

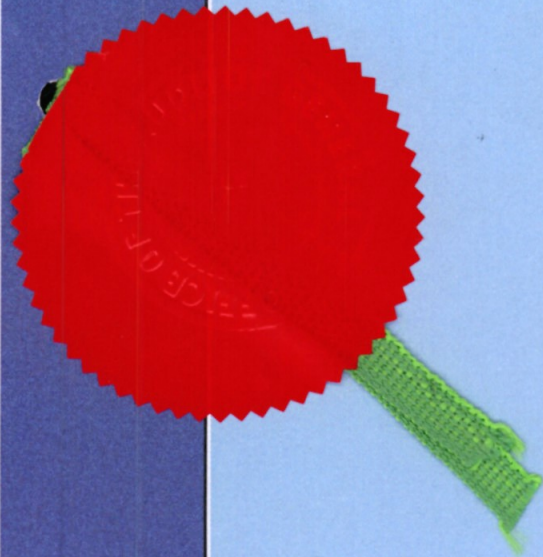
REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – EMBAKASI CENTRAL
CONSTITUENCY**

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 FEB 2026

TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT-THE-TABLE:	FINLAY

DAY: TUESDAY



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

EMBAKASI CENTRAL CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

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National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF EMBAKASI CENTRAL Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	ELIAS MATE
2.	National Sub-County Accountant	JUSTUS MUTUA
3.	Chairman NGCDFC	FRANCIS MAINA
4.	Secretary NGCDFC	NANCY NJERI
5.	Member NG CDFC	CHRISTINE MINAE

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF EMBAKASI CENTRAL Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF EMBAKASI CENTRAL Constituency Headquarters

P.O. Box 871-00518
NG-CDF House
Off Spine Road

(e) NGCDF EMBAKASI CENTRAL Constituency Contacts

Telephone: (254) 715-070-030
E-mail: cdfembakasicentral@ngcdf.go.ke
Website: www.cdfembakasicentral.go.ke

(f) NGCDF EMBAKASI CENTRAL Constituency Bankers

1. Bank A. (Operations Account).

Family Bank A/c No. 061000032809
Kayole Branch
P.O.Box 74145-0020
Nairobi

2. Bank B. (Deposit account).

Family Bank A/c 061000051715
Kayole Branch
P.O.Box 74145-0020
Nairobi.

3. Bank C. (PMC Accounts)

Family Bank
Kayole Branch
P.O.Box 74145-0020
Nairobi

1.	EMABAKASI CENTRAL ENVIRONMENT PMC	061000045210
2.	KAYOLE 1 PRIMARY SCHOOL CLASSROOMS (13)PMC	061000049460
3.	KAYOLE NORTH PRIMARY CLASSROOMS (12) PMC	061000049453
4.	KOMAROCK PRIMARY SCHOOL CLASSROOMS PMC	061000048775
5.	KAYOLE NORTH PRIMARY CLASSROOMS PMC	061000048740
6.	KOMAROCK SOUTH PRIMARY LAB PMC	061000048736
7.	KAYOLE 1 PRIMARY SCHOOL CLASSROOMS	061000048733

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8.	KAYOLE NORTH PRIMARY SCHOOL LAB PMC	061000048731
9.	THE KOMAROCK SCHOOL ABLUTION BLOCK PMC	061000048728
10.	KOMAROCK CHIEF'S OFFICE HIGH MAST PMC	061000039537
11.	KAYOLE POLICE STATION HIGH MAST PMC	061000039536
12.	EMBAKASI SUB-COUNTY ACC HIGH MAST PMC	061000039538
13.	HALLS AND OFFICES PMC (EQUITY BANK)	0650270926120





(g) Independent Auditor

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

(h) Principal Legal Adviser

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

3. NGCDF Committee

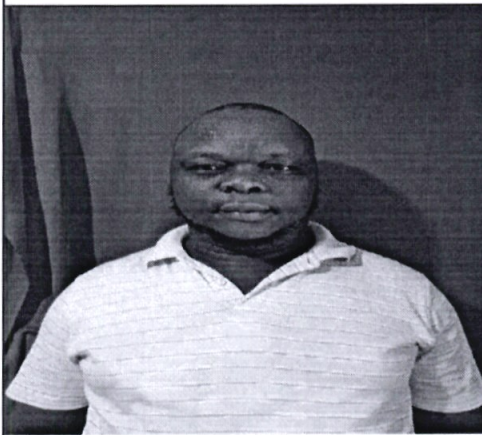
Name	Details
	<p>NG-CDFC Chairman.</p> <p>Francis Mwangi NG-CDF-Embakasi Central Chairman has a Kenya Certificate of Secondary Education. He has served as a chairman for three years and is a business man selling electrical and electronic goods.</p>
	<p>NG-CDFC Adult Female representative.</p> <p>Nancy Kiragu has KCSE Certificate and she's a business lady with an electronic appliances shop.</p>
	<p>NG-CDFC Adult Male representative.</p> <p>Patrick Maina is a Kenya Certificate of Secondary Education holder and is a businessman involved in travel agency organizing various travel for groups of people.</p>
	<p>NG-CDFC Youth Male representative.</p> <p>Boaz Ochieng is a Diploma Holder in Community Health and Development holder and is a businessman.</p>



NG-CDFC Nominee of the Constituency Office(Female)
Christine Minae a holder of a Certificate in Tailoring and Dressmaking and working in the same field.



NG-CDFC Youth Female representative.
MaryAnne Kabui is Information Technology diploma holder and currently working as IT Technician



Constituency Office Nominee.
Francis Mwai is a KCSE Holder and currently working as a cooking gas distributor.



NG-CDFC Adult Male representative.

Peter Mwangi a holder of Kenya Certificate of Secondary Education. He works in transport industry as the Operations Manager.



Fund Account Manager.

Elias Mate has a Master's degree in Public Policy and Management (MPPM) is the current Fund Account Manager in Embakasi Central.

4. NG-CDFC Chairman's Report



FRANCIS MAINA,

CHAIRPERSON, EMBAKASI CENTRAL NGCDF

As the Chairperson of the Embakasi Central National Government Constituencies Development Fund (NGCDF) Committee, I am pleased to present the financial report for FY 2024/2025. This report outlines the allocation, utilization, achievements, and audit outcomes for the year under review.

As NGCDF Committee we have strived to strengthen procurement oversight, enforce stringent financial controls, and actively involve our community members at every stage from identifying projects to monitoring implementation and sustaining outcomes. Our aim is also to maximize the impact of every allocated shilling, ensuring tangible improvements in education, through bursary for post primary and secondary levels and primary school infrastructure and security infrastructure.

Total allocation for Embakasi Central NG-CDF for financial year 2024/2025 was Kshs. 179,441,000.00. On vote allocation, Embakasi Central NG-CDF allocated Kshs. 71,600,000.00 to bursary. This increase from last year's allocation to bursary vote was necessitated by the high demand for Embakasi Central constituency educates more needy students who would ordinarily miss the chance due to lack of school fees.

The Committee also allocated Primary School projects Kshs.56,900,000.00 which helped improve the standards of the schools hence conducive learning environment.

In the financial year 2024/2025 the utilization has gone well in which 76.7 % of the funds allocated to projects has been utilized effectively and has always been carried out with fairness, transparency, openness and accountability.

Table 1.1: Showing allocation and disbursement comparison

Key achievements:

1. Kayole North Primary School: Construction to completion of a storey building comprising of 12 classrooms with concrete ramp and staircase.



2. Kayole 1 Primary School: Construction to completion of a storey building comprising of 13 classrooms with concrete ramp and stair case.





3. The Komarock School: Construction to completion of 9 door toilet block (2 of special needs) with Five hand wash basins





4. Komarock South Primary School: Construction to completion of 45 student capacity science laboratory on 3rd Floor of an existing building and equipping with Laboratory equipment.





Of utmost importance is the impact that these classrooms are likely to present considering the population in the constituency.

Francis Mwangi

Chairman NGCDF Committee

A handwritten signature in blue ink, appearing to be 'FM', is written above a dotted line.

5. Statement Of Performance Against Predetermined Objectives for FY2024/25

Introduction

Section 81 (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 National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *NGCDF EMBAKASI CENTRAL Constituency 2024-2025* plan are to:

- i. Improve access to quality education
- ii. Harness youth talent and empower them
- iii. Cater for any unforeseen occurrences in the constituency
- iv. Promote environmental sustainability in the constituency
- v. Enhance security in the constituency
- vi. Improve tracking of implementation of NG-CDF programmes
- vii. Promote performance management and smooth running of NG-CDF office

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure built in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/2025 -we increased number of classrooms from 16 to 25. 2 laboratories were built and equipped with lab equipment. - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	<i>Security enhancement and conducive working</i>	<i>Allocation towards construction</i>	<i>Improved access and service delivery</i>	<i>Allocation of Ksh. 4,000,000 towards</i>

*National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
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	<i>environment for officers to ensure improved service delivery</i>	<i>of a chief's office</i>		<i>expansion of Komarock Chief's office</i>
<i>Climate change mitigation activities</i>	<i>Improve environmental sustainability and resilience at constituency level</i>	<i>Budget Allocation and increased share of NG-CDF projects addressing climate resilience</i>	<i>Communities actively engage in climate mitigation-improved ownership and sustainability of funded projects</i>	<i>Although, not fully implemented, allocation of Ksh. 8,447,866.08 towards environmental activities and climate change mitigation activities.</i>
<i>Emergency</i>	<i>Ensure timely allocation/response to support vulnerable communities during crises and to urgent constituency needs</i>	<i>Maximum budgetary allocation within the financial year to effectively mitigate arising crises</i>	<i>Enhanced community resilience during emergencies and reduced delays in crisis intervention</i>	<i>Improvements in drainage works and hygiene in schools within the constituency during unexpected floods and other setbacks</i>
<i>Others (Specify)</i>	<i>N/A</i>			

6. Governance Statement

8.1 Appointment, Tenure, and Removal of NG-CDFC Members

Members of the Embakasi Central Constituency Development Fund Committee (NG-CDFC) were appointed in line with the NG-CDF Act, 2015 (Revised 2022). The process included public participation, vetting, and gazetting of eligible members by the National Government. Members serve a renewable two-year term, subject to performance, compliance with the Act, and adherence to integrity standards. Any member may be removed through resignation, violation of the code of conduct, conflict of interest, or failure to discharge duties effectively.

8.2 Roles and Functions

The NG-CDFC is responsible for:

- Identification, prioritization, and approval of constituency development projects.
- Oversight of project implementation in line with approved work plans and budgets.
- Ensuring compliance with the NG-CDF Act, procurement laws, and other government circulars.
- Participating in monitoring, evaluation, and reporting of projects to the NG-CDF Board.

8.3 Membership, Training, and Induction

During the financial year under review, the Committee comprised 10 members duly gazette. All members underwent induction training organized by the NG-CDF Board, focusing on public finance management, project monitoring, procurement procedures, and governance ethics. Continuous capacity-building sessions were held in partnership with oversight agencies to strengthen accountability and service delivery.

8.4 Meetings Held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. During the financial year 2024/2025 Embakasi Central NGCDFC held Seventeen meetings and three subcommittee meetings and the attendance was as follows. Attendance records were maintained, and resolutions were documented in signed minutes to ensure transparency and institutional memory.

S N o.	NG- CDFC MEMBE RS	18 th Jul 24	31 st Jul 24	8 th Aug 24	20 th Aug 24	3 rd Sep 24	9 th Sep 24	2 nd Oct 24	22 nd Oct 24	5 th Nov 24	20 th Nov 24	9 th Dec 24	11 th Dec 24	30 th Dec 24	22 nd Jan 25	27 th Jan 25	18 th Feb 25	26 th Feb 25	21 st Mar 25	30 th Apr 25	27 th Jun 25
	Francis Maina Mwangi Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

National Government Constituencies Development Fund (NGCDF)
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Nancy Njeri Kiragu Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Maina Muthoni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Boas Ochieng	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Francis Mwai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter Mwangi Njoroge	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Christine Minae Muhandoo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MaryAnn Wanjiku Kabui	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elias mate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eric Mulevu (DCC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
Medah Maonga (DCC)																			✓	✓

8.5 Conflict of Interest Policy

All members are required to disclose potential conflicts of interest at the beginning of each meeting. Any member with a declared conflict is excused from deliberations on the matter. This practice is guided by the Leadership and Integrity Act, 2012 and NG-CDF regulations, ensuring objectivity and fairness in decision-making.

8.6 Members’ Remuneration

Remuneration and allowances for NG-CDFC members were provided strictly as per NG-CDF guidelines and government circulars. Payments covered sitting allowances, approved travel reimbursements, and facilitation costs for official duties, subject to budgetary provision and audit oversight.

8.7 Succession Planning

To ensure continuity and stability in leadership, the NG-CDFC adopted a succession plan which includes structured handover notes, mentorship of newly appointed members, and training for deputies. This guarantees seamless operations in the event of resignation, expiry of term, or other transitions.

8.8 Ethics, Conduct, and Risk Management

Members are bound by a code of ethics emphasizing integrity, accountability, impartiality, and service to the community. The Committee identified and reviewed key risks, including project delays, misallocation of resources, and compliance lapses. Mitigation strategies such as periodic audits, stakeholder consultations, and close liaison with line ministries were implemented.

7. Management Discussion and Analysis

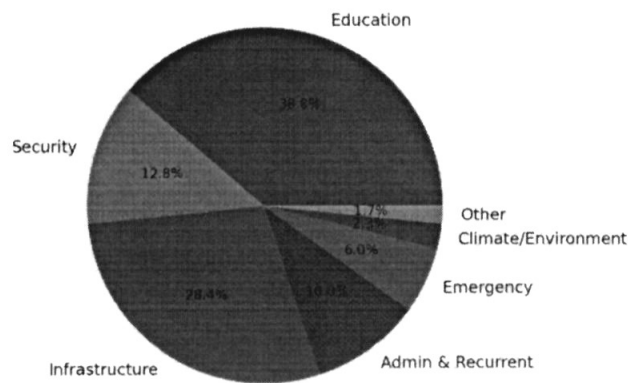
This section provides an overview of the cumulative NG-CDF allocations for Embakasi Central from FY 2020/21 to FY 2024/25. The analysis highlights allocation trends, sectoral distribution, and key insights into how resources have been utilized across different priority areas.

Over the five-year period, allocations have consistently prioritized Education, followed by Infrastructure, Security, and recurrent administrative costs. Emergency allocations and climate change/environmental initiatives, though relatively smaller, have received growing attention, reflecting the constituency’s evolving development needs.

Sectoral Allocation - 2020/21

Sector	% of Total Allocation
Education	38.8%
Security	12.8%
Infrastructure	28.4%
Admin & Recurrent	10.0%
Emergency	6.0%
Climate/Environment	2.3%
Other	1.7%

NG-CDF Sectoral Allocation 2020/21



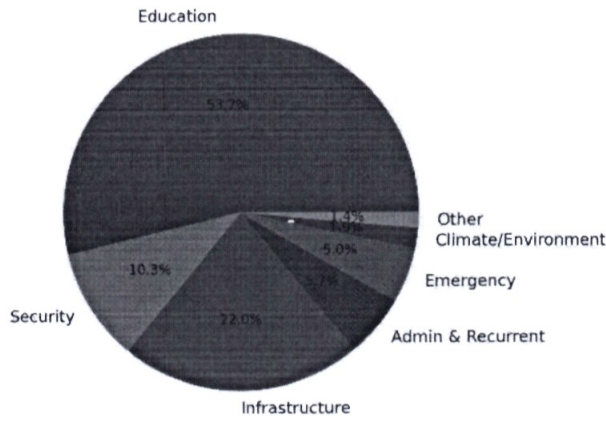
Sectoral Allocation - 2021/22

Sector	% of Total Allocation
Education	53.7%
Security	10.3%
Infrastructure	22.0%
Admin & Recurrent	5.7%

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Emergency	5.0%
Climate/Environment	1.9%
Other	1.4%

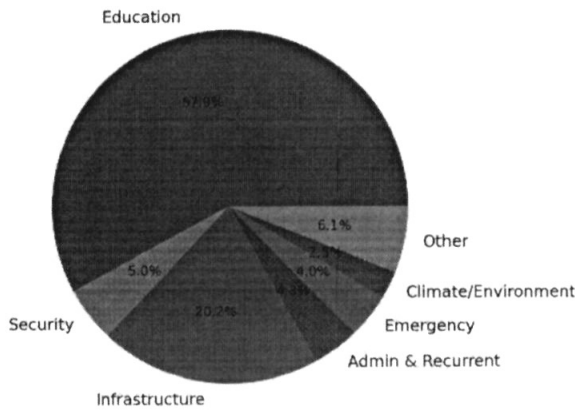
NG-CDF Sectoral Allocation 2021/22



Sectoral Allocation - 2022/23

Sector	% of Total Allocation
Education	57.9%
Security	5.0%
Infrastructure	20.2%
Admin & Recurrent	4.3%
Emergency	4.0%
Climate/Environment	2.5%
Other	6.1%

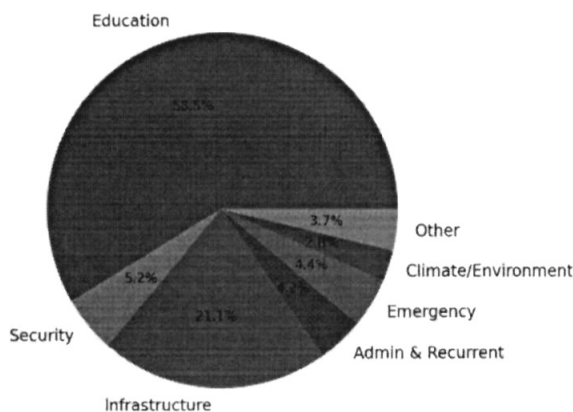
NG-CDF Sectoral Allocation 2022/23



Sectoral Allocation - 2023/24

Sector	% of Total Allocation
Education	58.5%
Security	5.2%
Infrastructure	21.1%
Admin & Recurrent	4.2%
Emergency	4.4%
Climate/Environment	2.8%
Other	3.7%

NG-CDF Sectoral Allocation 2023/24



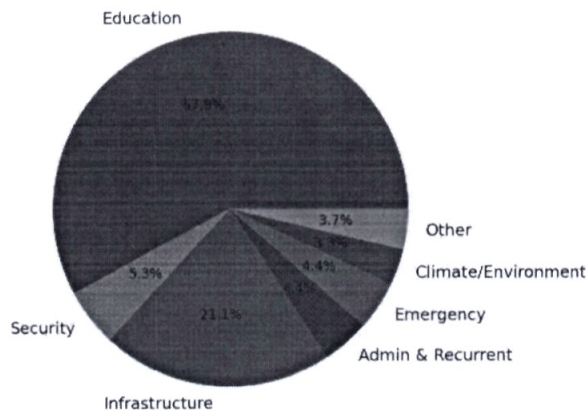
Sectoral Allocation - 2024/25

Sector	% of Total Allocation
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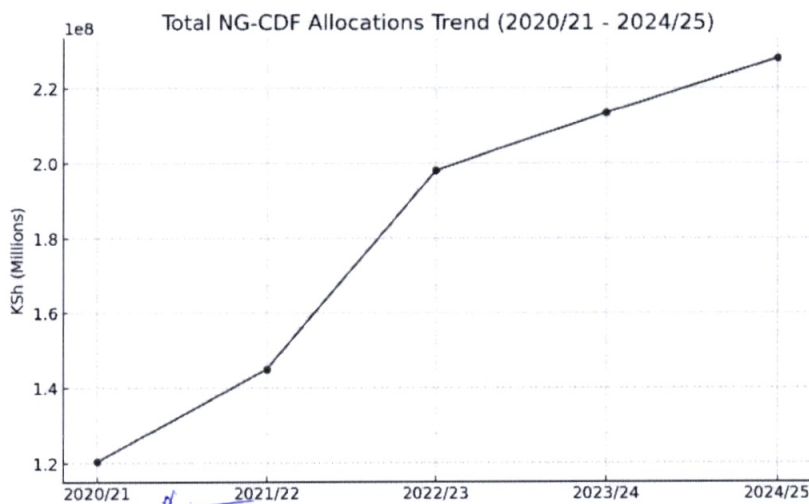
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Education	57.9%
Security	5.3%
Infrastructure	21.1%
Admin & Recurrent	4.4%
Emergency	4.4%
Climate/Environment	3.3%
Other	3.7%

NG-CDF Sectoral Allocation 2024/25



Total Allocations Trend



.....
Name: Elias M. Mate
Fund Account Manager

8. Environmental and Sustainability Reporting

Introduction

The National Government Constituencies Development Fund (NG-CDF), Embakasi Central Constituency, is committed to promoting sustainable development in line with national priorities and global sustainability goals. The Fund recognizes that its mandate extends beyond infrastructure and social projects to include environmental stewardship, responsible resource utilization, and initiatives that enhance long-term resilience for the community. Sustainability, therefore, remains at the core of the Constituency's development agenda, ensuring that services and benefits extend to current and future generations.

1. Sustainability Strategy and Profile

The constituency has developed a sustainability strategy that aligns with Kenya's Vision 2030, the NG-CDF Act, and the United Nations Sustainable Development Goals (SDGs). The strategy emphasizes:

- Resource Efficiency: Promoting environmentally conscious use of funds in infrastructure and education projects.
- Resilience Building: Supporting climate change mitigation and adaptation initiatives such as tree planting, water harvesting, and green energy.
- Inclusive Growth: Ensuring that projects benefit all residents equitably, with deliberate attention to vulnerable groups.

2. Environmental Initiatives

During the reporting period, the Constituency prioritized activities aimed at reducing environmental degradation and enhancing climate resilience. Key initiatives included:

- Tree planting exercises in schools and public spaces to promote afforestation.
- Investment in environmentally friendly technologies, including solar power for selected learning institutions and security lighting.
- Support for climate adaptation projects such as drainage systems to mitigate flooding in vulnerable areas.

3. Sustainability Achievements

- Increased awareness on environmental conservation among community members, particularly youth and schools.
- Integration of sustainability criteria into project selection, ensuring that funded projects meet environmental and social safeguards.
- Enhanced collaboration with government agencies, NGOs, and community-based organizations to implement green initiatives.

4. Future Focus

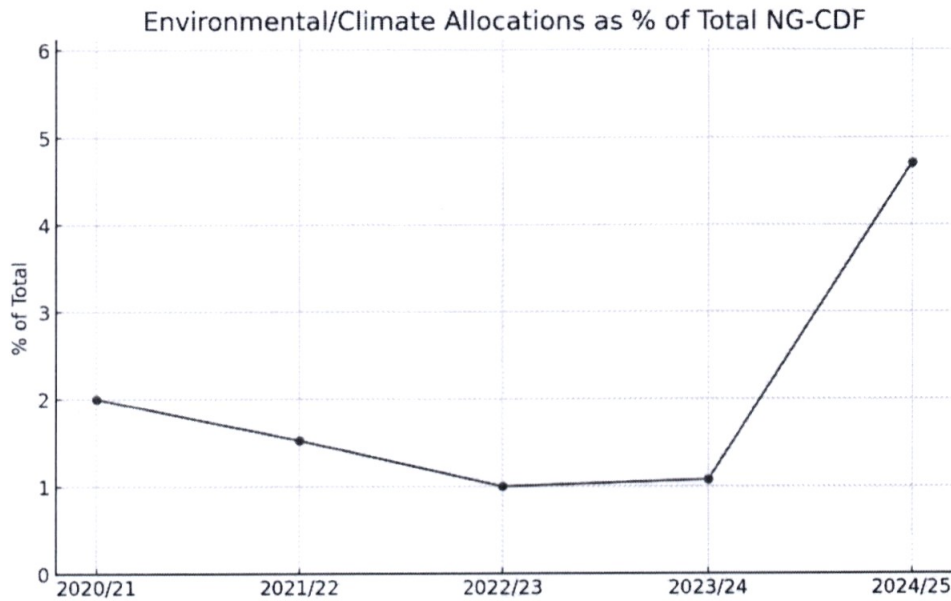
Looking ahead, Embakasi Central NG-CDF will scale up environmental and sustainability interventions by:

- Expanding partnerships for climate-smart projects.
- Increasing budgetary allocation for green and renewable energy projects.
- Mainstreaming sustainability reporting in all NG-CDF funded initiatives.

5. Environmental & Climate Allocations (FY 2020/21 – 2024/25)

The table and chart below present the constituency’s budgetary allocations towards environmental and climate-related projects over the last five financial years. The figures highlight both the absolute allocation (KES) and the share of total NG-CDF allocations.

Financial Year	Env/Climate Allocation (KSh)	Total Allocation (KSh)	% of Total
2020/21	2,741,777.59	137,088,879.31	2.00%
2021/22	2,741,777.58	179,441,954.47	1.53%
2022/23	2,901,752.06	290,175,206.00	1.00%
2023/24	4,100,000.00	380,383,242.00	1.08%
2024/25	8,447,866.08	179,441,954.47	4.71%



Overall, allocations to environmental and climate-related projects in Embakasi Central have shown a gradual upward trend from FY 2020/21 to FY 2024/25. While the percentage of total allocations remained modest (around 1–2% in most years), there was a notable increase in FY 2024/25 where the share rose above 4%. This growth reflects a strengthening prioritization of sustainability concerns, particularly in response to climate resilience and urban environmental challenges.

.....
Name Elias Mutethia Mate.
Fund Account Manager.

9. Statement Of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-EMBAKASI CENTRAL Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- EMBAKASI CENTRAL Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Accounting Officer in charge of the NGCDF EMBAKASI CENTRAL Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity’s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency’s* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- EMBAKASI CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on2025.


.....

Name: Francis Maina
Chairman – NGCDF Committee


.....

Name: Elias M. Mate
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMBAKASI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Embakasi Central Constituency set out on pages 1 to 62 which, comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Embakasi Central Constituency 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 including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Variances between Financial Statements and Ledgers

The statement of financial performance reflects other Government units actual expenditure of Kshs.115,600,786 which as disclosed in Note 13 to the financial statements consists of primary and secondary schools actual expenditure of Kshs.111,901,793 and Kshs.3,698,993 respectively. However, review of the ledger revealed amounts of Kshs.112,973,112 and Kshs.3,700,000 resulting to unreconciled variances of Kshs.1,071,319 and Kshs.1,007 respectively. Further, the statement of cash flows reflects other Government Units certified works amount of Kshs.114,146,787 while the statement of comparison of budget and actual amounts reflects an amount of Kshs.116,781,676 resulting to an unexplained variance of Kshs.2,634,889.

1.2 Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents comparative balance of Kshs.45,652,597 which as disclosed in Note 19 to the financial statements include Project Management Committee (PMC) account balance of Kshs.2,634,889. However, the prior year audited PMC balance was Kshs.2,464,191, resulting to a variance of Kshs.170,698 which was not explained or supported. Further, Note 19 to the financial statements reflects PMC accounts of Kshs.2,526,324 and Kshs.2,652,889 for the year under review and the comparative years while Annex 2 on PMC bank balances reflects amounts of Kshs.6,636,830 and Kshs.392,310 respectively. The variances were not explained or supported.

1.3 Variances between the Financial Statements and Notes to Financial Statements

The statement of cash flows reflects net cash flows from investing activities amount of Kshs.35,439,880 while the corresponding Note 30 reflects an amount of Kshs.35,880,277 resulting to an unreconciled variance of Kshs.440,397.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Third-Party Deposits

The statement of financial position reflects third party deposits of Kshs.1,453,999 as disclosed in Note 27 of the financial statements. However, there was no evidence that a retention register was maintained for the completed projects with details of who the amounts relate to, how much and for how long they have been outstanding.

In the circumstances, the accuracy and completeness of third-party deposits of Kshs.1,453,999 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final receipts budget and actual on comparable basis of Kshs.332,710,976 and Kshs.299,310,976 respectively resulting to an under-funding of Kshs.33,400,000 or 10% of the budget. Similarly, the Fund spent Kshs.218,218,499 against actual receipts of Kshs.299,310,976 resulting to an under-utilization of Kshs.81,092,477 or 27% of actual receipts.

The under-funding and under-utilization affect the planned activities and may have impacted negatively on service delivery to the public.

Further, the statement reflects budgeted items under digital hubs of Kshs.131,500 and acquisition of assets of Kshs.7,108,300, with no corresponding expenditure. No explanation was provided for failure to spend on the items in the year under review. In the circumstances, the regularity of the budget making process could not be confirmed.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the 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 prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. Review of the status during audit of National Government Constituencies Development Fund - Embakasi Central Constituency in 2024/2025 revealed that the following matters remained unresolved.

S/NO	Financial Year	Audit Issue
1	2023-2024	Unsupported Project Management Committee Balances
2	2023-2024	Unsupported Composition of NGCDF Committee
3	2023-2024	Failure to Constitute a Bursary Committee

Other Information

The Management is responsible for the Other Information set out on page iv to xxxii which comprise of Key Entity Information and Management, the NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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 National Government Constituencies Development Fund – Embakasi Central Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Minimum Requirement on Employee Ethnic Balance

Review of the Fund's employee records revealed that the Fund had thirteen (13) members of staff employed by the Board. It was however noted that eleven (11) or 85% out of the total number of employees at the Fund were from one dominant ethnic community. This was contrary to National Cohesion and Integration Act of 2008 which would require that no community should exceed a third of the employees.

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

2. Non-Adherence to Regularity and Integrity on Recruitment of Persons Living with Disabilities

Review of the Fund's human resource data for the period under audit revealed that the Board has employed thirteen (13) members of staff to serve at the Fund. However, the Fund did not have any employee living with disability contrary to the Persons Disability Act of 2025.

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

3. Irregular Payment of Sitting Allowances

The statement of financial performance reflects an amount of Kshs.1,344,206 in respect to committee expenses as disclosed in Note 11 of the financial statements. However, review of documents provided for audit review revealed that committee sitting allowances totalling Kshs.468,000 were paid to respective committee members as analysed below, however, minutes to support the meetings were not provided for audit review.

Payment Date	Details	Amount Paid (Kshs)
28 February, 2025	Sitting Allowances for NG-CDFC Committee Meeting	52,000
13 November, 2024	Sitting Allowances for NG-CDFC Committee Meeting	52,000
28 November, 2024	Sitting Allowances for NG-CDFC Committee Meeting	52,000
23 December, 2024	Sitting Allowances for NG-CDFC Committee Meeting	52,000
26 August, 2024	Bursary Issuance Allowances - Kayole North	52,000
28 August, 2024	Bursary Issuance Allowances - Kayole South	52,000
29 August, 2024	Bursary Issuance Allowances - Kayole Central	52,000
2 September, 2024	Bursary Issuance Allowances - Komarock Ward	52,000
3 September, 2024	Bursary Issuance Allowances - Spring Valley	52,000
	Total	468,000

This was contrary to Regulation 7(10) of the National Government Constituency Development Regulations, 2016 which provides that, "the minutes of meetings of a Constituency Committee shall be confirmed by the members and signed by the Chairperson in the subsequent meeting."

Further, records in respect to preparation and tabling of committee meetings schedule for the financial year were not provided for audit review. This was contrary to Regulation 7(9) of the National Government Constituency Development Regulations, 2016 which provides that, "The Secretary shall, at the beginning of every financial year, in consultation with the Officer of the Board seconded to the Constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year"

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

4. Irregular Branding of Projects

Audit inspection conducted on 11 September, 2025 on implemented projects revealed that the projects were branded with the name of the area Member of Parliament and Members of the County Assembly (MCAs). This was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which provides that funds shall not be used for the purpose of supporting political bodies or political activities.

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

5. Non-Compliance in Presentation and Disclosure in the Financial Statements

Review of the financial statements revealed the following anomalies:

- i. The table of contents is incorrectly numbered and contains information which should not be included.
- ii. The financial statements contain blank pages and guiding notes which should have been deleted.
- iii. Environmental and sustainability reporting has been omitted from the table of contents.
- iv. NGCDF committee information has omitted the members' dates of birth.
- v. The sub titles of the Governance statement are inconsistently numbered.
- vi. The statement of cash flows reflects net cash flows from operating activities as under Note 28 to the financial statements instead of Note 30. Similarly, the cash and cash equivalents is indicated as being under Note 17 to the financial statements instead of Note 19.
- vii. The statement of financial position indicates total non-current assets of Kshs.1,40,000 instead of the correct amount of Kshs.1,680,000.

In the circumstances, the annual report and financial statements do not conform to the presentation format prescribed by the Public Sector Accounting Standard Board (PSASB).

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 effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of a Functional Audit Committee

During the year under review, it was noted that, the NG-CDF Committee had not established an Audit Committee as required. Consequently, there was no independent oversight body to review financial statements, monitor internal controls, or evaluate risk management processes.

In the circumstances, the Fund did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


27 November, 2025

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

	Note	Period ended June
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	7,219,502
Committee expenses	11	1,344,206
Use of Goods and Services	12	13,206,900
Other Government Units Actual expenditure	13	115,600,786
Other Grants and Transfers Actual expenditure	14	80,891,094
Depreciation and amortization expense	15	210,000
Digital Hubs Actual expenditure	16	-
Total expenses		218,472,488
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(39,030,533)


The Constituency financial statements were approved by the NGCDFC on
and signed by:



Chairman NG-CDF
Committee
Name: Francis Maina



National Sub-County
Accountant
Name: Justus N. Mutua
ICPAK M/No: 12228



Fund Account Manager
Name: Elias M. Mate

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


Statement Of Financial Position As At 30th June, 2025

	Notes	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	81,092,477	45,652,597
Receivables from Exchange Transactions	20	-	
Receivables from Non-Exchange Transactions	21	33,400,000	104,981,536
Prepayments	22	-	-
Total Current Assets		114,492,477	150,634,133
Non-Current Assets			
Property, Plant and Equipment	23	1,680,000	1,680,000
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,40,000	1,680,000
Total Assets (A)		115,962,477	152,314,133
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,453,999	-
Lease Liabilities	28	-	-


National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Gratuity provision	29	1,936,712	711,833
Total Current Liabilities		3,390,711	711,833
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,390,711	711,833
Net Assets (A-B)		112,571,766	151,602,300
Represented by:			
Revaluation Reserves		112,571,766	151,602,300
Accumulated Surplus			
Total Net Assets		112,571,766	151,602,300

The Constituency financial statements set out on pages EMBAKASI CENTRAL to EMBAKASI CENTRAL approved by NG CDFC on and signed by:



 Chairman NG-CDF
 Committee
 Name: Francis Maina



 National Sub-County
 Accountant
 Name: Justus N. Mutua
 ICPAK M/No: 12228



 Fund Account Manager
 Name: Elias M. Mate

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	43,017,708		43,017,708
Adjustments			
Recognition of Assets	109,296,425		109,296,425
Recognition of Liabilities	711,833		711,833
As at July 1, 2025	151,602,300		151,602,300
Surplus/(Deficit) For the Period	(39,030,533)		(39,030,533)
Revaluation Gain/Loss		-	-
As at June 30, 2025 (current year)	112,571,766	-	112,571,766

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

13. Statement Of Cash Flows for The Year Ended 30th June 2025

		Notes	f/y 2024/2025
			Kshs
Cash flows from operating activities			
Receipts			
Transfers from the NGCDF Board		251,023,490	
Grants/donations from other entities		-	
Finance income		-	
Miscellaneous income		-	
Total Receipts		251,023,490	
Payments			
Employee costs		5,994,623	
Committee expenses		1,344,206	
Use of Goods and Services		13,206,900	
Other Government Units Certified Works		114,146,787	
Other Grants and Transfers		80,891,094	
Digital Hubs Expenses		-	
Total Payments		215,583,610	
Net Cash Flows from/ (used in) Operating Activities	28	35,439,880	
Cash flows From Investing Activities			
Purchase of PPE		-	
Purchase of Intangible assets		-	
Proceeds From Sale of PPE		-	
Net Cash Flows from Investing Activities		-	
Net increase/(decrease) in cash & Cash equivalents		35,439,880	
Cash Flows from Financing Activities			
Lease payment			
Net Cash Flows from Financing Activities		35,439,880	
Cash and cash equivalents at Period Start	17	45,652,597	
Cash and cash equivalents at Period End	17	81,092,477	

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Revenue							
Transfers From the NGCDF Board	179,441,954	45,652,597	104,981,536	330,076,087	296,676,087	33,400,000	90%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	2,634,889	-	2,634,889	2,634,889	-	100%

National Government Constituencies Development Fund (NGCDF)
EMBAKASI CENTRAL Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Totals	179,441,954	48,287,486	104,981,536	332,710,976	299,310,976	33,400,000	90%
Expenses				-			
Employee costs	5,366,718	1,539,242	-	6,905,960	5,994,623	911,337	87%
Committee expenses	2,923,032	2,581	-	2,925,613	1,344,206	1,581,407	46%
Use of Goods and Services	8,907,891	4,318,832	-	13,226,723	13,206,900	19,823	100%
Other Government Units Certified Works	61,700,000	34,429,781	104,981,536	201,111,317	116,781,676	84,329,640	58%
Other Grants and Transfers	97,444,313	1,222,360	-	98,666,673	80,891,094	17,775,579	82%
Digital Hubs Expenses	-	131,500	-	131,500	-	131,500	0%
Acquisition of assets	3,100,000	4,008,300	-	7,108,300	-	7,108,300	0%
Funds Pending Approval**	-	-	-	-	-	-	
PMC savings		2,634,889		2,634,889		2,634,889	0%
Total Expenditure	179,441,954	48,287,485	104,981,536	332,710,975	218,218,499	114,492,476	66%
Surplus for the period	0	1	(0)	1	81,092,477	(81,092,476)	

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	114,492,476
Less undisbursed funds receivable from the Board as at period 30 th June 2025	33,400,000
Cash and Cash Equivalents at the end of the 30 th June 2025	81,092,476

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
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Less undisbursed funds receivable from the Board as at 30 th June 2025	33,400,000
Cash and Cash Equivalents at the end of the 30 th June 2025	81,092,476

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on and signed by:



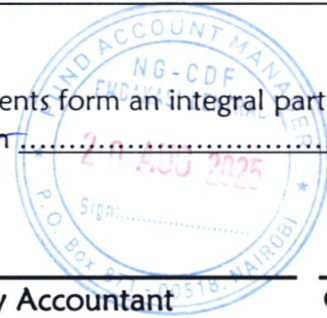
Fund Account Manager

Name: Elias M. Mate



National Sub-County Accountant

Name: Justus N. Mutua
ICPAK M/No: 12228




Chairman NG-CDF Committee

Name: Francis Maina

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15. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,366,718	1,539,242		6,905,960	5,994,623	911,337
1.2 Committee allowances	1,128,000	762		1,128,762	536,000	592,762
1.3 Use of goods and services	4,271,799	206,042		4,477,841	4,477,841	(0)
Sub-total	10,766,517	1,746,046	-	12,512,563	11,008,464	1,504,099
2.0 Monitoring and evaluation						
3.0 2.1 Capacity building	3,360,000	27,040		3,387,040	3,387,040	-
2.2 Committee allowances	1,795,032	1,819		1,796,851	808,206	988,645
2.3 Use of goods and services	1,276,092	4,085,750		5,361,842	5,342,019	19,823
Sub-total	6,431,124	4,114,609	-	10,545,733	9,537,265	1,008,469
4.0 Emergency						
unutilized	9,444,313			2,044,313		2,044,313
Bondeni Primary School				3,700,000		3,700,000
Kayole 1 Primary School				3,700,000		3,700,000

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Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Opening Balance (C/8k) and AJA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	9,444,313	-	-	-	9,444,313	-	9,444,313
5.0 Bursary and Social Security							
5.1 Primary Schools							
5.2 Secondary Schools	43,000,000	-	-	-	43,000,000	37,556,622	5,443,378
5.3 Tertiary Institutions	28,000,000				28,000,000	28,000,000	-
5.4 special needs	600,000				600,000	600,000	-
5.5 Education Support Programmes							
5.6 Social Security							
Sub-total	71,600,000				71,600,000	65,556,622	6,043,378
7.0 Environment							
Bondeni Primary School	3,700,000	719,968			719,968	120,000	599,968
Kayole 1 Primary School	3,700,000				3,700,000	3,700,000	-
Sub-total	7,400,000	719,968			8,119,968	7,520,000	599,968
8.0 Primary Schools Projects							

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years Outstanding Disbursements			
		Kshs	Kshs			
Bondeni Primary School		810,446	4,900,000	5,710,446	4,888,458	821,988
Imara Primary School	4,800,000			4,800,000		4,800,000
Kayole 1 Primary School	5,500,000			5,500,000		5,500,000
Kayole 1 Primary School	4,800,000			4,800,000		4,800,000
Kayole 1 Primary School		7,000,000		7,000,000	7,000,000	-
Kayole 1 Primary School			30,400,000	30,400,000	28,000,000	2,400,000
Kayole North Primary School	11,000,000	7,000,000		18,000,000	11,893,125	6,106,875
Kayole North Primary School		3,487,200		3,487,200	1,587,577	1,899,623
Kayole North Primary School		778,744	29,729,755	30,508,499	29,562,248	946,251
Komarock Primary School		4,900,000		4,900,000	4,900,000	-
Komarock Primary School		4,900,000		4,900,000	4,888,400	11,600
Komarock Primary School			4,900,000	4,900,000	4,592,764	307,236
Komarock South Primary School			2,683,400	2,683,400		2,683,400
Komarock South Primary School		171,950	4,900,000	5,071,950	5,061,153	10,797
Komarock South Primary School			4,592,764	4,592,764		4,592,764

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Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs		Kshs	Previous Years' Outstanding Disbursements Kshs			
Mwangaza Primary School			4,900,000		4,900,000	4,890,825	9,175
Thawabu		4,800,000	481,440	19,175,617	24,457,057	9,387,895	15,069,162
Sub-total		30,900,000	34,429,781	101,281,536	166,611,317	116,652,445	49,958,872
9.0 Secondary Schools Projects (List all the Projects)							
Thawabu Secondary School		26,000,000			26,000,000		26,000,000
Thawabu Secondary School		4,800,000.00			4,800,000		4,800,000
The Komarock School : Constructio to completion of 9-door toilet block (2 of special needs)				3,700,000		3,700,000	-
Sub-total		30,800,000	-	3,700,000	34,500,000	3,700,000	30,800,000
10.0 Tertiary institutions Projects all the Projects)							
Sub-total							
11.0 Security Projects							
Komarock Chief's Office		4,000,000				4,000,000	4,000,000

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Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Opening Balance (C/BA) and AIA	Previous Years Outstanding Disbursements			
Mugendi Administration Police Offices	5,000,000	-			-	5,000,000	5,000,000
Kayole chiefs camp				1,017		1,017	1,017
Deputy county commissioners office				257,671		257,671	257,671
EMBAKASI SUB COUNTY HIGH MAST				83,317		83,317	83,317
KAYOLE POLICE STATION HIGH MAST				81,757		81,757	81,757
KOMAROCK CHIEFS OFFICE HIGH MAST				78,630		78,630	78,630
Sub-total	9,000,000	502,392			-	9,502,392	9,258,688
12.0 Acquisition of assets							
12.1 Motor Vehicles (including motorbikes)							
12.2 Purchase of furniture and fittings							
12.2 Construction of CDF office							
12.2 Construction of CDF office	3,100,000	4,000,000.00				7,100,000	4,120,000
12.3 Purchase of furniture and equipment		8,300.00				8,300	8,300
Sub-total	3,100,000	4,008,300			-	7,108,300	4,000,000
13.0 Others							

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			Kshs	Kshs
		Kshs	Kshs				
NG-CDF Office					-		-
NG-CDF Strategic Plan		131,500.00		-	131,500		131,500
Sub-total		131,500		-	131,500	-	131,500
Funds pending approval**					-		-
unapproved projects					-		-
AiA					-		-
Sub-total				-		-	
Total	179,441,954	45,652,596	104,981,536		330,076,086	218,218,499	111,857,587

16. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF EMBAKASI CENTRAL Constituency principal activity is EMBAKASI CENTRAL.

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 judgment in the process of applying the NG-CDF'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 5 of these financial statements.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (*include any other applicable legislation*), 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 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 2024.*

Standard	Effective date and Impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i>

and Equipment	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.
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial</p>

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	statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *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 realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity*.

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.

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.

Budget information

The original budget was approved by Parliament on xx June 2025 for the period 1st July 2025 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an 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 and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

b) 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.

c) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

e) 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.

a) 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.

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the 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.

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*

b) Financial liabilities

Classification

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

f) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

g) 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

h) Social Benefits

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

i) 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.

j) 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.

k) 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.

l) 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.

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.

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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks 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.

p) Subsequent events

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

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 judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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

Useful lives and residual value

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

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

Provisions

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

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from the NGCDF Board

Description	<i>Insert current FY</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	<i>Insert Current FY</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Insert Current FY</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

	<i>Insert current FY</i>
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	-

10. Employees cost

Description	Period ended June 2025 Kshs
NG-CDFC Basic staff salaries	4,582,264
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,936,712
Employer Contributions Compulsory national social security schemes	546,744
Employer Contributions Compulsory Housing levy	146,032
Employer contributions to National Industrial Training Authority	7,750
Other Specify	-
Total	7,219,502

11. Committee Expenses

Description	Period ended June 2025 Kshs
Sitting allowance	536,000
Other Committee expenses	808,206
Total	1,344,206

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12. Use of Goods and services

Description	Period ended June
	2025
	Kshs
Utilities, supplies and services	6,776,000
Communication, supplies and services	1,730,000
Domestic travel and subsistence	320,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	2,020,500
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	-
Fuel, oil & lubricants	-
Bank Charges	350,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	2,010,400
Total	13,206,900

13. Other Government Units Actual expenditure

Description	Period ended June
	2025
	Kshs
Primary Schools Actual expenditure	111,901,793
Secondary Schools Actual Expenditure	3,698,993
Tertiary Institutions Actual Expenditure	-
Total	115,600,786

14. Other Grants and transfers Actual expenditure

	<i>Insert current FY</i>
	Kshs
Bursary – secondary schools	34,922,000
Bursary – tertiary institutions	30,634,622
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	11,334,472
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	4,000,000
Total	80,891,094

15. Depreciation and Amortization Expenses

Description	202
	Kshs
Property Plant and Equipment	210,000
Intangible Assets	-
Total	210,000

16. Digital Hubs Expenses

Description	<i>Insert current FY</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

Description	Insert Current FY
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	Insert Current FY
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement
	Kshs	1st July 20XX
Bank Accounts (Cash Book Bank Balance)	Kshs	Kshs
<i>Name Of Bank, Account No. (Operations account)- Bank Name: Family Bank A/c Name: Ng-Cdf Embakasi Central A/c No: 0610000032809</i>	76,629,440	43,017,708
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Embakasi central Deposit account Bank Name: Family Bank A/c Name: Embakasi Central Cdf Deposit A/c A/c No: 061000051740</i>	1,936,712	
<i>PMC accounts</i>	2,526,324	2,634,889
Total	81,092,477	45,652,597
Cash Balances		
Location 1		
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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	-	-
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20. Receivables from Exchange Transactions

Description	2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	(-)	(-)
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. Ageing Analysis for Receivables

Description	Insert Current FY		Opening Statement 1 st July 2025	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Transfers from NGCDFB	33,400,000	104,981,536
Outstanding imprest	-	-
Total	33,400,000	104,981,536

Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	33,400,000	100%	104,981,536	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	33,400,000		104,981,536	

22. Prepayments

Description	2025	Opening Statement
	Kshs	1st July 2025 Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

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23. Property, Plant and Equipment

Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 20xx	-	-	-	-	1,920,000	-	-	-	1,920,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 20xx	-	-	-	-	1,920,000	-	-	-	1,920,000
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	240,000	-	-	-	240,000
Depreciation	-	-	-	-	210,000	-	-	-	210,000
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 20xx	-	-	-	-	450,000	-	-	-	450,000
Net Book Values									
Opening Bal as at 1 st July 2025	-	-	-	-	1,680,000	-	-	-	1,680,000
As At 30 June 2025	-	-	-	-	1,470,000	-	-	-	1,470,000

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on EMBAKASI CENTRAL.

22 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:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-

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Total	-	-
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24. Intangible Assets

Description	Insert Current FY
	Kshs
Cost	
Opening balance at 1 st July 2025	-
Additions	-
Disposal	(-)
At end of the 2025	-
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2025	-
NBV at June 30 th 2025	-

25. Right-of use assets

Description				
Cost	-	-	-	-
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Accumulated Depreciation	-	-	-	-
As At 1 July 2025 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Carrying Amount	-	-	-	-

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As At 30 June 2025 (Current FY)				
As At 30 June 2025. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

Description	Insert Current FY		Opening Statement 1 st July 20XX	
	Kshs		Kshs	
Trade payables		-		-
Employee payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

27. Third-Party deposits

	Period ended June 2025	Opening Statement 1 st July 20XX
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	4,158,566	-
Retention paid during the period (C)	2,704,567	-
Closing Retention as at period 30th June 2025 D= A+B-C	1,453,999	-

Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

28. Lease Liabilities

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Description	<i>Insert Current FY</i>	<i>Opening Statement 1st July 20XX</i>
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	(-)
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement
	Kshs	1st July 20XX Kshs
Gratuity at the beginning of the period (A)	711,833	
Gratuity held during the period (B)	1,936,712	711,833.00
Gratuity paid during the period (C)	711,833	-
Total Gratuity provision as at period xx D=(A+B-C)	1,936,712.00	711,833.00

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(38,590,137)
Adjusted for:	
Depreciation	210,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(71,581,536)
Changes in deferred income	-
Changes in Third party deposits	(1,453,999)
Changes in gratuity provision	(1,224,879)
Changes in payments received in advance	-
Net cash flow from operating activities	35,880,277

31. 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 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:

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 assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

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	33,400,000	33,400,000	-	-
Bank balances	81,092,477	81,092,477	-	-
Total	114,492,477	114,492,477	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	104,981,536	104,981,536	-	-
Bank balances	45,652,597	45,652,597	-	-
Total	150,634,133	150,634,133	-	-

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 significant concentration of credit risk on amounts due from EMBAKASI CENTRAL. 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 (Current FY)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,936,712	-
Total	-	-	1,936,712	-
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-

Description				Total
	Less than 1 month	Between 1-3 months	Over 5 months	
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	711,833	-

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 rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the 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 30 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 for expected sales proceeds and matching the same with expected payments. 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:

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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 (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

The following table demonstrates the effect on 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	Descri
	Kshs	Kshs	Kshs	
Current FY				
Euro	10%	-	-	
USD	10%	-	-	
Previous FY				
Euro	10%	-	-	
USD	10%	-	-	

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 endeavored 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 income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs EMBAKASI CENTRAL (Current FY: Kshs EMBAKASI CENTRAL). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs EMBAKASI CENTRAL (Current FY – Kshs EMBAKASI CENTRAL)

Fair value of financial assets and liabilities

a) Financial instruments 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.

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 (Current FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-

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 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds		
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing	0	0

32. Related Party Disclosures

	Insert current FY	Opening Statement 1st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	536,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	251,023,490	-
Total	251,559,490	-

33. Segment Information

(Where an organization 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)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Opening Statement 1 st July 20xx
	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	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The EMBAKASI CENTRAL Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

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

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17. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Description	Reserves	Accumulated	Total	Description
		surplus/Deficit		
	Kshs	Kshs	Kshs	
As at 30th June 2024 (cash basis)	43,017,708		43,017,708	As at 30th June 2024 (cash basis)
Adjustments: (to recognize assets and liabilities)				Adjustments: (to recognize assets and liabilities)
Add Assets	109,296,425		109,296,425	Add Assets
Less Liabilities	711,833		711,833	Less Liabilities
As at July 1, 2024	151,602,300		151,602,300	As at July 1, 2024

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Annex 2 –PMC Bank Balances As At 30th June 2025

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY	
1. 1	EMABAKASICENTRAL ENVIRONMENT PMC	FAMILY	061000045210	342,391.00	148,606.00
2	BONDENI PRIMARY SCHOOLS (5) CLASSROOMS AND (1) GIRLS TOILET BLOCK PMC	FAMILY	61000051716	-	-
3	EMBAKASI SUB-COUNTY ACC HIGH MAST PMC	FAMILY	061000049460	446,335.00	-
4	KAYOLE I PRIMARY SCHOOL CLASSROOMS	FAMILY	61000049453	504,812.00	-
5	KAYOLE I PRIMARY SCHOOL CLASSROOMS (13)PMC	FAMILY	61000048775	83,636.44	-
6	KAYOLE NORTH PRIMARY LAB PMC	FAMILY	61000048740	474,998.00	-
7	KAYOLE NORTH PRIMARY CLASSROOM PMC	FAMILY	61000048736	368,030.27	-
8	KAYOLE NORTH PRIMARY CLASSROOMS (12) PMC	FAMILY	61000048733	72,581.44	-
9	KAYOLE POLICE STATION HIGH MAST PMC	FAMILY	61000048731	99,335.79	-
10	KOMAROCK CHIEFS OFFICE HIGH MAST PMC	FAMILY	61000048728	1,006.00	-
11	KOMAROCK PRIMARY SCHOOL CLASSROOMS PMC	FAMILY	61000039537	78,630.00	-
12	KOMAROCK SOUTH PRIMARY LAB PMC	FAMILY	61000039536	81,757.00	-
13	THE KOMAROCK SCHOOL ABLUTION BLOCKPMC	FAMILY	61000039538	83,317.00	-
14	HALLS AND OFFICES PMC	EQUITY	0650270926120	4,000,000.00	-
				6,636,829.94	

Annex 3: Progress On Follow Up of Auditor Recommendations

The following is a summary of issues raised by the external auditor, management comments provided to the auditor, and subsequent progress made on resolving the issues.

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>1. Non-Compliance in Presentation and Disclosure in the Financial Statements</p> <p>-The cover page shows the date “revised 30th June,2024” which should have been deleted.</p> <p>-The financial year of the statement of performance against predetermined objectives is indicated as 2024/XX in the table of contents instead of 2023/2024.</p>	<p>The management noted that and the revised date was deleted.</p> <p>The management noted that and the financial year was correctly indicated as 2023-2024</p>	<p>Not Resolved</p>	<p>Awaiting DFAC appointment</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)
	<p>-Environmental and sustainability reporting is not signed by the Fund Manager (Page xxvii).</p> <p>-The statement of management responsibilities is not signed by both the Chairman of the NGCDF Committee and the Fund Manager (page xxiv).</p> <p>-The report at page xxv is indicated as Report of the Independent Auditors on the NGCDFXX Constituency instead of reflecting the name of the Constituency.</p> <p>-The statement of receipts and payments and the statement of</p>	<p>The management took note of this the environment and sustainability reporting have been dully signed by the Fund manager.</p> <p>The management noted of the same and the statement of management responsibilities have been dully signed by the chairman.</p> <p>This was noted and rectified to reflect Embakasi Central Constituency.</p> <p>The management has taken note of the same and the statement of receipts and payments and the statement of</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)
	assets and liabilities are not signed by the Chairman NGCDF Committee, Fund Account Manager and the National Sub-County Accountant	assets and liabilities have been dully signed by the chairman, Account Manager and the National Sub-County Accountant.		
	<p>2. Composition of NGCDF Committee</p> <p>During audit review, it was noted that the Fund did not provide for audit the gazette notice of the Fund Committee members. The list of the Committee members, composition of the Fund Committee, qualification of the Committee members and approved letters</p>	<p>The gazette notice of the Fund Committee members, the list of committee members and their qualifications and approved letters of appointment were provided for audit.</p>	Not Resolved	Awaiting DFAC appointment

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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)
	of appointment were also not provided. It was therefore not possible to confirm the composition of the Board Committee in Embakasi Central Constituency.			
	<p>3. Failure to Constitute a Bursary Committee</p> <p>The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers amount totalling Kshs.100,654,139. Included in the total expenditure is Kshs.80,196,963 which relates to bursaries in</p>	The bursary committee has since been constituted.	Not Resolved	Awaiting DFAC appointment

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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)
	<p>respect of secondary schools and tertiary institutions. However, the following anomalies were observed: -</p> <ul style="list-style-type: none"> i. Management did not provide evidence of formation of the Education bursary, Mock examinations and Continuous assessment tests committee whose core mandate is vetting of applicants. ii. An examination of a sample of the application forms revealed that all the forms had no evidence of vetting by 			

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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)
	<p>Education bursary, Mock examinations and Continuous assessment tests Committee.</p> <p>iii. The Chairman or the Secretary of the Education bursary, Mock examinations and Continuous assessment tests committee did not sign the application form as proof of approval or rejection of the application.</p> <p>iv. The minutes of the Education bursary, Mock examinations and Continuous assessment tests committee and</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)
	the details of the successful applicants was not provided for audit review.			



The stamp is circular and contains the following text: "FUND ACCOUNT MANAGER", "NG-CDF", "EMBAKASI CENTRAL", "20 AUG. 2025", and "Sign:".

Name: Elias M. Mate.
 Fund Account Manager.