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REPORT

OF

THE AUDITOR-GENERAL

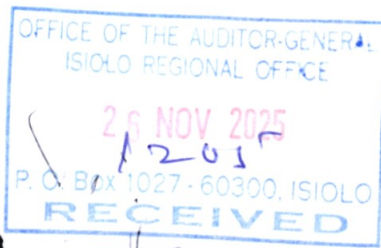
ON

COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN
AND MORTGAGE (STAFF) SCHEME FUND

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	17/2/2025
TABLED BY	Muonyi Wani
COMMITTEE	
CLERK AT THE TABLE	Angels

50



Revised 30th June 2024



**COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN AND MORTGAGE (STAFF)
SCHEME FUND**

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

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

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County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CASB	County Assembly Service Board

2. Key Entity Information and Management

a) Background information

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund is established by and derives its authority and accountability from Public Finance management Act 2012 (Laikipia County Assembly Mortgage staff scheme fund regulations 2016). County Assembly of Laikipia is domiciled in Laikipia County in Kenya. The fund's objective is to facilitate staff to purchase personal vehicles for ease of movement while performing their duties and mortgages to enable them acquire private residences. The Fund's principal activity is advancing of car loans and mortgage to staff of the county assembly of Laikipia.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is advancing of car loans and mortgage to staff of the county assembly of Laikipia.

c) Board of Trustees/Fund Administration Committee

1	Chairman of the Board	Moses Gichuki Waweru
2	Fund Administrator	Ndiritu Kimondo
3	Member	Miriam Wanjiru Mwangi
4	Member	Grace Muthoni Mbutia
5	Member	Martha Wambui Wamuicho

d) Key Management Team

1	Fund Manager/ Administrator	Ndiritu Kimondo
2	Fund Accountant	John Kihanda

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

		Name
1	Staff car Mortgage and car Loan Management Committee	5 members
2	Audit Committee	6 members

f) Registered Offices

P.O. Box 487-10400
COUNTY ASSEMBLY BUILDING
Nyeri-Nanyuki Highway
Nanyuki, KENYA

g) Fund Contacts

Telephone: (254) 716311702, 716311703
E-mail: assembly@ca.laikipiacounty.go.ke
Website: www.laikipiaassembly.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Nanyuki Branch
AC 1206478923

Key Entity and Management (Continued)

i) Independent Auditors

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




j) Principal Legal Adviser

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



k) County Attorney

**County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Board of Trustees




<p>Gichuki Waweru</p> 	<p>County Assembly Deputy Clerk</p> <p>Date of birth 05.12.1969</p> <p>Academic qualifications</p> <p>Bachelor of Economics and LLB</p>
<p>Ndiritu Kimondo</p> 	<p>Director Finance and Accounting Services</p> <p>Date of birth 09.09.1975</p> <p>Academic qualifications</p> <p>PHD-Finance JKUAT (On going)</p> <p>MBA-Finance (Meru university)</p> <p>Maseno University Bachelors of Arts (Economics and Business Studies)</p> <p>Certified Public Accountant CPA(K) NO 16861</p>
<p>Miriam Mwangi</p> 	<p>Director Human Resources and Administration.</p> <p>Date of birth 08.07.1978</p> <p>Academic qualifications</p> <p>PHD Leadership-JKUAT (On going)</p> <p>KEMU University Masters of Business Administration (Human Resource Option)</p> <p>Maseno University Bachelors of Arts (Economics and Business Statistics)</p>

**County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**



<p>Martha Wambui Wamuicho</p> 	<p>Internal Auditor</p> <p>Date of birth 08.10.1981</p> <p>Academic qualifications & Professional qualifications</p> <p>Bachelor Natural Resource management</p> <p>Certified Public Accountant CPA(K)</p> <p>Member Institute of Internal Auditors</p>
<p>Grace Mwenda</p> 	<p>Principal Legal Counsel</p> <p>Date of birth 20.04.1986</p> <p>Academic qualifications</p> <p>Moi University Bachelors of Law</p> <p>Kenya School of Government Higher Diploma</p>

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

4. Management Committee.

Details of qualifications and experience	
<p>Ndiritu Kimondo</p> 	<p>Director Finance and Accounting Services</p> <p>Date of birth 09.09.1975</p> <p>Academic qualifications</p> <p>PHD-Finance JKUAT (On going)</p> <p>MBA-Finance (Meru university)</p> <p>Maseno University Bachelors of Arts (Economics and Business Studies)</p> <p>Certified Public Accountant CPA(K)</p>
<p>Nelson Kosgei</p> 	<p>Clerk Assistant-Table Clerk</p> <p>Date of birth 06.04.1989</p> <p>Academic qualifications</p> <p>Moi University Bachelor of Business Management (Accounting Option)</p> <p>CPA Section II</p>
<p>Veronicah Mwangi</p> 	<p>Accountant II</p> <p>Date of birth 15.11.1982</p> <p>Academic qualifications</p> <p>KEMU Bachelor of Business Administration (Finance Option)</p> <p>CPA (K)</p>

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

<p>Eunice Wamaitha</p> 	<p>Commissioner</p> <p>Date of birth 10.09.1988</p> <p>Academic qualifications</p> <p>Kenya Institute of Management (KIM) Diploma in Management (Business Management Option)</p>
<p>Miriam Gichuki</p> 	<p>Researcher II</p> <p>Date of birth 19.11.1986</p> <p>Academic qualifications</p> <p>Egerton University Bachelor of Arts</p>

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Fund Chairperson's Report

It is my pleasure to present, on behalf of the fund, the Laikipia County Assembly staff car loan and mortgage fund financial statements for the year ended 30th June 2025. The financial statements present the financial performance of the fund over the past year.

Scheme Funding

The staff car and mortgage fund for the staff was established pursuant to SRC circular SRC/ADM/CIR/1/13 Vol.III (128). The assembly passed the **Public Finance management (Laikipia county assembly car loan (staff) scheme fund regulations, 2016** to guide the management of the fund. The regulations were amended in 2023 to **Public Finance management (Laikipia County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2023**. This will allow the fund to prepare the financial and non-financial reports for both car loan and mortgage jointly.

The table below shows a summary of the amount received by the fund since inception

	Financial	Amount
1	2017/2018	34,033,482
2	2018/2019	15,000,000
3	2019/2020	30,000,000
4	2020/2021	15,000,000
5	2021/2022	24,481,024
6	2022/2023	120, 114,621
7	2023/2024	20,000,000
8	2024/2025	29,711,686
	Total	288,340,813

Review of performance


The fund is run by a committee established through the regulation. The committee is assisted by a technical committee from staff that receives and analyses applications from that staff for consideration by the committee. Since the inception, sixty-four staff have benefited from the fund by acquiring either car loan or mortgage

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the county assembly service board, the members, management committee and staff for their continued support that has enabled achieves this milestone.

I look forward to your continued support in the year 2025/2026.

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

MOSES WAWERU GICHUKI

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Public Finance management Act 2012 (County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund regulations)) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the Year ended 30th June 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Finance management Act 2012 (Laikipia County Assembly Mortgage Staff scheme fund regulations). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the Year ended 30th June 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement. The main challenge during the year was the small level of funding due the constrained assembly budget with high demand for loan and delay in release of the fund from the controller of budget despite the great demand.

Conclusion

I take this opportunity to thank the board of trustees for their support. I would also want to thank all staff who we have worked hand in hand to ensure that County Assembly of Laikipia car loan and mortgage fund achieves its mission.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/11/ 2025 and signed on its behalf by:



CPA FRANCIS NDIRITU KIMONDO
FUND ADMINISTRATOR

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

The objective of the is to provide car loan and mortgages for staff of the County Assembly Service. The assembly has a total of 75 staff out of which sixty-four have benefitted from the fund. In the financial year, the fund recorded exemplary performance by distributing Ksh 41,096,578 as mortgage.

Below we provide the progress on attaining the stated objectives:

	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	To ensure all staff who apply and qualify have access to Mortgage facilities	Number mortgages successfully applied	% of staff taking Mortgage facilities	A total of 64 staff have benefited with either mortgage or a car loan.

9. Corporate Governance Statement

The management committee held a series of meetings during the year and has been able to issue loans to 64 staff out of the workforce of 75 staff despite the limited resources. The little available fund is distributed fairly to accommodate several needs like retirement age, amount of loan applied and urgency of the of the transaction like payment of land first. All recovery is from payroll to reduce cases of default.

The committee amended the regulations governing the fund to address challenges in preparation of financial statements raised in previous audits.

The involvement of internal audit department in auditing of the financial statements for the fund has greatly improved their accuracy and preparation according the required standards. The technical committee scrutinizes the application documents and then forwarded to the management committee for approval to minimize cases of conflict of interest. This separates their role to that of board of management

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

10. Management Discussion and Analysis

The fund has so far benefited 64 staff through issue of both car loan and mortgage. A total of Ksh 41,096,578 was issued as loans during the year. Out of the whole budgeted amount of Ksh 16,500,000 was received during the year. While Ksh 13,211,686 was received in July this year. During the year the fund earned total interest of Ksh 7,285,352 through the 3% interest charged on the loans. Of the amount Ksh 13,644 was bank charges. The fund recorded a surplus of Ksh 7,271,708. The total outstanding loans as at the end of the year was Ksh 257,624,185

11. Environmental and Sustainability Reporting

Laikipia County assembly car and mortgage fund is a public funded revolving fund with no budget for corporate social responsibility. The interest on loans is very competitive at 3% compared to other financial institutions market rates. This has improved the staff welfare in terms of housing

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

12. Report of The Trustees

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

Principal activities

The principal activities of the Fund are continued to be advancing car loans and mortgage to members of staff.

Results

The results of the Fund for the year ended June 30, 2025 are set out on pages 1-7

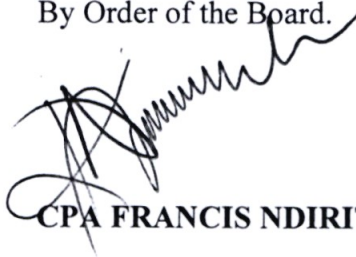
Trustees

The members of the Board of Trustees who served during the year are shown on pages Vi-iX. There were no changes in the Board during the financial year

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the Year ended 30th June 2025

By Order of the Board.



CPA FRANCIS NDIRITU KIMONDO

FUND ADMINISTRATOR

Date: 25/11/2025

13. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Public Finance Management Act 2012 and Laikipia County Assembly Mortgage staff scheme fund regulations 2016 and shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Laikipia County Assembly Mortgage staff scheme fund regulations 2016. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/11/ 2025 and signed on its behalf by:



CPA FRANCIS NDIRITU KIMONDO

FUND ADMINISTRATOR

Date: 25/11/2025

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF LAIKIPIA CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund set out on pages 1 to 40, which comprise of the

Report of the Auditor-General on County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund for the year ended 30 June, 2025

statement of financial position as at 30 June, 2025 and the statement of financial performance, the statement changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Unexplained Variance in the Long-Term Receivables Balance

The statement of financial position and Note 13 to the financial statements reflect long term receivables from exchange transactions balance of Kshs.259,018,945, while the ledgers submitted for audit reflected a balance of Kshs.257,557,417. The resultant variance of Kshs.1,461,528 was not explained or reconciled.

In the circumstances, the accuracy and completeness of long-term receivable from exchange transactions balance of Kshs.259,018,945 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue and actual amounts on comparable basis of Kshs.8,000,000 and Kshs.7,285,238 respectively, resulting in a shortfall of Kshs.714,762, or 9% of the budget.

The shortfall in receipt could have negatively impacted the Fund's ability to meet the needs of the beneficiaries of the scheme.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Unresolved Prior Year's Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Fund in financial year 2024/2025 revealed that the following matters remained unresolved;

1. Inaccuracies in Interest Income and Interest Receivable
2. Management of Imprest.
3. Irregularities in Administration of the Fund.
4. Performance Information.
5. Unremitted Loan Deductions.

Other Information

Management is responsible for the Other Information set out on page iii to xx which comprise of Key Entity Information and Management, Board of Trustees, Management Committee, Report of the Fund Administrator, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Omissions and Error in the Presentation of Financial Statements

Review of the financial statements revealed the following anomalies;

- i. Related party transactions under Note 26, Related party balances has not been completed.
- ii. Note 28 the financial statements on financial risk management has not been completed with credit risk, liquidity risk management and capital risk management disclosures.
- iii. Budget information under Note 1b erroneously discloses the year as 2023-2024 instead of 2024-2025.

In the circumstances, the financial statements as prepared and presented do not comply with the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Irregular and Outstanding Borrowing by Other Entities

The statement of financial position and Note 13 to the financial statements reflect receivables from non-exchange transactions balance of Kshs.60,085,300, which includes amounts of Kshs.44,980,000 and Kshs.1,893,614 relating to funds lent to the County Assembly of Laikipia Car Loan and Mortgage (Members) Scheme Fund and the County Assembly of Laikipia, respectively. This was contrary to Regulation 4 of the County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2023, which states that the objective and purpose of the Fund shall be to provide loan scheme for the purchase, development, renovation or repair of residential property and/or purchase a motor vehicle for personal use by Members of the scheme.

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

3. Non-Remittance of Fringe Benefit Tax on Staff Loans

The statement of financial performance and Note 7 to the financial statements reflect use of goods and services expenditure of Kshs.13,644. Audit review established that the Fund

did not remit any fringe benefit tax during the year under review, despite having disbursed staff loans totalling Kshs.257,624,185 as reported in the financial statements.

As a result, the Fund failed to remit Kshs.3,864,363 due to the Kenya Revenue Authority (KRA) contrary to Regulation 22(2) of the Public Finance Management (County Governments) Regulations, 2015 that requires an Accounting Officer to comply with any tax, levy, duty, pension and commitments as may be provided for by legislation.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Unremitted Loan and Interest Deductions

The statement of financial performance and Note 4 disclose interest income of Kshs.7,285,238, while the statement of financial position reflects revolving funds of Kshs.126,369,357. However, interest and loan repayment deductions of Kshs.1,742,649 and Kshs.5,344,745 respectively, totalling Kshs.7,087,394 was not remitted to the Fund's bank account during the year under review. This is contrary to Regulation 13(1) of the Public Finance Management (The County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund) Regulations, 2023, which requires full repayment of loans over the staff member's period of service. Further, Management did not provide evidence of follow-up on the remittance of loan and interest deductions processed through the County Assembly of Laikipia's check-off system.

In the circumstances, the effectiveness of internal controls over loan and interest deduction remittance and the safeguarding of the Fund's resources could not be confirmed.

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

Responsibilities of Management and the Board of Trustees

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

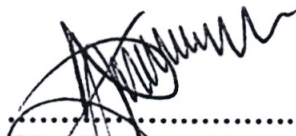
Nairobi

04 December, 2025

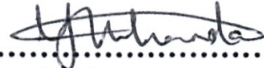
County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		KSh	KSh
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		
Transfers From the County Government	2		
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4	7,285,238	6,404,751
Other Income	5		
Total Revenue		7,285,238	6,404,751
Expenses			
Employee Costs	6		
Use of goods and services	7	13,644	6,687,539
Depreciation and Amortization Expense	8		
Finance Costs	9		
Total Expenses		13,644	6,687,539
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		
Surplus/(Deficit) for the Period		7,271,594	(282,788)



CPA Francis Ndiritu Kimondo
Fund Administrator
ICPAK Member Number: 16861



CPA John Kihanda
Fund Accountant
ICPAK Member Number: 7899

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

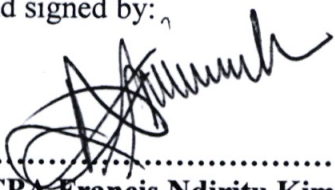
16. Statement of Financial Position As at 30 June 2025

Description	Account Number	2025	2024
Assets			
Current Assets			
Cash and Cash Equivalents	12	263,410	1,842,690
Current Portion of Long- Term Receivables from Exchange Transactions	13	5,237,617	5,119,281
Receivables from Non-Exchange Transactions	13	60,085,300	47,018,614
Prepayments	14		
Inventories	15		
Investments in financial assets	16		
Total current assets		65,586,327	53,980,585
Non-Current Assets			
Property, Plant and Equipment	17		
Intangible Assets	18		
Long Term Receivables from Exchange Transactions	13	259,018,945	234,590,930
Investment Property	19		
Total non- current assets		259,018,945	234,590,930
Total Assets (A)		324,605,272	288,571,515
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	18,340,000	18,340,000
Current Provisions	21		
Current Portion of Borrowings	22		
Employee Benefit Obligations	23		
Social benefit liabilities	24		
Total current liabilities		18,340,000	18,340,000
Non-Current Liabilities			
Non-Current Provisions	21		
Long Term Portion of Borrowings	22		
Non-Current Employee Benefit Obligation	23		

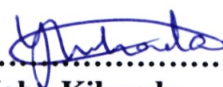
County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description		2024	2025
Social benefit liabilities	24		
Total Liabilities (B)			18,340,000
Net Assets (A-B)		306,265,272	269,281,992
Represented By:			
Revolving Fund		126,369,357	126,369,357
Reserves			
Accumulated Surplus		179,895,915	142,912,635
Net Assets		306,265,272	269,281,992

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/11/2025 and signed by:



CPA Francis Ndiritu Kimondo
Fund Administrator
ICPAK Member Number: 16861



CPA John Kihanda
Fund Accountant
ICPAK Member Number: 7899

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	126,369,357		123,195,423	249,564,780
Surplus/(Deficit) For the Period			(282,788)	(282,788)
Funds Received During the Year			20,000,000	20,000,000
Transfers				
Revaluation Gain				
Balance As At 30 June 2024	126,369,357		142,912,635	269,281,992
Balance As At 1 July 2024	126,369,357		142,912,635	269,281,992
Surplus/(Deficit) For the Period			7,271,594	7,271,594
Funds Received During the Year			29,711,686	29,711,686
Transfers				
Revaluation Gain				
Balance As At 30 June 2025	126,369,357		179,895,915	306,265,272

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government			
Interest received		7,187,072	5,727,491
Receipts from other operating activities			
Total receipts		7,187,072	5,727,491
Payments			
Fund administration expenses			
General expenses		13,644	643,192
Finance cost			
Other payments			
Total Payment		13,644	643,192
Net cash flows from operating activities	25	7,173,428	5,084,299
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments		15,698,871	11,864,375
Loan disbursements paid out		(41,096,578)	(81,350,362)
Net cash flows used in investing activities		(25,397,707)	(69,485,987)
Cash flows from financing activities			
Proceeds from revolving fund receipts		16,500,000	65,070,274
Lending to Assembly			(723,114)
Lending/Refund to/from Members Fund		145,000	200,000
Additional borrowings			
Repayment of borrowings			-
Net cash flows used in financing activities		16,645,000	64,547,160
Net increase/(decrease) in cash & cash Equivalents		(1,579,288)	145,472
Cash and cash equivalents at 1st July		1,842,689	1,697,216
Cash and cash equivalents at 30 June		263,410	1,842,689

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

19. Statement of Comparison of Budget and Actual Amounts for the Period 2025

Description	Original Budget Kshs	Adjust- ments Kshs	Final Budget Kshs	Actual on comparab- le basis Kshs	Perfor- mance differen- ce Kshs	% Utilizati- on
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Transfers From County Govt.						
Interest Income	8,000,000	0	8,000,000	7,285,238	714,762	91.1
Other Income						
Total Income	8,000,000	0	8,000,000	7,285,238	714,762	91.1
Expenses						
Fund Administration Expenses	500,000	0	500,000	13,644	486,356	2.7
General Expenses						
Finance Cost						
Total Expenditure	500,000	0	500,000	13,644	486,356	2.7
Surplus For the Period	7,500,000	0	7,500,000	7,271,594	228,406	97
Capital expenditure						

Budget notes

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

20. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the County Assembly of Laikipia and is domiciled in Kenya. The entity's principal activity is to issue car loans and mortgages to its staff.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

IPSAS 43	<p><i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i> The Standard requires,</p>

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>State the expected impact of the standard to the Entity if relevant</i>
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(i) Early adoption of standards

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly by 30th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx 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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

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

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

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

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) 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.

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Notes To the Financial Statements Continued

1. Public contributions and donations

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfers From County Govt. Operations	29,711,686	20,000,000
Payments By County on Behalf of The Entity		
Unconditional Development grants		
Total	29,711,686	20,000,000

3. Fines, penalties and other levies

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Interest Income from and Car and Mortgage Loans	7,285,238	6,404,751
Interest Income from Car Loans		
Interest Income from Investments in financial assets		
Interest Income on Bank Deposits		
Total Interest Income	7,285,238	6,404,751

(The income is the total accrued interest earned charged on car loans and mortgage issued to staff)

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements Continued

5. Other income

Description	2025	2024
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

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

7. Use of Goods and Services

Description	2025	2024
General Office Expenses		
Loan Processing Costs		
Professional Services Costs		
Administration Fees		607,600
Committee Allowances		
Electricity And Water Expenses		
Fuel And Oil Costs		
Insurance Costs		
Postage And Courier		
Printing And Stationery		

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges	13,644	35,592
Audit Fees		
Provision For Doubtful Debts		
Other (<i>Fridge Benefit Tax</i>)		6,044,347
Social benefit expenses*		
Total	13,644	6,687,539

8. Depreciation and Amortization Expense

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

9. Finance costs

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans from Banks	-	-
Total	-	-

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

10. Gain/(loss) on disposal of assets

Description		
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description		
County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund	263,410	1,842,690
County Mortgage Account		
Fixed Deposits Account		
On – Call Deposits		
Current Account		
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	263,410	1,842,690

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes to the Financial Statements Continued

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

a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, etc.			
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank - Etc.			
Sub- Total			
c) Current Account			
Kenya Commercial Bank	1206476923	263,410	1,842,690
Bank B			
Sub- Total		263,410	1,842,690
d) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		263,410	1,842,690

13. Receivables from exchange transactions

Current Receivables		
Interest Receivable	1,742,649	1,679,919
Current Loan Repayments Due	3,494,968	3,439,362
Sub Total	5,237,617	5,119,281
Other Exchange Debtors-Non-Exchange	60,085,300	47,018,614
Less: Impairment Allowance		
Total Current Receivables	65,322,917	52,137,895
Non-Current Receivables		
Long Term Loan Repayments Due	259,018,945	234,590,930
Total Non- Current Receivables	259,018,945	234,590,930
Total Receivables from Exchange Transactions	324,341,862	239,710,211

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2024-2025	2023-2024
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years		
Accrued interest receivable from of long-term loans of previous years		
Interest receivable from current portion of long-term loans issued in the current year	1,742,649	1,183,048
Current loan repayments due		
Current portion of long-term loans from previous years		
Accrued principal from long-terms loans from previous periods		
Current portion of long-term loans issued in the current year	3,494,968	2,502,165

14. Prepayments

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

15. Inventories

Description	2024-2025	2023-2024
Consumable Stores		
Spare Parts and Meters		
Catering		
Other Inventories (<i>Specify</i>)		
Total Inventories at The Lower of Cost and Net Realizable Value		

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes to the Financial Statements Continued

16. Investments in financial assets

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

Movement of Equity Investments

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

e) Shareholding in other entities

Name of entity	Percentage of shareholding			Value of shareholding		
	Direct	Indirect	Effective	Current	Preferential	Total
	%	%	%	Kshs	Kshs	Kshs
Entity A						
Entity B						
Entity C						

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

17. Property, plant and equipment

At 1st July 2022					
Additions					
Disposals					
Transfers/Adjustments					
At 30th June 2023					
At 1st July 2023					
Additions					
Disposals					
Transfer/Adjustments					
At 30th June 2024					
Depreciation And Impairment					
At 1 st July 2022					
Depreciation					
Impairment					
At 30th June 2023					
At 1st July 2023					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30th June 2024					
Net Book Values					
At 30th June 2023					
At 30th June 2024					

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025
 Notes To the Financial Statements (Continued)

18. Intangible assets

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

19. Investment Property

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description				
Trade Payables				18,340,000
Refundable Deposits				
Accrued Expenses				
Other Payables				
Total Trade and Other Payables				18,340,000
Ageing analysis (Trade and other payables)	FY 2024-2025	% of the Total	FY 2023-2024	% of the Total
Under one year				
1-2 years				
2-3 years			18,000,000	98.2%
Over 3 years	18,340,000	100%	340,000	1.8%
Total (tie to above total)	18,340,000	100%	18,340,000	100

21. Provisions

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes To the Financial Statements (Continued)

22. Borrowings

Balance At Beginning of The Period		
External Borrowings During the Year		
Domestic Borrowings During the Year		
Repayments of External Borrowings During the Period		
Repayments of Domestic Borrowings During the Period		
Balance At End of The Period		

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

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

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

Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Employee medical benefits	Other	Total	Kshs
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total					

24. Social Benefit Liabilities

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025
 Notes To the Financial Statements (Continued)

25. Cash generated from operations.

Description	FY 2024-2025	FY 2023-2024
	Ksh	Ksh
Surplus/ (Deficit) For the Year Before Tax	7,271,594	(282,788)
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses on Disposal of Assets		
Interest Income	(98,166)	5,367,087
Finance Cost		
Working Capital Adjustments	7,173,428	5,084,299
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow from Operating Activities	7,173,428	5,084,299

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

- a) Laikipia County Assembly;
- b) Laikipia County Government;
- c) Management Committee
- d) Members of the management committee

b) Related party transactions

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

c) Key management remuneration

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

d) Due from related parties

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

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Other Disclosures Continued

e) Due to related parties

	FY 2024-2025	FY 2023-2024
	Ksh	Ksh
Due To Parent Ministry		
Due To County Government		
Due To Key Management Personnel		
Total		

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Ksh	Ksh
Court Case Against the Fund		
Bank Guarantees		
Total		

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

At 30 June 2022				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				
At 30 June 2021				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

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

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 12 months	Between 12 months and 5 years	Over 5 years	Total
At 30 June 2024				
Trade Payables				
Current Portion of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				
At 30 June 2023				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To The Financial Statements (Continued)

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

At 30 June 2024			
Financial Assets			
Investments			
Cash			
Debtors/ Receivables			
Liabilities			
Trade And Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in exchange rate	Effect on surplus	Effect on
(Current FY)			
Euro			
USD			
(Comparative FY)			
Euro			
USD			

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Notes To the Financial Statements (Continued)

d) Capital risk management.

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

Revaluation reserve		
Revolving fund		
Accumulated surplus		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/ (excess cash and cash equivalents)		
Gearing		

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 entity is a County Public Fund established by PFM Act 2012. Its ultimate parent is the County Assembly of Laikipia.

31. Currency

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

**County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

21. Annexes

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

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

Reference Number in the external audit Report	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeline (If a date when you expect the issue to be resolved)
2. Irregularity in the administration of the fund	Lack of modalities for operations of the fund guidance on partial disbursement of fund	The status of approved loan amount and undisbursed amount records have been prepared and up to date. The partial disbursement is done because the applied amount is always less than the available fund	Resolved	
3. Performance information	Iregularity in loaning Ksh 2,035,000 to the assembly	The amount was refunded back	Resolved	

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. in the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Period within which the issue is expected to be resolved)

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

Date 25/11/2025

County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund

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

Annex II: Inter-Fund Confirmation Letter

REPUBLIC OF KENYA

Telegraphic Address

Tel: 0622 031 498

Fax: 0622 032 774



Physical Address

Clerk Chambers

County Assembly of Laikipia

Email: assembly@laikipiacounty.go.ke

P. O. Box 487 – 10400, Nanyuki

COUNTY ASSEMBLY OF LAIKIPIA

The [County Assembly of Laikipia Car Loan and Mortgage (Staff) Scheme Fund] wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund](KShs) as at 30 th June 2025(E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial(C)	Total (D)=(A+B+C)		
	9/12/2024	16,500,000			16,500,000	16,500,000	0
	11/7/2025	13,211,686			13,211,686	13,211,686	0
Total		29,711,686			29,711,686	29,711,686	

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

Fund Administrator:

Name MARTY KINGS Sign [Signature] Date 20/11/2025