

REPUBLIC OF KENYA



*Enhancing Accountability*



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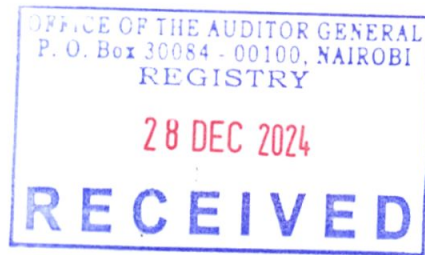
REPORT 00 APR 2025 DAY. Wednesday  
Tabled BY: Hon. NGOMU WAGU, MP  
Deputy Majority Party Whip  
OF HATIMA AHMED

**THE AUDITOR-GENERAL**

**ON**

**WOMEN ENTERPRISE FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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**WOMEN ENTERPRISE FUND  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

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**Women Enterprise Fund  
Annual Report and Financial Statements  
for the year ended June 30, 2024.**

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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

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

**Comparative Year-** Means the prior period.

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**2. Key Fund Information and Management**

**(a) Background information**

The Women Enterprise Fund was incorporated/ established under the Legal Notice No.147 of 2007. The Fund is domiciled in Kenya and has branches in sixteen regions, namely; Eldoret, Embu, Garissa, Isiolo, Kakamega, Kapenguria, Kisii, Kisumu, Machakos, Malindi, Mombasa, Nairobi, Nakuru, Nyeri, Rumuruti and Wajir.

The Fund is a Semi-Autonomous Government Agency under the Ministry of Gender, Culture, the Arts and Heritage under the State Department for Gender, and Affirmative Action established primarily to provide accessible and affordable credit and business support services to women entrepreneurs to start and/or expand businesses for wealth and employment creation.

**(b) Principal Activities**

Fund's Vision is 'A sustainable Fund Empowering Kenyan Women for Social and Economic Development.'

While the Mission is 'To facilitate women socio-economic empowerment by providing access to credit, capacity building, market linkages, market infrastructure, and domestic and international trade and through utilization of technological innovations

The mandates are:

- i. Provision of affordable and accessible credit to women for enterprise development.
- ii. Capacity building of women beneficiaries and their institutions.
- iii. Facilitate and support local and international marketing of goods produced by women.
- iv. Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises.
- v. Facilitate and support investments in infrastructure that support women enterprises e.g., decent market spaces or business incubators.

**(c) Key Management**

The Fund's day-to-day management is under the following key organs:

- i. Principal Secretary, Ministry of Public Service, Gender, and Affirmative Action and specifically in the State Department of Gender and Affirmative Action
- ii. Advisory Board
- iii. A Secretariat headed by a Chief Executive Officer

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

<b>No</b>	<b>Designation</b>	<b>Name</b>
i.	Chief Executive Officer	Dr. (Eng.) Charles Mwirigi
ii.	Ag. Manager, Finance & Administration	Felix Mushila (CPA)
iii.	Manager, Credit	Raphael Kimolo
iv.	Ag. Senior, Audit & Risk officer	Mercy Mulinge
v.	Ag. Manager, Marketing, Research & Comm	Judith Midamba
vi.	Manager, M&E	Carilus Okoth
vii.	Deputy Manager, ICT	Nilton Mutungi
viii.	Ag. Deputy Manager, HRM &T	Sylvia Njeru
ix.	Assistant Manager, Supply Chain	Catherine Otido
X.	Assistant Manager, Legal	Mariam Sadik

**Key Fund Information and Management**

**(e) Fiduciary Oversight Arrangements**

The Fund is structured to be governed through the following oversight committees:

**i Board Audit & Compliance Committee**

- a. Formulate policies for effective risk management framework for the Fund.
- b. Review the effectiveness of the risk management system and strategies and make appropriate recommendations.
- c. Review the Fund's compliance with the relevant statutes, policies, rules, regulations, administrative government circulars and guidelines.
- d. Review the adequacy of internal policies, procedures and process to ensure necessary and sufficient internal controls are in place.
- e. Review the effectiveness of the internal audit function.
- f. Receive and review external auditor's reports and management responses thereto including the action taken to address any material issues raised.
- g. Review compliance with the Fund's service charter and board charter.
- h. Recommend carrying out of independent special investigations/audits on to a need basis.
- i. Any other relevant assignment by the Board.

**ii Board Finance, Staff & Administration Committee**

- a. Formulate and review human resources policies on recruitment, remuneration, performance, retention and discipline and recommend to the Board for approval.
- b. Develop policies on capacity building of the institution and women beneficiaries of the Fund services.

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- c. Monitor and evaluate the implementation of policies and make appropriate recommendations to the Board.
- d. Review the financial performance of the Fund including annual budgets and quarterly management reports and make appropriate recommendations.
- e. Monitor the execution of the strategic plan.
- f. Review the staff performance on an annual basis and make appropriate recommendations.
- g. Monitor staff development and succession planning.
- h. Monitor and evaluate the impact of the capacity building of women beneficiaries.
- i. Any other relevant assignment by the Board.

**iii Board Credit Committee**

- a. Formulate and periodically review the rules, regulations and procedures for the granting and repayment of loans to women entrepreneurs and financial intermediary partners and make such recommendations as necessary to the Board.
- b. Formulate new loan policies and recommend changes to existing ones when necessary to the Board.
- c. Receive and review loan applications from the approved channels and recommend the same to the Board for necessary action.
- d. Receive and analyse proposals from management on new loan products and make appropriate recommendations to the Board.
- e. Assess and monitor loan repayments from existing channels and make appropriate recommendations to the Board.
- f. Review these terms of reference from time to time to take into account the dynamism of the operating environment and recommend the same to the Board for consideration.
- g. Any other relevant duties that may be assigned by the Board from time to time.

**iv Board Strategy, Innovation and Technology Committee**

- a. To consider, vet and approve potential partners for ratification by the Board.
- b. To continuously review the partnership guidelines and if necessary, recommend amendments to the Board.
- c. To monitor the performance of partners.
- d. To engage partners if called upon to do so by management or the Board.
- e. To undertake any other relevant tasks/responsibilities that may be assigned by the Advisory Board from time to time.

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**Board Committee Composition as at 30<sup>th</sup> June 2024**

<b>Credit Committee</b> <ol style="list-style-type: none"><li>1. Kenneth Maina (Chairperson)</li><li>2. Halima Abdi</li><li>3. Jaqueline Kiio</li><li>4. Amb. Sophie Kombe</li><li>5. Debora Oluk</li></ol>	<b>Strategy, Innovation and Technology Committee</b> <ol style="list-style-type: none"><li>1. Yvonne Tonkei (Chairperson)</li><li>2. James Kahindi</li><li>3. Jaqueline Kiio</li><li>4. Chepchumba Koskei</li></ol>
<b>Finance, Human Resource and Administration Committee</b> <ol style="list-style-type: none"><li>1. Amb. Sophie Kombe (Chairperson)</li><li>2. James Kahindi</li><li>3. Yvonne Tonkei</li><li>4. Denis Kirui</li><li>5. Debora Oluk</li></ol>	<b>Audit and Compliance Committee</b> <ol style="list-style-type: none"><li>1. Chepchumba Koskei (Chairperson)</li><li>2. Halima Abdi</li><li>3. Denis Kirui</li><li>4. Kenneth Maina</li></ol>

**(f) Fund Headquarters**

P.O. Box 17126-00100  
Britam Tower 11<sup>th</sup> Floor  
Hospital Road  
Nairobi, KENYA

**(g) Fund Contacts**

P.O. Box 17126-00100  
Britam Tower 11<sup>th</sup> Floor  
Hospital Road  
Nairobi, KENYA

Telephone: (254) 714 606 845-6

E-mail: [info@wef.co.ke](mailto:info@wef.co.ke)

Website: [www.wef.co.ke](http://www.wef.co.ke)

Twitter: wef kenya

Face book: women enterprise fund

Youtube: wef kenya

**(h) Fund Bankers**

Kenya Commercial Bank Ltd  
P. O. Box 30081-00100  
Moi Avenue  
Nairobi, Kenya

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**Key Fund Information and Management (continued)**

**(i) Independent Auditor**

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

**(j) Principal Legal Adviser**

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

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**3. The Board of Directors/Council**

<b>Photo and Name of Board Member</b>	<b>Board Member's Key qualifications and work experience</b>
 <p><b>Dr. Jane Lang'at (Ph.D)</b></p>	<p><b>Chairperson of the Advisory Board</b> Responsible for providing overall leadership to the Board in areas of policy development and direction.</p> <p><b>Qualifications:</b> Doctor of Philosophy (Ph. D) Counsellor Education and Supervision, Duquesne University, Pittsburgh, PA Masters in Counselling Psychology- Alliance Graduate School of Counselling NY Bachelor of Arts Degree- Belharem University Jackson, MS</p> <p>Appointed February 2023</p>
 <p><b>Mr. Kenneth Maina</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Masters in Theology specializing in Church History</li> <li>• Bachelor of Divinity</li> <li>• Diploma in Theology</li> </ul> <p>Appointed in February 2023.</p> <p>Chair of Credit Committee and a member of Finance, Human Resource and Administration Committee from March 2023.</p>
 <p><b>Ms. YvonneTonkei</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor Degree in Mass Communication (Public Relations Major)</li> <li>• Diploma in Mass Communication</li> <li>• Diploma in Human Resources Management</li> </ul> <p>Appointed in February 2023.</p> <p>Chairperson of Strategy, Innovation and Technology Committee and a member of Audit and Compliance Committee from March 2023.</p>
 <p><b>Ms. Chepchumba Koskei</b></p>	<p><b>Qualifications:</b> Diploma in Social work and Community Development</p> <p>Appointed in February 2023.</p> <p>Chairperson of Audit and Compliance Committee and a member of Credit Committee from March 2023.</p>

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 <p><b>Sophy Kadzo Kombe</b></p>	<p><b>Qualifications:</b> Bachelor of Commerce (Business Administration Option) Diploma in Hotel Management</p> <p>Sophy Kadzo Kombe was the Kenya High Commissioner to Zambia in the year 2014 to 2019. Appointed in June 2023</p> <p>Chairperson of Finance, Human Resource &amp; Administration Committee and a member of Credit Committee from June 2023.</p>
 <p><b>Ms. Jacqueline Kiio</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Master of science in Agricultural Economics</li> <li>• Bachelor of science Degree in Agriculture and Home Economics</li> </ul> <p>Appointed in September 2022 to representative PS, Crop Development and Agricultural Research</p> <p>Member of Credit Committee and Strategy, Innovation and Technology Committee from January 2023</p>
 <p><b>Ms. Halima Abdi</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Gender specialist.</li> <li>• Master of Arts Degree in Gender and Development Studies from the University of Nairobi,</li> <li>• Bachelor of Arts Degree (Education) from Kenyatta University</li> <li>• Higher Diploma in Human Resource Management from Institute of Human Resource Management.</li> </ul> <p>Appointed March 2023 to represent the PS State Department for Gender and Affirmative Action Member of Credit Committee and Audit and Compliance Committee from March 2023</p>
 <p><b>Mr. James Kahindi</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Arts in Mass Media communication</li> <li>• Diploma, Mass Communication</li> </ul> <p>Appointed February 2023 Member of Finance, Human Resource and Administration Committee and Audit and Compliance Committee from March 2023.</p>
 <p><b>Mr. Dennis Kirui</b></p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Masters in Public Administration</li> <li>• Bachelor of Arts (Sociology &amp; Economics)</li> </ul> <p>Appointed in March 2023 to represent PS National Treasury</p> <p>Member of Finance, Human Resource and Administration Committee and Audit and Compliance Committee from March 2023.</p>

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**Ms. Debora Oluk**

**Qualifications:**

- Master in Gender and Development Studies
- Bachelor of Business Management

Appointed in March 2024 to represent the PS, Trade

Member of Finance, Human Resource and Administration Committee and Credit Committee.

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**4. Key Management Team**

Name, and key profession/academic qualifications	Main area of responsibility
 <p><b>Dr. (Eng.) Charles Mwirigi</b> <b>Chief Executive Officer</b> <b>Experience:</b> Over 29 years in both the private and public sector. <b>Qualifications:</b> PhD-Strategic Management MBA- Strategic Management, BSc. Mechanical Engineering, PGD - Entrepreneurship, Certified Credit Analyst (CCA), Certified World Class Leader (WCL), Member IEK, Member KIM, Fellow of the American Academy of Financial Management (FAAM)</p>	<ul style="list-style-type: none"> <li>• Responsible for the day to day running of the Fund under the direction and guidance of the Advisory Board.</li> <li>• Facilitate the preparation and implementation of annual work plans, procurement plans, budgets, Performance contract, goals and objectives.</li> <li>• Ensure maintenance of effective internal / external controls to safeguard the Fund’s assets and oversee financial audit processes as required.</li> <li>• Responsible for providing leadership in the development, execution and achievement of the Fund’s strategic objectives.</li> <li>• Build effective relationships with the Board, government, regulators, partners and other stakeholders.</li> </ul>
 <p><b>Raphael Ndambuki Kimolo</b> <b>Credit Manager</b> Over 14 years’ experience in Credit Management. Master of Science in Entrepreneurship and Innovations Management, Bachelor of Science degree in Applied Statistics, Certificate in Auditing Risk Management Certificate in Sustainable Finance Initiative Certificate in Agricultural Finance Member- Kenya Institute of Management</p>	<ul style="list-style-type: none"> <li>• Formulation and implementation of lending policies, procedures and practices to minimize credit risks, prevent losses and maximize recoveries.</li> <li>• Development and implementation of control systems in compliance with the approved lending policy guidelines</li> <li>• Growth of quality loan portfolio.</li> <li>• Staff development &amp; performance management</li> </ul>

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 <p><b>Judith Midamba</b> <b>Ag. Manager,</b> <b>Marketing, Research &amp; Communication</b></p> <p>Over 12 years' experience in Marketing &amp; Communication.</p> <p>Holds a Master's degree in Project Planning and Management from the University of Nairobi and a Bachelor's degree in Business Administration (Marketing). Registered member in good standing with the Marketing Society of Kenya (MSK). Additionally, earned certifications in resource mobilization, digital marketing, and monitoring and evaluation from various institutions.</p>	<ul style="list-style-type: none"> <li>• Managing the strategic communication and outreach/advocacy functions.</li> <li>• Manage Fund's reputation &amp; image and facilitate Fund's publicity to increase awareness on the importance of Women economic empowerment.</li> <li>• Coordination of Partnership engagement and resource mobilization.</li> <li>• Coordination of Market access support &amp; linkages.</li> <li>• Resource Mobilization and partnership management</li> <li>• Brand &amp; Reputation management, Media liaison &amp; monitoring, Event management.</li> </ul>
 <p><b>Carilus Okoth</b> <b>Manager, Monitoring &amp; Evaluation</b></p> <p>Over 12 years experience in both private and public sectors. MBA (Strategic Management), BSc. (Appropriate Technology), CCA, M&amp;E Certificate, Member- ESK</p>	<ul style="list-style-type: none"> <li>• Monitoring and evaluation of the Fund's interventions.</li> <li>• Responsible for capacity building activities for the women entrepreneurs.</li> <li>• Responsible for coordinating the formulation, implementation, and evaluation of the Fund's Strategic Plan.</li> <li>• Conduct regular surveys to test effectiveness and quality of interventions/results</li> </ul>

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 <p><b>CPA Felix Mushila</b> <b>Ag. Manager Finance &amp; Administration</b></p> <p><b>Experience:</b> Over 18 years' experience in both the private and public sector.</p> <p><b>Qualifications:</b> Master's in Business Administration (Finance); Bachelor of Commerce (Accounting); Certified Public Accountant, CPA (K), Member: ICPAK</p>	<ul style="list-style-type: none"> <li>• Providing strategic leadership on all matters pertaining to financial management in the Fund</li> <li>• Formulation and interpretation of financial policies, strategies and programmes</li> <li>• Prioritization of projects and activities for the purpose of financing and reporting; oversight of commitment of funds and expenditure trends;</li> <li>• Coordination and management of office accommodation and equipment, customer care services, registry services, transport services, security and records management.</li> </ul>
 <p><b>Mrs. Catherine N. Otido</b> <b>Assistant Manager, Supply Chain</b></p> <p>Over 15 years' cumulative experience, 9 years in Supply Chain</p> <p>Master's in Business Administration, Bachelor of Education, Diploma in Purchasing &amp; Supplies Management (KIM) and Diploma from Chartered Institute of procurement and Supplies Member: KISM, CIPS</p>	<ul style="list-style-type: none"> <li>• Formulate Supply Chain management procedures in compliance with the procurement laws</li> <li>• Prepare the annual procurement plan in consultation with the heads of department</li> <li>• Manage the procurement life cycle</li> </ul>
 <p><b>Nilton Mutungi</b> <b>Deputy Manager, ICT</b></p> <p><b>Experience:</b> Over 14 years in both the private and public sector.</p> <p><b>Qualifications:</b> Master of Science in Data Communication, BSc. Information Technology.</p>	<ul style="list-style-type: none"> <li>• Formulation, implementation and coordination of ICT policies, strategies and programmes in the Fund;</li> <li>• Keeping up to date with emerging information communication technological trends communication, innovative and technological trends;</li> <li>• Ensuring timely implementation of ICT standards in line with the needs of the Fund and effective maintenance of ICT systems;</li> <li>• Preparation of ICT status reports and ensuring professional standards and guidelines are adhered to;</li> <li>• Management and coordination of the department and supervision of ICT staff;</li> <li>• Safeguard the integrity of the organization's data;</li> </ul>

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 <p><b>Sylvia Njeru</b> <b>Ag. Deputy Manager, HRM &amp; Training</b></p> <p>Over 10 years experience in both private and public sector. Certified Human Resource Professional (CHRP-K) Bachelor of Commerce in Human Resource Management; (MIHRM) Member: Institute of Human Resource Management (IHRM)</p>	<ul style="list-style-type: none"> <li>• Responsible for developing, reviewing and implementation of human resources strategies, policies, programs and procedures</li> <li>• Manage the employee resourcing processes in the organisation</li> <li>• Responsible for providing leadership in the development and review of human resource instruments including the Organisation structure &amp; Staff Establishment, Career Progression Guidelines &amp; Human resources Policy Manual</li> <li>• Oversee talent management and training and development in the Fund</li> </ul>
 <p><b>Mariam Sadik</b> Assistant Manager, Legal</p> <p><b>Experience</b> 11years experience in both private and public sector</p> <p><b>Qualifications</b> Bachelor of Laws (LLB), Post Graduate Diploma in Law (Dip-KSL), Member – LSK.</p>	<ul style="list-style-type: none"> <li>• Fund secretarial services</li> <li>• Contract management</li> <li>• Dispute resolution and management</li> <li>• Ensuring legal compliance by the Fund</li> <li>• Legal Research and Writing</li> <li>• Case Management</li> </ul>

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## **5. Chairperson's Statement**

### **Introduction**

It is my pleasure to present to you the Financial Year 2023/2024 Annual report and Financial Statements. Expectations have remained high with increased interest among our target market, and I am positive and confident about the future of the Fund.

### **Overall performance**

The Fund has cumulatively disbursed a total of Kshs.27.3Billion since inception. During the period, Ksh. 941.9 million was disbursed to 18,955 groups under Digital Lending, with Ksh. 262.6 million repaid (28% repayment rate). CWES loans recorded a 95% repayment rate, recovering Ksh. 1.02 billion. Thamini loans achieved 94% repayment, LPO lending 91%, and SACCO lending 100%, with Ksh. 31.4 million repaid. It is important to note that the Fund transitioned to offer loans through the Financial Inclusion platform. This was however discontinued to focus on re-engineering the process for efficiency and effectiveness.

The WEF Strategic Plan 2023-2027 was finalized and launched, with implementation in progress. Training was provided to 65,660 beneficiaries across 5,549 groups on financial literacy, 2,702 beneficiaries on AGPO, and 294 on value addition. The FY 2023/2024 Performance Contract was signed, and the previous year's contract received a moderated score of 3.1145. A review of the training model was initiated to align with the Fund's digital lending.

Market Access and Linkages: - In FY 2023/2024, 262 market access and linkage activities were conducted, bringing the cumulative total to 50,544. Digital loan product sensitizations reached 18,742 beneficiaries, with the same cumulative total. Additionally, 284,219 trees were planted. To enhance financial inclusivity, four MOUs were signed with IDInsight, Center for Enterprise Development Institute (CEDI) and Strathmore Business School.

The Fund also engaged attachment trainees from various institutions of higher learning and interns from Public Service Commission deployed to various departments/regions.

During the period, Ksh.23.7 million worth of tenders were awarded under the AGPO category, surpassing the target of Ksh.7.9 million. Additionally, Ksh. 68.6 million worth of tenders were awarded under the Buy Kenya Build Kenya initiative, far exceeding the Ksh.10.6 million target.

### **Governance & Board Performance**

My Board is fully committed to the successful implementation of the key priorities outlined in the launched Strategic Plan 2023-2027.

We committed to develop efficient and effective service delivery systems for wider reach and increased product uptake; restructure the business model for cost effectiveness and greater impact; reinforce the legal and policy framework of the Fund to ensure long-term impact and sustainability.

The Fund's operations slowed down as we were putting up structures for the new model. The Fund has experienced tremendous growth despite the reduced staffing levels at the Secretariat, occasioned by exits. However, we are in the process of reviewing the organizational structure to fit the new business model.

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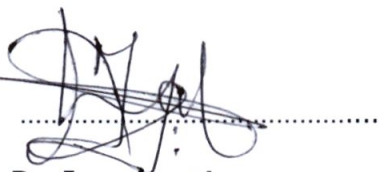
**Prospects and Strategy**

My Board is committed to see the re-engineering of the lending process to ensure seamless and more accessible services for women entrepreneurs across the country. The Fund continued to carry out financial training with the aim of developing entrepreneurial skills as well as pursuing strategic alliances to enhance financial inclusion and long-term sustainability.

**Appreciation**

I celebrate the fact that the Kenyan Government through the Ministry of Gender, Culture, the Arts and Heritage and the National Treasury recognized the potential of women for economic development of the nation and has continued to support the Fund to realize her mandates through exchequer support.

I also extend my gratitude to my fellow Directors for their continued support and wise counsel, our customers for faithfully paying their loans on time, our partners for supporting us, the management, staff and all other stakeholders who played a part in one way or another in enabling us to fulfil our mandates.



**Dr. Jane Lagat**  
**Chairperson of the Board**

## **6. Report of the Chief Executive Officer**

I am delighted to present to you a summary of the Women Enterprise Fund's performance and operations for 2023/2024 Financial Year. The Fund has continued to report impressive performance and growth despite the current operational challenges spiraled with increased inflation and a weakened currency.

Digital loans worth Ksh. 941,901,105 was disbursed to 18,955 Self Help Groups within the period against an annual target of Ksh.2.8billion lending under Digital Lending. Allow me to state that we have aligned our operations to the Bottom-Up Economic Transformation Agenda (BETA) and we are sure that with the digitization more women entrepreneurs will unlock their potential, noting that sustaining and accelerating women's success in the digital economy will require additional support for strengthening women's skills, expanding financing options, and increasing women-led businesses' penetration into higher value sectors, the reason we are here today to deliberate on partnership opportunities.

CWES loan repayment rate stood at 95%. A total of Ksh. 1,025,328,972 has been received as repayments under the CWES lending channel. A total of Ksh.10,334,074 has been paid back from Thamini loans within the period representing 94% repayment rate. Ksh.6,348,500 was paid back from LPO lending representing 91% repayment rate. A total of Ksh. 31,444,965.90 was paid back from SACCO lending representing 100% repayment rate. The Fund continued to deliver on its mandate which broadly focusses on lifting those at the bottom of the pyramid through structured products in group lending and provision of business support services.

About 80% of Women Enterprise fund loans go to the agriculture sector helping to transform livelihoods across the country. The beneficiaries are however, exposed to challenges of climate change resulting in erratic rainfall, drought, and flood among others. These conditions have disrupted the borrower's income flows which in turn result to loan defaults and social tensions.

### **Highlights of the Financial Performance**

A total of Ksh. 101,648,406 was generated from exchange transactions. The breakdown is as under:

Revenues from non-exchange transactions consist of Ksh 297.2 million being allocation in respect of recurrent exchequer.

#### **Total Incomes**

The total recurrent income for the period ended 30th June 2024 amounted to Ksh. 252,639,599

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**Development funding**

Remittances totalling Ksh. 182.2Million in respect of development exchequer funding was received from National Treasury and disbursed as part of the loans. Further, a carryover amount of Ksh 127.5 million relating to FY2022/23 was considered in the supplementary budget estimates and disbursed within the period under review to support women entrepreneurs.

The WEF Strategic Plan 2023-2027 which was finalized and launched, during the period under review is envisaged to propel the Fund to greater achievement in her pursuit of economic empowerment of women entrepreneurs.



**Magdaline Kipkenei  
Ag. CHIEF EXECUTIVE OFFICER**

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**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

The Fund has five key result areas (KRAs) within its Strategic Plan for the FY 2023/2024- 2026/2027. They are as follows:

- 1) KRA1: Fund Growth
- 2) KRA2: Financial inclusion
- 3) KRA3: Capacity building
- 4) KRA4: Market accessibility
- 5) KRA5: Institutional development

The Fund develops its annual work plans based on the above KRAs. Assessment of the Fund's performance against its annual work plan is done on a quarterly basis. The Fund achieved its performance targets set for the FY 2023/2024 period for its KRAs, as indicated in the diagram below:

<b>Key Result Area</b>	<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Achievements (FY 2023/2024)</b>
<b>KRA1: Fund Growth</b>	Growth in capititation	Fund growth in Kshs.	4.4 Billion	4.2 Billion
<b>KRA2: Financial inclusion</b>	Increased access to loans	No. of women entrepreneurs accessing loans	1.1Million	18,955 groups translating to 189,550 beneficiaries
		Amount disbursed to women entrepreneurs	26.7Billion	Disbursed Kshs. 941,901,105
<b>KRA3: Capacity building</b>	Women possess better capacity to manage their businesses	No. of women entrepreneur's capacity built	1.7Million	120,556 Beneficiaries trained
<b>KRA4: Market accessibility</b>	Women benefiting from improved market access	No of women accessing markets	45,000	180 women supported to market their products through exhibitions and selected trade fairs

## **8. Corporate Governance Statement**

### **Introduction**

The Fund is committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable public service delivery. The Fund continues to adhere to its obligations as a Semi-Autonomous Agency set up under the Ministry of Public Service, Gender, and Affirmative Action in compliance with The Public Finance Management Act, 2012. The Fund also adheres to other regulations promulgated by the government and the ethical standards prescribed in the Mwongozo Code of Governance. In addition, WEF abides by the tenets of the Constitution of Kenya and all other laws as a law-abiding corporate citizen.

The Fund believes that good corporate governance is critical to the achievement of high level of integrity and professional ethics our dealings as part of the public service. In the financial year under review, we continued to achieve high levels of corporate governance by focusing on the following areas:

- Continued implementation of our Strategic Plan for the long-term sustainability of the Fund.
- Timely and relevant disclosures and financial reporting to the Office of the Auditor General for a clear understanding of the Fund's operations and compliance.
- Ensuring execution of strong audit procedures, audit independence and continuously enforcing strong internationally recognised accounting principles.
- Focus on clearly set out board and management duties and responsibilities.
- Ensuring Board competencies through induction for new Board members;
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices Board charter

The Administrator of Women Enterprise Fund is committed to ensure that the Fund operates with integrity and ethics maintaining high standards of Corporate Governance in the interest of its stakeholders. The Board affirms that the Fund has complied with the guidelines on Corporate Governance Practices as is required of public officers.

The Fund continues to enjoy high levels of corporate governance by adhering to the following principles amongst others:

- i. Adoption of appropriate strategies aimed at enabling and promoting the long-term prosperity of the Fund;

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- ii. Timely and relevant disclosures and transparency to provide stakeholders with a clear understanding of the Fund and its products;
- iii. Implementation of strong audit procedures through ensuring audit independence, maintaining strong internationally recognized accounting principles, ensuring the undertaking of a well scoped annual audit and maintenance of robust internal controls.
- iv. Employee participation in enhancing stakeholders' interests.
- v. Compliance with laws and disclosure of policies to all relevant stakeholders; and
- vi Upholding the highest levels of integrity in the Fund's culture and practices through a well-defined and implemented code of conduct and ethics.

**Advisory Board size, composition, and appointments**

The Advisory Board has ten out of the required eleven members. The ten Include a chairperson appointed by the Head of State, Five Independent members appointed by the Cabinet Secretary and four members representing the line ministries who serve the Fund for a period of 3 years. The Board was constituted in February 2023 and subsequently inaugurated on 22<sup>nd</sup> March 2023. Subsequently the Board proceeded for a two-day orientation that took place on 23<sup>rd</sup> and 24<sup>th</sup> March 2023 and an additional Board induction training and development was conducted to the individual Board members by SCAC between 12- 26<sup>th</sup> April 2023.

**Roles and Functions of the Board**

The Board derives its roles and functions from Legal Notice No. 147/2007 and Mwongozo. Key among its duties and functions are:

- i. Overseeing the management of the Fund and advising the Cabinet Secretary generally on the operations of the Fund.
- ii. Determining the Fund's mission, vision, purpose and core values.
- iii. Setting and overseeing the overall strategy and approve significant policies of the Fund;
- iv. Ensuring that the strategy is aligned with the purpose of the Fund and the legitimate interests and expectations of her stakeholders.
- v. Ensuring that the strategy of the Fund is aligned to the long-term goals of the Fund on sustainability so as not to compromise the ability of future generations to meet their own needs;
- vi. Approving the organizational structure of the Fund;
- vii. Approving the annual budget of the Fund;
- viii. Monitoring the Fund's performance and ensuring sustainability.

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- ix. Enhancing the corporate image of the Fund;
- x. Ensuring availability of adequate resources for the achievement of the Fund's objectives
- xi. Hiring the CEO, on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff; and
- xii. Ensuring effective communication with stakeholders.

**WEF Board Charter**

The Board Charter is critical to the Fund's governance framework, and offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the board and its individual members; Powers delegated to the board committees; Matters reserved for final decision-making and approval by the board; Policies and practices of the board on matters of corporate governance, directors' declarations and conflict of interest, conduct of board and board committee meetings; and Nomination, appointment, induction, ongoing training and performance evaluation of the board and its committees

**WEF Board meetings and Committees**

The WEF Advisory Board has four standing committees: Finance, Human Resource & Administration Committee; Audit & Compliance Committee; Credit Committee; and Strategy, Innovation & Technology Committee. Each committee has formal and approved terms of reference. The board periodically reviews the terms of reference for each of these committees to ensure they are in line with current legislation and best practice. The committees are provided with all necessary resources to enable them to undertake their duties effectively.

Board meetings are conducted at least on a quarterly basis (minimum four) and Board Committees meet as often as required (once per quarter minimum) and is guided by the Board Almanac that is developed and approved every year in line with the Mwongozo Code of Governance Guideline.

The meetings are attended both physically and vide video/tele-conferencing facility in the WEF official digital platform. At least 2/3 of the Directors (including the chairperson) are required to attend the Board meetings in person to ensure a quorum. Attendance by proxy is prohibited. The chairperson ordinarily chairs all sessions of the Board. In the absence of the chairperson at the meeting the members present shall appoint one of their number to preside over the meeting. An attendance register is signed by all the members in all meetings.

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**Conflict of interest**

The Board directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any director's attention, whether direct or indirect. The statutory duty to avoid situations in which the directors have or may have interests that conflict with those of The Fund has been observed by the board in the financial year under review. The agenda of every meeting obligates individual directors to declare and register their interest (if any arises) and exclude himself / herself from any discussion or decision over the matter in question.

**Communication with stakeholders**

The Fund maintains a website, [www.wef.co.ke](http://www.wef.co.ke) which gives general information about the Fund and various activities undertaken. Further, requests for information are considered as they are received, and appropriate disclosure provided.

**Board expenses**

The board expenses are as disclosed in the Financial Statements. The allowances paid are as per existing Government circulars and net of tax where applicable. The members are not entitled to loans from the Fund. The employment terms of the Chief Executive are as defined in the employment contract.

**Accountability, audit and stakeholder relations**

The Fund Administrator recognizes her responsibility to present a balanced and understandable assessment of the Fund's financial position and prospects. The Funds financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Public Finance Management Act- 2012 and audited in accordance with International Auditing Standards (IAS). The board members recognize and have confirmed their responsibility over the Financial Statements and have provided information in this report that they consider useful to stakeholders.

**Key management staff**

The Fund Secretariat is headed by the Chief Executive and has eight departments namely: Finance & Administration, Credit, Human Resource & Training, ICT, Marketing, Research & Communication, Supply Chain Management, Legal, Audit & Risk and Monitoring & Evaluation

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**9. Management Discussion and Analysis**

**SECTION A: OPERATIONAL & FINANCIAL PERFORMANCE**

Highlights of the Financial Performance

**2.1 Revenues**

**2.1.1 Revenue from Exchange Transactions**

A total of **Ksh. 101,648,406** was generated from exchange transactions. The breakdown is as under:

a. Administration fee @2.5% on Digital Lending	23,409,912
b. Interest rate @2.5% on Digital Lending	6,319,337
c. Interest on call deposits/Current account	71,060,851
d. Income from LPO financing	250,900
e. Income from Sacco lending	607,406

**2.1.2 Revenue from non-exchange transactions**

Revenues from non-exchange transactions consist of **Ksh 297.2** million being allocation in respect of recurrent exchequer.

**2.1.3 Total Incomes**

The total recurrent income for the period ended 30<sup>th</sup> June 2024 amounted to **Ksh. 252,639,599**

**2.1.4 Development funding**

Remittances totalling **Ksh. 182.2Million** in respect of development exchequer funding was received from National Treasury. Further, a carryover amount of **Ksh.127.5 million** relating to FY2022/23 was considered in the supplementary 1 budget estimates and disbursed within the financial year bringing the total receipt from National Treasury to **Ksh.309.7 million**

**2.2.0 Expenditure charged to the Fund.**

Total recurrent expenditure charge for the Fund as at 30<sup>th</sup> June 2024 is reported at **Ksh. 625,532,477** composed of:

a) Staff Costs	374,208,903
b) Mandate costs	128,529,949
c) Governance costs	29,939,547
d) Operations and Maintenance	73,209,853
e) Provisions, Depreciation & Amortization	19,644,225

**2.2.2** Corporate taxes paid amounted to **Ksh. 76,402,351** out of which **Ksh. 65.97 million** relates to tax arrears and **Ksh 10.43 million** being tax charge for the current financial year

**2.2.3** The operational deficit after tax for the period amounted to **Ksh. 330,089,422**

**2.24 Fund Value**

The Fund value for the period is reported at **Ksh. 4,243,028,581** compared to **Ksh.4,263,621,073** as at 30<sup>th</sup> June, 2023. The decrease in Fund size is attributable to the deficit reported during the period.



**Magdaline Kipkenei  
Ag. CHIEF EXECUTIVE OFFICER**

## **HIGHLIGHTS OF PERFORMANCE PER MANDATE**

**On Provision of Affordable & Accessible Credit to Women for Enterprise Development,** which addresses the historical financial exclusion and marginalization of our target clients by the conventional lenders the Fund achieved the following:

- i. Digital loans worth **Ksh. 941,901,105** disbursed to **18,955 Self Help Groups** within the period against an annual target of **Ksh.2.8billion** lending under Digital Lending.
- ii. A total of **Ksh. 262,635,229** has been paid back from Digital Lending, representing a repayment rate of **28%**.
- iii. CWES loan repayment rate stood at **95%**. A total of **Ksh. 1,025,328,972** has been received as **repayments** under the CWES lending channel against an annual target of **Ksh2.5 billion**.
- iv. A total of **Ksh.10,334,074** has been paid back from Thamini loans within the period representing **94%** repayment rate.
- v. **Ksh.6,348,500** was paid back from LPO lending representing **91%** repayment rate.
- vi. A total of **Ksh. 31,444,965.90** was paid back from SACCO lending representing **101%** repayment rate.

**On Capacity Building of Women Beneficiaries & their Institutions; Promotion of local and international marketing and Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises, the Fund has achieved the following:**

- i. Finalized development and launched the WEF Strategic Plan 2023-2027. Implementation of the plan is underway.
- ii. Undertook Program Evaluation and Process Evaluations by IDinsight and KIPPRA respectively.
- iii. Developed the Theory of Change (TOC) for the Fund with the support of partner IDinsight.
- iv. Trained 10,163 groups comprising 120,556 beneficiaries on financial literacy.
- v. Trained 4,603 beneficiaries on Access to Government Procurement Opportunities (AGPO)
- vi. Trained 339 beneficiaries on value addition.
- vii. The Performance Contract FY 2023/2024 signed-off by the Cabinet Secretary Public Service, Gender and Affirmative Action.
- viii. Evaluation of the PC for the FY 2022/2023 undertaken where the Fund attained a moderated score of 3.1145.

During the period of July to March 2024, the Fund actively participated in various events and initiatives under marketing as under marketing outlined below:

### **i. National Tree Growing Activities were undertaken in the following areas:**

Lugari Forest, (10<sup>th</sup> May), Mwingi West, (10<sup>th</sup> May), Kikuyu Constituency, (10<sup>th</sup> May), Rabai Sub-County, (1<sup>st</sup> May), Kabete Constituency, (1<sup>st</sup> May), Dagoretti South Constituency, (2<sup>nd</sup> April), Makadara Constituency, (23<sup>rd</sup> April), Kajiado East, (10<sup>th</sup> May), Kajiado South, (10<sup>th</sup> May).

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**ii. A total of 25 Women Groups facilitated to participate in 8 targeted exhibitions:**

1. Muranga Baskets Weavers Expo, (15<sup>th</sup> April) at Kigumo, 99th Rotary District 9212 Conference, (25<sup>th</sup> April to 28<sup>th</sup> April) at Kilifi North, KEBS Innovation Pipeline Symposium and Exhibition --(15<sup>TH</sup> -16<sup>TH</sup> May) at KSG Mombasa. EKA Hotel Eldoret (22<sup>nd</sup>-23<sup>rd</sup> May) and Nairobi (6<sup>th</sup> -7<sup>th</sup> June,), Narok County Business Week Trade Expo and Conference (25<sup>th</sup> May). Pre-Madaraka Day Exhibition, (27<sup>TH</sup>-30<sup>TH</sup> May) in Bungoma, 1<sup>st</sup> Bi-Annual Meeting for Gender Sector Working Group, (31<sup>st</sup> June) at the Safari Park Hotel.

**iii. Sensitized 1,951 women on WEF Digital Loan Products through awareness creation forums in different constituencies as follows:**

- Public Baraza psnsitization meetings held in: Embakasi Central Constituency, (18<sup>th</sup> June 2024), Kaiti constituency. , (16<sup>th</sup> May 2024), Baringo South constituency (17<sup>th</sup> April 2024), Embakasi South Constituency. (28<sup>th</sup> May 2024), Basket weavers Expo, (15<sup>th</sup> April 2024), Kigumo Constituency, Nandi Hills Constituency (12<sup>th</sup> and 18<sup>th</sup> April 2024), Lamu West Constituency (20<sup>th</sup> May 2024), Moiben Constituency (24<sup>th</sup> April 2024,) Kiambu Constituency(13<sup>th</sup> June 2024), Kesses Consitiuency(25<sup>th</sup> January 2024 and 22<sup>nd</sup> April 2024), Tinderet Constituency(19<sup>th</sup> April 2024), Likuyani constituency(27<sup>th</sup> of May 2024)
- Digital lending/ AGPO training held in: Isiolo South Constituency (4<sup>th</sup> April 2024), Saku Constituency (3<sup>rd</sup> May 2024), Lamu East, (4<sup>th</sup> May 2024), Mbooni Constituency, (24<sup>th</sup> April 2024),Kibwezi East (2<sup>nd</sup> May 2024), Kitui Rural Constituency (2<sup>nd</sup> April 2024).Masinga Constituency (29<sup>th</sup> April 2024), Kitui East Constituency (24<sup>th</sup> April 2024), Nakuru Town East Constituency (25<sup>th</sup> April 2024),Kitui West Constituency (15<sup>th</sup> April 2024), Marakwet East Constituency 15<sup>th</sup> April 2024), Nyeri Town Constituency (29<sup>th</sup> June 2024). Moyale Constituency( 24<sup>th</sup> April 2024), Mogotio Constituency(13<sup>th</sup> April 2024), Bomachoge Chache(23<sup>rd</sup> May 2024), Vihiga Constituency (2<sup>nd</sup> April), Sabatia Constituency (15<sup>th</sup> April 2024), Rapogi, Uriri Constituency (11<sup>th</sup> April 2024), Bonchari constituency (7<sup>th</sup> May 2024)

**The Fund was represented in the following Stakeholder Engagements**

- Signing Ceremony of the MOU between Huduma Kenya and KSG, (24<sup>th</sup> April 2024).
- National Gender Sector Working Group Bi-Annual Meeting, (31<sup>st</sup> May 2024) at the Safari Park Hotel.
- Pre-festack Africa Festival Investment CEO networking forum, (6<sup>th</sup> June 2024) at the Bomas of Kenya.
- Thirtieth Anniversary of the 4<sup>th</sup> World Conference on Women and adoption of the Beijing Declaration and Platform for Action (1995) National Level Reviews, (12<sup>th</sup> June 2024).
- Launch of the Customer Service Excellence Training Framework for Public Service at the KSG Kabete, (13<sup>th</sup> June, 2024).
- Carried out sensitization during the International Widows Day at the Musungu Grounds, Mungoma Ward, Vihiga County, (23<sup>rd</sup> June, 2024).
- Signing of the MOU between the Fund and IDinsight, (June 2024).

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**iv. Corporate Social Investment:**

- Sponsored and participated in the Chemasusu Half Marathon on November 11<sup>th</sup>, 2023.
- Sponsored and participated in the Nairobi Standard Chartered Marathon on October 29<sup>th</sup>, 2023

**On Institutional Strengthening the following has been achieved:**

- i. Youth employment opportunities: Concluded on boarding of an additional 14 interns from Public Service Commission under the Public Service Internship program for the FY 2023-2024 and also conducted their induction.
- ii. Insurance: Concluded on boarding of staff medical insurance cover for Credit Assistants for the financial year 2023/2024 and GPA-WIBA , Group Life insurance cover for all staff.
- iii. ICT Maintenance across all offices: The Fund is currently conducting ICT Maintenance for all ICT technical equipment to ensure smooth running of Hardware and Software.
- iv. 2023-2024.

**On Procurement, the Fund achieved the following:**

- i. Awarded Ksh 23,673,366 worth of tenders for the AGPO category during the period against a target of Ksh 7,920,776 for the period.
- ii. Awarded a total of Ksh. sh. 68,611,349 worth of tenders were awarded under Buy Kenya Build Kenya against the target of Ksh. 10,561,035.90 for the period.
- iii. Implementation of presidential directives- the fund successfully uploaded awarded tenders on to the public procurement information portal.

## **10. Environmental and Sustainability Reporting**

### **i) Sustainability strategy and profile**

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

### **ii) Environmental performance**

In fulfilment of the Presidential directive on the National Tree Planting Campaign, the Fund involved stakeholder in various counties to undertake the exercise as outlined below.



*Figure 1: Women Enterprise Fund chairperson Jane C. Lang'at led a team of African Gospel Church teens and youths in Karen - Nairobi in the tree planting exercise on 13th November, 2023*



*Figure 2: Lower Central team earlier during tree planting at Gathiuru forest, kieni constituency, Nyeri county. The event was graced by CS, Lands Hon. Alice Wahome, Nyeri county Governor among other guests, 8000 trees were planted*

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*Figure 3: Tree planting at Mtangani near Malindi GK Prison. The event was officiated by the DCC Malindion 13th November, 2023*



*Figure 4: Participated in the ongoing Presidential launch of the National tree planting day at Kiu Catchment/Wetland, Makindu, Kibwezi West, Makeni County on 13th November, 2023*

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*Figure 5: James Etoot and Geoffrey Ekusi participating in National Tree planting exercise at Ekalees Cultural center in Turkana County on 13th November, 2023*

<b>SUMMARY OF TREE PLANTING INITIATIVES FY 2023/2024</b>	
<b>COUNTY</b>	<b>NUMBER OF SEEDLINGS PLANTED</b>
KWALE	1730
MOMBASA	17,317
TAITA TAVETA	439
KILIFI	8,000
GARISSA	120
UPPER NORTH EASTERN	300
ISIOLO	15
MERU	260
THARAKA-NITHI	340
EMBU	290
KITUI	3,715
MACHAKOS	180
MAKUENI	150
LAIKIPIA	125
NYANDARUA	190
MURANGA	590
NAIROBI	4052
KAJIADO	146
KIAMBU	3887
UASIN GISHU	10,800

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NANDI	1,050
BARINGO	65
NAKURU	363
NAROK	79
KERICHO	425
BOMET	2,100
KAKAMEGA	200
VIHIGA	500
SIAYA	100,000
KISUMU	103,000
HOMA BAY	13,500
MIGORI	1610
KISII	6170
NYAMIRA	500
<b>TOTAL</b>	<b>282,208</b>

**iii) Employee welfare**

The Fund has in place a recruitment procedure that guides the way it attracts talent that ensures that the talent being recruited to the Fund has the right skills, knowledge, and abilities. The hiring process considers fairness by ensuring the Fund adheres to regional balance and consideration for marginalized communities and person with disabilities.

A key people deliverable for the Fund is improving skills for its staff and the Fund ensures adequate budgetary allocations on annual basis towards training its staff. A career progression guideline is in place to allow to guide staff on the process of upward mobility.

Performance management is carried out on an annual and semi-annual basis focussing on continual improvements. The products of annual performance appraisals feeds to reward and sanction mechanisms.

The Fund also is guided by the policy on Occupational Safety and Health Act of 2007, (OSHA) and we have put all out staff on WIBA/GPA cover to mitigate them against risks associated with work.

**iv) Market place practices**

**Responsible competition practice.**

- a) The Fund has embraced a collaborative approach in addressing matters competition. With other Affirmative Funds, WEF participated in joint sensitization programs dubbed Huduma Mashinani where all parties leverage on the strength of each other to achieve their mandates.

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- b) On anti-corruption, the Fund undertakes Corruption Risk Assessment and updates the Corruption Risk Mitigation Plan through publication of awarded contracts and "First Come First Served" in payment to suppliers as well as submitting quarterly performance reports to EACC using the prescribed reporting format.
- c) The Fund works with National and County administrators to execute her mandate. This has enhanced a spirit of togetherness with the political elites who are our strong brand ambassadors.
- d) From time to time, we meet with the officials from other financial institutions to compare best practices as well as come up with strategies to complement each other's mandate.

**Responsible Supply chain and supplier relations**

- i. The Fund sets aside 30% of each financial year's budget to cater for the AGPO category.
- ii. Suppliers are given an equal opportunity to bid for tenders, thus ensuring that all those who were listed in the prequalified list are considered with the financial period.
- iii. The Fund also shares the list of awarded tenders with National Treasury through Public Procurement Information Portal to enhance transparency.
- iv. Evaluation of Tenders is carried out as outlined in the Procurement ACT 2015 and Regulation 2020
- v. Payment to suppliers is honoured promptly as stipulated in the Service Charter. (30 days after invoicing)

**Responsible marketing and advertisement**

- i. Working together with various media houses to create visibility on the Fund.
- ii. Participation on Corporate Social responsibility activities as guided by the Fund's CSR Policy Guidelines
- iii. Ensuring that all advertisements are truthful in the sense that all information given are factual and can be defended by availing authentic evidence.

**Product stewardship**

- i. Working together with various media houses to create visibility on the Fund.
- ii. Participation on Corporate Social responsibility activities as guided by the Fund's CSR Policy Guidelines
- iii. Ensuring that all advertisements are truthful in the sense that all information given are factual and can be defended by availing authentic evidence.

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

Women Enterprise Fund carried out a Corporate Social Responsibility activities to: Mwanga wa Faraja support for widows, Muranga AIC Tree planting activity, Standard Chartered Marathon, International Day of the Girl Child in Kilifi County, Women in Manufacturing Conference and Expo in Uasin Gishu County and Capacity building for Narok County Assembly Women Caucus. A total of Kshs.990,000 was utilized in the CSR programmes for the Financial year 2023/2024.

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**11. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Fund's affairs.

**i) Principal activities**

The principal activities of the Fund as stipulated in the Legal Notice No. 147 of August 2007 are;

- a) Provision of affordable and accessible credit to women for enterprise development.
- b) Capacity building of women beneficiaries and their institutions.
- c) Facilitate and support local and international marketing of goods produced by women.
- d) Promotion of linkages between micro, small and medium enterprises owned by women with larger enterprises.
- e) Facilitate and support investments in infrastructure that support women enterprises e.g., decent market spaces or business incubators.

**ii) Results**

The results of the Fund for the year ended June 30, 2024, are set out on page 35-41.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on page 9 - 11.

**iv) Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Fund did not make any surplus during the year (FY 2023/24 Kshs. Nil) and hence no remittance to the Consolidated Fund.

**v) Auditors**

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

By Order of the Board



.....  
**Magdaline Kipkenei**  
**Secretary to the Board**

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**12. Statement of Directors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and Legal Notice No. 147 of August 2007 require the Directors to prepare financial statements in respect of that Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Directors are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund.

The Directors are 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 period ended 30<sup>th</sup> June 2023. 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 Directors accept 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 Legal Notice No. 147 of August 2007. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the period ended 30<sup>th</sup> June 2024, and of the Fund's financial position as at that date. The Directors 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.

Nothing has come to the attention of the Directors 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 18<sup>th</sup> September 2024 and signed on its behalf by:



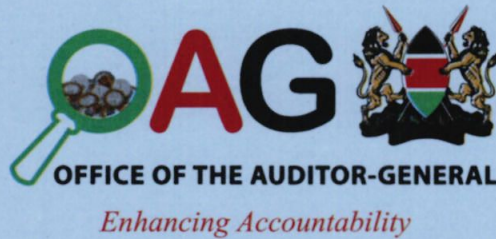
**Chairperson of the Board**



**Chief Executive Officer**

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON WOMEN ENTERPRISE FUND FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Women Enterprise Fund set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2024 and

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*Report of the Auditor-General on Women Enterprise Fund for the year ended 30 June, 2024*

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the Women Enterprise Fund as at 30 June, 2024 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 Legal Notice No.147 Of 2004 and the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1. Inaccuracies in the Financial Statements**

Review of the financial statements presented for audit revealed the following unexplained variances:

<b>Item</b>	<b>Financial Statements (Kshs)</b>	<b>General Ledger (Kshs)</b>	<b>Variance (Kshs)</b>
Courier & Postal services	8,620,405	7,505,346	1,115,059
Advertising, awareness & publicity campaigns, subscriptions to newspapers	6,641,499	6,615,894	25,605
Printing and Stationery	61,860	-	61,860
Travel, subsistence and other allowances	70,780,078	-	70,780,078
Board Expenses	29,939,547	-	29,939,547
Depreciation of PPE	26,340,565	25,976,946	363,619
Maintenance of computers, software & networks	68,292,000	9,164,694	59,127,306

Amortization expenses	363,619	-	363,619
Digital Loans	678,459,846	-	678,459,846
Loans to CWES	1,449,056,226	1,330,933,034	118,123,192
Thamini Loan	3,757,646	10,334,074	(6,576,428)
Car & Mortgage scheme	258,717,140	221,259,165	37,457,975
Imprests & Advances	3,357,306	3,502,773	(145,467)
Intangible Assets	728,330	-	728,330
Trade & Other Payables	48,398,585	-	48,398,585
Employee Benefit Obligation	105,497,798	-	105,497,798

Further, the financial statements revealed that the Fund spent an amount of Kshs.374,208,903 on staff costs. However, the payroll records indicated that an amount of Kshs.369,034,088 was spent on staff costs resulting in unexplained variance of Kshs.5,174,815.

In additions, the financial statements reflect depreciation of property plant and equipment of Kshs.26,340,565 while property plant and equipment schedule at note 19 reflect an amount of Kshs.25,976,946 resulting to unexplained variance of Kshs.363,619.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## 2. Non-Performing Loans to Financial Intermediary Partners

Included in the statement of financial position and Note 18 is Kshs.2,510,430,962 in respect of receivables from exchange transactions. This amount includes non-performing loans from eight (8) financial intermediary partners of Kshs.71,330,000. Any provision that would have been necessary in relation to this uncertainty has not been incorporated in these financial statements.

According to explanations by Management the financial intermediary partners debts outstanding had been handed over to the legal office for follow-up. However, the legal office has not provided evidence to show whether their efforts have been successful and whether they will result in any recovery. It is, therefore, not possible to confirm whether the legal office is actively following-up these cases.

In the circumstances, the accuracy and recoverability of the receivables of Kshs.71,330,000 could not be confirmed.

### **3. Unsupported Receivables from Exchange Transactions**

The statement of financial position and Note 18 to the financial statements reflects receivables from exchange transactions of Kshs.2,510,430,962. The balance includes loans relating to digital loans, loans to CWE's, Sacco loans and LPO loans of Kshs.678,459,886, Kshs.1,449,056,226, Kshs.34,522,965 and Kshs.10,946,500 respectively. However, the loans were not supported with their respective ageing analysis.

Further, included in the receivables from exchange transactions balance is an amount of Kshs.23,383,337 representing amounts in the Suspense/Clearance Account. Management had explained that payment of loan installments by clients through the KCB platform have yet to be fully configured with the in-house Enterprise Resource Planning - E.R.P system therefore the payments do not instantly reflect in the client's loan accounts at the Fund. This has necessitated manual reconciliations between amounts received in the Women Enterprise Fund collection accounts and the client's loan accounts.

In the circumstances, the accuracy and completeness of receivables form exchange transactions of Kshs.2,510,430,963 could not be confirmed.

### **4. Understatement of Finance Income**

The statement of financial performance and Note 8 shows an amount of Kshs.71,060,851 representing finance income which forms part of the Fund's revenue from exchange transactions or Appropriation in Aid (AIA). Review of financial records revealed that the Fund had earned an amount of Kshs.5,366,810 as interest from the fixed deposits. However, the interest income had not been disclosed as part of the finance income.

In the circumstances, the accuracy and completeness of finance income could not be confirmed.

### **5. Non-Disclosure of Inventories**

The statement of financial position has a Nil balance of inventories being the value of the Fund's closing stock. However, physical verification of the store revealed that the Fund had stock at the close of the year valued at Kshs.3,997,933. Further, neither stock sheets nor stores ledger accounts were provided for audit review.

In the circumstances, the financial statements are misstated.

### **6. Unsupported Gratuity Payments**

The statement of financial performance and Note 10 reflects employee costs of Kshs.374,208,903. Included in the balance is an amount of Kshs.33,977,907 in respect of gratuity payments. However, the balance was not supported with details of the payees and employment contracts.

In the circumstances, accuracy and completeness of gratuity payments of Kshs.33,977,907 could not be confirmed.

## 7. Inaccuracies in Cash and Cash Equivalents Balance

The following anomalies were observed:

- i) The statement of financial position and Note 17 reflects cash and cash equivalents balance of Kshs.1,815,567,600 which includes a balance of Kshs.1,645,751,217 under the Women Enterprise Fund (WEF) Main Account. However, included in the June 2024 bank reconciliation statement were unrepresented cheques relating to payments in the cash book not reflected in the bank statements amounting to Kshs.2,876,624 which have been outstanding since October 2023. Management did not explain why the cheques are yet to be cancelled and the balances written back into the cash book.
- ii) It was noted that the Fund continues to maintain one (1) local currency (KES) Account with the Kenya commercial Bank (KCB) with a balance of Kshs.47,095,075. No deposits or withdrawals have been made during the current financial year. No Cash books or bank reconciliations are maintained for this account. A board of survey report and a certificate of balance have also not been provided for audit. It was further noted that the bank statement provided showed a balance of Kshs.48,906,112 while the 2023/2024 financial statements reflect a balance of Kshs.47,095,075.
- iii) Review of the financial statements and the cash book balances revealed the following unreconciled variances;

Name of Bank Account	Account Number	Figure reported in the Financial Statements (Kshs)	Cashbook Balance (Kshs)	Variance (Kshs)
Main account	1109218818	1,645,751,217	1,630,222,077	15,529,140
Gratuity account	1150260386	105,497,798	119,557,492	(14,059,694)
Savings account	1316539350	47,095,075	48,906,112	(1,811,037)
M-PESA	830800, 8360000, 3035573, 222222	10,116,057	2,568,457	7,547,600

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,815,567,600 could not be confirmed.

### 7.1 Unsupported and Unaccounted for Mpesa Funds

The statement of financial position and Note 17 reflects cash and cash equivalents balance of Kshs.1,815,567,600. Included in this, is a balance of Kshs.10,116,057 reflecting funds held in Safaricom M-Pesa pay bills. However, out of this balance, only an amount of Kshs.2,568,457 was supported by the Mpesa statement for Account No.3035573 resulting in

unsupported variance of Kshs.7,547,600. Further, the MPesa statement revealed that an amount of Kshs.20,979,311 was transferred on 31 August, 2023. However, Management did not provide details of the account where the funds were transferred to.

According to available information the Fund operated three (3) Safaricom pay bills 830800, 8360000 and 3035573 for loan repayment under the manual lending, loan repayment under the new digital lending \*254# and loan disbursement to groups under digital lending \*254# respectively.

Following the Executive order CAB/ADM.2A/6 Vol. 1/ (122) dated 4 August 2023, a directive was issued to transition all payments to government agencies to a single payment platform under the designated pay bill number 222222 and closure of all existing non-designated pay bills by 10 August, 2023. The Fund was, therefore, mandated to close the three (3) pay bills and operate the designated 222222 platform.

However, audit review of the Board Finance, Human Resource and Administration Committee Meetings Minutes held on 15 February, 2024, 15 April, 2024 and 29 April, 2024 ascertained that the pay bill 830800 held a balance of Kshs.212,151,894 and recommended that the funds be recalled to the WEF's main account to be invested in call deposits. This raises doubt as to the Fund's compliance with the Executive Order CAB/ADM.2A/6 Vol. 1/ (122) that was to be actioned by 10 August, 2023. Furthermore, audit examination of the WEF main account held at KCB bank account number 1109218818 revealed that the funds were never deposited to the account during the year. Management did not also provide the M-Pesa pay bill statements for pay bill number 8360000 for audit review.

In the circumstances, Mpesa balances of Kshs.212,151,894 could not be accounted for.

### **8. Inaccuracies in Employee Costs**

The statement of financial performance and Note 10 to the financial statements reflects an amount of Kshs.374,208,903 in respect of employee costs. Review of financial records revealed that an amount of Kshs.1,044,000 was in respect of the Board of Director's incurred by the organization during the year. Audit verification revealed that the Board chairperson was paid honoraria and telephone allowances. The amount was wrongly charged to employee costs.

In the circumstances, the accuracy and completeness of employee costs could not be confirmed.

### **9. Unsupported Training Expenses**

The statement of financial performance and Note 15 to the financial statements reflects training expenses of Kshs.58,667,606. It was noted that the expenditure increased by Kshs.31,424,607(115%) from the prior expenditure of Kshs.27,242,999. Management did not provide explanations for the drastic increase. Further, Management did not provide an approved training plan, minutes or report of training committee indicating the criteria used to select staff for trainings for the financial year under audit, making it difficult to ascertain if trainings were carried out and in accordance to the laid-out plan of the entity.

In the circumstances, the accuracy, completeness and regularity of training expenses of Kshs.58,667,607 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Women Enterprise 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 adverse opinion.

## **Emphasis of Matter**

### **1. Material Uncertainty Related to Sustainability of Services**

I draw attention to the statement of financial performance indicating that the Fund recorded total revenue and expenditure of Kshs.398,848,406 and Kshs.652,535,478 respectively resulting in a deficit of Kshs.330,089,422 up from the previous year's deficit of Kshs.220,889,234 representing a Kshs.109,200,188 or 49% decline in profitability. The Fund therefore continues to operate at a loss, which, if not managed, may affect its future operations and sustainability of services.

The Fund may be unable to meet its financial obligations as and when they fall due and there is a risk the Fund being technically insolvent.

### **2. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.531,984,690 and Kshs.398,848,406 respectively resulting in revenue shortfall of Kshs.133,136,284 or 25% of the budget.

Similarly, the statement reflects actual expenditure of Kshs.728,937,829 against an approved budget of Kshs.624,424,211 resulting in an unapproved over expenditure of Kshs.104,513,618 or 17% of the budget. However, both revenue shortfall and over expenditure are wrongly reflected in the statement as Kshs.245,257,986 and Kshs.624,424,211 respectively

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

My opinion is not modified in respect of these matters.

## **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 matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report

## **Other Matter**

### **Unresolved Prior Year Matters**

As disclosed under follow-up on the auditor's recommendations on prior years audit issues, various prior years audit issues remained unresolved as at 30 June, 2024. Management has not provided reasons for the delay in resolving the prior year's audit issues.

### **Other Information**

The Management is responsible for the other information set out on page iv to xxxvi which comprise of Key Fund Information and Management, Key Management Team, Fiduciary Management, Fiduciary Oversight Management, Chairperson' Statement, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors 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 USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229 (6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and effectively.

### **Basis for Conclusion**

#### **1. Non-Preparation of Financial Statements for Staff Mortgages and Car Loan Fund**

The statement of financial position and Note 18 to the financial statements reflects car and mortgage scheme balance of Kshs.258,717,140. It was however noted that the Fund did not prepare separate financial statements as required by templates issued by the Public Sector Accounting Standards Board (PSASB) which require separate financial statements as opposed to being shown as a line item in the statement of financial position. Further, there was no movement in the account implying that there were no loans being issued and no recoveries were made. In addition, the details of the beneficiaries were not provided.

In the circumstances, the financial statements were not prepared in accordance with the financial reporting templates and management was in breach of the law.

## **2. Unbalanced Budget**

The statement of comparison of budget and actual amounts reflects budgeted revenue and budget expenditure of Kshs.531,984,690 and Kshs.624,424,211 respectively, resulting in an unbalanced budget of Kshs.92,439,521 (wrongly indicated as Kshs.107,419,521 in the statement). This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced.

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

## **3. Non-Compliance with Fiscal Responsibility Principles**

The statement of financial performance reflects total operational expenditure by the fund of Kshs.652,535,478. Included in this amount is payment of Employee costs incurred during the year of Kshs.374,208,903. Employee Costs, therefore, represent a 57% of the total operational costs. This was contrary to Regulation 26(1)(a) of the Public Finance Management Regulations, 2015 on fiscal responsibility principles that requires that expenditure on compensation of employees shall not exceed 35% of the revenues generated.

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

## **4. Outstanding Imprests and Advances**

The statement of financial position and Note 18 reflects receivables from exchange transactions amounting to Kshs.2,510,430,962. Included in this amount is outstanding imprests and advances balance of Kshs.3,357,306 which ought to have been recovered or accounted for on or before the close of the year. This was contrary to Regulation 93(6) of the Public Finance Management Regulations, 2015 that requires that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest rate at the prevailing Central Bank Rate. No reasons have, however, been provided for failure to surrender or account for the imprests.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **Irregular Board meetings**

It was observed that the Women Enterprise Fund Advisory Board held three (3) full board meetings, twelve (12) full board special meetings, five (5) audit and compliance committee meetings, five (5) credit committee meetings, nine (9) finance and administration committee meetings, nine (9) strategy, innovation and technology committee meetings giving rise to a total of forty-three (43) board meetings during the financial year under review contrary to the law. However, the additional meetings were not approved.

In the circumstances, Management was in breach of the law and Mwongozo Code of Governance.

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 control, 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 Those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**30 December, 2024**

**WOMEN ENTERPRISE FUND**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024.**

**14. Statement of Financial Performance for the year ended 30th June 2024**

	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	297,200,000	197,220,000
		<b>297,200,000</b>	<b>197,220,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	7	30,587,555	90,547,783
Finance income	8	71,060,851	25,871,697
<b>Total revenue</b>		<b>398,848,406</b>	<b>313,639,480</b>
<b>Expenses</b>			
Use of goods and services	9	29,580,031	22,248,919
Employee costs	10	374,208,903	319,248,876
Board Expenses	11	29,939,547	19,706,044
Depreciation and amortization expense	12	26,340,565	22,154,870
Repairs and maintenance	13	7,573,500	9,820,163
General Expenses	15	191,589,272	151,502,931
Increase/(Decrease) in provision for bad & doubtful debts		(6,696,340)	(10,153,089)
<b>Total expenses</b>		<b>652,535,478</b>	<b>534,528,714</b>
<b>Other gains/(losses)</b>			
<b>Surplus/ (deficit) before tax</b>		<b>(253,687,072)</b>	<b>(220,889,234)</b>
Taxation-Corporate tax on call deposit interest	16	(76,402,351)	-
<b>Surplus/(deficit) for the period/year</b>		<b>(330,089,422)</b>	<b>(220,889,234)</b>
<b>Net Surplus for the year</b>		<b>(330,089,422)</b>	<b>(220,889,234)</b>

The notes set out on pages 7 to 39 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

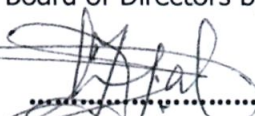
  
 .....

**Magdaline Kipkenei**  
**Ag. Chief Executive Officer**

  
 .....

**CPA Felix Mushila**  
**Ag. Finance Manager**

**ICPAK Member No:**  
**7491**

  
 .....

**Dr. Jane Lang'at**  
**Chairperson of the Board**



**WOMEN ENTERPRISE FUND**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024.**


**15. Statement of Financial Position as at 30th June 2024**

	Notes	Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	17	1,815,567,600	1,339,999,599
Receivables from Exchange Transactions	18	2,510,430,962	2,911,306,830
<b>Total Current Assets</b>		<b>4,325,998,562</b>	<b>4,251,306,429</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	19	70,198,073	95,388,966
Intangible Assets	20	728,330	-
<b>Total Non- Current Assets</b>		<b>70,926,403</b>	<b>95,388,966</b>
<b>Total Assets (A)</b>		<b>4,396,924,965</b>	<b>4,346,695,395</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	21	48,398,585	-
Employee Benefit Obligation	22	105,497,798	83,907,392
<b>Total Current Liabilities</b>		<b>153,896,383</b>	<b>83,907,392</b>
Non-Current Liabilities			
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>153,896,383</b>	<b>83,907,392</b>
<b>Net Assets (A-B)</b>		<b>4,243,028,582</b>	<b>4,262,788,003</b>
<b>Represented by:</b>			
Capital Fund		4,719,104,394	4,408,774,393
Accumulated Surplus		(476,075,812)	(145,986,390)
<b>Net Assets</b>		<b>4,243,028,582</b>	<b>4,262,788,003</b>

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

  
 .....

**Magdaline Kipkenei**  
**Ag. Chief Executive Officer**

  
 .....

**CPA Felix Mushila**  
**Ag. Finance Manager**

  
 .....

**Dr. Jane Lang'at**  
**Chairperson of the Board**

**ICPAK Member No:**  
**7491**

Date: 27.12.2024

Date: 27/12/24

Date: 27/12/2024



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**16. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2022</b>	<b>4,339,050,000</b>	<b>27,224,393</b>	<b>74,902,844</b>		<b>4,441,177,237</b>
Surplus/ deficit for the year	-	-	(220,889,234)	-	(220,889,234)
Capital/development grants received during the year	-	-	-	42,500,000	42,500,000
<b>As at June 30th, 2023</b>	<b>4,381,550,000</b>	<b>27,224,393</b>	<b>(145,989,390)</b>	<b>42,500,000</b>	<b>4,262,788,003</b>
<b>As at July 1<sup>st</sup>, 2023</b>	<b>4,381,550,000</b>	<b>27,224,393</b>	<b>(145,989,390)</b>		<b>4,262,788,003</b>
Surplus/ (deficit) for the year	-	-	(330,089,421)	-	(330,089,421)
Capital/development grants received during the year	310,330,000	-	-		310,330,000
<b>As at June 30<sup>th</sup>, 2024</b>	<b>4,691,880,000</b>	<b>27,224,393</b>	<b>(476,075,811)</b>	<b>42,500,000</b>	<b>4,243,028,582</b>

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**i) 17. Statement of Cash Flows for the year ended 30 June 2024**

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	297,200,000	197,220,000
Rendering of services	7	30,587,555	90,547,783
Finance income	8	71,060,851	25,871,697
<b>Total receipts</b>		<b>398,848,406</b>	<b>313,639,480</b>
<b>Payments</b>			
Use of goods and services	9	29,580,031	22,248,919
Employee costs	10	374,208,903	319,248,876
Board Expenses	11	29,939,547	19,706,044
Repairs and maintenance	13	7,573,500	9,820,163
Contracted services		188,989,272	151,502,931
Depreciation and amortization/impairment	12	26,340,565	22,154,870
Increase/ (Decrease) in provision for bad & doubtful debts		(4,096,341)	(10,153,089)
Taxation	14	76,402,351	-
<b>Total payments</b>		<b>652,535,478</b>	<b>634,528,714</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(330,089,423)</b>	<b>(220,889,234)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	18	145,000	28,285,837
<b>Net cash flows from/(used in) investing activities</b>		<b>145,000</b>	<b>28,285,837</b>
<b>Cash flows from financing activities</b>			
Capitalization from exchequer receipts		310,330,000	42,500,000
Net Receipts from loans repayments		495,472,423	<b>944,801,995</b>
<b>Net cash flows from financing Activities</b>		<b>805,802,423</b>	<b>987,301,995</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>475,568,001</b>	<b>738,126,924</b>
Cash and cash equivalents at 1 July 2023	16	<b>1,339,999,599</b>	<b>601,872,675</b>
<b>Cash and cash equivalents at 30 June 2024</b>	16	<b>1,815,567,600</b>	<b>1,339,999,599</b>

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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	297,200,000	-	297,200,000	297,200,000	-	100
Rendering of Services	189,784,690	-	189,784,690	30,587,555	(159,197,135)	16
Finance Income	15,000,000	-	15,000,000	71,060,851	56,060,851	473
Resource mobilization	30,000,000	-	30,000,000	0	(30,000,000)	0
<b>Total Income</b>	<b>531,984,690</b>	<b>-</b>	<b>531,984,690</b>	<b>398,848,406</b>	<b>(245,257,986)</b>	<b>75</b>
<b>Expenses</b>						
Use of Goods and Services	44,610,622	-	44,610,622	29,580,031	44,610,622	66
Employee costs	347,589,765	-	347,589,765	374,208,903	347,589,765	108
Remuneration of Directors	20,839,750	-	20,839,750	29,939,547	20,839,750	99.7
Repairs and Maintenance	27,267,587	-	27,267,587	7,573,500	27,267,587	27.7
General Expenses	164,116,487	-	164,116,487	191,589,272	164,116,487	116
Depreciation and Amortization	20,000,000	-	20,000,000	26,340,565	20,000,000	132
Decrease in provision for bad debt	-	-	-	(6,696,340)	-	-
Taxation				76,402,351		
<b>Total Expenditure</b>	<b>624,424,211</b>	<b>-</b>	<b>624,424,211</b>	<b>728,937,829</b>	<b>624,424,211</b>	
<b>Surplus for the period</b>	<b>107,419,521</b>		<b>107,419,521</b>	<b>(330,089,423)</b>		
<b>Capital Expenditure</b>						

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**Budget notes**

**Rendering of services-** The decline in Revenue from Rendering of services was attributable to the suspension of lending resulting in loss in revenue from interest and administration fee.

**Finance Income-** Increase in revenues from finance income is attributable to Interest earned from increased bank balances resulting from discontinuation of lending. Funds were placed on call pending disbursement under the new model.

**Use of Goods-**The under-expenditure was as a result of austerity measured undertaken during the year.

**Compensation of Employees-** Actual expenditure was within the budget margins.

**Remuneration of Directors** – The expenditure was above budgeted amounts owing to several board engagements in the financial year and special board meetings

**Repairs and Maintenance costs-** The under-expenditure was largely as a result of a new fleet of Motor Vehicles whose maintenance was low. In addition, the new office premises did not require much maintenance since the Fund's HQ had only moved in.

**Depreciation and Amortization expense-** This represents a non-cash outflow item. The item contributed to the reported deficit for the year.

**2. On changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)**

There was no revision of the budget undertaken in the period under review.

**3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual).**

The annual budget is prepared on accrual basis that is all planned costs and income are presented in a single statement to determine the needs of the Fund. As a result of adoption of the accrual basis for budgeting purposes, there are no basis, timing or Fund differences that would require reconciliation between actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.



## **19. Notes to the Financial Statements**

### **1. General Information**

Women Enterprise Fund is a Semi-Autonomous Government Agency under the Ministry of Gender, Culture The Arts and Heritage under the State Department for Gender and Affirmative Action established by and derives its authority and accountability under Legal notice No. 147 of 2007. The Public Finance Management Act of 2012, Categories WEF as a Public Fund. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to provide accessible and affordable credit and business support services to women entrepreneurs to start and/or expand business for wealth and employment creation.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Women Enterprise Fund's accounting policies.

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

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

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

**i. New and amended standards and interpretations in issue 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**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Fund.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></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</p>

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Standard	Effective date and impact:
	<p>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>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></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 Fund 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>IPSAS 48- Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></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</p>

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Standard	Effective date and impact:
	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.
IPSAS 49- Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**iii. Early adoption of standards**

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



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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The Fund recognizes revenues from fees, taxes and fines when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Fund and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Fund recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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**Notes to the Financial Statements (Continued)**

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Fund.

**Interest income**

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

**b) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Fund* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Fund and the same taxation authority.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

***Sales tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**c) Investment property**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) 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 Fund 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.

**e) Leases**

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**h) Financial instruments**

The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Fund and a financial liability or equity instrument of another Fund. At initial recognition, the Fund 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.

**a) Financial assets**

**Classification of financial assets**

The Fund 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 Fund'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 a Fund has made irrevocable election at initial recognition for particular investments in equity instruments.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Subsequent measurement**

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

**Amortized cost**

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

**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.

**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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**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 Fund 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.

**Impairment**

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its

**b) Financial liabilities**

**Classification**

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

**i) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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.

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Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Fund*.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**j) Provisions**

Provisions are recognized when the Fund 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 Fund 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.

**k) 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 Fund 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 Fund will incur in fulfilling the present obligations represented by the liability.

**l) Contingent liabilities**

The Fund 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.

**m) Contingent assets**

The Fund 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 Fund 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

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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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**n) Changes in accounting policies and estimates**

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

**o) Employee benefits**

**Retirement benefit plans**

The Provides for gratuity to employees upon expiration of employment contract.

**p) 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.

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

**s) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**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 Fund 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 Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Fund.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**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 40. 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.

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**Notes to the Financial Statements (Continued)**

**6. Transfers from Other Government entities**

Description	2023-2024	2022-2023
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	297,200,000	197,220,000
Development grants	310,330,000	42,500,000
Other Grants	-	-
<b>Total Unconditional Grants</b>	<b>607,530,000</b>	<b>239,720,000</b>
<b>Conditional Grants amortised/ transferred to revenue</b>		
<b>Total Government Grants And Subsidies</b>	<b>607,530,000</b>	<b>239,720,000</b>

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of The Institution Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	FY 2023/24	FY 2022/23
	KShs	KShs	KShs	KShs	KShs
State Department of Gender & Affirmative Action	297,200,000	-	310,330,000	607,530,000	239,720,000
<b>Total</b>	<b>297,200,000</b>		<b>310,330,000</b>	<b>607,530,000</b>	<b>239,720,000</b>

**7. Rendering of Services**

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Interest rate @2.2% on digital lending	6,319,337	-
Administration fee@2.5% on Lending	23,409,912	-
Administration fee on CWEs loan	0	86,002,500
Training Fees for CWEs borrowers	0	1,498,200
Income from sale of loan Tracker booklets	0	1,061,800
Income from LPO financing	250,900	879,627
Sacco Processing fee & income from Bid bonds & penalties	607,406	1,105,656
<b>Total Revenue from The Rendering of Services</b>	<b>30,587,555</b>	<b>90,547,783</b>

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**8. Finance Income**

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Cash investments and fixed deposits-Interest on call deposit	71,060,851	25,871,697
<b>Total finance income</b>	<b>71,060,851</b>	<b>25,871,697</b>

**Notes to the Financial Statements (Continued)**

**9. Use of Goods and Services**

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Electricity	900,338	-
Water	52,654	-
Subscriptions	264,708	-
Advertising	6,376,791	9,982,990
Office and general supplies	3,729,080	2,887,228
Consumables	3,953,618	1,949,271
Telecommunication	5,208,730	2,579,699
Fuel and Oil	9,094,112	4,849,731
<b>Total</b>	<b>29,580,031</b>	<b>22,248,919</b>

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**10. Employee Costs**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Salaries and wages	340,230,996	293,291,891
Gratuity	33,977,907	25,956,985
Other employee related costs *		
<b>Employee costs</b>	<b>374,208,903</b>	<b>319,248,876</b>

**11. Board Expenses**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Board Expenses	29,939,547	19,706,044
<b>Total</b>	<b>29,939,547</b>	<b>19,706,044</b>

Notes to the Financial Statements (Continued)

**12. Depreciation and Amortization Expense**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Property, plant and equipment	26,340,565	20,852,794
<b>Total depreciation and amortization</b>	<b>26,340,565</b>	<b>20,852,794</b>

**13. Repairs and Maintenance**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Property and equipment	136,065	12,900
Equipment and Machinery		49,500
Vehicles	7,323,833	3,415,043
Furniture and Fittings	45,310	66,350
Computers and Accessories	68,292,000	6,276,370
<b>Total Repairs and Maintenance</b>	<b>7,573,500</b>	<b>9,276,370</b>

**14. Impairment Loss**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Intangible Assets	363,619	798,008
<b>Total Impairment Loss</b>	<b>363,619</b>	<b>798,008</b>

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**15. General Expenses**

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Insurance	33,275,323	33,355,069
Postage	8,620,405	9,982,990
Printing and Stationery	61,860	-
Rent expenses	20,184,000	19,372,000
Training	58,667,606	27,242,999
Travel, Subsistence & Other Allowances*	70,780,078	60,847,671
Other General Expenses	-	702,202
<b>Total</b>	<b>191,589,272</b>	<b>151,502,931</b>

**16. Taxation**

Description	FY 2023/24	FY 2023/24
	Kshs	Kshs
Tax charged on interest income	76,402,351	-
<b>Income tax expense reported in the statement of financial performance</b>	<b>76,402,351</b>	<b>-</b>

Notes to the Financial Statements (Continued)

**17. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	1,805,451,543	196,882,659
On - Call Deposits	-	1,034,753,395
Others-Safaricom M-pesa	<b>10,116,057</b>	<b>108,363,545</b>
<b>Total Cash And Cash Equivalents</b>	<b>1,815,567,600</b>	<b>1,339,999,599</b>

**(b) Detailed Analysis of the Cash and Cash Equivalents**

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Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank			
· Main Account	1109218818	1,645,751,217	11,968,424
· Collection Account	1111394423	7,086,014	23,157,185
· Loan Disbursement Account	1157880533	21,439	67,834,623
· Gratuity Account	1150260386	105,497,798	93,922,427
· WEF Savings Account	1316539350	47,095,075	-
<b>Sub- Total</b>		<b>1,805,451,543</b>	<b>196,882,659</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank			
		-	1,034,753,395
<b>Sub- Total</b>		-	<b>1,034,753,395</b>
<b>c) Others</b>			
M-pesa			
		10,116,057	108,363,545
<b>Sub- Total</b>		<b>10,116,057</b>	<b>108,363,545</b>
<b>Grand Total</b>		<b>1,815,567,600</b>	<b>1,339,999,599</b>

**Notes to the Financial Statements (Continued)**

**18. Receivables from Exchange Transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Digital Loans	678,459,846	-
Loan to FI partners	71,330,000	71,330,000
Loans to CWES's	1,449,056,226	2,474,419,644
Sacco Loans	34,522,965	65,300,458
LPO Loans/ Financing	10,946,500	17,295,000
PikiPiki Loan Financing	283,333	308,333
Thamini Loan Product	3,757,646	21,100,000
Car & Mortgage Scheme	258,717,140	258,717,140
Imprests & Advances	3,357,306	2,836,255
<b>Total Current Receivables</b>	<b>2,510,430,962</b>	<b>2,911,306,830</b>

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**Notes to the Financial Statements (Continued)**

**19. Property, Plant and Equipment**

Cost	Motor vehicles.	Furniture and Fittings.	Computers	Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2023</b>	59,153,979	72,819,859	46,889,501	3,426,193	182,289,533
Additions/ Revaluation	-	0	145,000	-	145,000
<b>As at 30<sup>th</sup> June 2024</b>	<b>59,153,979</b>	<b>72,819,859</b>	<b>47,034,501</b>	<b>3,557,853</b>	<b>182,566,193</b>
<b>Depreciation</b>					
<b>At 1<sup>st</sup> July 2023</b>	<b>(14,788,495)</b>	<b>(26,656,104)</b>	<b>(41,520,383)</b>	<b>(3,426,193)</b>	<b>(86,391,174)</b>
Depreciation charge for the period	(18,373,871)	(5,770,470)	(1,827,519)	(5,086)	<b>(25,976,946)</b>
<b>As At 30<sup>th</sup> June 2024</b>	<b>(33,162,366)</b>	<b>(32,426,574)</b>	<b>(43,347,901)</b>	<b>(3,431,279)</b>	<b>(112,368,120)</b>
<b>Net Book Values</b>					
<b>As at 30<sup>th</sup> June 2024</b>	<b>25,991,613</b>	<b>40,393,286</b>	<b>3,686,600</b>	<b>126,574</b>	<b>70,198,073</b>
<b>As at 30<sup>th</sup> June 2023</b>	<b>35,887,352</b>	<b>47,959,402</b>	<b>11,047,952</b>	<b>422,108</b>	<b>95,388,966</b>

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Notes to the Financial Statements (Continued)

20. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	27,941,775	27,941,775
Additions	-	-
<b>At end of the year</b>	<b>27,941,775</b>	<b>27,941,775</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	26,849,826	26,051,818
Amortization	363,619	798,008
<b>At end of the year</b>	<b>27,213,445</b>	<b>26,849,826</b>
<b>NBV</b>	<b>728,330</b>	<b>1,091,949</b>

21. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Trade payables</b>		
Total trade and other payables	1,303,510	0
Women Savings accrued	47,095,075	0
<b>Total</b>	<b>48,398,585</b>	<b>0</b>

22. Employee benefit Obligation.

Employee benefit obligation/ Gratuity		
Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Staff Gratuity	105,497,798	83,907,392

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**23. 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:

**i) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

**ii) Market risk**

The *Fund* has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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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 Fund's exposure to market risks or the way it manages and measures the risk.

**a) Interest rate risk**

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

**Management of interest rate risk**

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

**24. Related Party Disclosures**

**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.

**Government of Kenya**

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

**25. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

<b>Contingent liabilities</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>KSh</b>	<b>KSh</b>
Industrial Court case no. 967 of 2016 Faustine Egesa against the Fund	8,221,764	8,221,764
<b>Total</b>	<b>8,221,764</b>	<b>8,221,764</b>



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**26. Events after the Reporting Period**

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

**27. Ultimate And Holding Fund**

The Fund is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Gender, Culture, The Arts and Heritage xxx. Its ultimate parent is the Government of Kenya.

**28. Currency**

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

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2.0	<p><b>Inaccuracy in the Financial Statement</b>  The statement of receipts and payments reflect total expenses of Kshs. 534,528,714 and surplus for the period of Kshs. 220,889,234 whereas the statement of comparison of budget and actual amounts reflects total expenditure of Kshs. 533,695,644 and a surplus for the period of Kshs. 220,056,164 resulting to unreconciled variance of Kshs. 833,070 respectively.</p>	Financial statements were amended, and the variance reconciled.	Closed	June, 2024
3.0	<p><b>Uncertainty Related to Going Concern of the Fund</b>  The Fund's deficit increased by Kshs.89,923,441 from Ksh.130,965,793 in the year ended 30 June 2022.The Fund therefore continues to operate at a loss, which, if not managed, may affect its future operations and sustainability of services.hs.89,923,441 from</p>	The Fund has continued to lobby for increased resources to ensure sustainability of its operations. In the Financial year under review recurrent allocation was enhanced to Ksh 297.2 million. The Fund also received a commitment on increased allocation through a presidential directive, this would ensure sufficient AIA is generated to support operations	On-going	June, 2025
4.0	<p><b>2. Budgetary Control and performance</b>  The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.350,770,000 and Kshs.313,639,480 respectively resulting in revenue shortfall of Kshs.37,130,520 or 11% of the budget.  The under-funding and under-expenditure may have affected the operations and planned activities of the Fund and hence impacted negatively on service delivery to the public.  My opinion is however, not modified in respect of these matters.</p>	The Fund continues to lobby for enhanced allocation from National Treasury to ensure a balanced budget.	On-going	June,2025



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5.0	<p><b>Key Audit Matters</b></p> <p>Note 18 to the financial statements reflects a property, plant and equipment balance of Kshs.95,388,966 as at 30 June,2023.However, review of the fixed assets register and physical verification of the assets at the head office and the regional office s in Nakuru, Eldoret, Kakamega, Nyeri, Isiolo and Embu revealed that furniture, Computers and other equipment of the Fund have not been tagged for ease of identification and tracking.</p>	<p>Audit observation was noted. Tagging of assets had not been done due to budgetary constraints, a provision has been made for the same in the current FY. In addition, the Fund maintains up-to-date assets register.</p>	June 2025	June,2025
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**Chief Executive Officer**

**Date:**



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**Appendix II: Projects implemented by the Fund**

There were no Physical projects implemented by the Fund.

**Appendix III: Recording of transfers from other government entities**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount KSH	Statement of Financial Performance	Capital Fund-Statement of Changes in Net Assets	Total Transfers during the Year
	as per bank statement					
Ministry of Gender, Culture the Arts & Heritage.	Various –see appendix ii above	Recurrent	297,200,000	297,200,000	-	297,200,000
Ministry of Gender, Culture the Arts & Heritage.	Various –see appendix ii above	Development	310,330,000	-	310,330,000	310,330,000
<b>Total</b>			<b>607,530,000</b>	<b>297,200,000</b>	<b>310,330,000</b>	<b>607,530,000</b>