

REPUBLIC OF KENYA




Enhancing Accountability

REPORT

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TABLE:	J. LEMERELLE

THE AUDITOR-GENERAL

ON

**NATIONAL CEREALS AND PRODUCE BOARD
CAR LOAN FUND SCHEME**

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



NATIONAL CEREALS AND PRODUCE BOARD

CAR LOAN FUND/SCHEME

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

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

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1. Acronyms and Definition of Key Terms

A. Abbreviations And Acronyms

NCPB	National Cereals and Produce Board
MD	Managing Director
SRC	Salaries and Remuneration Commission
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporation
CPA	Certified Public Accountant
ESR	Environmental and Sustainability Report
FY	Financial Year
ICT	Information Communication Technology
WIP	Work In Progress

B. Glossary of Terms

Staff Loans Committee - Members of management entrusted directly with the responsibility and trust for the organisation financial resources.

2. Key Fund information and management

a) Background information

National Cereals and Produce Board Car Loan Fund is established by and derives its authority and accountability from the provisions under Section 84(1), Section 24(4) (5) (6) (7) of the PFM Act, 2012. The NCPB Car Loan Scheme Fund was set in the financial year 2019-2020 as a revolving fund pursuant to the salaries and Remuneration Commission (SRC) Circular Ref No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and Other Public Officers of Government of Kenya, with the Objective of providing a loan scheme for the purpose of Acquisition of Motor Car and Residential property for staff. The Fund is wholly owned by the National Cereals and Produce Board and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/mandate of the Fund is to provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.

The Fund is administered by the Staff Loans Committee. The committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund. The roles of the committee are elaborated as follows:

1. Processing loans and submitting them to the financial institution administering the scheme.
2. Determining and regulating interest rates payable by loan recipients.
3. Liaising with the financial institution to establish a revolving fund for loan disbursement.
4. Overseeing the overall management of the Fund.
5. Monitoring and evaluating the Fund's performance.
6. Approving annual work programs and procurement plans.
7. Recommending investment strategies for surplus funds.
8. Maintaining proper financial records.
9. Receiving external funding sources such as gifts, donations, grants, or endowments.
10. Reviewing and recommending approval of financial statements.

11. Recommending the selection of a financial institution to administer the Fund.
12. Establishing management guidelines and hiring necessary staff to assist in Fund administration.
13. Performing any other functions that are ancillary to the Fund's objectives and purpose.

Vision, Mission, and Core Objectives:

Vision: To become a leading provider of affordable motor car ownership for NCPB employees, enhancing their well-being and quality of life.

Mission: To facilitate access to motor cars through the provision of tailored financial solutions and the development of efficient mobility while maintaining financial sustainability.

Core Objectives:

1. To provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.
2. To cater for the administrative expenses of the fund.

c) Staff Loans Committee

Ref	Position	Name
1	Chairperson	Mr. John Gichuru
2	Secretary	Mr. James Theuri
3	Committee Member	Ms. Veronicah M Shiundu
4	Committee Member	Mr. Charles Onchangwa
5	Committee Member	Ms. Maureen Letting
7	Committee Member	Ms. Rosemary Kweya

d) Key Management

Ref	Position	Name
1	Fund Chairperson	Mr. John Gichuru
2	Fund Secretary	Mr. James Theuri
3	Fund Accountant	Mr. Charles Onchangwa
4	Fund Legal Advisor	Ms. Veronicah M Shiundu

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	NCPB Internal Audit

f) Registered Offices

P.O. Box 30586,
Nyumba ya Nafaka
Machakos Road
Nairobi, KENYA

g) Fund Contacts

Telephone: (254) (20) 536028/555288
E-mail: md@ncpb.co.ke
Website: ncpb.co.ke

h) Fund Bankers

1. Co-operative Bank of Kenya
P.O Box 48231
Nairobi, Kenya

i) Independent Auditors

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice




Harambee Avenue


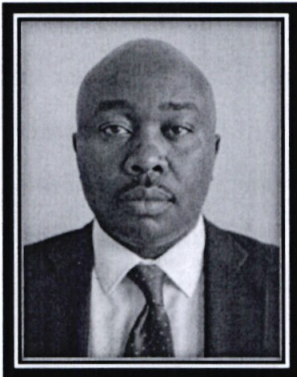

P.O. Box 40112


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Nairobi, Kenya



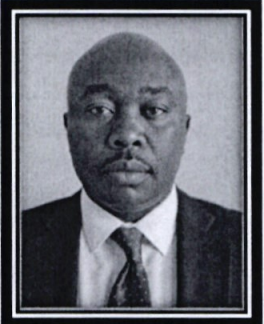

3. Staff Loans Committee

Name	Title	Academic & Professional Qualifications.
<p>1. Mr. John Gichuru</p> 	Chairperson	<p>He possesses over 20 years' experience in financial management having previously worked with Homegrown K. Ltd and as a Consultant with World Bank. Holds a BA Economics and Business Studies from Kenyatta University and CPA (K) as well as a Trustee Development Programme Kenya (TDPK) certificate of proficiency. Responsible for the implementation of an appropriate accounting systems, producing financial reports and maintaining sound financial records. Mr. Gichuru is currently serving the board as the acting GMFA as from 2nd May 2024.</p>
<p>2. Mr. James Theuri</p> 	Secretary	<p>Mr. James Theuri holds a Bachelor of Education (science) Hons. from Egerton University and a Higher Diploma in Human Resource from Kenya Polytechnic. He joined the Board in 2012 in the Department of Business and Research Development. Before joining the Board, he served in the Teachers Service Commission (TSC) for 15 years. He has also undertaken a Senior Management course by the Kenya School of Government (KSG). Mr. Theuri is currently serving the board as the acting HRM as from 3rd May 2024.</p>
<p>3. Ms. Veronicah M Shiundu</p> 	Committee Member	<p>Ms. Shiundu holds a Bachelors of Law degree from Moi University (2012), a Post-Graduate Diploma from the Kenya School of Law (2014). She was admitted to the bar in March 2015 before joining the Board in October 2015. She is also a Certified Professional Mediator, CPM(MTI), Currently she is undertaking a Master of Laws degree and a Certified Secretaries Course (Intermediate Level).</p> <p>Prior to joining NCPB, she worked as an associate advocate at the firm of Ajaa Olubayi & Company Advocates. Ms. Veronicah is currently serving the board as the acting Head of Legal Services as from 2nd May 2024.</p>

<p>4. Mrs. Maureen Letting</p> 	<p>Committee Member</p>	<p>Ms Maureen Letting holds a Bachelor of Business Management Degree, specializing in Purchasing and supplies from Moi University and a diploma from Chartered Institute of Purchasing and supplies (CIPS)- UK. She is a member of CIPS and Kenya Institute of Supplies Management (KISM). She has over 11 years of experience in procurement. Ms. Letting served the board as the acting HoP within the year as from 2nd May 2024 to 1st August 2024.</p>
<p>5. Mr. Charles Onchangwa</p> 	<p>Committee Member</p>	<p>Mr. Charles M Onchangwa holds a Bachelor of Finance and Banking Hons. from Moi University and CPA (K)and he is a member of member of the institute of certified public accountants (ICPAK). He joined the Board in 2007 and served in various sections within the department and raised through the ranks and currently he is the acting chief Accountant. He is serving as director of Nafasi SACCO Ltd.</p>
<p>6. Ms. Rosemary Kweya</p> 	<p>Committee Member</p>	<p>Mrs Rosemary Kweya is a holder of a Master of Science Degree in Marketing from the University of Nairobi, Bachelor's degree in Agriculture from the same University and a Diploma in Marketing Management from the Kenya Institute of Management.</p> <p>She has worked for over 30 years with National Cereals and Produce Board in various capacities and is currently the Deputy Manager, Corporate Planning. She is also the Chairperson the NCPB Staff Provident Fund.</p>

<p>7. Mrs. Anne Khisa</p> 	<p>Committee Member</p>	<p>Mrs Anne Khisa worked with National Cereals and Produce Board for 28 years in various capacities and rising through the ranks to the position of Deputy Manager, Services Marketing.</p> <p>Anne is a holder to a Master's Degree in Marketing from the University of Nairobi and a Diploma in Marketing Management from the Kenya Institute of Management.</p>
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4. Management Team

Name	Details of qualifications and experience
<p>Mr. John Gichuru Fund Chairperson</p> 	<p>Mr. Gichuru possesses over 20 years' experience in financial management having previously worked with Homegrown K. Ltd and as a Consultant with World Bank. Holds a BA Economics and Business Studies from Kenyatta University and CPA (K) as well as a Trustee Development Programme Kenya (TDPK) certificate of proficiency. Responsible for the implementation of an appropriate accounting systems, producing financial reports and maintaining sound financial records.</p>
<p>Mr. James Theuri Fund Administrator</p> 	<p>Mr. James Theuri holds a Bachelor of Education (science) Hons. from Egerton University and a Higher Diploma in Human Resource from Kenya Polytechnic. He joined the Board in 2012 in the Department of Business and Research Development. Before joining the Board, he served in the Teachers Service Commission (TSC) for 15 years. He has also undertaken a Senior Management course by the Kenya School of Government (KSG).</p>
<p>Mr. Charles Onchangwa Fund Accountant</p> 	<p>Mr. Charles M Onchangwa holds a Bachelor of Finance and Banking Hons. from Moi University and CPA (K) and he is a member of member of the institute of certified public accountants (ICPAK). He joined the Board in 2007 and served in various sections within the department and raised through the ranks and currently he is the acting chief Accountant. He is serving as director of Nafasi SACCO Ltd.</p>
<p>Ms. Veronicah M Shiundu Fund Legal Advisor</p> 	<p>Ms. Shiundu holds a Bachelors of Law degree from Moi University (2012), a Post-Graduate Diploma from the Kenya School of Law (2014). She was admitted to the bar in March 2015 before joining the Board in October 2015. She is also a Certified Professional Mediator, CPM(MTI), Currently she is undertaking a Master of Laws degree and a Certified Secretaries Course (Intermediate Level). Prior to joining NCPB, she worked as an associate advocate at the firm of Ajaa Olubayi & Company Advocates. Ms. Veronicah is currently serving the board as the acting Head of Legal Services as from 2nd May 2024.</p>

5. Chairman's Report

The National Cereals and Produce Board Staff Motor Car Loan Scheme Fund was allocated Kshs. 50,000,000 in FY 2021/2022.

The Scheme Fund Committee, in liaison with the Co-operative Bank of Kenya (the Fund Manager), operationalized the Scheme towards the end of the 2021/2022 financial year. During that year, one member of staff was advanced a car loan and successfully purchased a vehicle. In the 2022/2023 financial year, one additional staff member received a loan, while three more staff members benefited in 2023/2024. However, in the year under review (2024/2025), no car loans were disbursed to staff.

The Fund Committee extends its gratitude to the Board's management for their continued support, particularly during the initial stages of establishing and managing the Scheme Fund. We also appreciate the Co-operative Bank of Kenya for its effective management of the Fund, and we look forward to a cordial and seamless working relationship going forward.

The committee further reports the following for FY 2024/2025:

- i) Total amount for the loans disbursed to date was Kshs. 10,505,756
- ii) Total interest earned in the year was Kshs. 1,390,971
- iii) Total expenses incurred in the year was Kshs. 203,323
- iv) Surplus funds during the year was 1,187,648



John Gichuru

STAFF LOANS COMMITTEE
CHAIRPERSON

6. Report of the Fund Manager

After a successful procurement of Co-operative Bank of Kenya as the Fund Manager, the Scheme was finally operationalized and 5 officers have already benefited by being advanced loans to purchase cars. This has been made possible by effective processing of the car loans by Co-operative Bank (Fund Manager) whose duties are as under stated:

- i. Facilitate the approval of the loan application forms that are received from National Cereals and Produce Board to ensure that they are fully and accurately completed by the applicants
- ii. Manage and be responsible for any risk associated with the disbursed loans
- iii. Disburse the loans within five (5) working days from the date of receipt of requisite documents necessary for the processing of loans
- iv. Credit monthly interest for the utilised funds commensurate to the prevailing market rate (TB) to the fund account.
- v. Advise the National Cereals and Produce Board of any rejections of loan applications
- vi. Credit the fund account with monthly interest from loan proceeds at the rate set out in the NCPB Motor Car Loan Scheme Fund Regulations 2021.
- vii. Provide monthly, quarterly and yearly financial statements of the fund by 20th day of succeeding month.
- viii. Facilitate the process of auditing of the fund transaction by the National Cereals and Produce Board and other relevant government agencies.

Further, the fund status as at 30th June 2025 was as follows:

- a) The total value of the Fund was Kshs. 51,568,386
- b) Total amount for the loans disbursed to date was Kshs. 10,505,756
- c) Total loan repayment during the year was Kshs. 2,726,461
- d) Total loan balance was Kshs. 5,422,747
- e) Total car loan interest for the year was Kshs. 203,323

Congratulations to the National Cereals and Produce Board Motor Car Loan Scheme Fund Committee and Secretariat for working tirelessly beyond their normal duties to operationalize the Scheme as well as Co-operative Bank of Kenya for winning the tender to manage the Fund and hope the company will continue providing excellent services in the management of the Fund.

Finally, with continued support from the National Treasury, it is my hope that the scheme will have enough funds to benefit all members of staff who wish to be advanced car loan to purchase cars for their easy mobility to and from the workplace.



James Theuri
Fund Administrator

7. Statement of Performance against Predetermined Objectives

Introduction

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government Fund's performance against predetermined objectives.

NCPB has 2 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY2024-2025. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Enhance staff mobility by providing car loans to purchase cars

Pillar/theme/issue 2: Enhance staff living conditions by providing housing loans to purchase or construct residential houses

NCPB develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The National Cereals and Produce Board achieved its performance targets set for the FY 2024/2025 period for its 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Enhance staff mobility by providing car loans to purchase cars	Number of car loans advance to staff	Advancing car loans	5 car loan advanced
Pillar/ theme/ issue 2:	Enhance staff living conditions by providing housing loans to purchase or construct residential houses	Number of housing loans advanced to staff	Advancing housing loans	12 housing loan advanced

8. Corporate Governance Statement

a. Process of appointment and removal of Administration Committee members

Committee members shall be appointed or removed by receiving of a letter from the Managing Director

b. Roles and functions of the Administration Committee members

- Process all loans in accordance with the existing terms and conditions of borrowing and recommend for approval by the Officer administrating the fund loan applications
- Determine and regulate interest payable by loanees
- Liaise with the financial institution to set up a fund for the disbursement of loans
- Oversee the management of funds
- Monitor and evaluate the performance of the fund
- Approve annual work programmes and procurement plans for the fund
- Recommend the investment of any surplus funds not immediately required for the purposes of realizing the objects and purpose for which the fund was established
- Cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the fund
- Receive any funds gifts, donations, grants or endowments made to the fund
- Consider and recommend approval of the financial statements
- Recommend as when required the procurement of a financial institution to administer the fund on its behalf
- Establish management guidelines and engage such staff as may be necessary to assist the committee and the officer administrating the fund
- Perform any other functions that are ancillary to the objects and purpose for which the fund is established

9. Management Discussion and Analysis

- a. The operational and financial performance of the Fund during the period
 - The total value of the fund as at 30th June 2025 was Kshs. 51,568,386 while the fund's balance was Kshs. 44,957,992
 - The fund records 5 loans worth Kshs. 10,505,756 advanced to staff members. The application was successfully processed without any hitch.
 - The expense incurred for the management of the fund in the course of the year was Kshs. 203,323 which is equivalent to the 3% car loan interest charged
- b. Fund's key projects or investments decision implemented or ongoing
 - There are no investments undertaken yet as the fund is still in the inception level and activity is being assessed
- c. Number and amount of Loans issued during the period, loans outstanding at end of the period and loans repaid during the period.

Description	2025	2024
Number of Loans Issued during the period	0	3
Amount of Loan issued during the period (Kshs.)	0	6,055,757
Loan outstanding at the beginning of the period (Kshs.)	8,149,208	3,530,571
Loans repaid during the period (Kshs.)	2,726,461	1,437,120
Loan outstanding at the end of the period (Kshs.)	5,422,747	8,149,208

- d. Fund's compliance with statutory requirements
 - The scheme fund's record have been properly kept including records for the fund's books of accounts as per Section B(1) and B(2) of the Fund's Regulations and annual statements for the fund will be prepared and submitted to the National Treasury and the Office of the Auditor General.
- e. Major risks facing the Fund, material arrears in statutory and other financial obligations
 - The risk of depletion of fund in the event of staff requesting for loan concurrently may arise if budgetary projections are not well assessed.
- f. Other information considered relevant to the users of the financial statements
 - The adaptation of the car loan has not been very good. However, with sensitisation and information to the staff concerning the loan being done, more members may request for the same.

10. Environmental And Sustainability reporting

The Fund has not yet engaged in ESR activities in the year so as to impact to the society. The organisation may have not undertaken ESR through its own initiatives but through partnerships with its umbrella organisation. Prospects of engaging in pursuits that conserves the environment, promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives are being considered when the fund stabilizes.

11. Report of Staff Loans Committee

The Staff Loans Committee submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are and continue to be provide a car loan facility to employees of the National Cereals and Produce Board to purchase motor cars.

Performance

The performance of the Fund for the year ended June 30, 2025, is set out on page 1

Trustees

The members of the Staff Loans Committee who served during the year are shown on page v (refer to the key Fund information and management page).

Auditors

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

By Order of the Board



.....
John Gichuru

Chair of the Staff Loans Committee

12. Statement of Management's Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established by Article 230 of the constitution and section 13 of the salaries and remuneration act, 2011 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and NCPB Car loan scheme regulations and guidelines, 2020. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

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

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 3/12/ 2025 and signed on its behalf by:


.....

John Gichuru

Chairperson of the Staff Loans Committee


.....

James Theuri

Fund Administrator

National Cereals and Produce Board Car loan fund
Annual Report and Financial Statements for the year ended 30th June 2025

REPUBLIC OF KENYA



Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CEREALS AND PRODUCE BOARD CAR LOAN FUND SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report 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

Opinion

I have audited the accompanying financial statements of National Cereals and Produce Board Car Loan Fund Scheme set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Cereals and Produce Board Car Loan Fund Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Cereals and Produce Board Car Loan Fund Regulations, 2021 and the Public Finance Management Act, 2012

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Cereals and Produce Board Car Loan Fund/Scheme Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iv to xxi which comprise of Key Fund Information and Management, Staff Loans Committee, Management Team, Chairman's Report, Report of the Fund manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of Staff Loans Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Opening of NCPB Car Loan Bank Account

The statement of financial position Note 15 to the financial statement reflects cash and cash equivalents balance of Kshs.44,957,992. Records provided for audit revealed letter Ref NCPB/3/41/1/VOL.1/527 dated 4 May, 2021 to Cooperative Bank of Kenya, notified award of provision of administration services for NCPB Car Loan Scheme. The Cooperative Bank of Kenya acceptance letter was not provided for audit review. In addition, the board of directors' minutes and approval authorizing award of Cooperative Bank of Kenya and approved signatories was not provided for audit.

Further, there was no approval sought from The National Treasury to open the NCPB Car Loan Scheme account with Cooperative Bank of Kenya contrary to Regulation 82(1) of the Public Finance Management (National Government) Regulations ,2015,

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

2. Unapproved Administration Cost Charge

The statement of financial performance and Note 9 to the financial statement reflects administrative fee amount of Kshs.203,323 which has been charged at 3% of the loan amount contrary to National Cereals and Produce Board Motor Car Loan Scheme Fund regulation 2021 which stipulates an administration fee should not exceed 2% of the loan amount per annum. Although Management has indicated that this was a negotiated rate the regulation has not been amended.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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 Loan Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


11 December, 2025

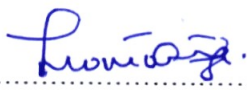
14. Statement of Financial Performance for the year ended 30th June 2025.

Description	Note	2024/2025	2023/2024
Revenue from non-exchange transactions			
Transfers from Parent Ministry/ SC/SAGA	6	-	-
		-	-
Revenue from exchange transactions			
Interest income	7	1,390,971	569,225
Other income	8	-	-
		1,390,971	569,225
Total revenue		1,390,971	569,225
Expenses			
Administrative fees (bank)	9	203,323	188,487
Employee costs	9b	-	-
Use of goods and services	10	-	-
Depreciation and amortization expense	11	-	-
Finance costs	12	-	-
Total expenses		(203,323)	(188,487)
Other gains/losses			
Gain/loss on disposal of assets	13	-	-
Surplus/(deficit) before tax		1,187,648	380,738
Taxation	14	(-)	(-)
Surplus/Deficit after Tax		1,187,648	380,738

(The notes set out on pages 7 to 26 form an integral part of these Financial Statements).

The financial statements were approved on*21/6/25*.....by:


.....
James Theuri
Fund Administrator

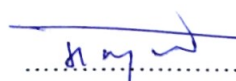

.....
Charles Onchangwa
Fund Accountant
ICPAK M/No. 22195

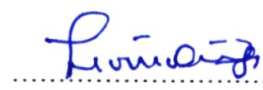

.....
John Gichuru
Chairman of the Car Loan
Committee


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

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	15	44,957,992	42,231,530
Receivables from exchange transactions	16	1,824,224	2,160,876
Receivables from Non- exchange transactions	17	1,187,648	-
Prepayments	18	-	-
Inventory	19	-	-
Total Current Assets		47,969,864	44,392,406
Non-current assets			
Receivables from exchange transactions	16	3,598,522	5,988,332
Property, plant, and equipment	20	-	-
Intangible assets	21	-	-
Total Non- Current Assets		3,598,522	5,988,332
Total assets		51,568,386	50,380,738
Liabilities			
Trade and other payables	22	-	-
Total liabilities		-	-
Net assets			
Car loan revolving fund		50,000,000	50,000,000
Accumulated surplus (<i>Reserves</i>)		1,568,386	380,738
Total net assets		51,568,386	50,380,738
Total net assets and liabilities		51,568,386	50,380,738

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 31st 2025 and signed by:



James Theuri
Fund Administrator


Charles Onchangwa
Fund Accountant
ICPAK M/No. 22195

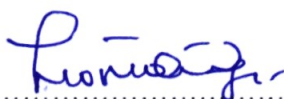

John Gichuru
Chairman of the Car Loan
Committee

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

	Car Loan Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.
As at 1 July 2023 (previous year)	50,000,000	-	50,000,000
Surplus/(deficit) for the period	-	380,738	380,738
Funds received during the year	-	-	-
Interest capitalized*	-	-	-
Transfers	-	(-)	-
As at 30 June 2024 (previous year)	50,000,000	380,738	50,380,738
Balance as at 1 July 2024 (current year)	50,000,000	380,738	50,380,738
Surplus/(deficit) for the period	-	1,187,648	1,187,648
Funds received during the year	-	-	-
Interest capitalized*	-	-	-
Transfers	-	(-)	-
As at 30 June 2025 (current period)	50,000,000	1,568,386	51,568,386



James Theuri
Fund Administrator



Charles Onchangwa
Fund Accountant



John Gichuru
Chairman of the Car
Loan
Committee

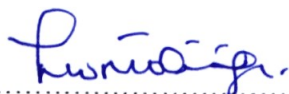
ICPAK M/No. 22195

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

Description	Note	2024/2025	2023/2024
Cash flows from operating activities			
Receipts			
Transfers from Parent Ministry/ SC/SAGA		-	-
Interest received		203,323	569,225
Other income		-	-
Total receipts		203,323	569,225
Payments			
Administrative fees (bank)		203,323	188,487
Transfers to Parent Ministry/ SC/SAGA		-	-
Employee costs		-	-
Use of goods and services		-	-
Finance cost		-	-
Total payments		203,323	188,487
Net cash flow from/ (used in) operating activities	23	-	380,738
Cash flows from investing activities			
Purchase of PPE and intangible assets		(-)	(-)
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		2,726,461	1,437,120
Loan disbursements paid out		(-)	(6,055,756)
Net cash flows from/(used in) investing activities		2,726,461	(4,618,636)
Cash flows from financing activities			
Receipts into the car loan revolving fund		-	-
Net cash flows from(used in) financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents		2,726,461	(4,237,898)
Cash and cash equivalents at 1 July	15	42,231,530	46,469,429
Cash and cash equivalents at period ended	15	44,957,992	42,231,530



James Theuri
Fund Administrator




Charles Onchangwa
Fund Accountant
ICPAK M/No. 22195

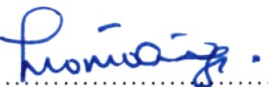


John Gichuru
Chairman of the Car Loan
Committee

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance Difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	C=(a+b)	d	e=(c0d)	F=d/c
Revenue						
Transfers from other Parent Ministry/ SC/SAGA	-	-	-	-	-	0%
Interest income	1,390,971	-	1,390,971	1,390,971	-	0%
Other income	-	-	-	-	-	0%
Total Revenue	1,390,971	-	1,390,971	1,390,971	-	0%
Expenses						
Administrative fees (bank)	203,323	-	203,323	203,323	-	
Employee cost	-	-	-	-	-	0%
Use of goods and services	-	-	-	-	-	0%
Finance cost	-	-	-	-	-	0%
Expenditure	203,323	-	203,323	203,323	-	0%
Surplus for the period	1,187,648	-	1,187,648	1,187,648	-	
Capital Expenditure	-	-	-	-	-	0%


James Theuri
Fund Administrator


Charles Onchangwa
Fund Accountant
ICPAK M/No. 22195


John Gichuru
Chairman of the Car Loan
Committee

Budget notes

- *No explanation for there are no differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
- *No explanation of changes between original and final budget since no difference is present. (IPSAS 24.29)*

19. Notes to the Financial Statements

1. General Information

The Car Loan Scheme Fund is established by and derives its authority and accountability from the provisions under Section 84(1), Section 24(4) (5) (6) (7) of the PFM Act, 2012. The Fund is wholly owned by the National Cereals and Produce Board and is domiciled in Kenya. The Fund's principal activity is providing a loan scheme for the purpose of Acquisition of Motor Car.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption Of New and Revised Standards

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

There are no new standards effective in the financial year.

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

Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>No impact.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>No impact.</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>No impact.</i></p>

<p>IPSAS 46: Measurement</p>	<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> <p><i>No impact.</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>No impact.</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>No impact.</i></p>

<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>No impact.</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>No impact</i></p>

iii. Early adoption of standards

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

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b. Budget information

The original budget for FY 2024/2025 represents a transfer from National Cereals and Produce Board Budget which was approved by the National Assembly.

The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c. Financial instruments

1) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, with less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. Management then follows the procedure required by Regulation 145 of the PFM Act. A financial asset of the Fund is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (*an incurred 'loss event'*) and that loss event has an impact on the estimated future cash flows of the Fund that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors of the Fund are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

2) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

d. Nature and purpose of reserves

The Fund intends to create and maintains reserves in terms of specific requirements. No reserves are currently maintained and no appropriate policies adopted since there was no cause for the same.

e. Changes in accounting policies and estimates

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

f. Related parties

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

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Co-operative Bank of Kenya's at the end of the financial year.

h. Comparative figures

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

i. Events after the reporting period

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

j. Currency

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

5. Significant Judgments and sources of estimation uncertainty

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

a) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. *(see IPSAS 1.140.)*

b) Useful lives and residual values

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

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

Notes to the Financial Statements continued

6. Transfers from the Parent Ministry/SC/SAGA

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from Government entities– operations	0	0
Payments by Government entity on behalf of the Fund	0	0
Total	0	0

7. Interest income

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Interest Income From Car Loans	203,323	188,487
Interest Income From Investments	0	0
Interest Income On Bank Deposits	1,187,648	380,738
Interest from current accounts	0	0
Other (<i>Specify</i>)	0	0
Total Interest Income	1,390,971	569,225

8. Other income

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Insurance recoveries	0	0
Income from Sale of Tender documents	0	0
Miscellaneous income (<i>Specify</i>)	0	0
Total Other income	0	0

9. Administrative fees (bank)

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Administrative fees to the bank	203,323	188,487
Total	203,323	188,487

9(b) Employee Costs

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Salaries and Wages	0	0
Staff Gratuity	0	0
Staff Training expenses	0	0
Social Security Contribution	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

10. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Loan processing costs	0	0
General office expenses	0	0
Professional services costs	0	0
Administration fees	0	0
Committee allowances	0	0
Printing and Stationery	0	0
Telephone a Communication expenses	0	0
Bank charges	0	0
Audit fees	0	0
Provision for Doubtful Debts	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

11. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible assets	0	0
Total	0	0

12. Finance costs

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Interest on Bank Overdrafts	0	0
Interest on Loans from Banks	0	0
Total	0	0

13. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property, Plant, and Equipment	0	0
Intangible Assets	0	0
Total	0	0

14. Taxation

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Income tax charge	0	0
Tax Charged On Interest Income	0	0
Income Tax expense	0	0

15. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Car Loan Account	44,957,992	42,231,530
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	0	0
Others (<i>Specify</i>)	0	0
Total Cash and Cash equivalents	44,957,992	42,231,530

15 a) Detailed analysis of the cash and cash equivalents in banks approved by National Treasury in line with Section 28 of the PFM Act are as follows:

Financial Institution	Account number	2024/2025 Kshs.	2023/2024 Kshs.
Car Loan Fund			
Co-operative Bank Account	01246007611602	44,957,992	42,231,530
Fixed Deposit Accounts			
Commercial Bank		-	-
Sub- Total		44,957,992	42,231,530
On- Call Deposits			
Bank A		-	-
Sub- Total		-	-
Current Account			
Co-operative Bank		-	-
Bank B		-	-
Sub- Total		-	-
Others			
Cash On Hand		-	-
Mobile Money		-	-
Sub- Total		-	-
Grand Total		44,957,992	42,231,530

16. Receivables from exchange transactions

Description	2024/2025 Kshs.	2023/2024 Kshs.
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	1,824,224	2,160,876
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	1,824,224	2,160,876
Non-Current Receivables		
Long Term Loan Repayments Due	3,598,522	5,988,332
Total Non- Current Receivables	3,598,522	5,958,965
Total Receivables From Exchange Transactions	5,422,747	8,149,208

Ageing analysis (receivable from exchange transactions)	2024/2025	%of total	2023/2024	%of total
Less than 1 year	1,824,224	33.64%	2,160,876	26.52%
Between 1-2 years	1,894,444	34.94%	1,998,205	24.52%
Between 2-3 years	1,531,567	28.24%	2,058,907	25.27%
Over 3 years	172,511	3.18%	1,931,220	23.70%
Total (tie to totals above)	5,422,747	100%	8,149,208	100%

17. Receivables from Non-Exchange transactions

Description	2024/2025		2023/2024	
	Kshs.		Kshs.	
Transfers from Government Entities/SC	0		0	
Transfer from Fund	1,187,648		0	
Total Receivables from Non-Exchange Transactions	1,187,648		0	
Ageing analysis (receivable from exchange transactions)	2024/2025	%of total	2023/2024	%of total
Less than 1 year	1,187,648	100%	0	0%
Between 1-2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total Receivables from Non-Exchange Transactions)	1,187,648	100%	0	0%

18. Prepayments

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Prepaid Rent	0	0
Prepaid Electricity Costs	0	0
Other Prepayments	0	0
Total	0	0

19. Inventory

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Consumables	0	0
Other	0	0
Total	0	0

Notes to the Financial Statements continued

20. Property, Plant, and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Cost							
At 1 July 2023	0	0	0	0	0	0	0
Additions	0	0	0	0	-	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	0	(0)	0		0	(0)
At 30th June 2024	0	0	0	0	0	0	0
At 1 st July 2024	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments		0		0		(0)	-
At 30th June 2025	0	0	0	0	0	0	0
Depreciation and impairment							
At 1 July 2023	0	0	0	0	0	0	0
Depreciation for the year	0	0	0	0	0		0
Disposals	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	(0)	(0)	(0)	(0)	(0)		(0)
At 30th June 2024	0	0	0	0	0		0

*National Cereals and Produce Board Car loan fund
Annual Report and Financial Statements for the year ended 30th June 2025*

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Capital Work in progress	Total
At July 2024	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	(0)	(0)	(0)	(0)	(0)		(0)
Transfer/adjustment		0	-	0	-	(0)	(0)
At 30th June 2025	0	0	0	0	0	0	0
Net book values							
At 30 th June 2024	0	0	0	0	0	0	0
At 30 th June 2025	0	0	0	0	0	0	0

Notes to the Financial Statements continued

21. Intangible assets

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Cost		
At beginning of the year	0	0
Additions	0	0
Disposal	(0)	(0)
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
Net book value	0	0

22. Trade and other payables

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Trade payables	0	0
Other payables	0	0
Total trade and other payables	0	0

23. Net cash flows from operating activities

	2024/2025	2023/2024
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	1,187,648	380,738
Adjusted for:	0	0
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
Interest income	(203,323)	(188,487)
Administrative fee	203,323	188,487
Finance cost	0	0
Working capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(1,187,648)	(0)
Increase in payables	0	0
Net cash flow from operating activities	0	380,738

Other Disclosures

24. Financial risk management

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

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

a) Credit risk

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

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

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements.

c) Market risk

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

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

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

d) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund will analyse 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.

e) Capital risk management

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

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Revolving fund	50,000,000	50,000,000
Accumulated surplus (<i>Reserves</i>)	1,568,386	380,738
Total funds	51,568,386	50,380,738
Less: cash and bank balances	(44,957,992)	(42,231,530)
Net debt/(excess cash and cash equivalents)	6,610,394	8,149,208
Gearing	13%	16%

25. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

i. Transfers from related parties

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from related parties	0	0

ii. Key management remuneration

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

This first audit exercise on the scheme's operation were carried out report not yet received. Therefore there are no any follow up on the Auditor recommendations.




John Gichuru

Chairman of the Car Loan
Committee

Date.....25/11/2025...

Annex II: Inter-Fund Confirmation Letter

There isn't an inter-fund confirmation letter since the fund was established by an inter-bank transfer from the NCPB CO-OP Bank Account Number 01136007611600 to the Revolving Car Loan Fund CO-OP Bank Account Number 01246007611602.
However, the above transfer is supported by the bank statement.

Confirmation of amounts received by Car Loan Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by NCPB (KShs) as at 30th June 2025				Amount Received by Car Loan Fund (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Bank (C)	Total (D)=(A+B+C)		
317c1262ad41 BYy2	23/09/2021	0	0	50,000,000	50,000,000	50,000,000	0
Total							
In confirm that the amounts shown above are correct as of the date indicated.							
Head of Accountants department of beneficiary Fund:							
Name: Charles Onchangwa		Sign 			Date: 2/12/2025		
25/11/2025							

Annex III: Reporting of Climate Relevant Expenditures

Name of the Organization

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

Annex IV: Disaster Expenditure Reporting Template

Date:

Fund

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Ksh s.)	Comments