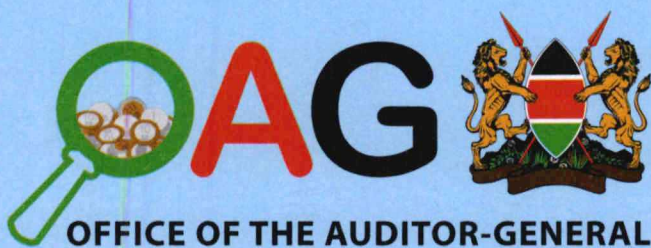


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THE AUDITOR-GENERAL

ON

CENTRE FOR ENTREPRENEURSHIP
(C4E) PROJECT (CREDIT NUMBER:
BMZ-REF.:2018 65 245)

FOR THE YEAR ENDED
30 JUNE, 2025

STATE DEPARTMENT FOR MICRO,
SMALL AND MEDIUM ENTERPRISES
DEVELOPMENT

1 - 1 - 1





Revised 30th June 2025



PROJECT NAME: CENTRE FOR ENTREPRENEURSHIP (C4E) PROJECT
**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR MICRO, SMALL AND
MEDIUM ENTERPRISES DEVELOPMENT**
PROJECT CREDIT NUMBER: BMZ-Ref.:2018 65 245

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Table Contents	Page
1. Acronyms and Definition of Terms.....	ii
2. Project Information and Overall Performance.....	iii
3. Statement of Performance against Project's Predetermined Objectives.....	xxv
4. Environmental and Sustainability Reporting.....	xxxii
5. Statement of Project Management Responsibilities.....	xliv
6. Report of the Independent Auditor on Financial Statements for C4E.....	xlvi
7. Statement of Financial Performance for the Year Ended 30th June 2025.....	1
8. Statement of Financial Position as at 30 th June 2025.....	2
9. Statement of Changes in Net Assets.....	3
10. Statement of Cashflow for the year ended 30 th June 2025.....	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025.....	5
12. Notes to the Financial Statements.....	7
13. Annexes.....	31

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

1. Acronyms and Definition of Terms

BDS	Business Development Services
CBK	Central Bank of Kenya
C4E	Centre for Entrepreneurship Project
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KIE	Kenya Industrial Estates
Kfw	Kreditanstalt für Wiederaufbau (Credit Institute for Reconstruction)
NT	National Treasury
PFM	Public Finance Management
PIU	Project Implementation Unit
PPADA	Public Procurement and Asset Disposal Act
PSASB	Public Sector Accounting Standards Board
PSC	Project Steering Committee
SDI	State Department for Industry
TVET	Technical Vocational Education and Training
Comparative FY	Financial year preceding the current financial year

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The Project's official name is the Centre for Entrepreneurship (C4E).

Objective

The project intends to establish a “**Centre for Entrepreneurship (C4E)**”, serving to empower the youth & youth entrepreneurs for: employment, self-employment, creation of start-ups and promotion of youth owned enterprises.

The project is expected to achieve the following outcomes:

- a. Increased entrepreneurship and employment opportunities for youth;
- b. Increased income and wealth creation to the youth.

Address

The project headquarters are located in Nairobi County, Kenya. The registered office is situated at the Social Security House, Block A, Bishop Road, P.O. Box 30547-00100, Nairobi, Kenya.

Contacts: The following are the project contacts

P.O. Box: 30547-00100

Telephone: +254-(0)20-2731531/9

E-mail: ps@msme.go.ke

Website: www.msme.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	12 th July,2023
Project End Date:	11 th July 2027
Chairperson -PIU	Mr. Anthony Njeru
Project Development Partner:	KfW

2.3 Project Overview

Line Ministry or State departments/ County Department	State Department for Micro, Small and Medium Enterprises (MSMEs) Development
Project number	BMZ-Ref.:2018 65 245
Strategic goals of the project	<p>The project intends to establish a “Centre for Entrepreneurship (C4E), serving to empower the youth & youth entrepreneurs for: employment, self-employment, creation of start-ups and promotion of youth owned enterprises.</p> <p>The project is expected to achieve the following outcomes:</p> <ol style="list-style-type: none"> a. Increased entrepreneurship and employment opportunities for youth; b. Increased income and wealth creation to the youth.
Summary of Project Strategies for achievement of strategic goals	<p>The Project will establish a “Centre for Entrepreneurship” (C4E) at Kenya Industrial Estates (KIE) Headquarters, Nairobi and five satellite centres with the purpose of empowering the youth for: employment, self-employment, creation of start-ups and promotion of youth owned enterprises through provision of services outlined below:</p> <ol style="list-style-type: none"> i. Orientation for youth through an individual, in-depth screening in relation to talents, motivation, interests and needs for skills development and support services;

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

	<ul style="list-style-type: none"> ii. Information on training and business development services providers, programmes and support services for the youth, self - employed and entrepreneurs; iii. Vouchers to finance skills development or support services as identified in the in-depth interviews; iv. Advice and guidance for voucher recipients to identify the most suitable training institutions or business service providers; v. A Makers Space comprising a common user facility (CUF) for the youth; vi. A mobile & online platform that benefits participants by providing information on learning/training opportunities, support services and labour market information; vii. The online platform will also provide instruments to efficiently track clients and Centre operations, improving service delivery and ensuring effective and robust monitoring and evaluation and; viii. Linking youth MSMEs to various service providers that are not accredited to the Centre.
<p>Other important background information of the project</p>	<p>The Government of Kenya and the Government of the Federal Republic of Germany held Bilateral Cooperation negotiations in December 2018. During the negotiations was it agreed that the Promotion of Entrepreneurship and Employment programme (Centre for Entrepreneurship (C4E) Project) would be one of the projects to be implemented under the Germany Development Cooperation (GDC) with Kenya.</p> <p>The project intends to set up a “Centre for Entrepreneurship (C4E)”, serving to empower the youth for self-employment, growth-oriented start-ups and young entrepreneurs in the formal and informal sectors.</p>

	<p>C4E project will address challenges facing youth by supporting their successful transition to sustainable self/employment by fostering creation of job opportunities.</p> <p>The project will establish a “Centre for Entrepreneurship” (C4E) at Kenya Industrial Estates (KIE) Headquarters, Nairobi and five (5) satellite centres at KIE regional offices.</p> <p>Project Outputs (Components) include:</p> <ol style="list-style-type: none"> i. Physical establishment and equipping of the “Centre for Entrepreneurship” (“C4E”) at Kenya Industrial Estate (“KIE”) headquarters and at 5 satellite centres at KIE Regional offices; ii. Establishment and Management of a voucher system (includes establishment of an accreditation Unit for the service providers); iii. Establishment of a Mobile and Online platform; iv. Sensitization and outreach programmes for the C4E and its services; v. Establishment of the Makers Space (Common User Facility (CUF)). <p>The Project’s Implementation Structure comprises of:</p> <ol style="list-style-type: none"> a. Project Steering Committee (PSC)- Provides overall policy guidance for the Project. b. Project Implementation Unit (PIU)- Undertakes the day-to-day operation of the C4E assisted by the Implementation Consultant c. Implementation Consultant- Provides advisory support to the Project and the PIU.
<p>Areas that the project was formed to intervene</p>	<p>The Project will address key challenges facing Youth in Kenya namely:</p> <ol style="list-style-type: none"> a. The transition of Youth to the labour market, b. Reduction of youth unemployment and; c. Support provision of Business Development Services

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

	<p>(BDS) to youth owned MSMEs.</p> <p>The objective of the Project is to contribute to the Government's agenda of the improvement of employability of youthful skilled workers in Kenya leading to expansion of employment opportunities through self-employment, permanent employment, start-ups and young enterprises.</p> <p>The implementation of the Project is expected to expand employment opportunities for youth through permanent/ self-employment, start-ups and youth owned enterprises leading to increased income to Kenyan youth and growth of youth owned enterprises.</p>
Project duration	Four (4) Years

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2.5 Independent Auditor

The project is audited by:

Auditor - General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

2.6 Roles and Responsibilities

The project day to day operations is the responsibility of the Project Implementation Unit (PIU) which reports to the Project Steering Committee (PSC)

No	Names	Title designation	Key qualification	Responsibilities
1.	Hon. Susan Auma Mang'eni	Principal Secretary Chairperson, Project Steering Committee	Hon. Susan Auma Mang'eni is the Principal Secretary of Micro Small and Medium Enterprises	The Principal Secretary is responsible for the overall implementation of the C4E Project

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

			<p>Development. Hon. Susan Mang'eni holds an MA in Entrepreneurship Development and a BA in Political Science and Public Administration both from the University of Nairobi. She is also, an alumnus of the 2011 International Visitors Leadership Programme (IVLP) a US State department Exchange programme. She is a network member of the Mandela Institute for Development Studies. She is a governance and development expert with close to 15 years' experience in both the private and public sectors.</p>	
2	Mr.Stephen Gakanga	Senior Deputy Accountant General	Mr Stephen Gakang'a is the Head of the Accounting Unit	Provide overall Financial Advisory services to the Project

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

		Member PSC	He holds a Bachelor of Commerce. He is a CPA(K) finalist and a member of the Institute of Certified Public Accountants, Kenya (ICPAK).	
3.	Mr.Charles Mativo	Ag. Managing Director, Kenya Industrial Estates (KIE) Member PSC	CPA. Charles Mativo is the acting Managing Director, Kenya Industrial Estates. He holds a Bachelor of Commerce degree from KCA University.	Provide and support the Project CENTRE for ENTREPRENUESHIP physical address at KIE
4.	Mr. Anthony Njeru	Chief Economist-Chairperson, Project Implementation Unit (PIU)	<ul style="list-style-type: none"> • Masters of Arts – Economics • Bachelor of Arts – Economics • Statistical Training on Non-Tariff Barriers (NTBs) • Data Analysis and Processing 	The Chairperson heads the Project Implementation Unit (PIU) at the State Department and provides overall and day-to-day management of the activities supported under the C4E Project.
			•	
5.	Mr. Nicholas Gakiha	Ag. Director of Industries, State Department for Industry (SDI)	<ul style="list-style-type: none"> • Masters of Science in Entrepreneurship • Bachelor of Commerce Degree (Business Administration) • Certificate in Strategic Leadership • Certificate in Business Development 	Member of the C4E PIU. Offers strategic advisory support to the PIU on industry-related issues and emerging trends.

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

			<p>Services</p> <ul style="list-style-type: none"> • Certificate in Project Monitoring and Evaluation 	
6.	Mr. Andrew Kigen	Chief Finance Officer (CFO)	<ul style="list-style-type: none"> • Masters in Economics (Co-operation and Human Development) 	<p>Member of the C4E PIU.</p> <p>Provides financial management support to the PIU.</p>
7.	Mr. Paul Ngigi	Assistant Accountant General (AAG)	Bachelor's Degree in Finance from the University of Nairobi	<p>Member of the C4E PIU.</p> <p>provides financial management and accounting support to the PIU in accordance with KfW & GoK financial management regulations and accounting procedures.</p>
8.	Antony Kimani	Assistant Director, Supply Chain Management Services	<ul style="list-style-type: none"> • Bachelor of Commerce-Economics and Statistics • CIPS Level 4 Diploma 	<p>Member of the C4E PIU.</p> <p>Provides support in the procurement of goods, works, and services for the Project, while also offering advisory input on supply chain management matters.</p>
9.	Mr. John Koross	Senior Principal Lecturer/Assistant Director	<ul style="list-style-type: none"> • Masters of Arts-Dev't Planning and Management • Bachelor of Arts-Economics • Advanced Diploma 	<p>Member of the C4E PIU.</p> <p>Advises the PIU on Business Development Services (BDS) for MSMEs, including training, consultancy,</p>

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

			<p>in teaching in Higher</p> <ul style="list-style-type: none"> • Trainer Candidate/ Consultant QPI (JICA) • Post Graduate Diploma in Business Management 	<p>mentorship, coaching, business counselling, coordination, and business research.</p>
10.	Mr. Gideon Njogu	Senior Principal Lecturer/Assistant Director	<ul style="list-style-type: none"> • Masters of Arts-Gender & Development Studies • Bachelor of Arts-Economics • PGDE, ILO Trainer • Master Trainer/ Consultant QPI 	<p>Member of the C4E PIU</p> <p>Advises the PIU on Business Development Services (BDS) for MSMEs, including training, consultancy, mentorship, coaching, business counselling, coordination, and business research.</p>
11.	Mr. Lewis Mwangi	ICT Officer I	<ul style="list-style-type: none"> • Bachelor of Science-Applied Optics and Lasers 	<p>Member of the C4E PIU</p> <p>Offers ICT support/ advisory to the PIU.</p>
12.	Ms. Brenda Nyaboke		<ul style="list-style-type: none"> • Bsc. Statistics • Certificate in Statistical Packages for Social Sciences (SPSS) • Certificate in ICT • Certificate in Web Design 	<p>Secretary to the C4E PIU</p>
13.	Mr. Joseph Ayieko	Manager, Business Advisory Services (BAS)-	<ul style="list-style-type: none"> • Master of Science in Entrepreneurship • Certificate - Environmental 	<p>Member of the C4E PIU</p> <p>Offers support to the</p>

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

		Kenya Industrial Estates (KIE)	<p>Impact Assessment and Environment Audit</p> <ul style="list-style-type: none"> • Bachelor of Business Administration with Information Technology (Management) • Diploma in Community Based Project Planning and Management • Diploma in Cooperative Audit & Management • Certificate- Strategic Project Management • CPA(K)- Part II 	PIU on Business Advisory Services.
14.	Mr. Dennis Ong'aria	Manager ICT, Kenya Industrial Estates (KIE)	<ul style="list-style-type: none"> • Bachelor of Science in Information Technology • Diploma in Information Systems Management • Senior Management Course • IT Industry Certifications 	<p>Member of the C4E PIU</p> <p>Offers ICT support/ advisory to the PIU.</p>
15.	Mr. Bob Atuti	Head, Procurement- Kenya Industrial Estates (KIE)	<ul style="list-style-type: none"> • Masters in Procurement and Supply Chain Management • Bachelor's Degree in Procurement and 	<p>Member of the C4E PIU</p> <p>Provides support in the procurement of goods, works, and services for the Project, while also</p>

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

			Supply Chain Management <ul style="list-style-type: none"> • Certified Procurement Professional • KISM Member 	offering advisory input on supply chain management matters.
16.	Dr. Joseph Kanyi	Director, Vocational and Technical Education (TVET)	<ul style="list-style-type: none"> • PhD Entrepreneurship Development 	Member of the C4E PIU. Provides technical and advisory support on TVET matters to the PIU.

2.7 Funding summary

The project is for a duration of four years. The Project's total costing and financing amounts up to EUR 33,600,000 (KES3, 864,000,000) sourced as follows:

- a) EUR 25.9 million (KES 2,978,500,000) loan from KfW Development Bank from Federal Republic of Germany;
- b) GoK Counterpart funding of EUR 1,680,000 (KES 193, 200,000). (This is pegged at 5% of the project total cost as stipulated in the Loan Agreement and;
- c) Beneficiaries' total contribution amounting up to EUR 6,020,000 (KES 692, 300,000). (The purpose of this contribution is to ensure sustainability of the project after the lapse of the project duration and commitment from the beneficiaries to the services being provided by the C4E).

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (SUS ¹ June 2025)		Undrawn balance to date	
	Development Partner currency (EUR)	kshs	Development Partner currency (EUR)	kshs	Development Partner currency (EUR)	kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Counterpart funding						
G.O. K		32,500,000		29,764,950		2,735,050
Total		32,500,000		29,764,950		2,735,050

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	Development Partner-currency (EURO)	Kshs	Development Partner-currency (EURO)	Kshs	Development Partner-currency (EURO)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
-	-	-	-	-	-	-
(i) Loan						
-	-	-	-	-	-	-
(ii) Counterpart funds						
G.O. K	-	29,764,950	-	29,077,550	-	687,440
Total		29,764,950		29,077,550		687,440

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i. Budget performance against actual amounts for the current year and for cumulative to-date,

Source of Funds	Printed Estimates- KES	Supplementary allocation -KES	Actual Amounts KES	Variance-KES
Loan AIA	100,000,000	50,000,000	-	50,000,000
Loan Revenue	30,000,000	30,000,000	-	30,000,000
G.O.K counterpart funding	32,500,000	32,500,000	29,764,950	2,735,050
TOTAL	162,500,000	112,500,000	29,764,950	82,735,050

ii. Physical progress based on outputs and outcomes since project commencement,

The Centre for Entrepreneurship (C4E) Project has made notable progress in laying institutional and operational foundations necessary for full implementation.

Key Outputs Achieved to Date

A. Institutional Structures Established

- The **Project Steering Committee (PSC)** and **Project Implementation Unit (PIU)** were constituted to oversee and coordinate project implementation.
- Capacity building and sensitization of PSC and PIU members were conducted, resulting in the development of key Project Operational Manuals and Implementation Guidelines.

B. Legal and Administrative Milestones

A **legal opinion from the Attorney General** was secured, facilitating the opening of the project account and paving the way for resource utilization.

C.County Engagements and Sensitization

- Youth sensitization forums were successfully conducted in various Counties.
- These forums provided platforms for interactive dialogue, capturing youth proposals and aligning project interventions with **county-specific value chains** such as horticulture, livestock, creative industries, tourism, and ICT



D. Procurement of Implementation Consultant

Procurement process has progressed substantially, with both technical and financial evaluations concluded. The exercise has now advanced to the contract preparation stage, paving the way for the formal engagement of the Consultant.

F. Identification of C4E Satellite Centers and assessment of their needs depending on production clusters.



G. Project Design Enrichment

a. Inputs from County and youth forums have informed refinements in the Project's design, ensuring inclusivity and responsiveness to beneficiary needs.

b. **Outcomes Realized**

- Strengthened Governance and Institutional Readiness
- Enhanced Stakeholder Ownership
- Youth Awareness and Mobilization
- Policy and Strategic Alignment

iii. Budget Absorption: The Project managed to absorb 26% of the total allocated budget. The budget underutilization amounting to KES 82,735,050 was primarily due to delays in contracting the Implementation Consultant, as required under the provisions of the Separate Agreement. Since the engagement of the Consultant is a precondition for loan disbursement, the delay consequently slowed down the pace of Pproject implementation and resource utilization. Absorption was mainly the GOK counterpart funding, 89% of the counterpart funding was absorbed in identification of C4E Satellite centers and sensitization to the target group.

iv. Challenges:

- a. Delays in contracting the Implementation Consultant, as required under the provisions of the Separate Agreement. Since the engagement of the Consultant is a precondition for loan disbursement, the delay consequently slowed down the pace of project implementation and resource utilization.
- b. Prolonged procurement processes, including multiple stages of evaluation and the need for “No-Objection” clearances, further contributed to delays in roll-out.

Recommendations / Next Steps:

- a. **Fast-track Contracting of the Implementation Consultant:** Finalize the recruitment process and ensure the Consultant is onboarded by the set deadline (August 2025) to unlock disbursements and accelerate implementation.
- b. **Strengthen Interim Capacity:** Leverage the existing PIU and PSC structures to undertake preparatory activities (e.g., further sensitization, stakeholder mapping, and operational readiness) ahead of the Consultant’s engagement.
- c. **Enhance Monitoring and Reporting:** Establish interim progress tracking mechanisms to monitor utilization of available resources and ensure timely corrective actions.
- d. **County-Level Readiness:** Collaborate with the Council of Governors (CoG) and County Governments to prepare ground-level structures, ensuring smooth roll-out once implementation begins.

2.9 Summary of Project Compliance:

- i) The C4E Project, funded by the KfW is implemented in adherence to National legal and regulatory frameworks, as well as external financing covenants.

The Project has complied with key legal and policy frameworks, including:

- a. **Public Finance Management (PFM) Act, 2012:** The Project follows budgetary processes and expenditure protocols as stipulated, including submission of annual budgets, financial reports, and expenditure plans.
 - b. **Treasury Circulars on Project Investment Management:** The Project aligns its procurement planning, cash flow forecasts, and budget execution with prevailing National Treasury guidelines.
 - c. **KfW Financing Agreement and Covenants:** Compliance with prior review procedures, fiduciary safeguards, and procurement thresholds has been maintained.
 - d. **Kenya Vision 2030 Alignment:** The Project supports the Vision 2030 pillar on Economic transformation by promoting inclusive, sustainable, and competitive employment creation and youth empowerment.
- ii) Consequences suffered on account of non-compliance or likely to be suffered.

While the Project has largely remained compliant, the following issue was noted:

- **Delayed Absorption of Funds:** The Project experienced low budget absorption in the initial implementation period due to delays in the procurement of the Implementation Consultant.

Consequence: This triggered budget cuts under Supplementary II Budget Review and posed a risk of negative perception by stakeholders and possible reallocation of funds.

iii) Mitigation measures taken or planned to alleviate the adverse effects of actual or potential consequences of non-compliance.

To address the above issue, the following measures will be undertaken:

- a. Accelerated Procurement:** Fast-tracking of the pending procurement process to improve budget absorption in the subsequent financial years.
- b. Stakeholder Sensitization and Coordination:** Strategic stakeholder forums are planned (e.g., with Parliament and National Treasury) to showcase progress, align on expectations, and secure additional funding for the Project.

The C4E Project remains committed to full compliance with all applicable laws, regulations, and financing agreements, and has instituted targeted measures to resolve emerging challenges and mitigate potential risks.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national government entity's performance against predetermined objectives at the end of each financial year.

The key development objectives of the C4E Project are to:

- a. Enhance Youth Employment and Self-Employment Opportunities
- b. Promote Sustainable Income and Wealth Creation for Youth
- c. Strengthen Access to Skills Development and Business Support Services
- d. Improve Access to Technology and Innovation Infrastructure
- e. Expand Outreach and Awareness
- f. Promote Inclusive and Equitable Participation
- g. Institutional Strengthening and Policy Support

This report outlines the performance of the C4E Project in the FY 2024/25 against these objectives, highlighting progress made, results achieved, challenges encountered, and opportunities for improvement in the subsequent implementation years.

The Centre for Entrepreneurship (C4E) Project is a flagship initiative of the Government of Kenya, co-financed by a loan from the Federal Republic of Germany through KfW, whose estimated total Project Cost is EUR 33,600,000 (approx. KES 3,864,000,000) for a period of four (4) years. The Project is being implemented by the State Department for Micro

The objective of Centre for Entrepreneurship (C4E), is to empower the youth & youth entrepreneurs for: (i) Employment, (ii) Self-employment, (iii) Creation of start-ups and (iv) Promotion of youth owned enterprises.

The C4E Project is expected to achieve the following outcomes:

- a) Increased entrepreneurship and employment opportunities for youth;
- b) Increased income and wealth creation to the youth

Project Outputs (Components) include:

- i. Physical establishment and equipping of the “Centre for Entrepreneurship” (“C4E”) at Kenya Industrial Estate (“KIE”) headquarters and at 5 satellite centres at KIE Regional offices;
- ii. Establishment and Management of a voucher system (includes establishment of an accreditation Unit for the service providers);
- iii. Establishment of a Mobile and Online platform;
- iv. Sensitization and outreach programmes for the C4E and its services;
- v. Establishment of the Makers Space (Common User Facility (CUF)).

Performance to Date

- a. Institutional Structures Established:** The Project Steering Committee (PSC) and Project Implementation Unit (PIU) were constituted and capacity building of members undertaken. Project operation manuals and implementation guidelines were developed to facilitate efficient roll-out.
- b. Legal and Administrative Milestones:** A legal opinion from the Attorney General was obtained in April 2024 to open the project account, fulfilling a prerequisite condition for disbursement.

- c. **County Engagements:** Youth sensitization exercises have been carried out in multiple Counties capturing youth priorities and aligning project interventions with county value chains.
- d. **Identification of Satellite Centres** for the C4E Project as well as assessment of their needs depending on production clusters.
- e. **Consultant Procurement:** The recruitment of the Implementation Consultant (IC) progressed through technical evaluation (October 2024), with financial evaluation and contracting expected to be finalized in August 2025 following KfW's No-Objection.
- f. **Project Design Enrichment:** Inputs from youth forums and county consultations have been incorporated into the project's operational framework, ensuring responsiveness to beneficiary needs.

Objectives Yet to Be Met

- a. Physical establishment and equipping of the "Centre for Entrepreneurship" ("C4E") at Kenya Industrial Estate ("KIE") headquarters and at 5 satellite centres at KIE Regional offices.
- b. Establishment and Management of a voucher system (includes establishment of an accreditation Unit for the service providers);
- c. Establishment of a Mobile and Online platform;
- d. Establishment of the Makers Space (Common user facility (CUF)).
- e. Launch of integrated training, mentorship, and financing linkages for MSMEs.
- f. Implementation of County-specific value chain interventions at scale.

- g. Achievement of the targeted job creation and sensitization numbers, which remain dependent on the onboarding of the Implementation Consultant.

Challenges

- a. **Delayed Absorption of Funds:** The delay in contracting the Implementation Consultant has constrained disbursement and slowed down resource utilization.
- b. **Procurement Bottlenecks:** Lengthy procurement processes and reliance on multiple No-Objection approvals have contributed to delays.

Opportunities

- a. Strong buy-in from the County Governments provides a platform for smooth roll-out at County level.
- b. The Project's alignment with **Kenya Vision 2030** and the **Bottom-Up Economic Transformation Agenda (BETA)** positions it to attract complementary partnerships and funding.
- c. Feedback from youth forums has highlighted innovative areas (e.g., creative industries, ICT, agribusiness, and green enterprises) that present opportunities for impactful interventions.

The C4E Project has made steady progress in establishing institutional, legal, and operational foundations, as well as engaging youth and stakeholders across key Counties. While delays in contracting the Implementation Consultant have slowed budget absorption and full-scale roll-out, the Project remains well-positioned to achieve its objectives. With the imminent onboarding of the Consultant and continued stakeholder support, the Project is expected to accelerate delivery and contribute significantly to youth employment, enterprise growth, and Kenya's economic transformation agenda.

The project intends to establish a “Centre for Entrepreneurship (C4E), serving to empower the youth & youth entrepreneurs for: employment, self-employment, creation of start-ups and promotion of youth owned enterprises.

The project is expected to achieve the following outcomes:

- a. Increased entrepreneurship and employment opportunities for youth;
- b. Increased income and wealth creation to the youth.

The key development objectives of the C4E Project are to:

- h. Enhance Youth Employment and Self-Employment Opportunities
- i. Promote Sustainable Income and Wealth Creation for Youth
- j. Strengthen Access to Skills Development and Business Support Services
- k. Improve Access to Technology and Innovation Infrastructure
- l. Expand Outreach and Awareness
- m. Promote Inclusive and Equitable Participation
- n. Institutional Strengthening and Policy Support

This report outlines the performance of the C4E Project in the FY 2024/25 against these objectives, highlighting progress made, results achieved, challenges encountered, and opportunities for improvement in the subsequent implementation years.

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.

To effectively implement and monitor the C4E Project, the overarching development objectives have been translated into **SMART outcomes**—Specific, Measurable, Achievable, Realistic, and Time-bound—accompanied by indicators for progress tracking and performance measurement.

The C4E Project remains on course toward achieving its development objectives, with substantial groundwork laid during the foundational year. Continued emphasis on coordinated implementation, stakeholder engagement, and timely disbursements will be critical to fully realizing the intended impact.

Summary of progress made toward achieving the strategic development objectives during the FY. 2024/25:

S/No.	Projected Output	Activity	Timeline	Remarks
1.	Identification of Satellite centers for the C4E Project.	Assessment of the KIE Centers and identification of five (5) satellite center's as well as their needs depending on production clusters.	Sept- Oct, 2024	The C4E Project model provides for one (1) Centre at the KIE Headquarters and five (5) Satellite Centres that will be based at the KIE offices in the Counties. The Project is expected to equip these centres with the necessary infrastructure and equipment to ensure that they meet the required standards to support MSMEs. Thus, the need to identify the five (5) Satellite Centres and assess their different

S/No.	Projected Output	Activity	Timeline	Remarks
				needs depending on production clusters.
2.	County-level sensitization and stakeholder engagement.	Conducted youth sensitization forums in various Counties including: Nakuru, Baringo, Uasin Gishu, Kakamega, Kisumu, Busia, Nyeri, Kirinyaga, Embu, Kwale, Mombasa, Kilifi among others.	Feb-Mar, 2025	In preparation for the project rollout, the State Department organized and held a series of sensitization workshops across various Counties targeting key stakeholders including Youth Development Officers, Enterprise Development Officers, Youth Representatives, and relevant National and County officials. These workshops are designed to ensure that potential beneficiaries and implementing partners are well-informed and adequately prepared to participate effectively in the Project.
3.	Procurement of Implementation Consultant (IC)	Technical and Financial evaluations of shortlisted firms completed; final contract preparation is ongoing.	Oct 2024 – Aug 2025	Pending finalization: Contracting of the Implementation Consultant is expected by August 2025 to unlock disbursements and accelerate roll-out.
4.	Strengthened governance and operational frameworks	Constitution of the Project Steering Committee (PSC) and Project Implementation Unit (PIU), and capacity building of the members	FY. 2023/2024	Operational manuals and implementation guidelines developed.

4. Environmental and Sustainability Reporting

Introduction and Project Mandate

The Centre for Entrepreneurship (C4E) Project is a flagship initiative of the Government of Kenya, co-financed by a loan from the Federal Republic of Germany through KfW, whose estimated total Project Cost is EUR 33,600,000 (approx. KES 3,864,000,000). The project intends to establish a Centre for Entrepreneurship (C4E), serving to empower the youth & youth entrepreneurs for: employment, self-employment, creation of start-ups and promotion of youth owned enterprises.

The project is expected to achieve the following outcomes:

- c. Increased entrepreneurship and employment opportunities for youth;
- d. Increased income and wealth creation to the youth.

The Project adopts a sustainability-focused approach to ensure that its interventions generate long-term impact. Sustainability in this context refers to the capacity to maintain the delivery of services, foster resilience, and preserve environmental and social systems over the long term. The strategy integrates environmental stewardship, social inclusion, economic viability, institutional strengthening, and risk mitigation.

The C4E Project is strategically aligned with Kenya's development agenda and is committed to sustainability across environmental, social, economic, and institutional domains. Through its comprehensive Environmental, Social and Health & Safety Compliance and embedded accountability mechanisms, the Project seeks to not only deliver immediate development outcomes but also lay a resilient foundation for long-term transformation in Kenya's MSME sector as highlighted below:

1. Sustainability strategy and profile

The Sustainability Strategy of the Centre for Entrepreneurship (C4E) Project is guided by the State Department's commitment to ensuring that the benefits of the Project are not only realized during the financing period but continue to serve Kenyan citizens in the long term. Top management, led by the Accounting Officer, has placed sustainability at the core of

implementation by anchoring Project activities in five interlinked areas: environmental, social, economic/operational, institutional, and risk management.

The Project adopts an integrated approach consistent with international best practices, including compliance with International Labour Organization (ILO) conventions, occupational health and safety standards, and KfW's Environmental, Social, and Health & Safety (ESHS) guidelines. These standards ensure that project interventions safeguard both people and the environment while promoting decent work and inclusive growth.

From a political and macroeconomic perspective, the Project responds directly to Kenya's national priorities on youth employment and enterprise development as outlined in Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the MSME Policy Framework. The Project also benefits from strong intergovernmental collaboration, particularly through the Council of Governors (CoG), ensuring that sustainability priorities are embedded within both National and County-level development agendas. This alignment helps shield the Project from risks of political transition while enhancing ownership across governance structures.

On the economic front, Kenya continues to face challenges of high youth unemployment, rising cost of living, and fiscal pressures. These factors underscore the importance of the C4E Project as a transformative intervention that promotes entrepreneurship, skills development, and job creation as sustainable pathways to economic resilience. The Project's focus on value-chain strengthening, MSME competitiveness, and youth employability ensures long-term economic sustainability.

Key achievements to date include:

- a. Development of Project Operations Manuals that set out governance, operational, and fiduciary standards for effective project delivery.
- b. Establishment of institutional structures including the Project Steering Committee (PSC) and Project Implementation Unit (PIU), ensuring sound oversight and accountability.

- c. Successful sensitization of youth across various counties, generating broad awareness and ownership of the project objectives.
- d. Strategic engagement with the County Governments, resulting in endorsement of the Project and commitment to support County-level rollout.

However, some challenges have also been observed. Notably, delays in contracting the Implementation Consultant slowed down the pace of implementation and resource utilization. In addition, capacity gaps at both national and county levels have been identified, necessitating targeted capacity-building efforts to strengthen institutional delivery.

Despite these challenges, the sustainability profile of the C4E Project remains strong. By embedding environmental safeguards, fostering inclusive participation, strengthening institutional capacity, and adopting adaptive risk management strategies, the project is well-positioned to deliver long-term impact. Top management remains committed to fast-tracking implementation while ensuring that sustainability priorities remain central to all project activities.

2. Environmental performance

The State Department, through the Centre for Entrepreneurship (C4E) Project, is guided by both national environmental laws and international standards in ensuring that Project activities are environmentally responsible and sustainable. In particular, the project adheres to the Environmental, Social, Health, and Safety (ESHS) provisions as outlined in the Separate Agreement with KfW, and is aligned with International Labour Organization (ILO) conventions and Kenya's Environmental Management and Coordination Act (EMCA).

Environmental Policy

The State Department for MSMEs Development is committed to integrating environmental safeguards in all aspects of project implementation. The project emphasizes the principle of "do no harm," ensuring that entrepreneurship development and MSME activities are carried out in ways that minimize negative impacts on ecosystems and communities.

Environmental sustainability is therefore embedded into training, MSME support programmes, and value chain development.

Successes

- **Integration of Safeguards:** Environmental and occupational safety safeguards have been embedded into the Project Operations Manual and will guide beneficiary enterprises.
- **Capacity Building:** Youth and MSME sensitization sessions have included aspects of sustainable enterprise development, particularly on adopting green business practices and compliance with environmental standards.
- **Policy Alignment:** The project has aligned its interventions with Kenya's National Climate Change Action Plan and Green Economy Strategy, ensuring national priorities are reflected in implementation.

Shortcomings

- **Limited Awareness at the Grassroots:** Some MSMEs, especially in informal sectors, lack adequate knowledge and capacity to implement sustainable production methods.
- **Delays in Implementation:** The delay in onboarding the Implementation Consultant has slowed down structured roll-out of environmental training and monitoring mechanisms.
- **Resource Constraints:** Limited resources for environmental monitoring at county level may pose challenges in consistently tracking compliance.

Efforts to Manage Biodiversity

The Project recognizes the importance of biodiversity in sustaining livelihoods, especially in agricultural and natural resource-based value chains. To this end:

- Beneficiaries will be encouraged to adopt climate-smart agricultural practices and avoid harmful activities such as deforestation and unsustainable land use.

- County-level sensitization will include modules on sustainable natural resource management.
- Partnerships with local authorities and environmental agencies will support enforcement of biodiversity conservation practices.

Waste Management Policy

The Project is committed to promoting proper waste management practices among supported enterprises. This includes:

- Training youth enterprises on reduce, reuse, and recycle principles.
- Encouraging adoption of eco-friendly technologies and clean production processes.
- Facilitating linkages with waste management enterprises to create circular economy opportunities for MSMEs.

Efforts to Reduce Environmental Impact of Products

- The project will promote the development and scaling of green enterprises that focus on environmentally friendly products and services.
- MSMEs will be encouraged to adopt sustainable packaging, energy-efficient production methods, and low-carbon innovations.
- A dedicated monitoring framework will be established to track the environmental footprint of C4E-supported enterprises.

3. Employee welfare

Implementation of the C4E Project, is guided by both national legislation and international best practices in ensuring employee welfare. Human resource management for the project emphasizes inclusivity, transparency, occupational safety, and continuous professional development.

Employee welfare within the C4E Project is guided by strong hiring policies, gender equity considerations, stakeholder engagement, and continuous improvement of practices. Through capacity building, fair appraisal systems, and strict compliance with occupational

safety standards, the project ensures that staff are well-supported, motivated, and protected, thereby enhancing the overall effectiveness and sustainability of the initiative.

Hiring Policies and Gender Considerations

Recruitment for the C4E Project is anchored in the Government of Kenya's public service guidelines, with strict adherence to principles of **equity, fairness, and meritocracy**. The process also incorporates gender equity considerations in line with the Constitution of Kenya (2010) and the two-thirds gender rule. Particular attention is paid to youth and marginalized groups to ensure broad inclusivity in staffing and capacity development.

Skills Development and Career Management

The project prioritizes staff capacity development to ensure sustainability and high-quality implementation.

- **Capacity Building Workshops:** Members of the PSC and PIU have undergone orientation workshops and technical trainings, including sessions on project management, KfW implementation procedures, and development of operations manuals.
- **Continuous Professional Development:** Officers are encouraged to pursue further studies, technical certifications, and exposure to international best practices in entrepreneurship, procurement, and financial management.
- **Career Progression:** Assignments within the Project are designed to enhance technical expertise and strengthen individual career pathways within the State Department.

Appraisal and Reward Systems

The project applies the Government of Kenya's **Performance Contracting Framework**, which includes periodic appraisals of staff performance against agreed targets. Staff contributions to the project are recognized within the broader civil service reward systems, ensuring accountability and motivation.

Safety and Compliance with OSHA 2007

Employee welfare is also safeguarded through compliance with the **Occupational Safety and Health Act (OSHA) of 2007**. The C4E Project emphasizes safe working conditions

during all official activities, including workshops, field sensitization, and county-level engagements. In addition, the Project has integrated **Environmental, Social, Health and Safety (ESHS) standards** from the Separate Agreement with KfW, ensuring that both employees and beneficiaries operate within safe and conducive environments.

4. Marketplace practices-

The **Centre for Entrepreneurship (C4E) Project**, is committed to fostering ethical, transparent, and sustainable marketplace practices. These practices are essential in ensuring that the Project builds credibility, strengthens partnerships, and creates long-term value for youth, MSMEs, and wider stakeholders.

All procurement and contractual processes under the project are governed by Kenya's **Public Procurement and Asset Disposal Act** as well as **KfW's Procurement Guidelines**, with the latter prevailing in case of conflict. This dual compliance ensures integrity, competitiveness, and transparency in engaging service providers, suppliers, and contractors.

The Project emphasizes adherence to high ethical standards in all marketplace interactions. Service providers and implementing partners are required to comply with **anti-corruption regulations, labour standards, and Environmental, Social, Health & Safety (ESHS) provisions**.

The C4E Project prioritizes robust engagement with stakeholders across National and County levels actively promoting MSME development. Marketplace practices within the C4E Project are anchored on fairness, transparency, and inclusivity.

By adhering to national and international procurement guidelines, upholding ethical business conduct, and strengthening stakeholder engagement, the project ensures a level playing field for service providers and beneficiaries alike. These practices build the foundation for trust, competitiveness, and long-term sustainability in Kenya's entrepreneurship ecosystem.

- a) **Responsible Supply chain and supplier relations**
- i. **Transparent procurement processes** are undertaken in accordance with the Public Procurement and Asset Disposal Act (PPADA) and KfW's procurement guidelines, with KfW's rules prevailing in case of conflict.
 - ii. Suppliers, contractors, and consultants are selected competitively through open tendering, with clear evaluation criteria and contract terms.
 - iii. The project promotes **fair treatment of suppliers** by:
 - a. Honoring contractual obligations.
 - b. Ensuring timely disbursement of payments upon satisfactory delivery of services or goods.
 - c. Providing clear grievance channels for procurement-related complaints.
 - iv. Priority is given to engaging **local MSMEs and youth- and women-owned enterprises** to promote inclusive supply chains aligned with the BETA Agenda.
- b) **Responsible ethical practices**
- i. The C4E Project enforces a **zero-tolerance policy on corruption**, fraud, and unethical behavior, in line with both KfW and Government of Kenya regulations.
 - ii. Suppliers, and contractors are required to comply with **anti-corruption clauses** embedded in contracts and procurement documents.
 - iii. Project staff and affiliated entities undergo regular sensitization on **ethical conduct**, conflict of interest disclosure, and responsible political neutrality.
 - iv. Internal controls and audits are applied throughout the project cycle to **detect and deter malpractice**, with whistleblower mechanisms available to report breaches confidentially.

c) Regulatory impact assessment

The **C4E Project** has embedded regulatory compliance and stakeholder safeguards at the core of its design and implementation. This is critical to ensuring that the Project delivers its intended benefits to citizens while protecting their rights and aligning with Kenya's regulatory environment.

By embedding inclusivity, grievance redress mechanisms, occupational safety, and international ESHS standards, the Project provides strong institutional safeguards that guarantee fairness, accountability, and stakeholder protection throughout its implementation.

5. Community Engagements

The C4E Project recognizes that meaningful community engagement is central to its success. The Project is designed not only as a youth empowerment initiative but also as a vehicle for **community social investment** through skills development, entrepreneurship promotion, and inclusive participation across counties.

Evidence of Community Engagement

a. Youth Sensitization Forums:

- The project has successfully conducted sensitization exercises across multiple counties, reaching out to **youth, community leaders, county officials, and grassroots organizations.**
- These forums provided platforms for **interactive dialogue**, allowing communities to share their needs and shape project design, thereby fostering ownership.

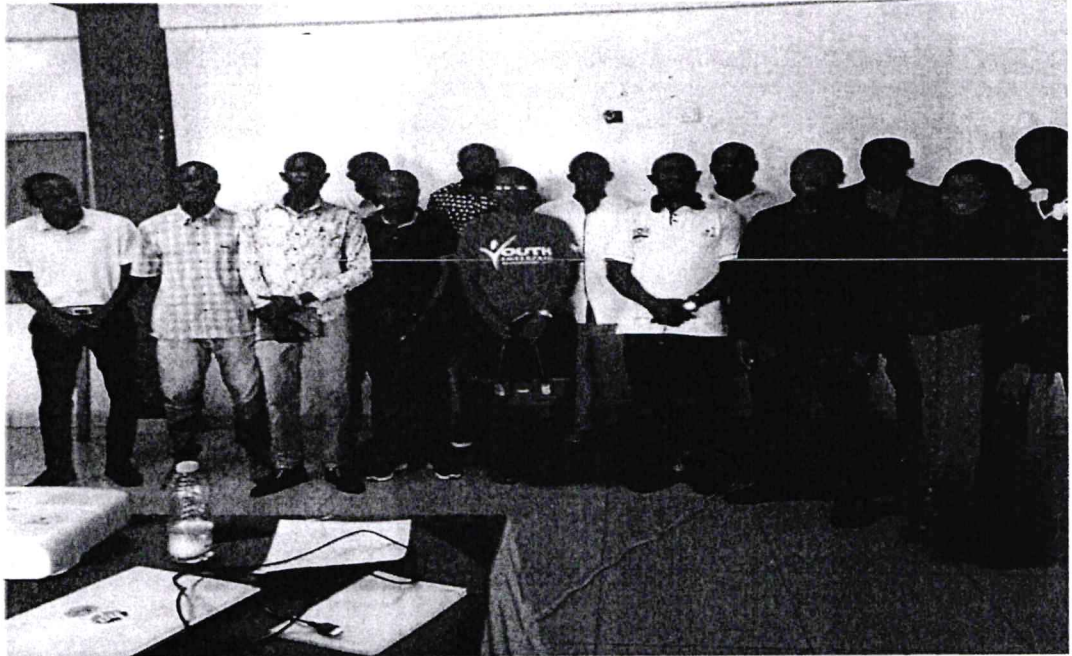


b. Community Social Investment:

- By focusing on youth employment and MSME growth, the Project invests directly in communities through capacity building, mentorship, and enterprise development.
- This investment contributes to local economic resilience, reduced unemployment, and strengthened household incomes.

c. Charitable and Development-Oriented Support:

- While the project does not provide direct cash donations, it supports communities through **capacity development (voucher system) and resource linkages**—arguably more sustainable forms of investment.
- Through partnerships with counties, youth groups benefit from exposure to opportunities for access to finance, markets, and technical assistance.



d. Promotion of Social Development

- **Education and Skills Training:** The C4E emphasizes **skills transfer through Business Development Services (BDS)**, mentorship, and coaching. This has the effect of equipping young people with employable skills and entrepreneurial competencies.
- **Healthcare and Occupational Safety:** In compliance with **Occupational Safety and Health Act (OSHA 2007)** and KfW's ESHS standards, the Project safeguards health and safety during trainings and community-level activities.
- **Labour Relations:** By embedding ILO conventions in its implementation framework, the Project promotes fair labour practices, non-discrimination, and safe working conditions for all beneficiaries and partners.
- **Sports, Water and Sanitation:** Although not a primary Project focus, partnerships at the County level have encouraged the integration of youth empowerment with **community wellness initiatives**.

e. Impact on Society

- Enhanced **youth participation** in economic development at the grassroots.
- Improved awareness and capacity for **green and socially responsible enterprises**.
- Stronger collaboration between **National and County Governments**, with communities actively shaping project roll-out.
- Increased opportunities for **decent employment and self-employment** for young people, directly addressing Kenya's unemployment challenge.

5. Statement of Project Management Responsibilities

The Principal Secretary State Department of Micro, Small and Medium Enterprises Development and the chairperson of the project implementation unit (PIU) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2025.

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

The Principal Secretary State Department of Micro, Small and Medium Enterprises Development and the chairperson of the project implementation unit (PIU) accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

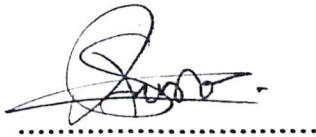
The Principal Secretary for State Department for Micro, Small and Medium Enterprise Development and the chairperson of the project implementation unit (PIU) are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Principal Secretary State Department for Micro, Small and Medium Enterprise Development and the chairperson of the project Implementation Unit (PIU) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

***Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025***

The Principal Secretary State Department for Micro, Small and Medium Enterprise Development and the chairperson of Project Implementation Unit (PIU) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary State Department for Micro, Small and Medium Enterprises Development and the Chairperson of the Project Implementation Unit (PIU) on 2nd October, 2025 and signed by:



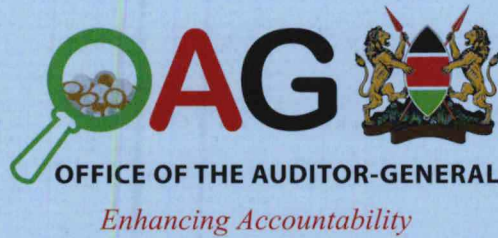
**Hon. Susan Mang'eni
Principal Secretary**



**Antony Njeru
Chairperson, Project
Implementation unit (PIU)**

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CENTRE FOR ENTREPRENEURSHIP (C4E) PROJECT (CREDIT NUMBER: BMZ-REF.:2018 65 245) FOR THE YEAR ENDED 30 JUNE, 2025 – STATE DEPARTMENT FOR MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Centre for Entrepreneurship Project set out on page 1 to 31, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Entrepreneurship Project 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 Financing Agreement Credit No. BMZ-Ref.:2018 65 245 between the Republic of Kenya and KfW dated 22 December, 2022.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.112,500,000 and Kshs.29,764,950 respectively resulting in under-funding of Kshs.82,735,050 or 74% of the budget.

In the circumstances, the under-funding affected the planned activities of the Project and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xlv which comprise of Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delayed Project Implementation

Review of the Loan Agreement between the Republic of Kenya and KfW which was signed on 22 December, 2022 indicated that the Donor agreed to extend to the Borrower a loan not exceeding EUR 25,900,000 (Kshs.2,978,500,000). The Borrower was to render a counterpart contribution amounting to 5% of the total project cost or EUR 1.68 million (Kshs.193,200,000). Further, the Centre for Entrepreneurship (C4E) Project was to contribute to the Government's agenda of the improvement of employability of youthful skilled workers in Kenya. The total amount of EUR 25,900,000 (Kshs.2,978,500,000) given as loan shall attract a commitment fee of 0.25% per annum on undisbursed loan amounts. The commitment fee shall be computed for a period beginning three (3) months after the signing of the Agreement. However, besides the above aforesaid information, the Project was not implemented as at 30 June, 2025. The project continues to incur commitment fee for not drawing on the loan.

In the circumstances, the Project Management was in breach of the provisions of the Financing Agreement.

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 effect 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

Weaknesses in Imprest Management

Analysis of the imprest register reflected an amount of Kshs.9,640,450 held by officers who had not accounted for or surrendered imprest within seven (7) working days after returning to their duty station. This amount was also held as multiple imprests.

In the circumstances, the effectiveness of internal controls on imprest management 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by KfW Financing Agreement, I report, based on my audit, that:

- i. 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.
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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

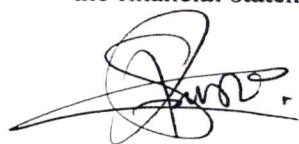
09 October, 2025

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

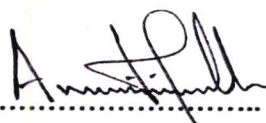
	Notes	2024-2025
		Kshs
Revenue		
Revenue Transfers	6	29,764,950
Miscellaneous Revenue	7	-
Total revenue		29,764,950
Expenses		
Employee costs	8	-
Use of goods and services	9	29,077,550
Depreciation and amortization expense	10	-
Transfer to other Government Entities	11	-
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	-
Total expenses		29,077,550
Other gains/(losses)		
Gain/Loss on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
Surplus/ (deficit)		687,400

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



.....
Hon. Susan Mang'eni

Principal Secretary



.....
**Name: Antony Njeru
Chairperson, Project
Implementation Unit**



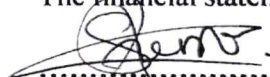
.....
**Name: Stephen Gakang'a
Head of Accounting Unit,
member of Project Steering
Committee (PSC)
ICPAK Member No.16194**

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

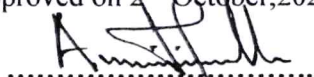
8. Statement of Financial Position as at 30th June 2025

	Notes	2024-2025 Kshs	1 st July 2024 Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	687,400	-
Receivables	18	-	-
Inventories	19	-	-
Prepayment	20	-	-
Total Current Assets		687,400	-
Non-Current Assets			
Property, Plant and Equipment	20	-	-
Intangible Assets	21	-	-
Total Non- Current Assets		-	-
Total Assets (a)		687,400	-
Liabilities			
Current Liabilities			
Trade and Other Payables	22	-	-
Third Party Deposits	23	-	-
Deferred Income	24	-	-
Total Current Liabilities		-	-
Total Liabilities (b)			-
Net Assets (a-b)			
Represented By:			
Accumulated Surplus		687,400	-
Total Net Assets		687,400	-

The financial statements were approved on 2nd October, 2025 and signed by:



Hon. Susan Mang'eni
Principal Secretary



Antony Njeru
Chairperson, project
Implementation unit



Stephen Gakang'a
Head of Accounting unit
Member, Project Steering
Committee (PSC)
ICPAK Member No.16194

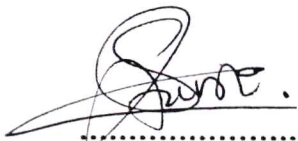
*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

9. Statement of Changes in Net Assets

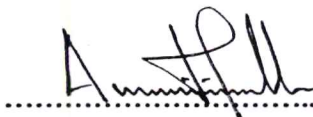
Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	-
Adjustments:	
Asset Recognition	-
Liabilities recognition	-
As at 1st July 2024	-
Surplus/(Deficit) for the year	687,400
As at 30th June 2025	687,400

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

The financial statements were approved on 2nd October,2025 and signed by:



.....
Hon. Susan Mang'eni
Principal Secretary



.....
Antony Njeru
Chairperson, project
Implementation unit (PIU)



.....
Name: Stephen Gakang'a
Head of Accounting unit
Member, Project Steering
Committee (PSC)
ICPAK Member No.11194

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

10. Statement of Cashflow for the year ended 30th June 2025

Description	Note	2024-2025
		Kshs
Cashflow from operating activities		
Receipts		29,764,950
Revenue Transfers		-
Miscellaneous Revenue		-
Total receipts		
Payments		
Employee costs		-
Use of goods and services		29,077,550
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		-
Certified Works		-
Total payments		
Net cash flow from operating activities	26	687,400
Cashflow from investing activities		
Acquisition of non-financial assets		
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		
Cash flow from financing activities		-
Net cash flow from financing activities		-
Net increase/Decrease in cash and cash equivalents		-
Cash and cash equivalent at 1st July 2024	17	
Cash and cash equivalent at end June 2025	17	687,400

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods		-	-	-	-	-
Receipts						
Revenue Transfers						
GOK	32,500,000		32,500,000	29,764,950	2,735,050	91.5%
Loan AIA	100,000,000	(50,000,000)	50,000,000	-	50,000,000	-
Loan Revenue	30,000,000	-	30,000,000	-	30,000,000	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenue	162,500,000	(50,000,000)	112,500,000	29,764,950	82,735,050	26.4%
Payments						
Employee costs	-	-	-	-	-	-
Use of goods and services	32,500,000	-	32,500,000	29,077,550	3,422,450	89.4%
Transfer to other Government Entities						
Other Transfers/Subsidies/Grants	130,000,000	(50,000,000)	80,000,000	-	80,000,000	-
Certified Works	-	-	-	-	-	-
Total Payments	162,500,000	(50,000,000)	112,500,000	29,077,550	83,422,450	25.4%
Surplus	-		-	687,400		

The project absorbed 26% of the total allocated budget. The budget underutilization amounting to KES 82,735,050 was primarily due to delays in contracting the Implementation Consultant, as required under the provisions of the Separate Agreement. Since the engagement of the Consultant is a precondition for loan disbursement, the delay consequently slowed down the pace of Project

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

implementation and resource utilization. Absorption was mainly on the counterpart funding. 89% of the counterpart funding was absorbed in identification of C4E Satellite centers and sensitization to the target group.

Budget Reconciliation

Description of Particulars		Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	687,400
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	687,400

12. Notes to the Financial Statements

1. General Information

Centre for entrepreneurship project is established by and derives its authority and accountability from PFM Act 2012. The project is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is skilling of youths.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), the project has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements. The financial statements for financial year 2024-2025 has taken into account financial assets and liabilities under accrual basis of accounting. Inventories will be taken into consideration in the financial year 2025-2026, plant property and equipment's (PPE) will be considered in the financial year 2026-2027

These financial statements were authorized for issue by the accounting officer on 2nd October,2025

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The application has no impact to the project</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued	<p>Applicable 1st January 2025</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>

**Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Standard	Effective date and impact:
Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The project has not applied this standard
IPSAS 45- Property Plant and Equipment	<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. The application has no impact to the project</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. The application has no impact to the project</p>

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

**Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Standard	Effective date and impact:
IPSAS 47- Revenue	<p>Applicable 1st January 2026</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. . The application has no impact to the project</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</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. The project has not applied this standard</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. The application has no impact to the project</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>The application has no impact to the project</p>

ii) Early adoption of standards

The project did not early – adopt any new or amended standards in the financial year 2024-2025

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly in April 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 project upon receiving the respective approvals to conclude the final budget. Accordingly, the project did not record additional appropriations for the FY 2024/25 budget following the National Assembly approval. The project 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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 11 of these financial statements.

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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. 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

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the financial statements

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

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

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the financial statements

g) 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 project 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

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 an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Notes to the financial statements

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. There were no Critical estimates and significant judgments made by the project management in determining the expected credit loss (ECL).

Financial liabilities

Classification

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

h) 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.

Notes to the financial statements

Inventories (Continued)

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 project.

i) Provisions

Provisions are recognized when the project 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 project 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.

Contingent liabilities

The project 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 project 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 project 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.

j) Nature and purpose of reserves

The project does not create nor maintain reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The project does not 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.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) 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.

o) Related parties

The project 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 Principal and senior managers.

Notes to the financial statements

p) Service concession arrangements

The project analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the project recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the project also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) 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.

r) Subsequent events

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

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

In preparation of the project financial statements in conformity with IPSAS, the management did not 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.

Estimates and assumptions.

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

Useful lives and residual 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 project.
- 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

Provisions

No Provisions were raised and thus management never determined an estimate based on the information available. There are no additional disclosures done.

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.

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

6. Revenue Transfers

Description	2024/2025
	KShs
Unconditional Transfers	
Gok Counter Part funding	29,764,950
Transfers from Development partners	-
Total Unconditional Transfers (a)	29,764,950
Conditional Transfers	
Transfers from Development partners 1	-
Transfers from Development partner 2	-
Total Conditional Transfers (b)	-
Total Transfers for the Year (a + b)	29,764,950

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (2024/2025)
	Kshs	Kshs	Kshs	Kshs
GOK Funding	29,764,950	-	-	29,764,950
World Bank	-	-	-	-
Development Partner 2	-	-	-	-
Subtotal	-	-	-	-
Deferred Income realized	-	-	-	-
Transfers in Kind	-	-	-	-
Total	29,764,950	-	-	29,764,950

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

7. Miscellaneous revenue

Description	FY 2024/25
	Kshs
Interest Income	-
Total	-

8. Employees Costs

Description	FY 2024/25
	Kshs
Basic salaries of permanent employees	
Basic wages of temporary employees	-
Personal allowances paid as part of salary	-
Personal allowances paid as reimbursements	-
Personal allowances provided in kind	-
Pension and other social security contributions	-
Compulsory national social security schemes	-
Compulsory national health insurance schemes	-
Total	-

9. Use of Goods and Services

Description	FY 2024/25
	Kshs
Utilities, supplies and services	-
Bank charges	-
Communication, supplies and services	-
Domestic travel and subsistence	4,651,070
Foreign travel and subsistence	-
Fuel and lubricants	-
General office supplies	-
Stationery, Printing, advertising, and information supplies	-
Office rent	-
Training payments	13,347,980
Hospitality supplies and services	252,000
Insurance costs	-
Specialized materials and services	-
Other operating payments(specify)	10,826,500
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance- other assets	-
Total	29,077,550

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

10. Depreciation and Amortization expense

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total	-

11. Transfer to Other Government Entities

Description	FY 2024/2025
	Kshs
Transfer	-
Transfer	-
	-
	-
Total	-

12. Other Transfers/Subsidies/Grants

Description	FY 2024/2025
	Kshs
Transfers to Non-Government Organizations	-
Subsidies	-
	-
Total	-

13. Certified Works

Description	FY 2024/2025
	Kshs
Road Works	-
Water Works	-
Energy Infrastructure	-
	-
Total	-

Notes to the financial statements

14. Gain/Loss on Sale of Assets

Description	FY 2024/2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
Total gain/loss on sale of assets	-

15. Gain/Loss on foreign exchange transactions

Description	FY 2024/2025
	Kshs
Gain on foreign exchange transactions	-
Loss on foreign exchange transactions	-
Total Gain/Loss	-

16. Impairment Loss

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

17. Cash and Cash Equivalents

Description	2024/2025	1 st July
	Kshs	Kshs
Cash in Bank (Project Account)	687,400	-
Cash in Bank (Designated Account)	-	-
Cash on hand	-	-
Total Cash and Cash Equivalents	687,400	-

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

Project Bank Accounts

Details	2024/2025	1 st July 2024
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank of Kenya	-	-
Kenya Commercial Bank	-	-
Co-operative Bank of Kenya	-	-
Total Foreign Currency balances		-
Local Currency Accounts		-
Central Bank of Kenya A/C 1000742518	687,400	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
		-
Total local currency balances	-	-
Total bank account balances	687,400	-

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the Financial Statements (Continued)

18. Receivables

Description	2024/2025	1 st July 2024
	Kshs	Kshs
Counter Part Funding	-	-
Contractor's Advance payments	-	-
	-	-
Total Receivables	-	-

Ageing analysis for Receivables

Description	2024/2025		1 st July 2024	
	Kshs		Kshs	
	2024/2025 5	% of the total	2023/2024 4	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

19. Inventories

Description	2024/2025	1 st July 2024
	Kshs	Kshs
Consumable stores	-	-
Construction stores	-	-
	-	-
Less: allowance for impairment	-	-
Total inventories	-	-

20. Prepayments

Description	2024/2025	1 st July 2024
	FY Kshs	Kshs
Insurance	-	-
Rent	-	-
	-	-
Total prepayments	-	-

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

21. Property, Plant and Equipment

	Motor Vehicles	Furniture and Fittings	ITV Equipment	Other Assets (specify)	Capital Work in progress	Total
	KShs	KShs	KShs	KShs	KShs	KShs
Depreciation rate	-	-	-	-	-	-
As At 1 July 2024 (opening balances)	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-
As at 1 July 2025	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-
As at 1st July 2024	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	-

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

22. Intangible Assets

Description	1 st July 2024
	Kshs
Cost	
As at 1st July 2024	-
Additions	-
As At 30th June 2025	-
Amortization and impairment	
As at 1st July 2024	-
Amortization	-
Impairment loss	-
As At 30th June 2025	-
NBV as at 1st July 2024	-
NBV as at 30th June 2025	-

23. Trade and Other Payables

Description	2024/2025		1 st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
	-		-	
Total trade and other payables	-		-	
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	5	100%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (tie to above total)	-		-	

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

24. Third-Party Deposits

Description	2024/2025		1 st July 2024	
	Kshs		Kshs	
Contractor's Retention	-		-	
Gratuity	-		-	
	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	2024/2025	% of the Total	2024/2025	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

25. Deferred Income

Description	2024/2025		1 st July 2024	
	Kshs		Kshs	
Development partner 1	-		-	
Development partner 2	-		-	
Total Deferred Income	-		-	

Deferred Income Movement Schedule

	Development Partner 1	Development Partner 2	Others specify	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 1 st July 2024	-	-	-	-
Additions	-	-	-	-
Transfers To Performance Statement as Revenue	-	-	-	-
Balance as at 30 th June 2025	-	-	-	-

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

26. Cash Generated from Operations

Description	2024/2025
	Kshs
Surplus/Deficit for the year	687,400
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	-
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
Net cash flow from operating activities	687,400

27. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

*Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

Special Deposit Accounts Movement Schedule

Description	2024/2025	1 st July 2024
	Kshs	Kshs
(i) A/c Name [A/c No.....]		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	-	-
Closing balance	-	-
(ii) A/c Name [A/c No.....]	-	-
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	-	-
Closing balance	-	-

28.Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the project 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the project, holding 100% of the project's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

Description	2024/2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	-
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	-
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	-
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	-
d) Key management compensation	-
Directors' emoluments	-
Compensation to key management	-
Total	-

Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

29.Events after the Reporting Period

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

30.Ultimate And Holding Entity

The project is a government project under the Ministry of Co-operatives & Micro, Small & Medium Enterprises (MSME) Development. Its ultimate parent is the Government of Kenya.

31.Currency

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

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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

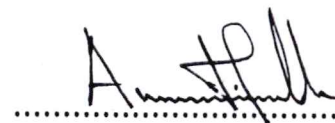
Guidance Notes:

1. Use the same reference numbers as contained in the external audit report;
2. Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
3. Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
4. Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



.....

Hon. Susan Mang'eni
Principal Secretary



.....

Antony Njeru
Chairperson, Project Implementation Unit (PIU)

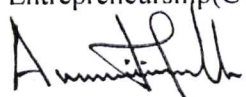
Centre for Entrepreneurship (C4E) Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 2: Reconciliation of inter-entity transfers

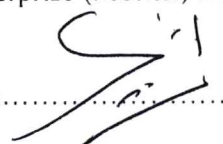
Project Name:				
Break down of transfers from the State Department of Micro, Small and Medium Enterprise Development				
a. Government Counterpart funding				
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
	State Department for MSMEs	23/09/2024	8,794,400	2024-2025
	State Department for MSMEs	23/12/2024	3,022,600	2024-2025
	State Department for MSMEs	29/01/2025	4,165,200	2024-2025
	State Department for MSMEs	30/06/2025	13,782,750	2024-2025
	Total		29,764,950	
B. Direct payments				
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
	Total		-	
C. Others				
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
	Total		-	
	Total (A+B+C)		29,764,950	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Chairperson, Project Implementation Unit (PIU)
Center for Entrepreneurship(C4E) Project

Sign


Head of Accounting Unit
State Department for Micro, Small and Medium
Enterprise (MSME) Development

Sign.....


Annex 3: Fixed Asset Register

ASSET CLASS	Historical Cost at Previous Year (KSh)	Additions during the year (KSh)	Disposals during the year (KSh)	Transfers in/(out) during the year	Historical Cost at Current Year (KSh)
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment	-	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-	-
ICT Equipment	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	-	-	-	-
Total	-	-	-	-	-

Annex 4: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2025
- ii. Board of Survey Report
- iii. Certificate of balances
- IV. Cash book extracts

FO 30. MINISTRY OF COOPERATIVES AND MICRO, SMALL & MEDIUM ENTERPRISES
BANK RECONCILIATION STATEMENT FOR C4E ACCOUNT
BANK ACCOUNT FOR THE MONTH ENDING 31ST JUNE 2025

	AMOUNT	AMOUNT
	KSHS	KSHS
Balance as per Bank Certificate		1,239,400.00
LESS		
(1) PAYMENT IN THE CASH BOOK NOT YET RECORDED IN THE BANK STATEMENTS	552,000.00	
(2) RECEIPTS IN THE BANK STATEMENTS NOT YET RECORDED IN THE CASH BOOK		
SUB-TOTAL KSHS		
ADD BACK		
(3) PAYMENT IN THE BANK STATEMENT NOT YET RECORDED IN THE CASH BOOK		
(4) RECEIPT IN THE CASH BOOK NOT YET RECORDED IN THE BANK STATEMENTS		
CASH BOOK BALANCE		687,400.00

Prepared by:
 Veronica Kivuva
 Name

Checked by: *[Signature]*
 Name

Senior Accountant *[Signature]*

Designation Sign

[Signature]

Designation Sign

I certify that the bank reconciliation statements are correct
 Principle Secretary





CFE

F.O. 51

REPUBLIC OF KENYA

Date 15-07-2025

Report of the board of Survey on the Cash and Bank Balances of CFE CENTRE FOR ENTREPRENEURSHIP PROJECT Account no: 100074218 as at the close of business on 30th JUNE 2025

The Board, consisting of- (Names and Official titles)
CHAIRPERSON: BEATRICE W. THUN
SECRETARY: MARI MUKH
MEMBER: EVANS JILANI

assembled at the office of THE CASTLE - STATE DEPARTMENT for MICRO SM at 11:45 AM (time) on the 15th July 2025 \$ MEDIUM ENTERPRISE

and the following cash was produced:-

Table with 2 columns: Description (Notes, Silver, Copper, Cheques) and Amount (Sh, ML)

It was observed that cheques amounting to Sh ML cts ML had been at hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The cash book reflected the following balances as at the close of business on the

Table with 2 columns: Description (Cash at hand, Bank Balance) and Amount (Sh, ML)

The Bank Certificate of Balance showed a sum of Shs 1,239,400 (Sh cts)

Amounting to the credit of the account on 30th JUNE 2025, 20

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation statement (F.O. 30) attached.

Date 15/07/2025

Signature of Chairman and Member of the Board







REPUBLIC OF KENYA

MINISTRY OF CO-OPERATIVES AND MICRO, SMALL & MEDIUM ENTERPRISES (MSMES) DEVELOPMENT
STATE DEPARTMENT FOR MICRO, SMALL & MEDIUM ENTERPRISES (MSMES) DEVELOPMENT

Telephone: 020-2731531-9

Email: ps@msme.go.ke

Fax: 273511

When replying please quote:

SOCIAL SECURITY BUILDING
BISHOP ROAD
P.O. Box 30547-00100
NAIROBI

Ref: MSME/ACC/CBK/5/Vol. I/ (39)

Central Bank of Kenya
Central Bank of Kenya
P O Box 60000- 00200
NAIROBI



17th July, 2025

RE: REQUEST FOR ACCOUNT BALANCES

The State Department for Micro, Small and Medium Enterprises Development request for the Bank Certificates as at 30th June 2025 for the Accounts scheduled below:

Type	Account Number	Account Name	Currency
Recurrent Account	1000695374	Rec-State Dept for Micro, Small and Medium Enterprises Development	Ksh
Development Account	1000695404	Dev- State Dept for Micro, Small and Medium Enterprises Development	Ksh
Deposit Account	1000695382	Dep-State Dept for Micro, Small and Medium Enterprises Development	Ksh
Project Accounts	1000746653	Kenya Jobs and Economic Transformation Project	Ksh
	1000742518	Centre for Entrepreneurship Project	Ksh
	1000745002	National Youth Opportunities Towards Advancement	Ksh
Others	1000695398	CBK 165- State Dept for Micro, Small and Medium Enterprises Development	Ksh
	1000739215	Financial Inclusion Fund	Ksh

Thank you for your continued support

Stephen Gakanga
AUTHORISER

Jacob Macharia
AUTHORISER



FEDERAL BUREAU OF INVESTIGATION
CASEWORK
CASEBOOK
(SMALL)

CASE
PROJECT
FY 2024/2025



RECEIPTS

Payee Name	Amount	Check No.	Date
John Doe	100.00	101	1/15/2025
Jane Smith	250.00	102	1/20/2025
Bob Johnson	150.00	103	1/25/2025
Charlie Brown	300.00	104	2/1/2025
David White	200.00	105	2/5/2025
Eve Green	180.00	106	2/10/2025
Frank Black	220.00	107	2/15/2025
Grace King	160.00	108	2/20/2025
Henry Lee	280.00	109	2/25/2025
Ivy Scott	140.00	110	3/1/2025
Jack Adams	320.00	111	3/5/2025
Karen Baker	190.00	112	3/10/2025
Leo Clark	260.00	113	3/15/2025
Mia Evans	170.00	114	3/20/2025
Noah Foster	310.00	115	3/25/2025
Olivia Gibson	150.00	116	4/1/2025
Paul Harris	290.00	117	4/5/2025
Quinn King	180.00	118	4/10/2025
Samuel Lee	330.00	119	4/15/2025
Tina Miller	160.00	120	4/20/2025
Uma Nelson	270.00	121	4/25/2025
Victor Ortiz	140.00	122	5/1/2025
Wendy Parker	300.00	123	5/5/2025
Xavier Quinn	190.00	124	5/10/2025
Yara Reed	240.00	125	5/15/2025
Zoe Stone	170.00	126	5/20/2025
Adam Taylor	350.00	127	5/25/2025
Bella Vance	160.00	128	6/1/2025
Carl Walker	280.00	129	6/5/2025
Diana Young	180.00	130	6/10/2025
Edward Zeller	320.00	131	6/15/2025
Fiona Bell	150.00	132	6/20/2025
George Boyd	290.00	133	6/25/2025
Hannah Cross	170.00	134	7/1/2025
Isaac Davidson	310.00	135	7/5/2025
Julia Edwards	190.00	136	7/10/2025
Kyle Fisher	260.00	137	7/15/2025
Laura Grant	160.00	138	7/20/2025
Matthew Hill	300.00	139	7/25/2025
Nancy King	180.00	140	8/1/2025
Oscar Lee	330.00	141	8/5/2025
Pamela Miller	170.00	142	8/10/2025
Quinn Nelson	270.00	143	8/15/2025
Rachel Ortiz	150.00	144	8/20/2025
Samuel Parker	310.00	145	8/25/2025
Tina Quinn	190.00	146	9/1/2025
Uma Reed	240.00	147	9/5/2025
Victor Stone	170.00	148	9/10/2025
Wendy Taylor	350.00	149	9/15/2025
Xavier Vance	160.00	150	9/20/2025
Yara Walker	280.00	151	9/25/2025
Zoe Young	180.00	152	10/1/2025
Adam Zeller	320.00	153	10/5/2025
Bella Bell	150.00	154	10/10/2025
Carl Boyd	290.00	155	10/15/2025
Diana Cross	170.00	156	10/20/2025
Edward Davidson	310.00	157	10/25/2025
Fiona Edwards	190.00	158	11/1/2025
George Fisher	260.00	159	11/5/2025
Hannah Grant	160.00	160	11/10/2025
Isaac Hill	300.00	161	11/15/2025
Julia King	180.00	162	11/20/2025
Kyle Lee	330.00	163	11/25/2025
Laura Miller	170.00	164	12/1/2025
Matthew Nelson	270.00	165	12/5/2025
Nancy Ortiz	150.00	166	12/10/2025
Oscar Parker	310.00	167	12/15/2025
Pamela Quinn	190.00	168	12/20/2025
Quinn Reed	240.00	169	12/25/2025
Rachel Stone	170.00	170	1/1/2026
Samuel Taylor	350.00	171	1/5/2026
Tina Vance	160.00	172	1/10/2026
Uma Walker	280.00	173	1/15/2026
Victor Young	180.00	174	1/20/2026
Wendy Zeller	320.00	175	1/25/2026
Xavier Bell	150.00	176	2/1/2026
Yara Boyd	290.00	177	2/5/2026
Zoe Cross	170.00	178	2/10/2026
Adam Davidson	310.00	179	2/15/2026
Bella Edwards	190.00	180	2/20/2026
Carl Fisher	260.00	181	2/25/2026
Diana Grant	160.00	182	3/1/2026
Edward Hill	300.00	183	3/5/2026
Fiona King	180.00	184	3/10/2026
George Lee	330.00	185	3/15/2026
Hannah Miller	170.00	186	3/20/2026
Isaac Nelson	270.00	187	3/25/2026
Julia Ortiz	150.00	188	4/1/2026
Kyle Parker	310.00	189	4/5/2026
Laura Quinn	190.00	190	4/10/2026
Matthew Reed	240.00	191	4/15/2026
Nancy Stone	170.00	192	4/20/2026
Oscar Taylor	350.00	193	4/25/2026
Pamela Vance	160.00	194	5/1/2026
Quinn Walker	280.00	195	5/5/2026
Rachel Young	180.00	196	5/10/2026
Samuel Zeller	320.00	197	5/15/2026
Tina Bell	150.00	198	5/20/2026
Uma Boyd	290.00	199	5/25/2026
Victor Cross	170.00	200	6/1/2026
Wendy Davidson	310.00	201	6/5/2026
Xavier Edwards	190.00	202	6/10/2026
Yara Fisher	260.00	203	6/15/2026
Zoe Grant	160.00	204	6/20/2026
Adam Hill	300.00	205	6/25/2026
Bella King	180.00	206	7/1/2026
Carl Lee	330.00	207	7/5/2026
Diana Miller	170.00	208	7/10/2026
Edward Nelson	270.00	209	7/15/2026
Fiona Ortiz	150.00	210	7/20/2026
George Parker	310.00	211	7/25/2026
Hannah Quinn	190.00	212	8/1/2026
Isaac Reed	240.00	213	8/5/2026
Julia Stone	170.00	214	8/10/2026
Kyle Taylor	350.00	215	8/15/2026
Laura Vance	160.00	216	8/20/2026
Matthew Walker	280.00	217	8/25/2026
Nancy Young	180.00	218	9/1/2026
Oscar Zeller	320.00	219	9/5/2026
Pamela Bell	150.00	220	9/10/2026
Quinn Boyd	290.00	221	9/15/2026
Rachel Cross	170.00	222	9/20/2026
Samuel Davidson	310.00	223	9/25/2026
Tina Edwards	190.00	224	10/1/2026
Uma Fisher	260.00	225	10/5/2026
Victor Grant	160.00	226	10/10/2026
Wendy Hill	300.00	227	10/15/2026
Xavier King	180.00	228	10/20/2026
Yara Lee	330.00	229	10/25/2026
Zoe Miller	170.00	230	11/1/2026
Adam Nelson	270.00	231	11/5/2026
Bella Ortiz	150.00	232	11/10/2026
Carl Parker	310.00	233	11/15/2026
Diana Quinn	190.00	234	11/20/2026
Edward Reed	240.00	235	11/25/2026
Fiona Stone	170.00	236	12/1/2026
George Taylor	350.00	237	12/5/2026
Hannah Vance	160.00	238	12/10/2026
Isaac Walker	280.00	239	12/15/2026
Julia Young	180.00	240	12/20/2026
Kyle Zeller	320.00	241	12/25/2026
Laura Bell	150.00	242	1/1/2027
Matthew Boyd	290.00	243	1/5/2027
Nancy Cross	170.00	244	1/10/2027
Oscar Davidson	310.00	245	1/15/2027
Pamela Edwards	190.00	246	1/20/2027
Quinn Fisher	260.00	247	1/25/2027
Rachel Grant	160.00	248	2/1/2027
Samuel Hill	300.00	249	2/5/2027
Tina King	180.00	250	2/10/2027
Uma Lee	330.00	251	2/15/2027
Victor Miller	170.00	252	2/20/2027
Wendy Nelson	270.00	253	2/25/2027
Xavier Ortiz	150.00	254	3/1/2027
Yara Parker	310.00	255	3/5/2027
Zoe Quinn	190.00	256	3/10/2027
Adam Reed	240.00	257	3/15/2027
Bella Stone	170.00	258	3/20/2027
Carl Taylor	350.00	259	3/25/2027
Diana Vance	160.00	260	4/1/2027
Edward Walker	280.00	261	4/5/2027
Fiona Young	180.00	262	4/10/2027
George Zeller	320.00	263	4/15/2027
Hannah Bell	150.00	264	4/20/2027
Isaac Boyd	290.00	265	4/25/2027
Julia Cross	170.00	266	5/1/2027
Kyle Davidson	310.00	267	5/5/2027
Laura Edwards	190.00	268	5/10/2027
Matthew Fisher	260.00	269	5/15/2027
Nancy Grant	160.00	270	5/20/2027
Oscar Hill	300.00	271	5/25/2027
Pamela King	180.00	272	6/1/2027
Quinn Lee	330.00	273	6/5/2027
Rachel Miller	170.00	274	6/10/2027
Samuel Nelson	270.00	275	6/15/2027
Tina Ortiz	150.00	276	6/20/2027
Uma Parker	310.00	277	6/25/2027
Victor Quinn	190.00	278	7/1/2027
Wendy Reed	240.00	279	7/5/2027
Xavier Stone	170.00	280	7/10/2027
Yara Taylor	350.00	281	7/15/2027
Zoe Vance	160.00	282	7/20/2027
Adam Walker	280.00	283	7/25/2027
Bella Young	180.00	284	8/1/2027
Carl Zeller	320.00	285	8/5/2027
Diana Bell	150.00	286	8/10/2027
Edward Boyd	290.00	287	8/15/2027
Fiona Cross	170.00	288	8/20/2027
George Davidson	310.00	289	8/25/2027
Hannah Edwards	190.00	290	9/1/2027
Isaac Fisher	260.00	291	9/5/2027
Julia Grant	160.00	292	9/10/2027
Kyle Hill	300.00	293	9/15/2027
Laura King	180.00	294	9/20/2027
Matthew Lee	330.00	295	9/25/2027
Nancy Miller	170.00	296	10/1/2027
Oscar Nelson	270.00	297	10/5/2027
Pamela Ortiz	150.00	298	10/10/2027
Quinn Parker	310.00	299	10/15/2027
Rachel Quinn	190.00	300	10/20/2027
Samuel Reed	240.00	301	10/25/2027
Tina Stone	170.00	302	11/1/2027
Uma Taylor	350.00	303	11/5/2027
Victor Vance	160.00	304	11/10/2027
Wendy Walker	280.00	305	11/15/2027
Xavier Young	180.00	306	11/20/2027
Yara Zeller	320.00	307	11/25/2027
Zoe Bell	150.00	308	12/1/2027
Adam Boyd	290.00	309	12/5/2027
Bella Cross	170.00	310	12/10/2027
Carl Davidson	310.00	311	12/15/2027
Diana Edwards	190.00	312	12/20/2027
Edward Fisher	260.00	313	12/25/2027
Fiona Grant	160.00	314	1/1/2028
George Hill	300.00	315	1/5/2028
Hannah King	180.00	316	1/10/2028
Isaac Lee	330.00	317	1/15/2028
Julia Miller	170.00	318	1/20/2028
Kyle Nelson	270.00	319	1/25/2028
Laura Ortiz	150.00	320	2/1/2028
Matthew Parker	310.00	321	2/5/2028
Nancy Quinn	190.00	322	2/10/2028
Oscar Reed	240.00	323	2/15/2028
Pamela Stone	170.00	324	2/20/2028
Quinn Taylor	350.00	325	2/25/2028
Rachel Vance	160.00	326	3/1/2028
Samuel Walker	280.00	327	3/5/2028
Tina Young	180.00	328	3/10/2028
Uma Zeller	320.00	329	3/15/2028
Victor Bell	150.00	330	3/20/2028
Wendy Boyd	290.00	331	3/25/2028
Xavier Cross	170.00	332	4/1/2028
Yara Davidson	310.00	333	4/5/2028
Zoe Edwards	190.00	334	4/10/2028
Adam Fisher	260.00	335	4/15/2028
Bella Grant	160.00	336	4/20/2028
Carl Hill	300.00	337	4/25/2028
Diana King	180.00	338	5/1/2028
Edward Lee	330.00	339	5/5/2028
F			



BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 3340192

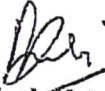
July 18, 2025


CERTIFICATE OF BALANCES

Customer : 167954
Balance
Date: 30-Jun-25

STATE DEPT FOR MICRO SMALL
AND MEDIUM ENTERPRISES

Account No	Account Name	Currency	Balance
1000695374	REC-STATE DEPT FOR MICRO, SMALL MED	KES	442,870.20
1000695382	DEP-STATE DEPT FOR MICRO, SMALL MEDI	KES	7,097,347.25
1000695398	CBK 165-STATE DEP FOR MICRO, SMALL M	KES	0.00
1000695404	DEV-STATE DEPT FOR MICRO, SMALL MEDI	KES	3,000.00
1000739215	FINANCIAL INCLUSION FUND	KES	0.00
1000739697	KFW PROG FOR PROM OF ENTRERP AND EM	KES	0.00
1000742518	CENTER FOR ENTREPRENEURSHIP PROJECT	KES	1,239,400.00
1000745002	NATIONAL YOUTH OPPORT TOWARDS ADV P	KES	190,555,319.00
1000745258	FINANCIAL INCLUSION FUND	KES	0.00
1000746653	KENYA JOBS AND ECONOMIC TRANSF PROJ	KES	39,741,714.55


Micah Nabori
Authorised Signatory
Banking Services Division


Joyce Nasicku
Authorised Signatory
Banking Services Division

