,150,000 | | 2,150,000 | 2,115,426 | (6,692) | -15% |
| | | | | | | |
| Expenses | | | | | | 0% |
| Use of goods and services | 2,150,000 | | 2,150,000 | 2,078,183 | 1,235 | 54% |
| Expenditure | 2,150,000 | | 2,150,000 | 2,078,183 | 1,235 | 54% |
| Surplus for the period | - | | | 37,243 | (7,927) | -19% |

Budget Reconciliation

| Description of Particulars | | Amount in Kshs |
|----------------------------|---|----------------|
| | Actual Surplus Amounts as per the statement of Budget | 37,243 |
| 1 | Cash and cash equivalents at 1 July | 7,783,347 |
| 2 | Proceeds from loan principal repayments | 5,776,426 |
| 3 | Loan disbursements paid out | (11,934,217) |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | 1,662,800 |

19. Notes to the Financial Statements

1. General Information

KEPHIS Mortgage Fund is established by and derives its authority and accountability from PFM Act and State Corporations Act CAP 446 Section 5(4). The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to provide affordable loans to staff for home property ownership.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*. The financial statements have been prepared in accordance with the PFM ACT, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption Of New and Revised Standards

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

There are no new standards effective in the FY.

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

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43: Leases | <p>Applicable 1st January 2025</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> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p>Applicable 1st January 2025</p> <p>The Standard requires, assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |
| IPSAS 45: Property Plant and Equipment | <p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17, in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> |

| | |
|---|---|
| | <i>This standard is currently not affecting the Fund's financials.</i> |
| 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> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |
| IPSAS 47: Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This standard is currently not affecting the Fund's financials.</i></p> |

| | |
|--|--|
| <p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p> | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This standard is currently not affecting the Fund’s financials.</i></p> |
|--|--|

iii. Early adoption of standards

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

4. 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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

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 for each period.

Dividends

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

Rental income

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

b. Budget information

The original budget for FY 2024/25 was approved in 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget. The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification 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 as per the statement of financial performance has been presented under section 18 of these financial statements.

c. Property, plant, and equipment (PPE)

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

d. 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.

e. 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 investment property is measured at fair value with gains and losses recognised through surplus or deficit.* 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.

f. Financial instruments

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

I. Financial assets

Classification of financial assets

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

Subsequent measurement

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

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 10*.

II. Financial liabilities

Classification

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

g. Contingent liabilities

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

h. Contingent assets

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

i. Nature and purpose of reserves

The Fund creates and maintains reserves in terms of specific requirements. The mortgage revolving fund reserve is the core capital which is used to lend loans to

j. Changes in accounting policies and estimates

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

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. Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/Trustee, the Fund Managers, and Fund Accountant.

m. 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 at KCB at the end of the financial year.

n. Comparative figures

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

o. Events after the reporting period

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

p. Ultimate and Holding Fund

The Fund is established under Section 24 (4) PFM Act under KEPHIS. Its ultimate parent is the Government of Kenya.

q. Currency

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

5. Significant judgments and sources of estimation uncertainty

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

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. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Key assumptions adopted are:

1. Receivables is allocated between current and long-term categories through estimation based on current repayment rates.
2. The current zero-default rate is assumed to continue to prevail into the future.

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:

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

Notes to the Financial Statements

6. Interest income

| Description | <i>FY2024/25</i> | <i>2023/24 FY</i> |
|--|------------------|-------------------|
| | Kshs. | Kshs. |
| Interest Income from Mortgage Loans | 2,022,868 | - |
| Interest Income from Car Loans | - | - |
| Interest Income from Investments in financial assets | - | - |
| Interest Income on Bank Deposits | 38,308 | 43,092 |
| Other (<i>Specify</i>) | | - |
| Total Interest Income | 2,061,176 | 43,092 |

7. Other Income

| Description | <i>FY2024/25</i> | <i>2023/24 FY</i> |
|--------------------------------------|------------------|-------------------|
| | Kshs. | Kshs. |
| Insurance recoveries | - | - |
| Income from Sale of Tender documents | - | - |
| Bad debts recovered | - | - |
| Miscellaneous income (Ledger Fee) | 54,250 | - |
| Total Other income | 54,250 | - |

8. Use of Goods and Services

| Description | <i>FY2024/25</i> | <i>2023/24 FY</i> |
|-----------------------------------|------------------|-------------------|
| | Kshs. | Kshs. |
| Loan processing costs | - | - |
| General office expenses | - | - |
| Professional services costs | - | - |
| Administration fees | 2,077,118 | - |
| Committee allowances | - | - |
| Printing and Stationery | - | - |
| Telephone a communication expense | - | - |
| Bank charges | 1,065 | 2,130 |
| Audit fees | - | - |
| Provision for Doubtful Debts | - | - |
| Other (<i>Specify</i>) | - | - |
| Total | 2,078,183 | 2,130 |

9. Cash and cash equivalents

| Description | Account Number | FY2024/25 | 2023/24 FY |
|--|----------------|------------------|------------------|
| | | Kshs. | Kshs. |
| Mortgage Fund Account -KCB | 1112482717 | 2,524 | 11,391 |
| Fixed Deposits Account - KCB | MM1714569478 | 1,297,329 | 6,081,944 |
| Fixed Deposits Account -KCB | MM211910F6ZT | 362,947 | 1,690,012 |
| On – Call Deposits | | - | - |
| Current Account | | - | - |
| Others (<i>Specify</i>) | | - | - |
| Total Cash and Cash equivalents | | 1,662,800 | 7,783,347 |

10. Receivables from exchange transactions

| Description | FY2024/25 | | 2023/24 FY | |
|---|-------------------|------------------|--------------------|------------------|
| | Kshs. | | Kshs. | |
| Current Receivables | - | | - | |
| Interest Receivable | - | | - | |
| Current Loan Repayments Due | 5,189,316 | | 5,333,486 | |
| Other Exchange Debtors | - | | - | |
| Less: Impairment Allowance | - | | - | |
| Total Current Receivables | 5,189,316 | | 5,333,486 | |
| Non-Current Receivables | | | | |
| Long Term Loan Repayments Due | 55,390,787 | | 49,088,826 | |
| Total Non- Current Receivables | 55,390,787 | | 49,088,826 | |
| Total Receivables | 60,580,103 | | 54,422,312 | |
| Ageing analysis (receivable from exchange transaction) | Current FY | %of total | Comparative | %of total |
| Less than 1 year | 5,189,316 | 100% | 54,422,312 | 100% |
| Above 1 Year | 55,390,787 | - | - | - |
| Total | 60,580,103 | 100% | 54,422,312 | 100% |

| Loanee | Loan Balance 30.06.2024 KShs | Disbursement New Loan in 2024/25 KShs | Paid in FY 2024/25 KShs | Loan Balance 30.06.2025 KShs |
|---------------|---|--|--|---|
| 1 | 2,697,105 | - | 421,688 | 2,275,417 |
| 2 | 85,656 | - | 42,961 | 42,695 |
| 3 | 3,775,911 | - | 428,143 | 3,347,768 |
| 4 | 2,493,546 | - | 203,980 | 2,289,566 |
| 5 | 5,917,489 | - | 208,925 | 5,708,565 |
| 6 | 1,267,559 | 3,534,217 | 489,263 | 4,312,513 |
| 7 | - | 5,400,000 | 67,767 | 5,332,233 |
| 8 | 7,321,032 | - | 426,312 | 6,894,721 |
| 9 | 9,304,915 | - | 362,270 | 8,942,645 |
| 10 | 4,447,033 | - | 859,924 | 3,587,109 |
| 11 | 1,288,782 | - | 359,695 | 929,086 |
| 12 | 3,937,211 | - | 382,450 | 3,554,761 |
| 13 | 4,555,693 | - | 290,776 | 4,264,917 |
| 14 | 4,184,651 | - | 257,916 | 3,926,734 |
| 15 | 2,538,521 | - | 311,629 | 2,226,892 |
| 16 | 607,207 | - | 607,207 | - |
| 17 | - | 3,000,000 | 55,519 | 2,944,481 |
| Total | 54,422,312 | 11,934,217 | 5,776,425 | 60,580,103 |

11. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

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

| | Total amount | Fully performing | Past due | Impaired |
|--|---------------------|-------------------------|-----------------|-----------------|
| Description | Kshs. | Kshs. | Kshs. | Kshs. |
| At 30 June 2025 | | | | |
| Receivables From Exchange Transactions-mortgages | 60,580,103 | 60,580,103 | - | - |
| Receivables From Non-Exchange Transactions | - | - | - | - |
| Bank Balances | 2,524 | 2,524 | - | - |
| Total | 60,582,627 | 60,582,627 | - | - |
| At 30 June 2024 | | | | |
| Receivables From Exchange Transactions-mortgages | 54,422,312 | 54,422,312 | - | - |
| Receivables From Non-Exchange Transactions | - | - | - | - |
| Bank Balances | 11,391 | 11,391 | - | - |
| Total | 54,433,703 | 54,433,703 | - | - |

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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has no significant concentration of credit risk.

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|------------------------|-------------------|--------------------|---------------|-------|
| | Kshs. | Kshs. | Kshs. | Kshs. |
| At 30 June 2025 | | | | |
| Trade Payables | - | - | - | - |
| Total | - | - | - | - |
| At 30 June 2024 | | | | |
| Trade Payables | - | - | - | - |
| Total | - | - | - | - |

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund’s Finance Department is responsible for the development of detailed risk management policies (*subject to review and approval by the Audit and Risk Management Committee*) and for the day-to-day implementation of those policies.

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

d) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

The Mortgage Scheme interest rate is pegged at 2% hence not subject to fluctuations. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income is nil since interest is fixed.

e) Capital risk management.

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

| Description | FY2024/25 | 2023/24 FY |
|--|-------------------|-------------------|
| | Kshs. | Kshs. |
| Revolving fund | 60,000,000 | 60,000,000 |
| Accumulated surplus (<i>Reserves</i>) | 2,242,903 | 2,205,659 |
| Total funds | 62,242,903 | 62,205,659 |
| Less: Cash and bank balances | 2,254 | 11,391 |
| Net debt/ (excess cash and cash equivalents) | - | - |
| Gearing | 0% | 0% |

12. Related party balances

a) Nature of related party relationships

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

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc.

b) Related party transactions

i. Transfers from related parties

| Description | FY2024/25 | 2023/24 FY |
|--------------------------------|-----------|------------|
| | Kshs. | Kshs. |
| Transfers from related parties | - | - |

ii. Key management remuneration

| Description | FY2024/25 | 2023/24 FY |
|-----------------------------|-----------|------------|
| | Kshs. | Kshs. |
| Board of Trustees | NA | NA |
| Key Management Compensation | - | - |
| Total | - | - |

13. Events after the Reporting Period

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

14. Ultimate And Holding Entity

The Entity is a Fund under the sponsorship of KEPHIS entity which is a State Corporation

15. Currency

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

Annexes

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|--|
| <p>Report on Lawfulness and Effectiveness in the Use of Public Resources</p> | <p>Irregular Interest Rate Charged on Mortgage Review of the contract agreement between Kenya Plant Health Inspectorate Service and Savings and Loan Kenya Limited on employee’s special housing fund dated 19 May, 2009 clause 8 indicates that interest on loans shall be charged at 6% per annum on reducing balance. Further, the first addendum to the employees special housing Fund between KCB Bank Kenya Limited (KCB) and Kenya Plant Health Inspectorate Service (KEPHIS) dated 21 May, 2021 directed the deletion of the interest rate of 6% p.a. and replacing the same with 4% p.a. In the circumstances, the Mortgage Fund Management was in</p> | <p>It is important to take cognizance of the fact the KEPHIS mortgage scheme agreement with KCB precedes the SRC Circular. As such any adjustments or amendments on the said agreement necessarily involves concurrence of the Bank. The aim of the 2021 amendments was to reduce the interest rate to 3%. The Bank declined to decrease the rate to 3% due to the small size of the scheme. Refer to Bank Response.</p> | <p>Not Resolved. KEPHIS plans to increase the Scheme’s Funding Level</p> | <p>2027</p> |

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| 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) |
|--|--|---------------------|-----------------------------------|--|
| | breach of Salaries and Remuneration Commission regulations Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) Part 6, which states that the rate of interest applicable to both the car loan and mortgage Fund shall be three (3%) per annum on a reducing balance for the duration of the loan. | | | |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

Fund Manager/Accounting Officer

Ndumia

CPA Nancy Ndumia
FUND ADMINISTRATOR

Date... *25th August 2025*

Annex II: Schedules

Interest Earned

| Date | Description | Value Date | Interest Received |
|-------------|---|-------------------|--------------------------|
| 31.07.2024 | Payment of Interest MM1714569478;556 | 31.07.2024 | 4,531 |
| 31.08.2024 | Payment of Interest MM1714569478;561 | 31.08.2024 | 4,849 |
| 30.09.2024 | Payment of Interest MM1714569478;566 | 30.09.2024 | 4,692 |
| 31.10.2024 | Payment of Interest MM1714569478;575 | 31.10.2024 | 5,757 |
| 30.11.2024 | Payment of Interest MM1714569478;582 | 30.11.2024 | 5,705 |
| 31.12.2024 | Payment of Interest MM1714569478;587 | 31.12.2024 | 2,620 |
| 31.01.2025 | Payment of Interest MM1714569478;593 | 31.01.2025 | 2,625 |
| 29.02.2025 | Payment of Interest MM1714569478;598 | 29.02.2025 | 2,375 |
| 31.03.2025 | Payment of Interest MM1714569478;603 | 31.03.2025 | 2,630 |
| 30.04.2025 | Payment of Interest MM1714569478;618 | 30.04.2025 | 2,060 |
| 31.05.2025 | Payment of Interest MM1714569478;623 | 31.05.2025 | 236 |
| 30.06.2025 | Payment of Interest MM1714569478;628 | 30.06.2025 | 228 |
| | | | 38,308 |

Loan Disbursements and Repayments

| Loanee | Loan Balance 30.06.2024 KShs | Disbursement New Loan in 2024/25 KShs | Paid in FY 2024/25 KShs | Loan Balance 30.06.2025 KShs |
|---------------|---|--|--|---|
| 1 | 2,697,105 | - | 421,688 | 2,275,417 |
| 2 | 85,656 | - | 42,961 | 42,695 |
| 3 | 3,775,911 | - | 428,143 | 3,347,768 |
| 4 | 2,493,546 | - | 203,980 | 2,289,566 |
| 5 | 5,917,489 | - | 208,925 | 5,708,565 |
| 6 | 1,267,559 | 3,534,217 | 489,263 | 4,312,513 |
| 7 | - | 5,400,000 | 67,767 | 5,332,233 |
| 8 | 7,321,032 | - | 426,312 | 6,894,721 |
| 9 | 9,304,915 | - | 362,270 | 8,942,645 |
| 10 | 4,447,033 | - | 859,924 | 3,587,109 |
| 11 | 1,288,782 | - | 359,695 | 929,086 |
| 12 | 3,937,211 | - | 382,450 | 3,554,761 |
| 13 | 4,555,693 | - | 290,776 | 4,264,917 |
| 14 | 4,184,651 | - | 257,916 | 3,926,734 |
| 15 | 2,538,521 | - | 311,629 | 2,226,892 |
| 16 | 607,207 | - | 607,207 | - |
| 17 | - | 3,000,000 | 55,519 | 2,944,481 |
| Total | 54,422,312 | 11,934,217 | 5,776,425 | 60,580,103 |

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Loan Balances

| Loanee | Loan Balance 30.06.2024 | New Loan in 2024/25 | July - September | October - December | January - March | April -June | Paid in FY 2024/25 | Loan Balance 30.06.2025 |
|---------------|------------------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------|--------------------|-------------------------------|------------------------------------|
| 1 | 2,697,105 | - | 108,294 | 109,661 | 97,574 | 106,160 | 421,688 | 2,275,417 |
| 2 | 85,656 | - | 22,961 | 20,000 | - | - | 42,961 | 42,695 |
| 3 | 3,775,911 | - | 110,893 | 112,404 | 95,024 | 109,823 | 428,143 | 3,347,768 |
| 4 | 2,493,546 | - | 56,107 | 56,935 | 40,348 | 50,590 | 203,980 | 2,289,566 |
| 5 | 5,917,489 | - | 60,028 | 61,252 | 33,211 | 54,433 | 208,925 | 5,708,565 |
| 6 | 1,267,559 | 3,534,217 | 139,142 | 140,659 | 136,975 | 72,487 | 489,263 | 4,312,513 |
| 7 | - | 5,400,000 | - | - | 21,307 | 46,461 | 67,767 | 5,332,233 |
| 8 | 7,321,032 | - | 117,283 | 119,245 | 86,077 | 103,708 | 426,312 | 6,894,721 |
| 9 | 9,304,915 | - | 104,933 | 106,989 | 64,659 | 85,690 | 362,270 | 8,942,645 |
| 10 | 4,447,033 | - | 217,928 | 220,573 | 202,375 | 219,048 | 859,924 | 3,587,109 |
| 11 | 1,288,782 | - | 92,038 | 93,091 | 88,227 | 86,339 | 359,695 | 929,086 |
| 12 | 3,937,211 | - | 99,970 | 101,391 | 83,062 | 98,027 | 382,450 | 3,554,761 |
| 13 | 4,555,693 | - | 69,121 | 70,300 | 48,542 | 66,545 | 254,508 | 4,264,917 |
| | | | | | | | 36,268 | |
| 14 | 4,184,651 | - | 70,205 | 71,357 | 51,307 | 65,047 | 257,916 | 3,926,734 |
| 15 | 2,538,521 | - | 81,285 | 82,367 | 70,524 | 77,453 | 311,629 | 2,226,892 |
| 16 | 607,207 | - | 607,207 | - | - | - | 607,207 | - |
| 17 | - | 3,000,000 | - | - | - | 55,519 | 55,519 | 2,944,481 |
| | 54,422,312 | 11,934,217 | 1,957,394 | 1,366,223 | 1,119,211 | 1,297,329 | 5,740,157 | 60,580,103 |