

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

166



OF

THE AUDITOR-GENERAL

ON

BUSIA COUNTY TRADE DEVELOPMENT
REVOLVING FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	18/2/26
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**BUSIA COUNTY
TRADE DEVELOPMENT REVOLVING FUND**

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

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

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CEO	Chief Executive Officer
MSME	Micro, Small and Medium Enterprises
CBK	Central Bank of Kenya
FY	Financial Year

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

2. Key Entity Information and Management

a) Background information

The Busia County Trade Development Revolving Fund was established by the County Government of Busia through an Act of the County Assembly of Busia, The Busia County Trade Development Revolving Fund Act, 2016.

The mandate of the Fund as provided for in the Act is to provide affordable (low interest) loans to Traders in Busia County, with a view to support them to boost their business,

Fund operations are overseen by a committee (Board) comprising of eight members, two public officers and Six non-public officers. The Chairman of the Fund Committee, by law must be a non-public officer.

The day to day administration of the Fund is done by Fund Unit headed by a Director (Fund Administrator).

b) Principal activity of the Fund

The Funds' principal activity is to provide funds to be used for granting low interest loans to Traders operating in Busia County with a view to scaling up their business activities.

c) Board of Trustees/Fund Administration Committee

Ref	Position	Name
1	Chairperson of the board	Miriam Wakaya
2	Chief Officer (<i>Responsible department</i>)	Timothy Odende
3	CECM-Trade	Fidelis Olekacuna Omuse
4	Chief Officer finance	Gypson Wafula
5	Board member	Dolfina Amoit
6	Board member	Lawrence karakacha
7	Board member	Sylivester okello
8	Board member	Moses Njoroge
9	Board member	Raphael Emusala
10	Fund Manager/ Administrator	Austine Ndege

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d) Key Management

Ref	Position	Name
1	Fund Manager/ Administrator	Austine Ndege
2	Fund Accountant	Jackson Opiyo

(

e) Fiduciary Oversight Arrangements

(say):

Ref	Position	Name
1	Directorate Internal Auditor	Maximilla Ayieko
2		
3		

f) Registered Offices

P.O. Box 353-50400
Cooperative House
Assembly Road
Busia, KENYA

g) Fund Contacts

Telephone (254) 704202817
Website: www.busiacounty.go.ke

h) Fund Bankers

KCB Bank-Busia Branch
Busia, Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084

GPO 00100

NAIROBI, KENYA

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

k) County Attorney




l) Office of the county attorney

m) Private Bag -Busia

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Board of Trustees/ Fund Administration Committee



Name	Details of qualifications and experience
 <p>Miriam Wakaya Obura</p>	<p>DOB 19th March 1974</p> <p>Education ✓ Bachelor of arts</p> <p>Work Experience ✓ 20 years in various sectors Board member</p>
 <p>Dolfina Amoit</p>	<p>DOB 6th Nov 1997</p> <p>Education ✓ Diploma in human resource management</p> <p>Work Experience ✓ 2 years Board member</p>
 <p>Lawrence Karakacha</p>	<p>DOB 12TH Dec 1988</p> <p>Education ✓ Bachelor of arts</p> <p>Work Experience ✓ 2 years</p> <p>Position Board Member</p>
 <p>Moses Njoroge</p>	<p>DOB 30th May 1988</p> <p>Education ✓ Bachelor of Economics and Finance</p> <p>Work Experience 8 years' experience in MSMEs sector</p> <p>Position Board Member</p>

 <p>Sylvester Okello</p>	<p>DOB 6TH April 1984</p> <p>Education <ul style="list-style-type: none"> ✓ Bachelor of Commerce Finance ✓ CPA 3 SEC 5 </p> <p>Work Experience 14 years' experience in finance and accounting field</p> <p>Position Board Member</p>
 <p>Austine Ndege</p>	<p>DOB 1989</p> <p>Education <ul style="list-style-type: none"> ✓ Bachelor of Commerce (finance option) ✓ Diploma in Human Resource Management. </p> <p>Work Experience <ul style="list-style-type: none"> ✓ 8 years as constituency office manager and personal assistant to member of parliament </p> <p>Fund Administrator</p>
 <p>Raphael Emusala</p>	<p>DOB 2nd March 1972</p> <p>Education Bachelor's degree in business administration (Human Resource Management)</p> <p>Work Experience <ul style="list-style-type: none"> Vice chairman Kenya National Chamber of Commerce Board member </p>

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

 <p>Gypson Wafula</p>	<p>Qualification Master's degree in business administration -finance option from university of Nairobi Bachelor of commerce- Strathmore university Certified public accountants of Kenya CPA</p> <p>Work experience Over 10years experience in administration, financial management and auditing He served as internal audit county assembly Busia</p> <p>Responsibility In charge of fund financing</p>
 <p>Timothy Odende</p>	<p>Qualification Master's in environmental science- Maseno University</p> <p>Work experience Served as the chief officer- department of smart agriculture, livestock, fisheries and blue economy</p> <p>Currently serving as Chief Officer- Trade, Investment, Industry, Cooperative and SMEs</p> <p>Responsibility Accounting officer</p>
 <p>Fidelis Olekacuna Omuse</p>	<p>Qualification Master's degree in education from University of Nairobi Bachelor of Arts degree in Education</p> <p>Current County Executive Committee Member for Trade, Investment, Industry, Cooperative and SMEs</p>

4. Management Team

Name	Details of qualifications and experience
<p>1.</p> <hr/>  <p>Austine Ndege</p>	<p>DOB 1989</p> <p>Education ✓ Bachelor of Commerce (finance option) ✓ Diploma in Human Resource Management.</p> <p>Work Experience ✓ 8 years constituency office manager</p> <p>Position Fund Administrator</p>
<p>2.</p>  <p>Jackson Opiyo</p>	<ul style="list-style-type: none"> ➤ D.O.B: 16/05/1988 ➤ Certified Public Accountant ➤ 14 years of experience in accounting auditing <p>Fund Accountant</p>

5. Fund Chairperson's Report

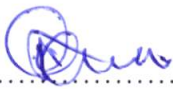
Our aim is to make sure that the fund has impacted positively on the traders in Busia County and therefore there is need to secure more resources in place to cater for all upcoming demands. The fund capital seed must be increased to meet the increasing demands for both MSMEs. Currently the fund is inadequate to satisfy the demand of all seven sub counties. The Fund need to foster growth of the business and ensure capacity building among the traders is achieved. During the financial year the Fund did not achieve much because of non-funding. In relation to the National government agenda on the bottom-up agenda, we need to realise and promote enterprise that focus on value addition to enhance production and sales of specific products with the county.

On behalf of the fund, there is need for quarterly review of the beneficiaries to understand their challenges and adopt the based practises to facilitate their internal and external factors that affect the business environment. In future we seek to partner with other stakeholders to foster more funds and opportunities in the capacity building of the traders. We plan to roll out sensitization of traders to understand what is required of the in any business practises and governance.

We look forward to having a fund that will also champion traders at group level especially the youth who are innovative and skilled to expand their businesses. However, we have had challeges on default rate from traders and some of the cause of default were underfunding that never realise profits to some of the loanees. We are planning to come up with mechanism to recover all the outstanding loans to make the fund viable and sustainable.

The trade development revolving fund is committed in providing affordable loans to traders in Busia County and therefore more efforts need to be put in place to facilitate the activity.

On behalf of the board, I take this opportunity to thank County Government through the department of Trade, Investment, Industry and Cooperatives, fellow board members and trade staff for their support and commitment to empower the trades in Busia County.

Name Merrigan Wacaya.....Signature .....Date 18/12/2024.....

Chairperson of the Board/Fund

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6. Report of The Fund Administrator

During the year under review, the fund had one activity to follow up on the beneficiaries through phone calls. Financial support is required to revamp the Fund's liquidity so as to increase its operations in issuance and recovery of the loans.

Financial Performance

In the year under review, no interest income as realised as a result of lack of funding from the executive so as to necessitate issuance of loans at a cost. The outstanding loan at the end of the financial year stands at Ksh. 5,584,516 as principal balance.

Challenges

- i. Non allocation of fund to the unit has hindered board meetings and therefore no policies can be examined.

- ii. Non allocation of recurrent budget of the fund. The money allocated has only been treated as development, thus limiting the Fund's education and training activities for beneficiaries

Way forward

The Fund needs to receive a capital seed of Kshs 35,000,000 to be sustainable and operate fully to meet the growing of demands of the traders.

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

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

The key development objectives of the Trade Development Revolving Fund are to:

- a) Promote economic growth and development in the county
- b) Promote equity and equality in access to trade development services
- c) Ensure rural and regional development within the county.
- d) Promotion of micro and small enterprises in the county.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Lending traders	to promote micro and small enterprises with affordable loans	Amounts disbursed increased	Amount disbursed	-
Loan recovery	To recover loans	Increased revolving fund	Amount paid	-

8. Corporate Governance Statement

i. Introduction

The board of the Fund is committed to upholding the principle of corporate governance that will promote the interest small and micro business entities within Busia County

ii Board of the Fund

a. Mandate

The conduct and regulation of the business and affairs of the board is to consider and approve loan applications submitted from each small and micro Enterprise owner, ensure timely and efficient disbursement of funds to each small and micro enterprise owner, ensure efficient management of the Fund, receive and consider annual reports and returns from each Loanee, receive and receive and address complaints and disputes and take any appropriate action. The board operations is governed by the Busia County Trade Development Revolving Fund Act 2016

b. Membership and size

The board consist of three representatives from the public appointed by Executive member, a representative of the local Kenya National Chamber of commerce and industry, two representatives from business community, representative from the department of Enterprise Development and county director of trade.

c. Operations

It is the mandate of the chairperson together with the Fund administrator to ensure that the committee operates effectively and in accordance with the Fund Act 2016. The board works with trade development officers to ensure proper and efficient services.

d. Board Compensation

The board members are paid allowances as per the salaries and Remuneration Commission Guidelines

e. Separation of roles

The roles of the chairperson and the Fund Administrator are separately held and the division of their responsibilities is clearly established to ensure no duplication or conflict of roles. The chairperson is responsible for ensuring effective communication with stakeholders including donors promoting high level of corporate governance and serving as a resource to management in matters of strategic importance to the fund.

The committee secretary/CEO is responsible for managing day-to-day operations of the fund, execution of strategy and policy approved by the committee. He is also accountable for the Fund performance and reports to the committee

9. Management Discussion and Analysis

There were no key activities carried out under the year of review by management.

Operational and Financial performance of the Fund

As at the year ended 30th June 2025 the Fund's assets were valued at Ksh 5,596,759. The total receivables as at 30th June 2025 was Kshs 5,584,516. Total revolving loan stands at Ksh. 6,934,000

10. Environmental and Sustainability Reporting

Busia County Trade Development Revolving Fund
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The fund did not undertake any Corporate Social Responsibility (CSR) activity during the year under review

11. Report of the Trustees

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

Principal activities

The principal activity is to provide loans to micro and small enterprises in Busia County.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1-6.

Trustees

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

Auditors

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

By Order of the Board

Milman Wacaya
.....

Chair of the Board/Fund Administration Committee

Date: *1/11/2025*

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *Busia County Trade Revolving Fund Act 2016*, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 20xx. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Busia County Trade Revolving Fund Act, 2016*. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 20xx, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 18th November 2025 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON BUSIA COUNTY TRADE DEVELOPMENT REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Busia County Trade Development Revolving Fund set out on pages 1 to 40, which comprise of the statement

Report of the Auditor-General on Busia County Trade Development Revolving Fund for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Busia County Trade Development Revolving Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Busia County Trade Development Revolving Fund Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy in the Disclosure and Presentation of the Annual Report and Financial Statements

Review of the annual report and financial statements revealed that Environmental and Sustainability Reporting Statement has been omitted.

In the circumstances, the presentation and disclosure of the annual report and financial statements is not in accordance with the reporting template prescribed by the Public Sector Accounting Standards Board.

2. Long Outstanding Loan

As previously reported, the statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.5,584,516 as disclosed in Note 13 to the financial statements as at 30 June, 2025. This is a slight reduction by Kshs.7,700 from the previous year balance of Kshs.5,592,216, an indication that adequate efforts were not made by Management to recover the debts.

In the circumstances, the accuracy and recoverability of current portion of long-term receivables from exchange transactions balance of Kshs.5,584,516 could not be confirmed.

3. Material Uncertainty Related to Sustainability of Services

The statement of financial performance reflects a deficit for the year of Kshs.3,138 which increased accumulated deficit from Kshs.1,334,123 in 2023/2024 to Kshs.1,337,261 in the year under review. The statement also indicates that there was no funding received from the County Government for the last two financial years and only Kshs.7,700 loan was recovered during the year under review.

In the circumstances, the Fund was not able to meet the objective for which it was established and, therefore, its continued sustainability could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit, four issues were raised under Disclaimer of Opinion as shown in **Appendix I**. However, no evidence was provided indicating whether the issues have been resolved or not.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

Appendix I: Unresolved Prior Year Audit Issues (Disclaimer of Opinion)


Reference No. on the Auditor-General's Report	Observation
	Report on the Financial Statements
1	Unsupported Long Outstanding Loans
2	Material Uncertainty Relating to Sustainability of Services
3	Lack of Approved Budget
4	Unresolved Prior Year Matters

Busia County Trade Development Revolving Fund
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14. Statement of Financial Performance for the Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		-
Transfers From the County Government	2		-
Fines, Penalties and Other Levies	3		-
Revenue From Exchange Transactions			
Interest Income	4		-
Other Income	5		-
Total Revenue			-
Expenses			
Employee Costs	6	-	52,580
Use of goods and services	7	3,138	77,319
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		3,138	129,899
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(3,138)	(129,899)

.....
Austine Ndege
Fund Administrator

.....

CPA Jackson Opiyo
Fund Accountant
ICPAK Member Number: 20738

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12C	12,223	7,661
Current Portion of Long- Term Receivables From Exchange Transactions	13	5,584,516	5,592,216
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		5,596,739	5,599,877
Non-Current Assets			
Property ,Plant and Equipment	17		
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13		
Investment Property	19	-	-
Total non- current assets		-	-
Total Assets		5,596,739	5,599,877
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			

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Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-
Total Liabilities		-	-
Net Assets			
Revolving Fund		6,934,000	6,934,000
Accumulated Surplus		(1,337,261)	(1,334,123)
Total Net Assets and Liabilities		5,596,739	5,599,877

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

.....
Name: Austine Ndege
Administrator of the Fund

.....
Name:
Fund Accountant
ICPAK Member Number: 20738

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	6,934,000	-	(1,204,224)	5,729,776
Surplus/(Deficit) For the Period			(129,899)	(129,899)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain				-
Balance As At 30 June 2024	6,934,000		(1,334,123)	5,599,877
				-
Balance As At 1 July 2024	6,934,000		(1,334,123)	5,599,877
Surplus/(Deficit)For the Period			(3,138)	(3,138)
Funds Received During the Year				-
Transfers				-
Revaluation Gain				-
Balance As At 30 June 2025	6,934,000		(1,337,261)	5,596,739

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	-	-
Transfers from the county government	2	-	-
Interest received	4	-	-
Receipts from other operating activities	5	-	-
Decrease in receivables		7,700	
Total receipts		-	-
Payments			
Employee costs	6	-	(52,580)
Use of goods and services	7	(3,138)	(77,319)
Finance cost			
Other payments			
Total payments		(3,138)	(129,899)
Net cash flows from operating activities	25	4,562	(129,899)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities		-	-
Proceeds from revolving fund receipts			
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		4,562	(129,899)
Cash and cash equivalents at 1 July 2024		7,661	137,560
Cash and cash equivalents at 30 June 2025		12,223	7,661

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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18. Statement Of Comparison Of Budget And Actual Amounts For The Period ended 30 June, 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Balance b/f	7,661		7,661	7,661	-	100
Transfers From County Govt.	3,000,000	(3,000,000)		-	-	-
Interest Income		-		-	-	-
Other Income		7,700	7,700	7,700	-	100
Total Income	3,007,661	(2,992,300)	15,361	15,361	-	100
Expenses						
Fund Administration Expenses	1,207,661	(1,200,000)	7,661	-	7,661	-
General Expenses	-	7,700	7,700	3,138	4,562	41
Finance Cost	1,800,000	(1,800,000)		-	-	
Total Expenditure	3,007,661	(2,992,300)	15,361	3,138	12,223	20
Surplus For the Period	-	-	-	12,223		80
Capital expenditure						

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
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) provide a reconciliation.

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

The Busia County Trade Development Revolving Fund was established by the County Government of Busia through an Act of the County Assembly of Busia, The Busia County Trade Development Revolving Fund Act, 2016. The entity is wholly owned by the Busia County Government and is domiciled in Kenya. The entity's principal activity is issuance of loans.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

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

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<p>Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: 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. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer</p>

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

(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 30 June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations in the FY 2024/25 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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

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6. Notes To The Financial Statements Continued

1. Public contributions and donations

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

(Provide brief explanation for this revenue)

2. Transfers from County Government

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

3. Fines, penalties and other levies

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

4. Interest income

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

(Provide brief explanation for this revenue)

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Notes to the Financial Statements Continued

5. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Staff subsistence		52,580
Total		52,580

7. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees		
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses		
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-

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Description	2024-2025	2023-2024
	Kshs.	Kshs.
Printing And Stationery	-	22,150
Rental Costs		
Security Costs	-	-
Telephone And Communication Expenses	-	13,900
Bank Charges	3138	2,149
Field facilitation	-	16,800
Provision For Doubtful Debts	-	
Field Facilitation)	-	-
Hospitality	-	22,320
Total	3,138	77,319

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

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

9. Finance costs

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

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10. Gain/(loss) on disposal of assets

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

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Car Loan Account	-	-
Busia County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	-	-

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank			-
			-
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			-
Sub- Total			-
c) Current Account			
Kenya Commercial Bank	1259492192	1312	1312
Kenya Commercial Bank	1260054462	825.5	2394.5
Kenya Commercial Bank	1260054527	10,086	3,955
Total			
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		12,223	7,661

13. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	5,592,216	5,592,216
Other Exchange Debtors	-	-
Less: Loan repayment	(7,700)	-
Total Current Receivables	5,584,516	5,592,216
Non-Current Receivables		
Long Term Loan Repayments Due		
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	5,584,516	5,592,216

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years		
Accrued principal from long-terms loans from previous periods	5,584,516	5,592,216
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

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

15. Inventories

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

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements Continued

16. Investments in financial assets

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

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

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

e) Shareholding in other entities

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

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

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions					
Disposals					
Transfers/Adjustments					
At 30th June 2023					
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments					
At 30th June 2024					
Depreciation And Impairment					
At 1 st July (Previous FY)					
Depreciation					
Impairment					
At 30th June 2023					
At 1st July 2023					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30th June 2024					
Net Book Values					
At 30th June 2023					
At 30th June 2024					

**Busia County Trade Development Revolving Fund
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Notes To The Financial Statements (Continued)

18. Intangible assets

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

19. Investment Property

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

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

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

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

21. Provisions

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

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To The Financial Statements (Continued)

22. Borrowings

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

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

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

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

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

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

**Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2025	2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

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

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

Busia County Trade Development Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2025
Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets		
Interest Income	-	-
Bank charges	3,138	2,149
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payables	-	-
Net Cash Flow From Operating Activities	3,138	-

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

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

d) Due from related parties

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

Other Disclosures Continued

e) Due to related parties

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

27. Contingent assets and contingent liabilities

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

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	5,584,516		5,584,516	-
Receivables From Non-Exchange Transactions				-
Bank Balances	12,223		12,223	
Total	5,596,739		5,596,739	
At 30 June 2024				
Receivables From Exchange Transactions	5,592,216	-	5,592,216	
Receivables From Non-Exchange Transactions		-	-	
Bank Balances	7,661		7,661	
Total	5,599,877		5,599,877	

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

Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings				
Provisions	-	-	-	
Employee Benefit Obligation				
Total	-	-	--	
At 30 June 2024				-
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-		-
Cash			
Debtors/ Receivables	-	-	
Liabilities			
Trade And Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve		-
Revolving fund	6,934,000	6,934,000
Accumulated surplus	(1,334,123)	(1,204,224)
Total funds	5,599,877	5,729,776
Total borrowings		-
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Busia County Trade Development Revolving Fund Act 2016 under the department for trade and cooperatives. Its ultimate parent is the County Government of Busia

31. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref OAG/KRO/2023-2024-1-01-0040-21-BCEF	4.1 Accuracy, Presentation and Disclosure of the Financial Statements	Management Response We have adjusted the financial statements to reflect the recommendations as per the new FY 2023/2024 reporting template.	Resolved	
	4.2 Operating without a Board	The appointment of new board members is in effect as per this FS on the Board committee members.	Resolved	
	4.3 Lack of funding from the County Government/Non Issuance of loans	The Trade fund has been allocated Ksh. 5,000,000 in the current years budget to operationalize it. *FY 2025/2026) (attach copy of the budget...)	Resolved	
	4.4 Long -outstanding Loans - Kshs.5,592,216	The administrator and has made calls and visits to the loanee’s business premisses with less success on loan recoveries.	Not resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	4.5 Lack of an approved Budget	The tenure of the board had expired. At the moment a new board is in place to ready to undertake its mandate.	Resolved	
	4.6 Cash book	The cashbook is updated as per the recommendation provided above.	Resolved	

Guidance Notes:

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

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

Date.....

**Busia County Trade Development Revolving Fund
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Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Fund]
[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

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

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

Head of Accountants department of beneficiary Fund:

Name SignDate



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Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Busia County Trade Development Revolving Fund
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Annex IV: Reporting on Disaster Management Expenditure

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