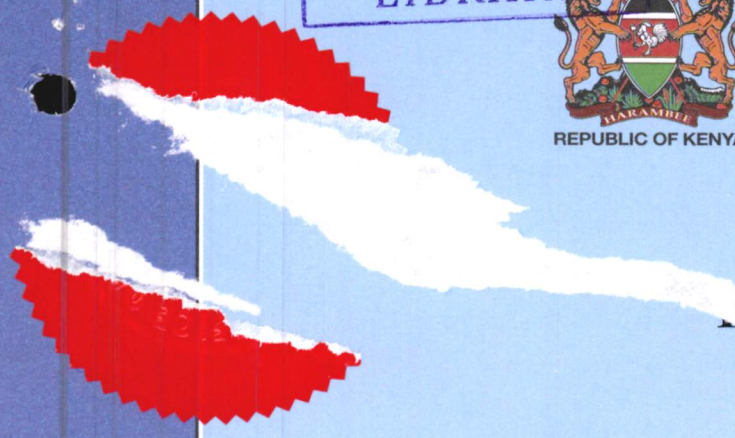
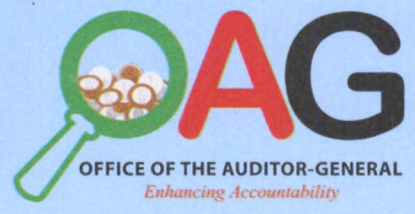


PARLIAMENT
OF KENYA
LIBRARY

REPUBLIC OF KENYA



500

REPORT

OF

THE AUDITOR-GENERAL

ON

NANDI COUNTY EXECUTIVE CAR LOAN AND
MORTGAGE SCHEME FUND

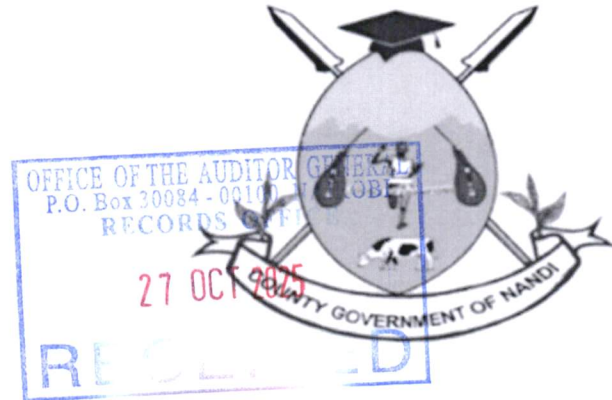
PAPERS LAID	
DATE	17/2/25
TABLED BY	Sa telegu
COMMITTEE	

FOR THE YEAR ENDED
30 JUNE, 2025

tyay

COUNTY GOVERNMENT OF NANDI

2008



NANDI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

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

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Board of Trustees/ Fund Administration Committee	vii
4. Management Team	x
6. Report of the Fund Administrator	xiv
7. Statement of Performance Against the County Fund's Predetermined Objectives	xvii
8. Corporate Governance Statement	xix
9. Management Discussion and Analysis	xxii
10. Environmental and Sustainability Reporting	xxiv
11. Report of the Trustees	xxxiii
12. Statement of Management's Responsibilities	xxxiv
13. Report of the Independent Auditor on the Financial Statements for (2024/2025) Fund/ Board/ Scheme	xxxvi
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position as at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2025	4
17. Statement of Cash Flows for the Year ended 30 June 2025	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025	6
19. Notes to the Financial Statements	8
20. Annexes	46

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

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 Executive Car Loan and Mortgage Scheme Fund derives its authority and accountability from Public Finance Management Act, 2012 (PFMA), Nandi County Executive Car Loan and Mortgage Scheme Fund is established under Section 116 of the Act which grants County Governments powers to establish County Public Funds with approval from the Executive and the County Assembly. The management of the Fund is also guided by the Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations 2023

The fund's objective is to provide affordable and accessible car loans and mortgage financing to members of the Executive and public officers of the County Government of Nandi. The Fund aims to enhance the welfare, stability, and motivation of the executive staff by facilitating asset acquisition, particularly in housing and transport, thereby promoting efficient service delivery within the county government.

The Fund's principal activity is to provide affordable loan options for County executive members and other public officers, serving them to own homes and vehicles with more favorable terms (e.g., lower interest rates, extended repayment periods, etc.)

b) Principal Activities

- ✓ Provision of Car Loans
- ✓ Provision of Mortgage Loans
- ✓ Interest Rate Subsidies or Benefits
- ✓ Loan Recovery and Debt Management
- ✓ Financial Counseling and Support
- ✓ Management and Governance
- ✓ Public Awareness and Outreach
- ✓ Fund Sustainability

Vision

To be the leading provider of trusted and affordable Car loan and Mortgage solutions that enable government employees to achieve financial security and improve their quality of life.

Mission

Providing accessible, affordable and sustainable Car loan and Mortgage financing solutions to public officers that enhance their quality of life and promote financial well-being, supporting their aspirations for home ownership and personal mobility.

Core Values

- Transparency
- Equity
- Affordability
- Accountability
- Accessibility
- Sustainability
- Support for Employee Well-being

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Prisca Jepchirchir	Chairperson-Fund Committee Chief Officer-Finance
2	Goretty J. Rotich	Secretary Director Human Resources
3	Jonathan Misoi	Member County Attorney
4	Jonah Tireito	Member Chief Officer-Lands
5	David Koech	Member Chief Officer-Roads
6	Hellen Kemboi	Fund Administrator Director -Finance

d) Key Management team

Ref	Name	Position
1	Chairperson-Fund Committee	Prisca Jepchirchir
2.	Fund Administrator	Hellen Kemboi
3.	Fund Accountant	Mark Too

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

e) Fiduciary Oversight Arrangements

The key management staff during the financial year ended June 30,2025 and who had direct fiduciary responsibility were:

SN	Position	Name
1	Directorate Internal Audit	CPA Edwin Maiyo
2	Staff car Mortgage and car Loan Advisory Committee	CPA Alfred Lagat
3	Amos Magut	County Attorney

f) Registered Offices

Nandi County Government
P.O. Box 802 – 30300
Kapsabet, Kenya
Nandi County Headquarters Building
1st Floor, Left Wing

g) Fund Contacts

Telephone: (254) 053 525 2355
E-mail: infor@nandi.go.ke
Website: www.nandi.go.ke

h) Fund Bankers

Cooperative Bank of
Kenya
Kapsabet Branch
P.O. Box 869 - 30300
Kapsabet, Kenya

i) Independent Auditors

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

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

n) Principal Legal Adviser

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

j) County Attorney

SN	Name	Position
1	Amos Magut	County Attorney

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
 A black and white portrait of Ms Prisca Jepchirchir, a woman with short dark hair, wearing a light-colored, textured blazer over a dark top. She is looking directly at the camera with a neutral expression.	<p>Ms Prisca Jepchirchir-Fund Chairperson</p> <p>Ms Prisca Jepchirchir was appointed as the third Fund Chairperson-Fund Committee as per Nandi County Executive Car Loan & Mortgage Scheme Fund Regulations, 2023. She has served in various management positions in Nandi County Government. She has served as the Head of Budget and Director of Economic Planning and currently serving as the Chief Officer of Finance and Economic Planning. She holds a Degree in Bachelors of Business Management and also a Certified Public Accountant of Kenya (CPAK).</p>



Ms Hellen Kemboi

Ms.Hellen Kemboi was appointed as the Fund Administrator on 5th April 2018.She has served in various management positions in Nandi County Government. She has served as Head of revenue and currently the Director of Finance. Ms.Kemboi holds a Master’s Degree in Finance and Bachelor of Commerce (Accounting) degree. She is also a Certified Public Accountant of Kenya (CPAK).



Mr Jonah Biwott-Board Member

Mr. Jonah Biwott was appointed as the Board Committee member as per Nandi County Executive Car Loan & Mortgage Scheme Fund Regulations, 2023.He has served in various management positions in Nandi County Government such as the Chief Officer Transport public Works and infrastructure. He holds a Bachelor of Science (mathematics and computer) degree of Kabarak University and also a Certified GIS Expert.



Ms Gorrety Rotich



Ms Gorrety Rotich was appointed as the Board Committee Secretary of Nandi County Executive Car Loan & Mortgage Scheme Fund as per Regulations, 2023. she has served in various management positions in Nandi County Government such as the Director Human Resource. Ms. Rotich holds a Master's Degree in Business Administration (Human Resource) Option



Mr. Misoi Jonathan Kipchumba

Mr. Misoi Jonathan Kipchumba was appointed as the Board Committee member as per Nandi County Executive Car Loan & Mortgage Scheme Fund Regulations, 2023. He has served in various management positions in Nandi County Government such as the Chief Officer ICT and E-Government. He holds a masters of applied computer science and Bachelor of Science in information science degree from Moi University

4. Management Team

Name	Details of qualifications and experience
<p>Fund Administrator</p> 	<p>Ms Hellen Kemboi</p> <p>Ms.Hellen Kemboi was appointed as the Fund Administrator on 5th April 2018.She has served in various management positions in Nandi County Government. She has served as Head of revenue and currently the Director of Finance. Ms.Kemboi holds a Master’s Degree in Finance and Bachelor of Commerce (Accounting) degree. She is also a Certified Public Accountant of Kenya (CPAK).</p>
	<p>Mark Too</p> <p>Mark Too was appointed as the Fund Manager on 12th July 2024.He has served in various management positions in Nandi County Government. He has served as Chief Accountant Health Department and currently serving as the Head of Financial Reporting Unit. Mr. Too holds a Master’s Degree in Finance and Bachelor of Commerce (Accounting) degree. He is also a Certified Public Accountant of Kenya (CPAK).</p>



**Ms Prisca Jepchirchir-Fund
Chairperson**

Ms Prisca Jepchirchir was appointed as the third Fund Chairperson-Fund Committee as per Nandi County Executive Car Loan & Mortgage Scheme Fund Regulations, 2023. She has served in various management positions in Nandi County Government. She has served as the Head of Budget and Director of Economic Planning and currently serving as the Chief Officer of Finance and Economic Planning. She holds a Degree in Bachelors of Business Management and also a Certified Public Accountant of Kenya (CPAK).

5. Board/Fund Chairperson's Report

On behalf of the Fund Administration Committee, it is my pleasure to present the Nandi County Car Loan and Mortgage Fund financial statements for the year ended 30th June 2025. The financial statements reflect the financial performance of the Fund over the past one year.

Sustainability

In order to ensure sustainability, the Fund has been conducted as basic assessment of available options for feasible financing tools that would assure the fund of its long term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options to ensure the Fund is a going concern.

Review of performance

Income and statement of performance.

The fund earned revenues amounting to **Kshs. 7,046,861** as interest from other exchange transactions and other- income. The income from interest was **KShs 5,909,828** and **Kshs. 1,137,033** as other income.

Loan granted during the period were carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to a favourable interest rate provided by SRC.

Expenditures

The total expenditures during the period was **Kshs. 1,139,083** ,this were actually the Fund administration expenses.

Future outlook

The Fund focuses on building a robust and sustainable fund with a motivated workforce and operational structures that enhance efficiency and effectiveness of service delivery. The fund looks forward to continued support from the County Government and development partners in the execution of its mandate.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the County Government of Nandi, development partners, stakeholders, management, staff and fellow committee members for support and teamwork which made us achieve these results.

I look forward to a better year 2025/2026.

Prisca Jepchirchir



Signature

Date 27/10/2025

Chairperson, Fund Administration Committee

6. Report of the Fund Administrator

It is my pleasure to present the Nandi County Executive Car Loan and Mortgage Fund financial statements for the year ended 30th June 2025. The financial statements reflect the financial performance of the fund over the past year.

The fund was established on 1st May 2018 with an initial amount of **Kshs. 61,000,000**. A further injection of **Kshs.40,000,000, Kshs.5,000,000, Kshs. 50,000,000 and Ksh. 67,000,000** was made in the subsequent years. Making it a total of **Ksh.223,000,000**. So far, a total of **65** public officers have benefited from the Fund.

Operational Highlights

The loan amounts approved and disbursed during the year under review was **Ksh.52,559,301**. The total surplus earned during the year was **Ksh 5,907,778** giving a total cumulative surplus of **Ksh 25,163,511**. The total loan portfolio at the close of the financial year 2024/2025 was **Ksh 248,163,511**.

The fund maintained a default rate of less than 10% which is within the acceptable risk parameters.

Financial Performance

a) Revenue

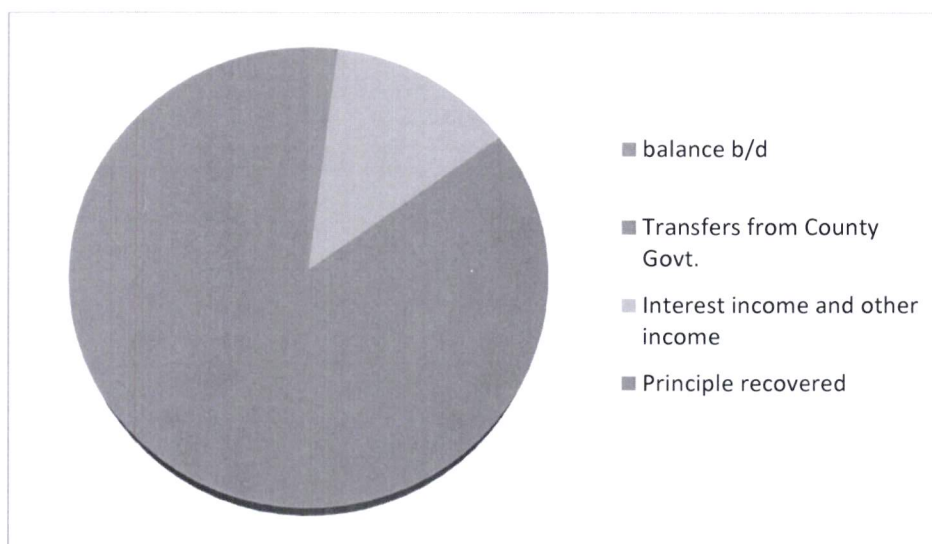
During the reporting period under review, the fund had projected revenues of KShs **68,627,793**.

Out of the projected revenue, the fund realised KShs **54,427,208** in actual revenues, representing **79%** performance. The table below presents an analysis of revenue performance during the year under review.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
Revenue	KShs	KShs	
balance b/d	1,079,443	1,079,443	100
Transfers from County Govt.	-	-	-
Interest income	7,087,250	7,087,250	100
Principle recovered	60,461,100	46,260,515	77
Total income	68,627,793	54,427,208	79

A graphical representation of the revenue budget is as shown below:



b) Expenditure

Administrative and operational expenses totalled Ksh.1,139,083

c)Loans

During the financial year 2024/2025, the fund disbursed loans to nine more beneficiaries bringing the total number of beneficiaries to 65 members. This represented 79% utilization of the budgeted funds during the year.

Conclusion

The Nandi County Executive Car Loan and Mortgage Scheme Fund continues to play a vital role in promoting affordable home ownership. Despite numerous challenges the fund remains financially sound and impactful. Continued support and strategic enhancements will ensure steady growth and sustainability of the fund.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

I therefore thank the Fund Administration Committee for their support. I also thank Fund staff for their dedication and teamwork that saw Nandi County Executive Car Loan and Mortgage Scheme Fund achieve its objectives for the year under review.



Ms.Hellen Kemboi

Fund Administrator

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

Introduction

Section 164 (2)(f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing the financial statements of each County Government entity, includes a statement of the entity’s performance against predetermined objectives in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

For the year ended **30th June 2025**, the key development objectives of the Fund, as per the strategic plan, were:

- (a) Enhance Employee Welfare and Job Satisfaction
- (b) Promote Home Ownership and Mobility Among public officers
- (c) Maintain Financial Sustainability of the Fund

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of affordable car and mortgage loans to improve employees’ quality of life and financial well-being.	Enhance Employee welfare and Job satisfaction	satisfied and motivated staff.	Percentage of eligible employees who have accessed car or mortgage loans	80% of eligible public officers accessed the loan
Facilitation of access to: - Car loan to support car ownership to improve employee mobility, punctuality and productivity - Mortgage financing to encourage home ownership among government employees	Promote Home Ownership and Mobility among Employees.	-Increased employee efficiency and productivity	Number and value of loans disbursed during the year	9 more beneficiaries accessed the loan
Implementation of	Maintain	Improved		less than 10%

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

sound credit risk management practices	Financial Sustainability of the Fund	loan repayment and compliance	Percentage of non performing loans Annual fund growth rate	Non-performing loans 2.4% Annual Fund growth rate

Challenges

- ❖ Rising property prices and economic uncertainties - this has led to high loan demand which has affected repayment capacity.
- ❖ Inadequate Resources - the main source of income to the fund is interest income which can hardly meet the demands of the fund.

Recommendations

- ❖ The County executive should increase funding to the kitty to meet the growing demand
- ❖ The Fund Committee should explore partnerships with private lenders to expand reach.
- ❖ Leverage on Technological information management systems for efficient loan processing, disbursement, monitoring and reporting
- ❖ The Fund Committee should enhance borrower support and financial counselling services.

8. Corporate Governance Statement

i. Appointment of Board Members

The appointment of Board members is carried out in accordance with the company's Articles of Association, relevant corporate governance codes, and applicable laws. Candidates are identified through a transparent nomination process that considers skills, experience, and diversity. The Nominations Committee recommends suitable candidates to the Board, which then proposes them to the shareholders for election at the Annual General Meeting (AGM).

Directors may be removed by a resolution of shareholders, or in circumstances where they no longer meet the company's fit-and-proper criteria.

The Board is composed of a balanced mix of executive and non-executive directors, with diversity in gender, age, and professional background. This diversity enhances the Board's capacity to make well-informed decisions. The company maintains a Board Charter outlining the roles, responsibilities, and conduct expected of members.

ii. Roles and Functions of the Board

The Board provides strategic guidance, approves key policies, oversees risk management, and monitors performance against corporate objectives. It ensures the company's compliance with legal and regulatory requirements while safeguarding the interests of shareholders and stakeholders. The Board delegates day-to-day management to the Chief Executive Officer but retains oversight through regular reporting and performance reviews.

iii. Induction, Training, and Development

Newly appointed directors undergo a formal induction programme introducing them to the company's operations, governance structure, and regulatory environment. Continuous professional development is encouraged through workshops, seminars, and training on emerging trends, governance practices, and industry changes.

iv. Board and Members' Performance

The performance of the Board, its committees, and individual members is evaluated annually through self-assessments and independent reviews. The evaluation process measures effectiveness in strategic decision-making, oversight, and stakeholder engagement. Outcomes of the reviews inform training needs and governance improvements.

v. Number of Board Meetings and Attendance

During the reporting period, the Board held four scheduled meetings and one special meeting. Attendance records are maintained to ensure accountability, with an average

attendance rate of 75 %.Members are expected to attend all meetings unless prevented by unavoidable circumstances.

vi. Succession Plan

The Board maintains a succession plan for key leadership positions to ensure business continuity. This includes identifying potential internal and external candidates, providing them with development opportunities, and maintaining readiness for both planned and unforeseen leadership changes.

vii. Policy to Manage Conflict of Interest

The company has a Conflict of Interest Policy requiring directors and senior management to declare any personal or financial interest that may influence their decision-making. Declared interests are recorded in a register and affected members abstain from related deliberations or decisions.

viii. Board Remuneration

Board remuneration is determined by the Remuneration Committee, guided by market benchmarks, the company's performance, and shareholder approval. Remuneration is structured to attract and retain competent directors while upholding fairness and transparency. Non-executive directors receive sitting allowances and retainers, while executive directors are compensated through salary and performance-based incentives.

ix. Ethics and Conduct

The Fund operates under a Code of Ethics and Conduct that applies to all directors, employees, and contractors. It promotes integrity, accountability, and respect for stakeholders. Any breaches are subject to disciplinary action in accordance with the County Government policy.

x. Governance Audit

An independent governance audit is conducted periodically to evaluate the company's compliance with governance standards and legal requirements. Findings and recommendations from the audit are implemented to strengthen governance structures and processes.

xi. Communication Policy

The Fund is committed to transparent and timely communication with stakeholders. Information is disseminated through the company's website, press releases, annual reports, and shareholder meetings. A clear protocol exists for responding to stakeholder inquiries and managing public disclosures.

xii. Terms of Reference of Committees

The Board operates through various committees — including Audit, Risk, Remuneration, and Nominations Committees — each with clearly defined Terms of Reference approved by the Board. These documents outline the committees' roles, responsibilities, authority limits, and reporting obligations.

xiii. Policy on Related Party Transactions

All related party transactions are conducted at arm's length and in accordance with applicable laws. The company's policy requires that such transactions be reviewed and approved by the Board to ensure they do not compromise the interests of the company or its shareholders.

9. Management Discussion and Analysis

❖ Overview of Operational Performance

During the financial year 2024–2025, the Fund experienced smooth operational flow supported by uninterrupted cash inflows. Member deductions were remitted timely as per schedule, enabling the Fund to meet its lending obligations and operational expenses without disruption.

A key highlight of the period was the full adoption and adherence to the Public Finance Management Act and the Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations, 2023. This ensured compliance with statutory and governance requirements, thereby safeguarding public resources and enhancing accountability.

❖ Loan Processing and Utilization

The Fund strictly observed proper loan application procedures. All loans issued served their intended purposes, namely:

- Purchase of motor vehicles
- Purchase, development, or renovation of residential property for the applicant's occupation

The management closely monitored loan disbursements and utilization to ensure compliance with approved purposes. In instances of non-remittance by loanees, official communication was initiated within the stipulated timelines, followed by recovery of outstanding amounts.

❖ Financial Performance

The Fund's revenue was primarily generated from member deductions and loan repayments. The timely deductions from members ensured consistent liquidity.

❖ Compliance with Statutory Requirements

The Fund fully complied with:

- The Public Finance Management Act provisions
- Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations, 2023
- Internal policies and audit requirements

All regulatory returns and reports were submitted to oversight bodies within the required timelines.

❖ **Key Risks and Challenges**

- ❖ Rising property prices and economic uncertainties - this has led to high loan demand which has affected repayment capacity.
- ❖ Inadequate Resources - the main source of income to the fund is interest income which can hardly meet the demands of the fund.

❖ **Outlook for 2025–2026**

Management remains optimistic about the coming financial year, with strategies aimed at:

- ❖ Expanding loan products to cater for emerging member needs
- ❖ Enhancing digital systems for loan processing and tracking

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The Nandi County Executive Car Loan and Mortgage Scheme Fund recognizes that global political and macroeconomic trends — such as climate change, inflationary pressures, changing interest rate regimes, and increasing focus on sustainable financing — are reshaping priorities for public service delivery and financial management. In alignment with international sustainability frameworks, particularly the United Nations Sustainable Development Goals (SDGs), the Fund anchors its operations on promoting decent work and economic growth (SDG 8), reduced inequalities (SDG 10), and sustainable cities and communities (SDG 11) through affordable financing for members of the County Executive Committee.

The Fund’s sustainability policy framework emphasizes responsible lending, prudent resource management, inclusivity in service delivery, and environmentally conscious operational practices. Our **service delivery charter** guarantees transparency, timeliness in processing loan and mortgage applications, responsiveness to client feedback, and adherence to ethical and legal standards in contract and financial management.

Key Achievements in the Reporting Period

- ❖ Increased Home ownership - the fund contributed to an increase in home ownership among targeted groups after issuing loans to nine (9) new public officers at a value of **Ksh.52,559,301**.
- ❖ Economic Benefits- the fund supported local economies through construction and related industries.
- ❖ Social Benefits-the fund improved housing stability and community development.
- ❖ Achieved **100% compliance** with statutory reporting timelines and public finance regulations.

Challenges and Mitigation Measures

- Challenge: Delays in full digitization of services due to ICT infrastructure gaps.
Mitigation: Partnered with the County ICT department to integrate the Fund’s systems into the broader e-governance framework.

The Fund remains committed to continually aligning its policies and practices with both national development priorities and global sustainability standards, ensuring that its

lending operations not only transform lives but also uphold economic, social, and environmental responsibility.

ii) Environmental performance

The organization operates under a comprehensive **Environmental and Sustainability Policy** that aligns with national environmental laws, the Sustainable Development Goals (SDGs), and international best practices such as ISO 14001 Environmental Management Systems. The policy commits to:

- Minimizing environmental degradation through responsible resource use.
- Reducing greenhouse gas emissions.
- Protecting biodiversity and natural habitats.
- Promoting circular economy principles of reduce, reuse, and recycle.
- Adopting climate-smart solutions in operations and service delivery.

Evidence of Policy Implementation

During the reporting period, the organization implemented several initiatives in line with its policy objectives, including:

- Paperless operations through automation of core processes and adoption of e-filing systems.
- Waste segregation bins placed strategically across facilities to encourage recycling and proper disposal.
- Phasing out single-use plastics by promoting reusable bottles and biodegradable packaging.
- Eco-friendly vehicle maintenance program to ensure optimal engine performance and reduced CO₂ emissions.

Successes

- Reduced paper use through digital systems.
- Collected and recycled office waste through formal recycling partners.
- Planted indigenous trees within the premises and surrounding communities to enhance carbon sequestration.
- Transitioned facility lighting to solar-powered systems.

Biodiversity Management

- Partnered with local environmental NGOs to restore **wetland areas** and preserve local plant species.

- Established a small botanical garden within the premises for conservation and education purposes.

Waste Management Practices

- **Reduction:** Digitalization of operations and optimized procurement to minimize waste generation.
- **Reuse:** Donation of used furniture and electronics to schools and community centers.
- **Recycling:** Contract with licensed recyclers for paper, plastics, and e-waste.
- **Disposal:** Safe disposal of hazardous waste through NEMA-approved handlers.

Reducing Environmental Impact of Products & Services

- Introduced biodegradable packaging for distribution materials.
- Promoted remote meetings to reduce travel-related emissions.
- Adopted eco-design principles for office spaces to maximize natural lighting and ventilation.

Climate Change Initiatives

- Implemented climate-smart technologies such as drought-resistant tree seedlings in landscaping projects.
- Installed **eco-jikos** in staff canteens to reduce firewood consumption.
- Developed green buildings with automated lighting systems, wide open spaces for natural light, and solar water heating systems.

iii) Employee welfare

❖ Recruitment and Hiring Policy

The organization's hiring process is guided by a comprehensive Recruitment and Selection Policy that is aligned with the Constitution of Kenya (2010), the Employment Act (2007), and the Public Service Commission's Human Resource Policies. The policy emphasizes merit-based selection while also embedding affirmative action to promote inclusivity in line with gender Disabilities (equality, youth employment, and Persons with PWD) representation targets.

Key features include:

- **Gender Ratio Considerations** – Recruitment panels are mandated to ensure fair representation of both male and female candidates, with the goal of achieving at least the two-thirds gender rule.
- **Youth Employment** – At least 30% of new positions are targeted for youth under 35 years in compliance with government guidelines.

- PWD Inclusion – The organization commits to a minimum of 5% representation of PWDs, with necessary workplace adjustments provided (ramps, assistive technologies, flexible work arrangements).
- Stakeholder Engagement – Key stakeholders such as unions, staff representatives, and relevant government bodies are consulted in refining job descriptions, selection criteria, and recruitment schedules.
- Policy Review – The recruitment policy is reviewed every three years or earlier where legal or operational changes demand.

❖ **Skills Development and Career Management**

The organization operates a **Human Resource Development Plan** which outlines continuous learning and professional growth opportunities.

- Training Programs – Annual training needs assessments inform workshops, seminars, and sponsorships for professional courses.
- Career Progression – Internal promotions are encouraged through a structured career path framework.
- Mentorship and Coaching – Senior staff mentor junior employees to enhance skills transfer.
- Performance Appraisal System – Conducted annually, combining self-assessment, supervisor evaluation, and peer review to identify strengths, development areas, and training priorities.
- Reward Systems – Includes salary increments, recognition awards, and non-monetary incentives for exceptional performance.

❖ **Workplace Safety and Compliance**

The organization's **Occupational Safety and Health Policy** is fully aligned with the **Occupational Safety and Health Act, 2007 (OSHA)**.

- Safety Training – All staff undergo induction on workplace hazards, emergency response, and first aid.
- Risk Assessments – Carried out periodically to identify and mitigate workplace hazards.
- Provision of PPE – Personal protective equipment is issued based on specific job risks.
- Health and Safety Committee – Composed of management and employee representatives to oversee compliance.

❖ **Review of Work-Related Injuries and Preventive Measures**

In the reporting period, the organization recorded none of work-related injuries, representing a **0%** decrease/increase from the previous year. Most incidents were

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

minor (e.g., slips, falls, or equipment-related accidents) and were addressed promptly through medical assistance and corrective action.

Preventive measures implemented include:

- Installation of safety signage and hazard warnings in all work areas.
- Regular safety drills for fire and evacuation preparedness.
- Enhanced ergonomics in office setups to minimize strain injuries.
- Periodic equipment servicing to prevent mechanical failures.

❖ Evidence of Commitment

The above measures demonstrate the organization's commitment to equitable employment opportunities, continuous professional growth, and a safe working environment in compliance with statutory requirements and best practice standards.

iv) Market place practices-

a) Responsible Competition Practice

The organization is committed to upholding the highest standards of integrity, transparency, and fairness in all competitive engagements. Responsible competition is achieved through:

- **Anti-Corruption Measures:** Strict enforcement of the Anti-Corruption and Economic Crimes Act, with a functional internal audit unit, whistleblower protection policy, and a confidential corruption-reporting hotline.
- **Fair Competition and Open Tendering:** All procurement processes follow the Public Procurement and Asset Disposal Act, ensuring open bidding, equal opportunity, and impartial evaluation of bids.
- **Responsible Political Involvement:** The organization remains politically neutral and refrains from partisan activities while engaging constructively with policymakers on matters of public interest.
- **Service Delivery Improvements:** Implementation of a Service Charter that outlines service timelines, complaint handling procedures, and quality standards. Automation of services has reduced manual interventions, with cashless payment systems minimizing opportunities for fraud.
- **Brand Protection & Public Outreach:** Regular public sensitization campaigns through radio, social media, and community forums enhance trust while protecting the organization's reputation.

b) Responsible Supply Chain and Supplier Relations

The organization fosters transparent and mutually beneficial supplier relationships by:

- **Honouring Contracts:** All contractual obligations are met in full, ensuring suppliers receive agreed payments within the stipulated timelines.
- **Competitive Procurement:** Opportunities for supply and service provision are openly advertised, and suppliers are selected based on merit, capacity, and value for money.
- **Ethical Supplier Engagement:** Respectful communication, timely feedback, and resolution of disputes in a fair manner are integral to supplier relations.
- **Capacity Building:** Periodic supplier sensitization workshops are held to familiarize partners with compliance requirements, safety standards, and ethical codes of conduct.

c) Responsible Marketing and Advertisement / Citizen Engagement

In all public communication, the organization ensures ethical, transparent, and culturally sensitive messaging:

- **Avoiding Misleading Content:** All marketing and public notices are fact-checked to prevent false or exaggerated claims.
- **Accessible and Inclusive Communication:** Information is disseminated in multiple languages and accessible formats to accommodate diversity and Persons with Disabilities (PWDs).
- **Responsible Outreach:** Regular updates are provided via the organization's website, official social media platforms, press briefings, and public consultative forums.
- **Respect for Diversity:** Communication materials reflect inclusivity and avoid stereotypes, discrimination, or socially harmful messaging.

d) Product Stewardship / Awareness Creation

The organization safeguards consumer and citizen rights through measures that ensure safety, transparency, and fair treatment:

- **Health and Safety Protection:** Products and services comply with statutory safety standards, with regular quality checks to minimize risks to users.
- **Adequate Information Provision:** Service guidelines, tariffs, and application requirements (e.g., NHIF, NSSF, licensing, ID registration, water and electricity connection) are clearly displayed at service points and online.
- **Consumer Data and Privacy Protection:** Strict adherence to the Data Protection Act safeguards personal information, with secure systems to prevent unauthorized access.
- **Dispute Resolution and Redress:** A functional customer care unit and toll-free hotline handle grievances promptly, with escalation channels for unresolved cases.
- **Citizen Rights Sensitization:** Public forums and outreach programs educate citizens on their constitutional rights, including representation, peaceful demonstration, whistleblower protections, and avenues for reporting misconduct.

v) Corporate Social Responsibility / Community Engagements

Nandi County Executive car loan and mortgage scheme fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

The Nandi County Executive Car Loan and Mortgage Scheme Fund exists to transform lives. This purpose is the driving force behind everything we do and guides our strategy, which rests on four core pillars: putting the citizen first, delivering relevant goods and services, and improving operational excellence.

Our CSR activities during the reporting period were aligned to our mandate and focused on initiatives that deliver tangible value to the communities we serve.

❖ **Putting the Citizen First**

We actively engaged with community members through sensitization forums on our loan and mortgage services, promoting financial literacy, responsible borrowing, and debt management. These forums were conducted in partnership with ward representatives to ensure inclusivity and reach.

Evidence of engagement:

- Held community sensitization forums.
- Provided informational brochures in both English and Kiswahili to enhance understanding.

❖ **Delivering Relevant Goods and Services**

We supported community-based initiatives that complemented our mandate and promoted economic empowerment.

Key initiatives:

- Partnered with local youth groups to develop entrepreneurship training programs, enabling members to better utilize loan facilities for productive ventures.
- Supported the construction of water harvesting systems for two schools, ensuring sustainable access to clean water for pupils.

❖ **Corporate Social Investments**

Although our primary role is financing through the car loan and mortgage scheme, we invested in social initiatives with long-term community benefits:

- Donated educational materials public secondary schools.
- Sponsored five scholarships for academically gifted students from low-income families.
- Participated in a tree planting exercise, planting in partnership with the Kenya Forest Service.

❖ **Improving Operational Excellence through Public Participation**

In line with constitutional provisions, we promoted transparency and inclusivity by involving the public in decision-making:

- Hosted public consultations ¹on proposed amendments to the Fund's lending policy.
- Invited citizen feedback during the budget-making process to ensure resource allocation aligns with public priorities.

Impact to Society:

These activities have contributed to improved financial literacy, access to education, environmental conservation, and participatory governance. We remain committed to ensuring that all CSR initiatives are aligned to our mandate and deliver measurable benefits to the people of Nandi County.

¹

11. 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 the Fund are Provision of Car Loans Provision of Mortgage Loans with Interest Rate Subsidies or Benefit Loan Recovery and Debt Management Financial Counseling and Support Management and Governance.

Results

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

Trustees

The members of the Board of Trustees who served during the year are shown on page iv. There were no changes in the Board during the financial year.

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. OR [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Nandi County Executive Car Loan and Mortgage Scheme Fund for the year/period ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].
By Order of the Board



.....

Chair of the Board/Fund Administration Committee

Date: 27/10/2025

12. 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 under the Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations, 2023 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 June 30, 2025. This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring these remain effective throughout the reporting period.
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund.
- Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, ensuring they are free from material misstatements, whether due to error or fraud.
- Safeguarding the assets of the Fund.
- Selecting and applying appropriate accounting policies.
- 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 the International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012, and the Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations, 2023.

The Administrator is of the opinion that the Fund's financial statements give a true and fair view of the Fund's transactions during the financial year ended June 30, 2025, and of its financial position as at that date. The Administrator further confirms 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 system of internal financial control.

In preparing the financial statements, the Administrator has assessed the Fund's ability to continue as a going concern and has disclosed, as applicable, matters related to the use of the going concern basis of preparation. 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 27/10/2025 and signed on its behalf by:



.....

Ms.Hellen Kemboi
Fund Administrator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 EXECUTIVE CAR LOAN AND MORTGAGE SCHEME 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 the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nandi Executive Car Loan and Mortgage Scheme Fund set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

Report of the Auditor-General on Nandi County Executive Car loan and Mortgage Scheme Fund for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nandi County Executive Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nandi County Executive Car Loan and Mortgage Scheme Fund Regulations, 2023.

Basis for Qualified Opinion

1. Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.2,232,676, as disclosed in Note 25 to the financial statements. However, creditors ledgers, schedule, statements and, ageing analysis were not provided for review.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs. 2,232, 676 could not be confirmed.

2. Under-Performing Loans

The statement of financial position reflects long term receivables from exchange transactions balance of Kshs.167,159,665 as disclosed in Note 18 to the financial statements. Included in the balance are three (3) loans with expected total repayments of Kshs. 4,015,984. However, the actual payments made during the year amounted to Kshs.1,575,592 resulting to an underpayment of Kshs. 2,440,392 as shown below:

No	Payee Details	Expected Repayments to 30 June, 2025 Kshs	Actual Payments to 30 June 2025 Kshs	Underpayments Kshs
1	27464304	2,270,982	1,244,322	1,026,660
2	24664480	698,078	243,270	454,808
3	13807926	1,046,924	88,000	958,924
Total		4,015,984	1,575,592	2,440,392

Despite some members failing to honor their loan obligation, no action has been taken to recover the loans.

In the circumstances, accuracy of under performing loans could not be confirmed.

3. Inaccuracies in Capital Risk Management Reporting

The capital risk management and as shown in Note 33(d) to the financial statements reflects total borrowings balance of Kshs.452,921,769 which was at variance with the prior year comparative figure of Kshs.399,225,435 leading to an unexplained variance of Kshs.53,696,334. In addition, the Note also reflects cash and bank balances of Kshs.452,500,912 whereas the statement of financial position reflects cash and cash equivalent balance of Kshs. 420,857 leading to unexplained variance of Kshs.452,080,055.

In the circumstances, the accuracy of the capital risk management could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of Budget and Actual amounts reflects final receipt budget against actual on comparable basis of Kshs.68,627,793 and Kshs.54,427,208 respectively resulting to an underfunding of Kshs.14,200,585 or 26% of the budget. Similarly, the Fund spent Kshs.54,006,351 against actual receipts of Kshs.54,427,208 resulting into underutilization of Kshs.420,857 or 1% of the actual receipts.

The under-performance and underutilization may have affected the planned activities and impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Un resolved Prior Year Audit Matters

In the audit report of the previous year, two (2) issues were raised under the Report on the Financial Statements, one (1) Emphasis of Matter, four (4) on Report on Lawfulness

Report of the Auditor-General on Nandi County Executive Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025

and Effectiveness in the Use of Public Resources and one (1) on Report on Effectiveness of Internal Controls, risk management and Governance, Although the Management has indicated that the issues have been resolved, there is no evidence adduced to show how the matters have been resolved as shown below:

S/No.	Financial Year	Audit Issue
1	2023/2024	Misstatement in Financial Statements
2	2023/2024	Loan Underperformance
1	2023/2024	Legal Services Expenses
2	2023/2024	Failure to Remit Insurance Premiums for Car and Mortgage Loans
3	2023/2024	Trade and Other Payables from Exchange Transactions – Non-Insurance of the Loans
4	2023/2024	Unremitted Payroll Deductions
1	2023/2024	Issuance of Loans without Formal Applications

Other Information

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

In connection with my audit on the Nandi County Executive Car loan and Mortgage Scheme Fund 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. Lack of Sensitization, Monitoring and Evaluation of Staff

During the year under review, scrutiny of the Nandi County Executive Committee Car Loan and Mortgage Scheme Fund Regulations, 2023, revealed that the Fund was mandated under Regulation 19 to periodically sensitize staff on loan and mortgage schemes and under Regulation 20(1) to conduct annual monitoring and evaluation to assess implementation progress and challenges. However, no documentary evidence was provided to confirm that the Fund undertook any sensitization programs for staff or conducted the required annual monitoring and evaluation activities.

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

2. Outsourcing of Legal Services

The statement of financial performance reflects use of goods and services amount of Kshs.1,139,083 as disclosed in Note 12 to the financial statements. The amount is in respect of legal fees paid to an advocates for services incurred each time a loan is processed. However, it was not clear why external legal services were engaged, despite the County Attorney being mandated under Regulation 6 of the Public Finance Management (Nandi County Executive Car Loan and Mortgage Scheme Fund) Regulations, 2023 to handle all legal matters relating to the securities of credit facilities. Engaging external legal services for responsibilities already assigned to the County Attorney results in duplication of roles.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 an Institutional Risk Management Policy Framework

During the year under review it was noted that the Fund did not have a risk management strategy, contrary to section 158(1)(a) and (b) of the Public Finance Management (County Government) Regulations, 2015 which requires the accounting officer to develop risk management strategies, which include fraud prevention mechanism and internal control that builds robust business operations.

In the circumstances, effectiveness of oversight on risk management, development of strategies and controls 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 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

10 December, 2025

Nandi County Executive Car Loan and Mortgage Scheme Fund

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

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

Description	Note	2024-2025	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	5,909,828	5,713,108
Other Income	10	1,137,033	3,659,422
Total Revenue		7,046,861	9,372,530
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	1,139,083	1,951,730
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		1,139,083	1,951,730
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		5,907,778	7,420,800



.....
Name: CPA Hellen Kemboi
Administrator of the Fund



.....
Name: CPA Mark Too
Fund Accountant

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

15. Statement of Financial Position as at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	420,857	1,079,443
Current Portion of Long- Term Receivables from Exchange Transactions	18	82,815,664	60,259,998
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		83,236,521	61,339,441
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	167,159,665	183,456,935
Investment Property	24	-	-
Total non- current assets		167,159,665	183,456,935
Total Assets (A)		250,396,186	244,796,375
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	2,232,676	2,540,642
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		2,232,676	2,540,642
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-

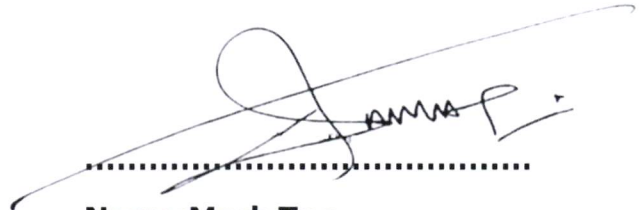
*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Total Liabilities (B)		2,232,676	2,540,642
Net Assets (A-B)		248,163,511	242,255,733
Represented By:			
Revolving Fund		223,000,000	223,000,000
Reserves		-	-
Accumulated Surplus		25,163,511	19,255,733
Net Assets		248,163,511	242,255,733

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 27/10/2025 and signed by:



.....
Name: CPA Hellen Kemboi
Administrator of the Fund



.....
Name: Mark Too
Fund Accountant
ICPAK Member Number:

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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 2024	223,000,000	-	-	223,000,000
Surplus/(Deficit) For the Period	-	-	19,255,733	19,255,733
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	223,000,000	-	19,255,733	242,255,733
Balance As At 1 July 2025	223,000,000	-	19,255,733	242,255,733
Surplus/(Deficit) For the Period		-	5,907,778	5,907,778
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	223,000,000	-	25,163,511	248,163,511

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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

Description	Not e	Current FY	Current FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		7,087,250	5,599,537
Receipts from other operating activities		-	-
Total receipts		7,087,250	5,599,537
Payments			
Fund administration expenses		(1,447,050)	-1,951,730
General expenses		-	-
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	30	5,640,200	3,647,807
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		46,260,515	32,279,669
Loan disbursements paid out		-52,559,301	-127,934,219
		-	-
Net cash flows used in investing activities		6,298,786	95,654,550
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	67,000,000
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	67,000,000
Net increase/(decrease) in cash & cash Equivalents		-658,586	-25,006,743
Cash and cash equivalents at 1 July	17	1,079,443	26,086,186
Cash and cash equivalents at 30 June	17	420,857	1,079,443

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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*	1,079,443	-	1,079,443	1,079,443	-	100
Receipts						
Revenue	KShs	KShs	KShs	KShs	KShs	
Transfers from County Govt.	-	-	-	-	-	-
Interest income and other income	7,087,250		7,087,250	7,087,250	-	100
Principle recovered	60,461,100		60,461,100	46,260,515	14,200,586	77
Total income	68,627,793	-	68,627,793	54,427,208	14,200,586	79
Expenses						
Fund administration expenses	1,860,436		1,860,436	1,447,050	413,386	78
Finance cost			-	-	-	-
Total expenditure	1,860,436	-	1,860,436	1,447,050	413,386	-
Capital expenditure	66,767,357		66,767,357	52,559,301	14,208,056	79
Surplus for the period	0	-	0	420,857	-420,857	1

Budget notes

1. The 77% realization of Principle recovered was due to late disbursement by the national treasury which affected the remittance by the county treasury to the Scheme.

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Budget Reconciliation

Revenue Reconciliation	
Revenue as per the Statement Of Comparison Of Budget And Actual	54,427,208
Less: capital	0
Balance B/d	1,079,443
Principal recovered	46,260,515
interest receivables	1,177,422.36
Add:Other income	1,137,033.35
Previous interest and principal recovered	
Total	7,046,861
Less:	
Expenditure Reconciliation	
Expenditure as per the Statement Of Comparison Of Budget And Actual	54,004,301
Less: top up and new loans	52,559,301
payables	680,000
Total	765,000
Revenue as per the Statement Of financial performance	6,281,861

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nandi County Executive car loan and mortgage scheme fund is established by and derives its authority and accountability from 2012 Act. The entity is wholly owned by the Nandi County Government and is domiciled in Kenya. The entity's principal activity is to purchase car and purchase, development or renovation of residential property for occupation by the.

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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

	<p>the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

	<p>and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

	<p>assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
--	---

(i) Early adoption of standards

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

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 15th June 2024. 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 recorded no additional appropriations. 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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
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.

a) Intangible Assets

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

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
reporting date. Critical estimates and significant judgments made by management
in determining the expected credit loss (ECL) are set out in *Note xx*.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
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

Nandi County Executive Car Loan and Mortgage Scheme Fund

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

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.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. 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 Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
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.

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
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 26.

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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.

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	-	-

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 Car Loans and Mortgage Scheme Fund	5,909,828	5,713,108
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Total Interest Income	5,909,828	5,713,108
------------------------------	------------------	------------------

The interest earned was as per the regulation.

10. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
loan charges income	1,137,033	3,659,422
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	1,137,033	3,659,422

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	-	-
Loan Processing Costs	1,137,033	1,951,250
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	2,050	480
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	1,139,083	1,951,730

13. Depreciation and Amortization Expenses

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

14. Finance costs

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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	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
Nandi County Executive Car Loan and Mortgage Account	420,857	1,079,443
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	420,857	1,079,443

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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			
Kenya Commercial Bank		-	-
Coop-Bank		420,857	1,079,443
Sub- Total		420,857	1,079,443
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		420,857	1,079,443

18. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
principle receivable	7,279,834	5,865,787
Interest receivable	1,045,117	780,929
Current Loan Repayments Due	74,490,712	53,613,282
Less: Impairment Allowance	-	-
Total Current Receivables	82,815,664	60,259,998
Non-Current Receivables		
Long Term Loan Repayments Due	167,159,665	183,456,935
Total Non- Current Receivables	167,159,665	183,456,935
Total Receivables From Exchange Transactions	249,975,329	243,716,932

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	1,177,422.36	-
Interest receivable from current portion of long-term loans issued in the current year	6,257,191.28	-
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	68,233,521.14	-

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	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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 xxx	-	-
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

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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	-	-	-	-	-	-
	-	-	-	-	-	-

22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (Previous FY)	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-	-
At 1st July (Current FY)						
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-	-
Depreciation And Impairment						
At 1 st July (Previous FY)	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
At 30th June (Previous FY)	-	-	-	-	-	-
At 1st July (Current FY)						
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-	-
Net Book Values						
At 30th June (Previous FY)	-	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-	-

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	
	Kshs	
At beginning of the year	-	
Additions	-	
Depreciation	-	

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Impairment	-	
Gain/(loss) in fair value (if fair value is elected)	-	
At end of the year	-	

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

25. Trade and other payables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables	2,232,676		2,540,642	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	2,232,676		2,540,642	
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)	-	-	-	-

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	-	-	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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)	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

30. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	5,907,778	7,420,800
Adjusted for:		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	1,177,422	-
Other income	1,137,033	-
Working Capital adjustments		
Increase In Inventory	-	-
Increase/decrease In Receivables	-	-5,481,165
Increase/decrease In Payables	307,967	-
Net cash flow from operating activities	5,640,200	1,939,635

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	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Total	-	-
--------------	---	---

d) Due from related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due From County treasury	8,324,951	-
Total	8,324,951	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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 2025				
Receivables From Exchange Transactions	8,324,951	5,298,068	-	3,026,883.02
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	420,857		-	-
Total	8,745,808	5,298,068	0	3,026,883
At 30 June 2024				
Receivables From Exchange Transactions	115,827,042	82,400,396	15,316,682	14,969,143
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	115,827,042	82,400,396	15,316,682	14,969,143

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	-	-	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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.

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	-	-	-

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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 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

Nandi County Executive Car Loan and Mortgage Scheme Fund

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

percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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	223,000,000	223,000,000
Accumulated surplus	25,163,511	19,255,733
Total funds	248,163,511	242,255,733
Total borrowings	452,921,769.19	399,225,435.19
Less: cash and bank balances	452,500,912.19	398,145,992.19
Net debt/(excess cash and cash equivalents)	1.82	1.64
Gearing	182.3398252	164.3494613

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 the public finance management (Nandi County Executive Car Loan and Mortgage Scheme Fund)Regulation, 2023 . Its ultimate parent is the County Government of Nandi

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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.

Referen ce 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)
1.	Misstatement in Financial	Ksh. 5,481,165 was the loan already recovered from the beneficiaries for the month of June 2024 but was yet to be remitted to the fund.	Resolved	1st July 2025
2.	Loan Under-Performance	All the beneficiaries whose loans were under performing have since been issued with demand notices of payment.	Resolved	1st July 2025
	Emphasis of Matter Budgetary Control and Performance. -under expenditure of Kshs.1,079,443 or 0.8% of the actual receipts.	Going forward, the Management will ensure that all the loan repayments are up to date and that the recoveries are remitted immediately they are deducted	Resolved	1st July 2025

Fund Manager/Accounting Officer (enter title of head of Fund)



Date 27/10/2025

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Annex II: Inter-Fund Confirmation Letter


Nandi County Executive Car Loan and Mortgage Scheme Fund
P.O Box 802
Kapsabet

The Nandi County Executive 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 2025				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 Prisca Jepchirchir Sign..........Date 27/10/2025.....

Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Annex III: Reporting of Climate Relevant Expenditures

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

*Nandi County Executive Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

Annex IV: Reporting on Disaster Management Expenditure

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