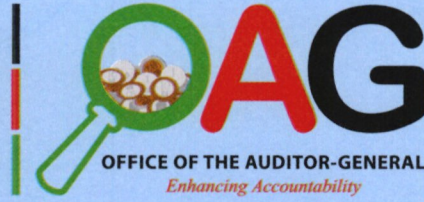


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REPORT

OF

THE AUDITOR-GENERAL

ON

**NANDI COUNTY ALCOHOLIC
DRINKS CONTROL FUND**

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

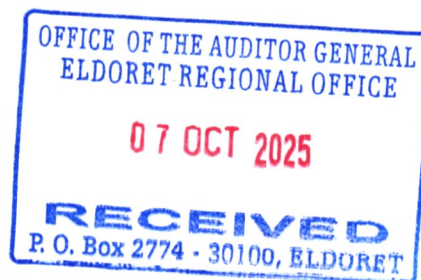
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NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND

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

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



Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Nandi County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Nandi County Alcoholic Drinks Control Act, 2014 Act on (3rd November 2014). The Fund is wholly owned by the County Government of Nandi and is domiciled in Kenya.

The main objective of the Fund is to assist the Directorate meet its capital and recurrent expenditures relating to;

- (a) Carrying out the functions of the Directorate
- (b) Assisting in the operations of the Sub-County Committees; as established under the Nandi County Alcoholic Drinks Control Act of 2014.
- (c) Any other matter incidental to the matters as stipulated on attached Nandi County Alcoholic Drinks Control Act of 2014.




b) Principal Activities



The principal activity/mission/ mandate of the Fund are to provide for the Licensing and Regulation of the production, sale, distribution, consumption and outdoor advertising, of alcoholic drinks, and for connected purposes.

c) Fund Administration Committee

Ref	Name	Position
1	CPA Alfred Lagat	CECM Finance and Economic Planning.
2	Mr. Isaiah Keter	CECM-Trade, Tourism, Industrialization and Enterprise Development.
3	CPA Prisca Jepchirchir Muigei	Chief officer Finance and Economic Planning
4	CPA Carolyn Lagat	C.O Trade, Tourism, Industrialization and Enterprise Development.
5	Mr. William Melly	Fund Administrator.

d) Key Management team

Ref	Name	Position
	 <p data-bbox="328 707 584 741">CPA Alfred Lagat</p>	<p data-bbox="751 304 1310 383">CPA Alfred Lagat CECM Finance and Economic Planning.</p> <p data-bbox="751 439 1406 584">CPA Alfred Lagat is the CECM, Finance and Economic Planning, before his appointment to this docket he was CECM Trade, Tourism, Industrialization and Enterprise Development.</p> <p data-bbox="751 595 1406 741">CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touche, Assistant Finance Manager at Diamond Trust Bank and Lead consultant for Tullon Consulting Ltd.</p> <p data-bbox="751 752 1406 819">He is Member of ICPAK and Holds Bachelor of commerce in Finance.</p>
2	 <p data-bbox="328 1245 560 1279">Mr. Isaiah Keter</p>	<p data-bbox="759 857 1406 965">Mr. Isaiah Keter CECM-Trade, Tourism, Industrialization and Enterprise Development.</p> <p data-bbox="759 976 1406 1122">Mr. Isaiah Keter is the CECM, Trade, Tourism, Industrialization and Enterprise Development, prior to this appointment he was CECM, for public Administration and ICT.</p> <p data-bbox="759 1133 1406 1200">He has also served as Municipal Manager at Kapsabet Municipality.</p> <p data-bbox="759 1211 1406 1279">He Holds a Bachelors of Commerce in Accounting option.</p>
3	 <p data-bbox="296 1783 727 1816">CPA Prisca Jepchirchir Muigei</p>	<p data-bbox="767 1335 1390 1413">CPA Prisca Jepchirchir Muigei- Chief officer Finance and Economic Planning</p> <p data-bbox="767 1424 1422 1592">CPA Prisca Jepchirchir Muigei served in various Management positions in Nandi County Government. She previously served as the Head of Budget and Planning.</p> <p data-bbox="767 1603 1406 1727">She holds a Degree in Bachelors of Economics and Mathematics from Egerton University .She is a Certified Public Accountant of Kenya (CPA-K).</p> <p data-bbox="767 1738 1422 1850">She has also done Senior Management Course(SMC) at Kenya School of Government(KSG)</p>

4	 <p>CPA Carolyn Lagat</p>	<p>CPA Carolyn Lagat – C.O Trade, Tourism, Industrialization and Enterprise Development.</p> <p>CPA Carolyn Lagat is the Chief Officer Trade, Tourism, Industrialization and Enterprise Development. Prior to her appointment to the position, she served as Chief Officer for Cooperative Development.</p> <p>She has also served as director tourism and Sub County Administrator.</p> <p>CPA Carolyn Lagat holds a Bachelor of Commerce in Accounting.</p> <p>She is a Member of Certified Public Accountants of Kenya (ICPAK).</p>
5	 <p>Mr. William Melly</p>	<p>Mr. William Melly –Fund Administrator.</p> <p>Mr. Melly Was appointed as the Nandi County Alcoholic Drinks Fund Administrator on 24th October 2024.</p> <p>He has worked in different capacities including being ward administrator in Kabiyet, Kurgung/Surungai, and Kaptel/Kamoiywo wards and Administrative Officer in the Alcoholic Drinks Control Directorate.</p> <p>Prior to joining County Government of Nandi he work as Credit manager KADET Mombasa branch.</p> <p>Mr. Melly hold Bachelor degree in Commerce (Marketing option) He worked on different capacities</p> <p>He has done Senior Management Course (SMC) at Kenya School of Government (KSG) – Matuga College</p>

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	
1	Directorate Internal Audit-County Government of Nandi
2	MCA, Chair Trade
3	CECM Trade

f) Registered Offices

Nandi County Alcoholic Drinks Control Fund
P.O. Box 802-30300
KAPSABET, KENYA

g) Fund Contacts

Telephone: (254) (0)53522355

E-mail: info@nandi.go.ke

Website: www.nandi.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya
Kapsabet Branch
P.O Box 34
Kapsabet, Kenya

Key Entity and Management (Continued)

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
City Square 00200
Nairobi, Kenya

k) County Attorney

Amos Magut
Nandi County Government
Po Box 802-30300
Kapsabet, Kenya

3. Fund Administration Committee

Name	Details of qualifications and experience
 <p style="text-align: center;">CPA Alfred Lagat</p>	<p>CPA Alfred Lagat CECM Finance and Economic Planning.</p> <p>CPA Alfred Lagat is the CECM, Finance and Economic Planning, before his appointment to this docket he was CECM Trade, Tourism, Industrialization and Enterprise Development.</p> <p>CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touche, Assistant Finance Manager at Diamond Trust Bank and Lead consultant for Tullon Consulting Ltd.</p> <p>He is Member of ICPAK and Holds Bachelor of commerce in Finance.</p>
 <p style="text-align: center;">Mr. Isaiah Keter</p>	<p>Mr. Isaiah Keter CECM-Trade, Tourism, Industrialization and Enterprise Development.</p> <p>Mr. Isaiah Keter is the CECM, Trade, Tourism, Industrialization and Enterprise Development, prior to this appointment he was CECM, for public Administration and ICT.</p> <p>He has also served as Municipal Manager at Kapsabet Municipality.</p> <p>He Holds a Bachelors of Commerce in Accounting option.</p>
 <p style="text-align: center;">CPA Prisca Jepchirchir Muigei</p>	<p>CPA Prisca Jepchirchir Muigei- Chief officer Finance and Economic Planning</p> <p>CPA Prisca Jepchirchir Muigei served in various Management positions in Nandi County Government. She previously served as the Head of Budget and Planning.</p> <p>She holds a Degree in Bachelors of Economics and Mathematics from Egerton University .She is a Certified Public Accountant of Kenya (CPA-K).</p> <p>She has also done Senior Management Course(SMC) at Kenya School of Government(KSG)</p>



CPA Carolyn Lagat

**CPA Carolyn Lagat –
C.O Trade, Tourism, Industrialization and
Enterprise Development.**



CPA Carolyn Lagat is the Chief Officer Trade, Tourism, Industrialization and Enterprise Development. Prior to her appointment to the position she served as Chief Officer for Cooperative Development.



She has also served as director tourism and Sub County Administrator.

CPA Carolyn Lagat holds a Bachelor of Commerce in Accounting.

She is a Member of Certified Public Accountants of Kenya (ICPAK).

4. Management Team

Name	Details of qualifications and experience
 <p>Mr. William Melly</p>	<p>Mr. William Melly –Fund Administrator. Mr. Melly Was appointed as the Nandi County Alcoholic Drinks Fund Administrator on 24th October 2024.</p> <p>He has worked in different capacities including being ward administrator in Kabiyeet, Kurgung/Surungai, and Kaptel/Kamoiywo wards and Administrative Officer in the Alcoholic Drinks Control Directorate.</p> <p>Prior to joining County Government of Nandi he work as Credit manager KADET Mombasa branch.</p> <p>Mr. Melly hold Bachelor degree in Commerce (Marketing option) He worked on different capacities</p> <p>He has done Senior Management Course (SMC) at Kenya School of Government (KSG) – Matuga College</p>
 <p>CPA Alfred Lagat</p>	<p>CPA Alfred Lagat CECM Finance and Economic Planning.</p> <p>CPA Alfred Lagat is the CECM, Finance and Economic Planning, before his appointment to this docket he was CECM Trade, Tourism, Industrialization and Enterprise Development.</p> <p>CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touche, Assistant Finance Manager at Diamond Trust Bank and Lead consultant for Tullon Consulting Ltd.</p> <p>He is Member of ICPAK and Holds Bachelor of commerce in Finance.</p>

 <p>Mr. Isaiah Keter</p>	<p>Mr. Isaiah Keter CECM-Trade, Tourism, Industrialization and Enterprise Development.</p> <p>Mr. Isaiah Keter is the CECM, Trade, Tourism, Industrialization and Enterprise Development, prior to this appointment he was CECM, for public Administration and ICT.</p> <p>He has also served as Municipal Manager at Kapsabet Municipality.</p> <p>He Holds a Bachelors of Commerce in Accounting option.</p>
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5. Fund Chairperson's Report

Introduction

It is with great humility and a deep sense of duty that I present Chairperson's report for the Nandi County Alcoholic Drinks Control Fund for the financial year under review. This report highlights the performance of the Fund, the challenges encountered, strategic interventions undertaken, and our projections for the future.

The Fund plays a critical role in supporting the implementation of the Nandi County Alcoholic Drinks Control Act. Its objectives include the regulation of alcoholic beverages, public education on alcohol abuse, rehabilitation programs, and promoting alternative livelihoods in communities most affected by alcoholism.

Review of Fund Performance

During the financial year under review, the Fund continued to support various programs in line with its mandate:

Revenue Mobilization: The Fund recorded a total collection of Ksh15, 403,210 largely from licensing fees, penalties, and other regulatory charges. This marked a 63% increase compared to the previous year.

Enforcement and Compliance: The Fund facilitated multiple joint operations with enforcement agencies, leading to the closure of unlicensed premises and confiscation of illicit brews.

Public Sensitization: Awareness campaigns and school outreach programs were conducted across the county to educate the public on the dangers of alcohol abuse.

Despite financial and logistical limitations, the Fund maintained its commitment to reducing the harmful effects of alcohol in our communities.

Challenges Faced During the Year

The Fund faced several significant challenges that impacted its efficiency and reach:

Inadequate Funding: The demand for rehabilitation and public awareness programs continues to grow, outpacing available resources. Our revenue base remains narrow and overly dependent on licensing. Application and appeal fee

Weak Enforcement Structures: Limited personnel and logistical support for enforcement have hindered effective crackdowns on illegal brews and non-compliant outlets.

Public Resistance and Social Stigma: In some areas, cultural attitudes and stigma against rehabilitation remain a barrier to recovery efforts.

Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

Data Gaps: Lack of comprehensive data on alcohol-related issues in the county hampers evidence-based planning and evaluation.

Future Outlook

Looking ahead, the Fund is committed to strengthening its operational efficiency and community impact through the following strategic actions:

Diversification of Revenue Streams: We aim to expand revenue sources beyond licensing, including partnerships, donor funding, and CSR contributions from private sector players.

Capacity Building: Enhance the capacity of enforcement officers, community champions, and rehabilitation staff through targeted training and resourcing.

Community Engagement: Broaden our outreach by forming partnerships with local leaders, youth groups, and religious organizations to support awareness and recovery programs.

Policy and Legal Reforms: Engage stakeholders in reviewing existing policies and the Nandi County Alcoholic Drinks Control Act to align with emerging challenges and best practices.

Relevant Matters

Collaboration with Stakeholders: We acknowledge the critical support from the County Government, the National Authority for the Campaign against Alcohol and Drug Abuse (NACADA), civil society organizations, and law enforcement agencies.

Gender and Youth Inclusion: Special focus will be placed on empowering women and youth in prevention and rehabilitation efforts, recognizing their unique vulnerabilities and potential for change.


Conclusion

In conclusion, while the year presented multiple challenges, it also reaffirmed the importance and impact of the Fund's mission. The burden of alcohol abuse in Nandi County remains a serious concern, but through concerted efforts, community participation, and institutional strengthening, we can achieve a healthier, more productive society.

On behalf of the trustee and management of the Nandi County Alcoholic Drinks Control Fund, I extend our sincere appreciation to all stakeholders who have walked with us on this journey. We remain steadfast in our resolve to combat alcohol abuse and promote sustainable community well-being. Let us continue to work together to safeguard the health, dignity, and future of our people.

Mr. Isaiah Keter

Chairperson, Alcoholic Control liquor fund

Name... ISAIAH W. KETER ... Signature...  ... Date... 07/10/2025

6. Report of the Fund Administrator

The Nandi County Alcoholic Drinks Control Fund was established in the Financial Year 2021/2022 in fulfillment of the provisions of the Nandi County Alcoholic Drinks Control Act, 2014.

Its main objective is to facilitate activities of the Directorate of Alcoholic Drinks Control, administrative and financial support to various committees formed under the Act.

The Fund is run with the technical assistance from the National Bank which provides online and hands-free management of the fund in terms of collections and disbursement. This has improved accountability of the fund and provides a real time status at the click of a button.

Access to the Fund accounts is restricted to authorized officers with credentials to specific functions.

In the period ending June 30, 2025, the fund own source revenue totaled Kshs 15,403,210. This is from Applications for licenses, Kshs 992,370, from License fees and Kshs 14,118,756 and Appeals fee totaled kshs 292,084

The Fund is meant to facilitate the following activities:

- a) Administration function
- b) Licensing process
- c) Enforcement and compliance
- d) Sensitization
- e) Rehabilitation
- f) Litigation and draft of new bill

All the above activities were planned in the financial year 2024/2025 annual Work plan, Procurement Plan and Budget estimates. The Activities were necessary since they were not only the core mandate of the Directorate but necessary as prioritised by stakeholders.

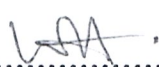
The provisions of the PFM Act, County Government Act and the Nandi County Alcoholic Drinks Control Act 2014 guided implementation.

All appropriations were duly authorised, spent as planned and supported adequately.

One of the Key Challenge faced was inadequate staff, inadequate funding to cover the entire County and delay by the traders to pay license fees on time thus limiting Directorate activities.

The greatest risk facing the Fund Administration is managing expectation against available cash-flow which majorly depend on the application and renewal of the licences.

In future, there is need to pool together all funds from trade in Alcoholic drinks including Single Business Permits, Fines and Penalties and provision for support in cash and kind by other entities in the books of Account

.....


**Mr. William Melly
Fund Administrator**

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

Nandi County Alcoholic Drinks Control Fund had a total annual budget approximated to be Kshs 19 million for all the entire year. Section 164(2) (f) of the public Finance Management Act, 2012 requires that at the end of every financial year entity use prescribe standard and format by the public sector Accounting Standard Board when preparing financial statements. Alcoholic drinks control adheres to the standard in alignment with strategic plan.

The key development objectives of the fund as per the strategic plan for the period ended 30th June 2025 are to:

- i. Receive application approved form sub-county level and facilitate sub-county committee
- ii. Licensing of approved outlet by the sub county committee
- iii. Sensitization programmer
- iv. Dispute resolution on appeal cases
- v. Enforcement of non –compliance outlets
- vi. Rehabilitation and advocacy

Progress on attainment of the stated objective

Programme	Objective	Outcome	Indicators	Performance
Rehabilitation	To secure addicted drunkards reform	31 people	No of person seeking assistance	Most of the people reformed to be economically useful in their daily activities
Sensitization	To inform youth on important of sporting activity under theme “don’t drink do sport”	Sporting competition among youth across the county	Sub county team qualifiers to compete at county level	Activity destructed the addict from drinking and at the end of the competition quite a number had a turnaround in their lives

8. Corporate Governance Statement

Nandi County Alcoholic Drink fund dispend its activities as per the alcoholic drinks control act, 2014. The act had no provision of board as corporate governance and Currently Alcoholic drinks control bill, 2025 which is in final stages will stipulate all the mandate the board and policy implementation. Corporate Governance responsibility is an integral part of the society and public at large .as organization stakeholders interest is prioritizes as long as its within the law and policies of County Alcoholic drinks Control

Legal and Institutional Framework

The Alcoholic Drinks Control Fund is established under Section 6 of the Nandi County Alcoholic Drinks Control Act, 2014.

The governance and operation of the Fund are subject to the County Act, as well as national laws, especially the Constitution of Kenya (2010), the Public Finance Management Act (PFM Act), and other regulatory statutes.

Purpose and Mission

The Fund is designed to support regulation, control, and enforcement related to production, sale, consumption, and licensing of alcoholic drinks in Nandi County.

Among the objectives are protecting public health (especially minors), combating illicit alcohol trade, and educating consumers about risks, ensuring licensing is fair and transparent, and enforcing compliance.

Governance Structures and Oversight

Directorate / Administrative Office: The Fund is administered via the Alcoholic Drinks Control Directorate. There is a Director who oversees operations.

Executive Members: The Act provides for Executive Members responsible for Alcoholic Drinks Control or Enforcement, including cross-departmental collaboration among Health, Trade, and Social Services.

Enforcement Committee: The Act establishes an Alcoholic Drinks Control Enforcement Coordinating Committee.

Committee(s): The Fund have oversight committee or committees as per the Act, or through regulations / policy to monitor licensing, revenue, expenditure, compliance, and risk. The specific roles and composition should follow the Act and supplementary regulations.

Financial Management and Accountability

Revenues consist of licence fees, application, appeal, and other legal sources under the Act.

Expenditures is aligned with the statutory objectives: regulatory enforcement, licensing, public health programmes, consumer education, etc.

Nandi county alcoholic drinks control fund comply with provisions of the PFM Act regarding public funds: preparing annual budgets, auditing (via Auditor-General), reporting to the County Assembly, transparent procurement, etc.

Transparency, Public Participation and Stakeholder Engagement

Public participation is required in licensing, control regulation, and in formulation or amendment of the Alcoholic Drinks Bills. Nandi County has conducted public participation forums for proposed Alcoholic Drinks Control Bill, 2024.

Inspections of premises, licensing processes are made public; reports following inspection may be published or shared with stakeholders.

Enforcement actions and compliance requirements are publicly communicated, particularly to ensure licensees and prospective licensees understand standards.

Risk Management and Controls

Nandi county Alcoholic drinks Control Fund maintain internal controls to prevent misuse of funds, misclassification, diversion, or corruption. It undertake regular inspection of licensed premises to ensure compliance with safety, structural, planning, sanitation, and location requirements. This reduces risks of unlicensed or unsafe operations.

Monitoring and enforcement of laws against illicit brews, counterfeits, misleading advertising.

Compliance and Ethics

Employees, licensees, committee members must adhere to ethical standards, including integrity, fairness, non-discrimination Decision-making (e.g., granting licences, fees, sanctions) must be consistent with due process, giving fair hearing where required.

Reporting & Performance Monitoring annual reporting on the Fund's financial statements, operations, and licenses issued, compliance/enforcement outcomes.

Performance indicators include number of licences processed, number of unlicensed premises closed, education / public awareness activities, revenue collected vs target, compliance rates, etc.

Roles and Responsibilities

County Executive: Oversight, setting high level policy, ensuring resources, approving budgets as required by law. Executive Member(s) (Trade / Health / Social Services): Operational oversight, implementing regulation, enforcement, Director / Directorate coordinate Day-to-day management, licensing, inspections, education programs.

Challenges & Continuous Improvement

The Fund experience challenges such as illicit brew manufacturers, enforcement capacity, public awareness, balancing regulatory burden with allowing legitimate business.

Regular legislative review (such as amendments) to fill gaps, ensure fair hearing, improve fairness, clarify duties. For example, Nandi is in final amendments of the act to address gaps in the chain from manufacture to consumer.

Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

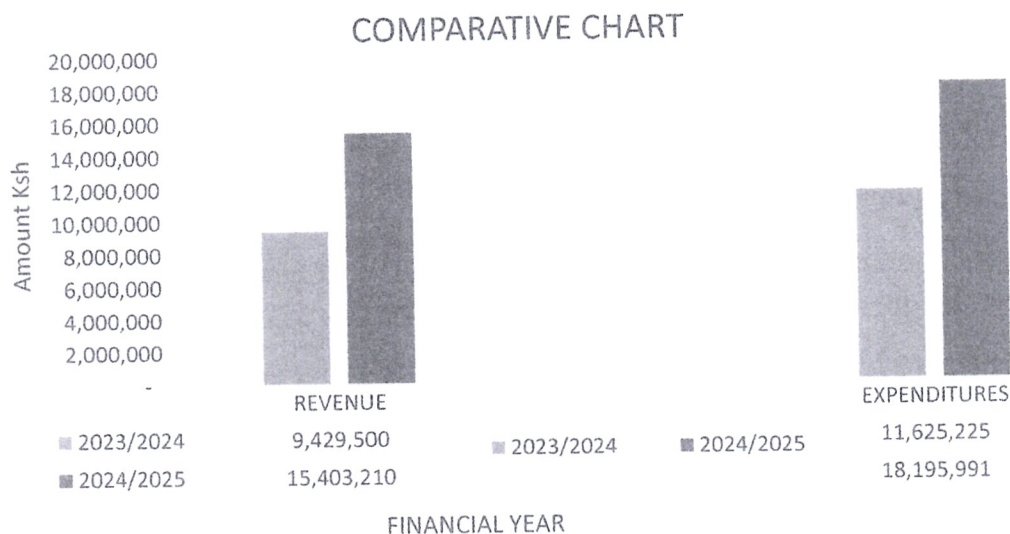
9. Management Discussion and Analysis

Overview

Nandi County Alcoholic Drinks Control Fund is mandated to regulate the production, sale, and consumption of alcoholic beverages, with a focus on harm reduction, public health, and law enforcement. This report outlines comparative financial performance, compliance status, risks, and obligations for the financial years 2023/2024 and 2024/2025

Financial Performance Summary

FY 2023/2024	(Ksh)	FY 2024/2025	(Ksh)	% Change
Revenue	9,429,500	15,403,210		+63.3%.
Expenditure	11,625,225	18,195,991		+56.5%
Surplus/Deficit	(2,195,725)	(2,792,781)		Deficit
Widened				



Discussion and Analysis Report: FY 2023/2024 and FY 2024/2025

Observations:

In the financial year 2024/2025, the own income Revenue totaled to Kshs. **15,403,210** compared to Ksh 9,429,500 of previous financial year. Revenue grew significantly by 63.4%, reflecting improved compliance, fee collection, and licensing strategies.

Expenditure stood at Kshs. **18,195,991** was used for licensing costs, advocacy, public sensitization, rehabilitation, capacity building, regulation, enforcement, monitoring and evaluation, system commission for liquor fee collections and bank charges for entire year as compared with Ksh 11,625,225 in the previous year.

Expenditure rose by 56.5%, mainly due to increased enforcement activities, sensitization licensing, and public education programs.

Despite increased revenue, the fund continues to operate at a deficit, which widened from Ksh 2.2M to Ksh 2.79M.

Key Revenue Sources

Licensing fees (distribution, retail), application, renewal and appeal fee

Revenue Improvement Drivers in 2024/2025:

Digitalization of licensing and payment systems

Increased inspections and enforcement activities

Community outreach enhancing voluntary compliance

Expenditure Breakdown (2024/2025)

Personnel and administrative allowance: Increased due to numerous meeting deliberating on Nandi County alcoholic drinks control bill 2025.

Enforcement operations: More frequent inspections, patrols, and inter-agency operations

Public awareness campaigns: Targeted at youth and vulnerable groups

Rehabilitation support: Minor allocations to support rehabilitation of affected persons

Monitoring and evaluation tools: Deployment of digital compliance tracking systems

Compliance and Statutory Obligations

Statutory Compliance Areas:

Adherence to the Alcoholic Drinks Control Act

Timely submission of audited financial statements to the County Assembly and Auditor General

Public participation in regulation formulation (e.g., licensing criteria, zonal restrictions)

Procurement aligned with the Public Procurement and Asset Disposal Act

Reporting on use of public funds and value for money audits

6. Risks Facing the Fund

Risk Area	Description
Revenue Risk	Unlicensed alcohol vendors evading fees and regulation.
Compliance Risk	Some operators exploit loopholes to avoid inspection or licensing.
Political/Legal Risk	Legal challenges on enforcement actions, especially closures or seizures.
Social Risk	Community backlash during enforcement due to cultural ties to local brews.
Operational Risk	Inadequate staffing or tools affecting timely inspections and data gathering.
Financial Management Risk	Limited capacity in financial reporting, risk of fund misuse or misallocation.

The Nandi County Alcoholic Drinks Control Fund shows progress in revenue generation and enforcement. However, the continued deficit and rising operational costs present sustainability challenges. Strengthening compliance, financial management, and risk mitigation was crucial for 2025 and beyond.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Alcoholic Drinks Control fund management plan for financial year 2024/2025 was implemented as per the work plan and budget. Significant improvement in revenue collection and number of license premises was realized through team work advocated. Accountability and value for money were realized through continuous stakeholder's engagement and public participation across the county

ii) Environmental Performance

Allocation of fund for implementation and provision of essential service to the public is crucial in environmental conservation and protection. Directorate of alcoholic drinks take part in promoting policies and advocating on policies which promote ecosystem. This is done through policies that identify, avoid and minimize harm to the people and environment by ensuring that standardized approved product are consumes by the people within the region and support during tree planting annual exercise. The current environmental and social policies are mechanism for addressing environmental and social issues in the project design, implementation and operation, they provide framework for consultation with communities and the public disclosure. Example of these requirements include conducting environmental and social impact assessment, consulting with affected communities/society about potential project impacts and restoration of livelihood.

iii) Employment welfare

Nandi county Government support in provision of health working environment through instruction, training and supervision on his workers. Policies have been put in place to ensure employee safety is prioritized. Medical Insurance cover to employee is in place for any eventualities that may arise during employment period.

iv) Market place practices

Responsible completion practice

Nandi County Government promote equity to all the citizen which promote responsible competition practices within the region. The Government have taken vigorous training at various sub counties on emerging issues touching staff and work. All the resident are given equal marketing ground in terms of requirements and assistance. This eliminate all unethical and illegal business practices in the region.

Responsible supply chain and supplier relations

To Maintain ethical marketing, The County Government of Nandi ensures that products of various companies operating within the county are not only benefiting consumers but also encourage social responsibility and environmentally friendly. County Government of Nandi adopted weight and measure policies to ensure all the product meet the standard requirement

Responsible marketing and advertisement or responsible engagement with the citizens

The directorate of Alcoholic Drinks Control was able to monitor reformed addict to ensure they take a positive direction in their live. Youth sensitization on important of participating in sporting activities was core social responsibility undertaken by directorate. This help in sensitizing the effect and vices on alcohol and promotes cohesiveness amongst the youth. Directorate have plan to partner with other stakeholders in establishment of rehabilitation center within the County

v) ***Corporate Social Responsibility / Community Engagements***

Public participation / Stakeholder forums

The County held public participation forums across all six sub-counties on the proposed Nandi County Alcoholic Drinks Control Bill, and on the Betting, Lotteries and Gaming Bill.

Also, the Liquor Licensing and Control Directorate conducts public participation when developing regulations, licensing etc.

Sensitization / Education of dealers & the public

Meetings with alcoholic drinks dealers to educate them on regulations (sale, supply, licensing) in places like Mosoriot in Chesumei sub-county.

Sensitization of the dangers of illicit brews & counterfeits; calls to the community to avoid purchasing/selling illicit brews. Crackdowns and enforcement combined with support

The County has arrested people for illicit brews, closed bars violating rules etc. Importantly, there is a programme to help illicit brewers transition into legal/alternative sources of income. In Nandi, nearly 12 illegal traders dealing with counterfeit alcohol and there is a chain a web, illegal brewers have been identified and sensitized, County is planning support for them to engage in lawful income generating activities.

Public health / rehabilitation

The NACADA team and the County have in discussions noted that the Fund or related authorities will support rehabilitation facilities and provide education / rehabilitation programmes. Also, it support people who quit alcohol

The County Assembly have passed bill2025to better manage illicit brews along the entire production-distribution-sale chain so that law covers more than just vendors/consumers.

Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

vi) Report of the Trustees

The Trustees 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 Nandi County Alcoholic Drinks Control Fund is to control and legislate alcoholic drinks in the County of Nandi.

Results

The results of Nandi County Alcoholic Drinks Control Fund for the year ended June 30, 2025 are set out on page 1-8

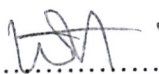
Trustees

The members of the Board of Trustees who served during the year are shown on page viii.

Auditors

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

By Order of the Board

.....


Chair of the Board/Fund Administration Committee

Date:7/10/2025.....

vii) Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Nandi County Alcoholic Drinks Control Fund Act,2014 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 County Public 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 County Public 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 Nandi County Alcoholic Drinks Control Fund Act,2014. 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 County Public 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 06/10/ 2025 and signed on its behalf by:


.....

Administrator
Nandi County Alcoholic Drinks Control Fund

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 NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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 Nandi County Alcoholic Drinks Control Fund set out on pages 1 to 24, which comprise of the statement of financial

Report of the Auditor-General on Nandi County Alcoholic Drinks Control Fund for the year ended 30 June, 2025

position as at 30 June, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 Nandi County Alcoholic Drinks Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015, the Nandi County Alcoholic Drinks Control Act, 2014 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 Nandi County Alcoholic Drinks Control Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The Fund spent an amount of Kshs.7,486,014 against actual receipts of Kshs.20,278,795 resulting to an under-utilization of Kshs.2,792,781 or 13% of the actual receipts.

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and

Governance. However, no report or recommendations from the Management of the Company and oversight bodies were submitted for audit verification. Therefore, the issues remain unresolved as indicated below;

Financial Year 2024-2025-Financial Audit Issue	Nature of the Issue
1. Lack of Trial Balance	Report on Financial Statements
2. Unsupported Transfers to National Bank of Kenya	Report on Financial Statements
3. Budgetary Control and Performance	Report on Financial Statements
4. Failure to Establish Rehabilitation Centres	Report on Lawfulness and Effectiveness in the Use of Public Resources
5. Lack of Substantive Board	Report on Effectiveness of Internal Controls, Risk Management and Governance
6. Lack of Internal Audit Reports	Report on Effectiveness of Internal Controls, Risk Management and Governance
7. Lack of Strategic Plan	Report on Effectiveness of Internal Controls, Risk Management and Governance

This was contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Fund Administrator is responsible for the Other Information set out on page (ii) to (xxxi) which comprise of Acronyms and Glossary of Terms, Key Entity Information, Key Management Team, Fund Administration Committee, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental/Sustainability Reporting, Report of the Directors and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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. Failure to Establish Rehabilitation Centers

As reported in the previous year, the Fund did not in collaboration with other County and National Government Institutions establish a treatment and rehabilitation facilities and programmes in Nandi County. This was contrary to Section 4(2)(d) of the Nandi County Alcoholic Drinks Control Act, 2014 which states that the function of the Directorates shall be to facilitate and promote in collaboration with other County and National Government institutions, the establishment of treatment and rehabilitation facilities and programs.

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

2. Non-Establishment of County Government Chemist

Review of schedules and payment vouchers provided revealed that the Fund made payments amounting to Kshs.1,400,000 to the Government chemist towards sample testing in Nairobi as detailed in the table below;

No.	Description	Bill Ref No.	Amount Paid (Kshs)
1.	Analysis fee for 15 samples	8YBRQ2C	300,000
2.	Analysis fee for 15 samples	8YBRQ8AC	300,000
3.	Analysis fee for 15 samples	9YBRQ95YO	300,000
4.	Analysis fee for 15 samples	9YBRQ95YI	300,000
5.	Analysis fee for 10 samples	8YBRQ6Z	200,000
	Total		1,400,000

This was contrary to Section 4(1) (2(f) of Nandi County Alcoholic Drinks Control Act, 2014 which states that the functions of the Directorate shall be to facilitate the establishment and oversee operations of a County Government Chemist and laboratory facilities for research and testing of samples of alcoholic drinks.

In circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 Internal Audit Reports

As reported in the previous year, a review of records revealed that the Fund had not been subjected to internal audit review to strengthen the internal controls and provide oversight as required by Regulation 157(l)(a) to (e) of the Public Finance Management (County) Regulations, 2015.

In the circumstances, the effectiveness of the internal control processes, risk management and governance processes could not be confirmed.

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

06 November, 2025

Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income	10	15,403,210	9,429,500
		15,403,210	9,429,500
Total Revenue		15,403,210	9,429,500
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	17,824,441	11,625,225
Depreciation and Amortization Expense	13	371,550	-
Finance Costs	14	-	-
Total Expenses		18,195,991	11,625,225
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		(2,792,781)	(2,195.725)

The notes set out on pages 46 to 59 form an integral part of these Financial Statements)

.....
Name: William Melly
Administrator of the Fund

.....
Name: Sammy lagat
Fund Accountant
ICPAK Member Number:33341


15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	2,171,854.37	3,919,586
Current Portion of Long- Term Receivables from Exchange Transactions	18	-	-
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		2,171,854.37	3,919,586
Non-Current Assets			
Property, Plant and Equipment	22	866,950	956,000
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
Total non- current assets		866,950	956,000
Total Assets (A)		3,038,804.37	4,875,586
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-


Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Total Liabilities (B)		-	-
Net Assets (A-B)		3,038,804.n37	4,875,586
Represented By:			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		3,038,804.37	4,875,586
Net Assets		3,038,804.37	4,875,586

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



Name: William Melly
Administrator of the Fund



Name: Sammy Lagat
Fund Accountant
ICPAK Member Number:33341

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (Previous 2023)	-		7,071,310.00	7,071,310.00
Surplus/(Deficit) For the Period	-	-	(2,195,725.00)	(2,195,725.00)
Funds Received During the Year	-	-	-	-
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	4,875,585.00	4,875,585.00
Balance As At 1 July 2024	-	-	4,875,585.00	4,875,585.00
Surplus/(Deficit) For the Period		-	(2,792,781)	-
Adjustment for Asset previously Expended	-	-	956,000	-
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	3,038,804.37	4,875,585.00

Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		15,403,210	9,429,500
Total receipts		-	-
Payments			
Fund administration expenses		(243,050)	(2,872,241)
General expenses		(12,051,206)	(8,749,614)
Finance cost		-	(3,370)
Other payments		(5,530,185)	-
Total Payments		(17,824,441)	(11,625,225)
Net cash flows from operating activities	30	(2,421,231)	(2,195,725)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(282,500)	(956,000)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		(282,500)	(956,000)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net increase/(decrease) in cash & cash Equivalents		(2,703,731)	(3,151,725)
Prior year adjustment on asset purchase initially expensed twice		956,000	-
Cash and cash equivalents at 1 July	17	3,919,585	7,071,310
Cash and cash equivalents at 30 June	17	2,171,854.37	3,919,585

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	4,875,585	-	4,875,585	4,875,585	-	100%
Receipts						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Other Income	15,403,210	-	15,403,210	15,403,210	-	100%
Total Income	20,278,795	-	20,278,795	20,278,795	-	100%
Expenses						
Fund Administration Expenses	1,200,000	-	1,200,000	1,199,646	354	91%
General Expenses	19,078,795	-	19,078,795	16,286,368	2,792,427	85%
Finance Cost	-	-	-	-	-	-
Total Expenditure	20,278,795	-	20,278,795	17,486,014	2,792,781	86%
Capital expenditure	-	-	-	-	-	
Surplus For the Period	-	-	-	2,792,781	(2,792,781)	

**Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025**

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nandi County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Nandi County Alcoholic Drinks Control Act, 2014. The entity is wholly owned by the County Executive of Nandi and is domiciled in Kenya. The entity's principal activity is legislation and control of alcoholic drinks.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

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 recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<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:

**Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025**

Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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 recognized 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	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 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.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 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.

**Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025**

<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol 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.

(i) Early adoption of standards

Nandi County Alcoholic Drinks Control Fund did not early – adopt any new or amended standards in the financial year.

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 entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 19th September 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional appropriations on the FY 2024/2025 budget.

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

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

Depreciation for the year was calculated based on straight line method where 30% rate was used in respect to computers.

a) Intangible Assets

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

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and

the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

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Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized 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.

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

Nandi County Alcoholic drinks Control Fund does not maintain reserves in terms of specific requirements Changes in accounting policies and estimates

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

i) 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.

Nandi County Alcoholic Drinks Control Fund
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Summary of Significant Accounting Policies (Continued)

j) 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.

k) Borrowing costs

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

l) Related parties

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

m) Cash and cash equivalents

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

n) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

**Nandi County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended 30th June 2025**

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

8. Fines, penalties and other levies

Description	2024/2025	2023/2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

(Provide brief explanation for this revenue)

10. Other income

Description	2024/2025	2023/2024
	Kshs	Kshs
Licences	14,000,000	8338,000
New Application fee	840,000	855,000
Appeals fee	111,710	236,500
Bad debts recovered	-	-
Renewals	451,500	-
Total Other Income	15,403,210	9,429,500

11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
General Office Expenses	1,798,760	205,000
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	243,050	553,900
Committee Allowances	1,968,660	2,318,341
Bank Charges	6,438	3,370
Electricity And Water Expenses	-	-
Fuel And Oil Costs	1,179,525	1,230,000
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	214,017
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-

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Description	2024/2025	2023/2024
	Kshs.	Kshs.
System commission for liquor fee collected	1,193,208.35	1,620,420
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Sensitization Programme	2,275,000	1,184,000
Enforcement and compliances fee	1,538,200	442,000
Specialized services	2,586,900	1,758,391
Maintenance motor vehicle	200,000	828,500
Staff training expenses	1,209,900	595,600
Research and rehabilitation	2,028,800	-
Bill enactment	1,596,000	
Social benefit expenses*	-	-
Commission for liquor fee collected		671,645.80
Total	17,824,441	11,625,225

13. Depreciation and Amortization Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	371,550	-
Intangible Assets	-	-
Total	371,550	-

14. Finance costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

15. Gain/(loss) on disposal of assets

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

16. Gain/ (loss) on Fair Value Investments

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

17. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account – A/C NO: 01017252715700	2,171,854.37	3,919,585.00,
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	2,171,854.37	3,919,585.00,

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
		-	-
b) On - Call Deposits		-	-
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
		-	-
c) Current Account		-	-
National Bank of Kenya		2,171,854.37	3,919,585.00,
		-	-
Sub- Total		-	-
		-	-
d) Others (Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		-	-

18. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Additional disclosure on interest receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

20. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories	-	-

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Detailed disclosure on inventories

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

21. Investments in financial assets

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

Movement of Equity Investments

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

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Nandi County Alcoholic Drinks Control Fund

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate					30%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023		-	-	-	-	-
Additions	-	-	-	-	956,000	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	956,000	-
At 1st July 2024					956,000	
Additions	-	-	-	-	282,500	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	1,238,500	1,238,500
Depreciation And Impairment						
At 1 st July 2023	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	371,550	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate					30%	
At 30th June 2025	-	-	-	-	371,550	371,550
Net Book Values					866,950	866,950
At 30th June 2024	-	-	-	-	956,000	-
At 30th June 2025	-	-	-	-	866,950	-

Nandi County Alcoholic Drinks Control Fund
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23. Intangible assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

24. Investment Property

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

25. Trade and other payables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

26. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

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27. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	2024/2025	2023/2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

30. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(2,792,781)	(2,195,725)
Adjusted For:		
Depreciation	371,550	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-

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Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	(2,421,231)	(2,195,725)

31. 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) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

33. 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 entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 xxxx

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the 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 Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (Comparative FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The board 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.

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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 Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

i. 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 carrying amount of the entity's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund 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.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three

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main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. 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 - (20xx: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

d) 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 entity capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

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


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

Fund Manager/Accounting Officer (Fund administrator)

Date..... 

7/10/2025

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Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Fund]
[Insert Address]

The [insert XXX name here] wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name SignDate