KCAA

Kenya Civil Aviation Authority

Efficiently Managing Air Safety

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ANNUAL REPORT & FINANCIAL STATEMENTS 2024

OUR VISION

A vibrant, safe, secure and sustainable civil aviation system.

OUR MISSION

To manage, promote and develop a sustainable, safe and secure civil aviation system through effective oversight, economic regulation of air transport, provision of air navigation services and delivery of quality training.



THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 18 JUN 2025
DAY. Thursday
TABLED BY: Hon. Silvanus Osoro (Majority Paty whip)
CLERK-AT THE-TABLE: Anastacia

Kenya Civil Aviation Authority

Efficiently Managing Air Safety

ANNUAL REPORT & FINANCIAL STATEMENTS 2024

REPUBLIC OF KENYA



KENYA CIVIL AVIATION AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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

1. ACRONYMS AND DEFINITION OF KEY TERMS

A: ACRONYMS

ACC	Area Control Centre
A-I-A	Appropriation in Aid
AIC	Aeronautical Information Circular
AIP	Aeronautical Information Publication
AMO	Approved Maintenance Organization
ANS	Air Navigation Services
ANSC	Air Navigation Service Charge
ANSP	Air Navigation Service provider
APSC	Air Passenger Service Charge
ASSR	Aviation Safety and Security Regulation
ATO	Approved Training Organization
ATS	Air Traffic Services
BETA	Bottom-Up Economic Transformation Agenda
CAB	Civil Aviation Board
CAP	Corrective Action Plan
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
COVID	Coronavirus Disease
CSR	Corporate Social Responsibility
DCA	Directorate of Civil Aviation
DG	Director General
DME	Distance Measuring Equipment
DRC	Disaster Recovery Centre
EASA	East African School of Aviation
EFOD	Electronic Filing of Differences
FAA	Federal Aviation Administration
FRMS	Fatigue Risk Management System
GDP	Gross Domestic Product
IASA	International Aviation Safety Assessment
ICAO	International Civil Aviation Organization
IDA	International Development Association
ILS	Instrument Landing System

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IRMF	Institutional Risk Management Framework
ISO	International Organization for Standardization
JKIA	Jomo Kenyatta International Airport
KAA	Kenya Airports Authority
KAMP	Kenya Airspace Master Plan
KCAA	Kenya Civil Aviation Authority
KDF	Kenya Defence Forces
KECOSO	Kenya Communications Sports Organization
KNBS	Kenya National Bureau of Standards
KQ	Kenya Airways
KTSSP	Kenya Transport Sector Support Project
NATFC	National Air Transport Facilitation Committee
NCASP	National Civil Aviation Security Programme
NUTRIP	Northern Corridor Transport Improvement Project
OSHA	Occupational Health and Safety Act
PPRA	Public Procurement Regulatory Authority
SAF	Sustainable Aviation Fuel
SAREX	Search and Rescue Exercise
SARPs	Standards and Recommended Practices
SMS	Safety Management System
TGMs	Technical Guidance Materials
UN	United Nations
UNFCCC	UN Framework Convention on Climate Change
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Audit Programme
VHF	Very High Frequency
VOR	VHF Omnidirectional Range

B: DEFINITION OF KEY TERMS

Fiduciary Management – Members of Management directly entrusted with the responsibility of financial resources of the Authority.

Comparative Year – Means the prior period.

Strategic Plan - A document used to communicate to stakeholders the Authority's goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning a five year planning period.

2. KEY AUTHORITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Civil Aviation Authority was established under the Civil Aviation (Amendment) Act, 2002 on 24th October 2002. The Act received Presidential Assent and became effective on the same day, 24th October 2002. This Act amended the Civil Aviation Act (Cap.394) of the Laws of Kenya and established the Kenya Civil Aviation Authority (KCAA) as an autonomous corporate body that took over the functions of the Directorate of Civil Aviation (DCA) and the licensing of air services hitherto under Civil Aviation Board (CAB). The Civil Aviation Act (Cap 394) and the Civil Aviation (Amendment) Act, 2002 have now both been superseded by The Civil Aviation Act, 2013, as amended by the Civil Aviation (Amendment) Act 2016.

The Authority is domiciled in Kenya and has Stations in Nairobi, Mombasa, Kisumu, Malindi, Eldoret, Mua Hills, Poror, Mlolongo, Ngong, Lokichoggio, Diani, Wajir and Montreal, Canada.

At cabinet level, Kenya Civil Aviation Authority is represented by the Cabinet Secretary for Roads and Transport who is responsible for the general sector policy direction and bilateral agreements/ arrangements.

(b) Principal Activities

KCAA performs two broad key functions. The first one is to provide air navigation services in Kenya's Airspace (also referred to as the Nairobi Flight Information Region). The second is to regulate the aviation industry in Kenya. In addition to this, KCAA offers training for aviation personnel through the East African School of Aviation.

The mandate of the KCAA is essentially embedded in its functions/responsibilities, which are enumerated in the Civil Aviation Act 2013, as amended by the Civil Aviation (Amendment) Act 2016. These functions are:

a. Licensing of air services.

b. Provision of the air navigation services.

c. Establishment and maintenance of a system of aircraft registration and the marking of civil aircraft;

d. Securing sound development of the civil aviation industry in Kenya;

e. Advising the Government on matters concerning civil aviation.

f. Co-ordination and direction of search and rescue services;

g. Facilitation and provision of all the necessary support for aircraft accident and incident investigations conducted by the investigator-in-charge;

h. Carrying out investigations on incidents that are not classified as accidents and serious incidents;

i. Safety, security, economic and technical regulation of civil aviation;

j. Dealing with incidents of unlawful interference with aviation security;

k. Certification of aircraft operators;

l. Enforcement of approved technical standards of aircraft;

m. Licensing and monitoring of aeronautical personnel;

n. Provision of technical services for the design, installation, and modification of electronic, radio and other equipment used in the provision of air navigation services;

o. Ensuring the integrity of the systems, equipment and facilities of the Authority;

p. Issuance and dissemination of the publications referred to in the Act;

q. Production of accurate, timely, comprehensive and relevant air transport information for planning and decision-making purposes;

r. Approval, certification and licensing of aircraft maintenance organisations and regulation of aviation training institutions in Kenya;

s. Establishment, management and operation of training institutions for purposes of the Authority;

t. Registration of rights and interests in aircraft;

u. Planning, development and formulation of the airspace master plan for the safe and efficient utilization of Kenyan airspace;

v. Establishment, co-ordination and maintenance of state aviation safety and security programmes,

w. Licensing, certification, registration and surveillance of aerodromes,

x. Certification and surveillance of air navigation service providers,

y. Licensing and certification of regulated agents,

z. Implementing and enforcing the provisions of the Act, regulations and directives issued hereunder and treaties to which Kenya is a party,

aa. Taking measures to minimize, to the extent possible, any disturbance to the environment from noise, vibration, atmospheric pollution or nay other cause attributable to the use of aircraft for the purpose of civil aviation,

ab. Performing economic oversight of air services, protecting consumer rights, environment and ensuring fair trading practices,

ac. Giving effect to the Chicago Convention and other international agreements relating to civil aviation to which Kenya is party to; and

ad. Performance of such other functions as may, from time to time, be conferred on it by the Cabinet Secretary or by any other written law.

KCAA carries out its functions in a manner consistent with the Chicago Convention on International Civil Aviation, Annexes to the Convention relating to international Standards and Recommended Practices (SARPs) and any amendment thereto or any other international conventions and protocols relating to civil aviation that Kenya is a party to.

KCAA is also expected to perform any obligations required by any agreement, treaty or arrangement between Kenya and any other country, inter-Governmental organization or any other body with respect to the safety, regularity and efficiency of air navigation and aviation safety and security in general.

The Act also stipulates that, in the discharge of its responsibility for aviation safety and security, the Authority should coordinate its activities with other agencies of Government, including the Kenya Airports Authority, the Department of Defence and the National Police Service.

VISION

A vibrant, safe, secure and sustainable civil aviation system.

MISSION

To manage, promote and develop a sustainable, safe and secure civil aviation system through effective oversight, economic regulation of air transport, provision of air navigation services and delivery of quality training.

CORE VALUES

Excellence: We commit to provide quality services through continual improvement and promotion of innovation to adapt to the dynamic aviation ecosystem. As a service industry, KCAA employees are the guarantors of a sustainable, effective and quality service delivery.

Integrity: We shall select staff on basis of personal integrity, competence and suitability. In performing their duties, all staff shall demonstrate honesty, objectivity and impartiality in decision making ensuring that their decisions are not influenced by nepotism, favouritism or improper motives.

Resilience: We shall endeavour to create a flexible, agile and adept organization that will proactively respond to changes in the environment to ensure business continuity.

Responsiveness: We commit to meet and exceed the expectations of our stakeholders in managing and promoting the development of civil aviation system.

Professionalism: We commit to have qualified and competent personnel for effective and efficient performance thereby guaranteeing aviation safety, security and sustainability.

(c) Key Management

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

No.	Designation	Name
1.	Director General	Mr. Emile N. Arao
2.	Director Corporate Services	CPA Joseph K. Chebungei
3.	Corporation Secretary	Mr. George Ombaso Mogaka
4.	Director Air Navigation Services	Mrs. Anne Gitau
5.	Director Aviation Safety Standard and Regulation	Mr. Nicholas N. Muhoya
6.	Director Strategy and Knowledge Management	Dr. George K. M. M'Nchebere
7.	Director East African School of Aviation	Dr. Serah W. Waitiki

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	Mr. Emile N. Arao
2.	Director Corporate Services	CPA Joseph K. Chebungei
3.	Corporation Secretary	Mr. George Ombaso Mogaka
4.	Director Air Navigation Services	Mrs. Anne Gitau
5.	Director Aviation Safety Standard and Regulation	Mr. Nicholas N. Muhoya
6.	Director Strategy and Knowledge Management	Dr. George K. M. M'Nchebere
7.	Director East African School of Aviation	Dr. Serah W. Waitiki

(e) Fiduciary Oversight Arrangements

Fiduciary oversight on the Authority's activities is carried out by the following:

Finance and Human Capital Committee

This Committee is composed of five Directors of the Board including the Director General. Its main function is to review and monitor the Authority's financial matters on behalf of the Board, including review of the liquidity status, all the Authority's bank accounts, Budgets, Financial Statements and statutory reports as well as bank reconciliations. It also ensures compliance with the financial reporting requirements and proper keeping of all the financial records of the Authority.

Audit, Risk and Governance Committee

This Committee is composed of four Directors of the Board and the Head of Internal Audit and Review as its Secretary. Its main function is to consider and make recommendations to the Board on all matters relating to Internal and External Audits, Risk Management and Governance.

Public Investments Committee

This is a Parliamentary Committee that consists of a Chairman, Vice Chairman and not more that sixteen other Members. The functions of the Committee are to examine the reports and accounts of

public investments, to examine the reports, if any, of the Auditor General on the public investments and to examine, in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments are being managed in accordance with sound financial or business principles and prudent commercial practices.

(f) Headquarters

Aviation House,
Jomo Kenyatta International Airport
P.O. Box 30163, 00100 GPO
Nairobi, Kenya
Tel: (254) 20 6827470-5
E-mail: info@kcaa.or.ke
Website: www.kcaa.or.ke

(g) Bankers

National Bank of Kenya
Jomo Kenyatta International Airport Branch
P.O. Box 30763 – 00100
Nairobi, Kenya

Commercial Bank of Africa
Swissport Branch
Jomo Kenyatta International Airport
P.O. Box 30437 - 00100
Nairobi, Kenya

Stanbic Bank
Industrial Area Branch
P.O. Box 30550 – 00100
Nairobi, Kenya

Kenya Commercial Bank
Jomo Kenyatta International Airport Branch
P.O. Box 19065-00501
Nairobi, Kenya

Standard Chartered Bank
Kenyatta Avenue Branch
P.O. Box 30001 - 00100
Nairobi, Kenya

Equity Bank Ltd
Community Corporate Branch
P.O. Box 75104
Nairobi, Kenya

Kenya Commercial Bank
Haile Selassie Avenue Branch
P.O. Box 58992 - 00200
Nairobi, Kenya

CIBC Bank
1155 Boul. Rene-Levesque, Ouest
Montreal, Quebec
H3B 3Z4, Canada

(h) Independent Auditors

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

(i) Principal Legal Advisor

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

3. THE BOARD OF DIRECTORS

Directors	Details
1.  **Mr. Brown M. M. Ondego EBS (Board Chairman)**	**Date of Birth: 12th March 1951** **Key Qualifications**: International Program for Port Planning and Management from University of New Orleans, Senior Executive Program from London Business School, Shipping Agency, Liner and tramp, Shipping Practice, Charters parties, Shipping and Sea Port operation from Norwegian Shipping Academy. **Work Experience**: He has hands on experience spanning a period of about 50 years' in diverse international, geographical and cultural business environments. Extensive background in the Merchant Navy and his career began in 1974 as an Executive management trainee in the shipping division of Mackenzie (K) Limited, formerly Smith Mackenzie which lays claim as being the first registered company in East Africa at Zanzibar in 1870. Rose to the position of Managing Director of Mackenzie Maritime (EA) in 1993 later rebranded P&O Nedlloyd (EA). Seconded in late 1999 by P&O Nedlloyd, at the time the largest deep sea going Container operator in the world, to the Kenya Ports Authority (KPA) as a member of the private sector seasoned executives seconded to the Kenya Government in a quest to turn around the Kenya national economy which was facing serious challenges and in negative free fall. In 2008 he was invited to join the Board of Rift Valley Railway Investment (PTY) as Executive Chairman and Group Chief Executive of Rift Valley Railways (K) Ltd and Rift Valley Railways (U) Ltd a Company that held a 25 years concession to manage and operate the 2300-kilometre Kenya /Uganda Metre Gauge Railway network. Continues to serve as non-Executive board member of Rea Vipingo Limited. He has also served on the Board of Barclays Bank (K), now Absa Bank Kenya, Grain Bulk Handlers Group, as a Member of the Presidential Investors Round Table III of the Republic of Uganda. Chairman, life Governor and Trustee of the Agricultural Society of Kenya. He was appointed to the Board with effect from 10th March 2023 and is the Chair of the Board of Directors.

Directors	Details

2.



Mr. Mohammed Daghar, CBS (Board Member)

Date of Birth: 25th March 1986

Key Qualifications: BA International Relations from United States International University, Kenya, Masters in Peace, Conflict and Development studies from Universitat Jaume I, Spain.

Work Experience: Principal Secretary, State Department for Transport in the Ministry of Roads and Transport. He has wealth of experience in safety and security matters. He is responsible for the Transport Policy formulation and execution, development of regulatory framework for transport sector, oversee implementation of various transport programmes and projects designed to realise efficient, reliable and seamless transport connectivity envisioned in vision 2030 under Road, Rail, Air and Maritime modes of Transport. In addition, as Principal Secretary in charge of State Department for Transport, he is responsible for providing guidance, direction and oversight on services delivery by State Corporations namely, Kenya Railways Corporation (KRC), Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor Development Authority, Kenya Airports Authority (KAA), Kenya Civil Aviation Authority (KCAA), Kenya Ports Authority (KPA), National Transport and Safety Authority (NTSA) and Nairobi Metropolitan Area Transport Authority (NAMATA). As the Principal Secretary in charge of Transport, he is a member of the Executive Committee of the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) and therefore he is responsible for all matters relating to NCTTCA.

He serves as a board member with effect from 2nd November 2022 in his capacity as the Principal Secretary State Department of Transport.

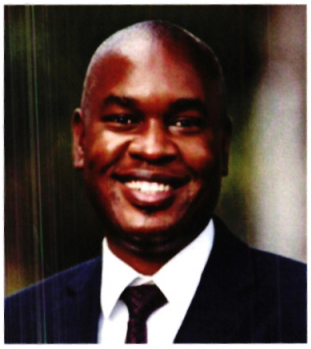
Directors	Details
3.  **Dr. Chris K. Kiptoo, CBS (Board Member)**	**Date of Birth: 31st December 1967** **Key Qualifications**: Holds a Doctor of Philosophy Degree (PhD) in Finance **(**International Macroeconomics, Finance specialization**)** from the University of Nairobi, as well as a Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) degree from Egerton University. He is also an Accredited Fellow in Macroeconomic Management Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI). **Work Experience**: Principal Secretary, National Treasury. Immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives. Has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting. Additionally, He has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as TradeMark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister. He serves as a Board member with effect from 1st December 2022 in his capacity as the Principal Secretary to The National Treasury and Economic Planning.

Directors	Details
4.  **Dr. Raymond Omollo, CBS (Board Member)**	**Date of Birth: 27th December 1979** **Key Qualifications**: Holds a Doctor of Philosophy Degree (PhD) in Applied Statistics from the Maseno University as well as a Master of Science in Biometry (Applied Statistics in Agriculture, environmental and biological sciences) and a Bachelor of Science degree in Statistics both from the University of Nairobi. He is a member of the International, Society for Clinical Biostatistics (ISCB), Expert User Committee for Data Management and Statistics Global Health Trials Network and Young African Statisticians Association (YASA). **Work Experience**: Principal Secretary, State Department for Interior and National Administration, Managing Director, Lake Basin Development Authority, Head of Data Centre & Statistician, DNDi Africa, Research fellow and Adjunct lecturer at Strathmore University, Centre for Research in Therapeutic Sciences (CREATES) and School of Mathematical Sciences and Nairobi University, Member of Board of Directors of Consolidated Bank of Kenya where he chaired the Credit and Finance and Risk and Compliance Committees, External Examiner Msc. Course in Research Data Management in the University of Witwatersrand, Johannesburg, South Africa. He has been a technical adviser and consultant in various institutions including the World Health Organization (WHO), Food and Agriculture Organization (FAO)-Somalia, Novartis Pharmaceuticals & Kenya Research Medical Institute, TARJ Consult Lt, Hoffman La Roche PLC, AMREF, Academy for Educational Development (AED). He is a member of the International Society for Clinical Biostatistics (ISCB), Expert User Committee for Data Management and Statistics Global Health Trials Network and Young African Statisticians Association (YASA). He has over 30 publications. He serves as a Board member with effect from 2nd December 2022 in his capacity as the Principal Secretary for Interior and National Administration.
5.  **Col (Rtd) Rodgers M. Muneene (Board Member)**	**Date of Birth: 1st January 1958** **Key Qualifications:** Airport Transport Pilot Licence **Work Experience:** Kenya Air Force Pilot, Kenya Police Service Pilot/ Commandant, member of the Aero Club of East Africa. He was appointment to the Board with effect from 20th April 2023. He is an independent member of the Board, Chair of the Licensing of Air Services and Technical Committee of the Board and member of the Finance and Human Capital Committee of the Board.

Directors	Details
6.  **Dr. Boniface Mureithi Wanjau (Board Member)**	**Date of Birth: 15th February 1986** **Key Qualification:** Doctorate in Finance from JKUAT, Masters degree in economics from Kenyatta University, Bachelor of Education - Arts Business and Economics from Kenyatta University and Certified Public Accountant -CPA(K) from KASNEB. **Work Experience:** Lecturer at St. Paul University, KCA University, Mt. Kenya University and Zetech University. Appointed in various companies as a director in 2015. He is a member of ICPAK and Rotary Club. He was appointed to the Board with effect from 20th April 2023. He is an independent member of the Board and Chair of Audit Risk and Governance Committee of the Board and member of the East African School of Aviation Committee of the Board.
7.  **Mr. Tokei N. Loten (Board Member)**	**Date of Birth: 30th December 1976** **Key Qualifications:** Masters in Business Administration from University of Nairobi, Bachelor of Commerce from the Catholic University of Eastern Africa. **Work Experience:** Director TNL Group of Companies, Managing Director (Executive) TNL Engineering and Construction Works Ltd. He was appointment to the Board with effect from 20th April 2023. He is an independent member of the Board, Chair of the Finance and Human Capital Committee of the Board and member of the Licensing of Air Services and Technical Committee of the Board.
8.  **Dr. Annette Mbogoh (Board Member)**	**Date of Birth: 17th April 1981** **Key Qualifications:** Doctor of Philosophy in Law from Southern & Eastern African Regional Centre for Women's Law from UZ-SEARCWL, Masters in women's law from UZ-SEARCWL, Postgraduate Diploma in law from Kenya School of Law and Bachelor of laws from The University of Nairobi. **Work Experience:** Kituo Cha Sheria, Resident Advocate, Christian Legal Aid and Research, Board Chairperson Haki Yetu Organization, Board member TOA Kenya, Vice Chairperson Insurance Appeals Tribunal. She is a member of the Law Society of Kenya. She was appointed to the Board with effect from 20th April 2023. She is an independent member of the Board and a member of the Audit, Risks and Governance Committee of the Board and Licensing of Air Services and Technical Committee of the Board.

Directors	Details
9  **Ms. Liz Aluvanze (Board Member)**	**Date of Birth: 1st June 1992** **Key Qualifications:** Master of Science in Air Transport Management from Cranfield University, Bachelor of Engineering, Aerospace Engineering from the University of Manchester. **Work Experience:** Chief Executive Officer of the Kenya Association of Air Operators, Air Transport officer at the Kenya Civil Aviation Authority. Fleet Development at Kenya Airways. She was appointed to the Board with effect from 20th April 2023. She is an independent member of the Board, Chair East African School of Aviation Committee and Member Finance and Human Capital Committee of the Board.
10.  **Mr. Emile Nguza Arao (Director General)**	**Date of Birth:17th April 1978** **Key Qualifications:** Masters in Business Administration, Embry Riddle Aeronautical University,2004; Bachelor of Science in Aircraft Engineering Technology, Embry Riddle Aeronautical University, 2002; Certificate in Electrical Engineering, 1998 **Work Experience:** DG KCAA with effect from 11th May 2022. He served as the Executive Director-EAC CASSOA, Deputy Director-EAC CASSOA, Director/ Lead Aviation Consultant- Pine Group Ltd, Aviation Business Strategy, Safety and Operations Consultant-Skyward Express, Airline Pilot Contractor- Air Tec Africa/ Air Libya, Director of Safety/Project Certification Manager- OneJetOne Airways Kenya Ltd, Quality Manager/Pilot- Safarilink Aviation, Flight safety Officer/Pilot- East African Safari Air Express, Airworthiness Inspector-KCAA, Program System Analyst, Dean Fellow/Graduate Assistant, Aircraft Mechanic, Apprentice/Aircraft Mechanic.
11.  **Mr. George Ombaso Mogaka (Corporation Secretary)**	**Date of Birth: 16th December,1971** **Key Qualifications:** MBA (Strategic Management) - Maseno University and LLB - Nagpur University. Post Graduate Diploma in Law – Kenya School of Law, Advocate of the High Court of Kenya, Commissioner for Oaths and Certified Secretary of Kenya. Lead Auditor (QMS) and Certified Trustee (Pension Schemes). Member of the Law Society of Kenya and Institute of Certified Secretaries of Kenya. **Work Experience:** Has over twenty-three (23) years post qualification work experience. Has previously worked at National Oil Corporation of Kenya, Kenya Sugar Research Foundation, Kenya Revenue Authority and Kenya Plant Health Inspectorate Service prior to joining Kenya Civil Aviation Authority on 16th June 2020.

4. KEY MANAGEMENT TEAM

	Management	Details
1.	 **Mr. Emile N. Arao (Director General)**	**Key Qualifications:** Masters in Business Administration, Embry Riddle Aeronautical University, 2004; Bachelor of Science in Aircraft Engineering Technology, Embry Riddle Aeronautical University, 2002; Certificate in Electrical Engineering, 1998. **Main Area of Responsibility:** Overall Coordination and Direction of the Air Navigation Service Provision, Regulation of the Civil Aviation Industry, and Training of the Aviation Personnel in the Country.
2.	 **Mr. George O. Mogaka (Corporation Secretary)**	**Key Qualifications**: MBA (Strategic Management) - Maseno University and LLB - Nagpur University. Post Graduate Diploma in Law – Kenya School of Law, Advocate of the High Court of Kenya, Commissioner for Oaths and Certified Secretary of Kenya. Lead Auditor (QMS) and Certified Trustee (Pension Schemes). Member of the Law Society of Kenya and Institute of Certified Secretaries of Kenya. **Main Area of Responsibility**: Planning, organizing, leading and controlling provision of Board Secretarial and Legal Services in the Authority.
3.	 **CPA Joseph K. Chebungei (Director Corporate Services)**	**Key Qualification**: Bachelor of Arts (Econ) from the University of Nairobi and an MBA from Moi University, CPA-K holder and is a member of ICPAK. **Main Area of Responsibility**: Coordinate and direct the Corporate Services function of the Authority.

	Management	Details
4.	 **Nicholas M. Ngatia (Director, Aviation Safety and Security Regulation)**	**Key Qualifications**: Masters of Science (MSc) in Aviation Safety from Florida Institute of Technology, Masters of Business Administration (EMBA) in Aviation Management from Moi University, Bachelor of Science (BSc) from University of Nairobi, Bachelor of Science (BSc) in Aviation Management from University of Dubuque-Iowa, USA, Higher National Diploma in Electrical and Electronic Engineering from Kenya Polytechnic, Licensed Aircraft Maintenance Engineer (AMEL), Certificate in Air Transport Business and Economics from University of Antwerp and International Negotiation Skills (IATA, Singapore). A member of the Aeronautical Society of Kenya. **Main Area of Responsibility**: Management and Coordination of the regulation function of the Authority.
5.	 **Mrs. Anne N. Gitau (Director, Air Navigation Services)**	**Key Qualifications:** Master of Business Administration (UoN), Bachelor of Science Degree in ICT& Management (Maseno University). Strategic Leadership Development Programme, Senior Management Course, Risk Management for Project Managers, Managers & Heads of Functions Training. Aeronautical Information Services (ICAO Course 021), Basic Course in Aeronautical Cartography, Transition from AIS to AIM Course, Safety Management for Practitioners Course, PANS-OPS Initial Flight Procedure Design Course, PANS-OPS Performance Based Navigation (PBN) Flight Procedure Design Course, Airspace Design. **Main Area of Responsibility:** Spearheads the overall development and implementation of policies and strategies for managing Air Navigation Services in Kenya Airspace and for any areas outside Kenya for which the State has, in pursuant to international arrangements undertaken to provide the services for a safe, economical, sustainable and efficient provision of Air Traffic Management, Aeronautical Information Management, Communication, Navigation and Surveillance, Search and Rescue and alerting services.
6.	 **Dr. George G. K. M'Nchebere (Director Strategy & Knowledge Management)**	**Key Qualifications**: Doctor of Philosophy, PhD (Strategic Management), Kenyatta University, Master of Business Administration (Strategic Management), University of Nairobi and Bachelor of Commerce, University of Nairobi, a full member of Marketing society of Kenya (MSK) and Kenya Institute of Management (KIM). **Main Area of Responsibility**: Management and coordination of the Authority's Strategy, Risk Management, Quality Assurance, Research, Innovation and Knowledge Management function.

Management	Details
7.  **Dr. Serah Waitiki (Director, East African School of Aviation)**	**Key Qualifications**: PhD Language Studies, Chemnitz University of Technology; Master of Philosophy (Mphil), English, Moi University, Bachelor of Arts (BA), English, Moi University, Post Graduate Certificate in Academic Practice, York St. John University, UK; Diploma in Civil Aviation Management, Singapore Aviation Academy, Strategic Leadership Development Programme, Senior Management Course; Training Managers Course, ICAO; Fellow of the Higher Education Academy – UK; Member of Women in Aviation International- Kenya (WAI-K); Member of Kenya Institute of Management (KIM). **Main Area of Responsibility**: Management and Coordination of the Training Mandate of the Authority (EASA).



5. CHAIRMAN'S STATEMENT

It is a great honour to present the KCAA Annual Report for the financial year 2023/24. This report comes at a time when the global economy has shed-off the ghost of Covid-19 pandemic and the industry has shown resilience by returning to profitability, traffic levels have caught up with 2019 levels, and the industry's revenues are on the rise.

The global economy is also showing signs of resilience with the average global Gross Domestic Product (GDP) growth rate (as reported by IMF in its World Economic Outlook (WEO)) having grown by 3.2% in 2023 and projected to grow at the same pace in 2024 and 2025. Growth in advanced economies was 1.6% in 2023 and is projected to rise to 1.7% in 2024 and 1.8% in 2025. Growth in emerging markets and developing economies was 4.3% in 2023 and is expected to stabilize at 4.2% in 2024 and 2025. Growth in Sub-Saharan Africa is projected to rise from 3.4% in 2023 to 3.8% in 2024 and 4.0 % in 2025. Nationally, the real GDP expanded by 5.6% in 2023 compared to a growth of 4.8% in 2022 and 7.6% in 2021. During this period, air transport contributed 1.1 % to the national GDP, an increase from the 0.8 % registered in 2022.

As a Contracting State to International Civil Aviation Organization (ICAO), our priority is to ensure compliance with aviation safety and security standards and recommended practices. The Authority has embraced a strategy where routine stakeholder engagement is at the core. During the financial year, the Authority conducted stakeholder meetings on 39 regulations which were finalised and submitted to the Ministry of Roads and Transport for processing and promulgation. To strengthen the regulatory framework, we amalgamated the Civil Aviation Act No. 21 of 2013 and the Civil Aviation (Amendment) Act No. 42 of 2016 and revised it into the Civil Aviation Bill. KCAA shall continue to engage stakeholders for their inputs to enrich the legislation. The Authority will continue to enhance the level of effective implementation of compliance requirements, oversight activities of the industry, routine inspection of operators, and investments in air navigation services infrastructure and training equipment.

The fourth Strategic Plan of the Authority covering the period 2023/24 – 2027/28 is anchored on five (5) key result areas namely, a Vibrant Policy, Legal and Regulatory Environment; Airspace, Equipment, and Infrastructure Development; Quality Aviation Training; Corporate Image and Reputation; and Institutional Capacity Development. The initiatives contained in the Strategic Plan are aimed at improving the level of compliance with ICAO requirements and supporting the capacity of the industry as a key driver of economic growth. The Strategic Plan is aligned to Kenya's Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), the Medium-Term Plan (IV) among other plans. Guided by the new Strategic Plan, the Authority will endeavour to live to its vision of "a vibrant, safe, secure and sustainable civil aviation system'.

To improve public service delivery, the Authority is automating several business processes and to date we have automated client portal enabling

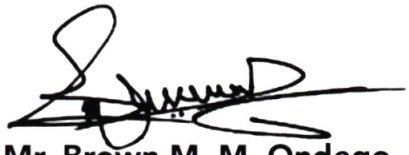
customers to apply for aviation safety and security regulatory services online; integrated our systems with e-Citizen platform for payment of our services online; a portal enabling our inspectors to evaluate and track applications online; a reporting module that tracks application status; inspector performance and payment progress. The Authority will soon roll out a surveillance module for safety and security services and automated school management processes at the East African School of Aviation (EASA).

To improve revenue performance, collection and administration, the Authority disengaged Kenya Revenue Authority (KRA) with effect from 1st July 2023 before the advent of the e-Citizen platform. As a result, the Authority registered a 25.9% increase in revenue from Ksh.10,147.7 million in the financial year 2022/23 to Ksh.12,829.9 million in the financial year 2023/24. In the financial year 2023/24, the Authority had targeted to collect Ksh.8,114,989,598, therefore the revenue performance exceeded target by 4,663.18 million (58.10%).

Within the financial year, we were privileged to have hosted and participated in numerous regional and global events to enhance Kenya's global footprint in aviation industry and maintain cordial relationship with ICAO and other aviation bodies. One such outstanding event was hosting the 8th edition of the Africa & Indian Ocean (AFI) week in collaboration with ICAO and African Civil Aviation Commission (AFCAC). AFI week is a prestigious gathering that brings together aviation professionals, industry leaders, and government officials from the region and beyond, creating a platform for knowledge sharing, collaboration, and strategic discussions aimed at operationalization of the Single African Air Transport Market (SAATM), advancing aviation safety and sustainable development of air transport. During this event, Kenya cemented the pledge to construct office facilities for Easten and Southern Africa ICAO Office. The provision of these facilities will enhance Kenya's contribution to ICAO and position it to realise its aspirations of becoming a Part II State.

The industry experienced a number of challenges within the year. Some of the notable challenges include wars in Europe and in the Middle East, geopolitical tensions that have led to inward-looking economic policies; impact of climate change; slow pace in energy transition from fossil to green energy; cyber security threats; and the emerging new technologies that influence investment plans. KCAA commits to address and mitigate the impact of the challenges in order to provide a safe and efficient civil aviation system, which will help Kenya achieve the development objectives as articulated in Vision 2030.

I express my sincere appreciation to the Board of Directors, Management, and staff for their efforts, dedication, and commitment during the financial year despite the various challenges. We thank our stakeholders for their continued support and understanding where we have fallen short of their expectations.



Mr. Brown M. M. Ondego, EBS
Chairman, Board of Directors
Kenya Civil Aviation Authority

6. REPORT OF THE DIRECTOR GENERAL

A vibrant civil aviation system is an important enabler to achieving economic growth and development as it facilitates speedy international, regional, and domestic movement of passengers and cargo. It enables flow of goods, investments, people and ideas that drive economic growth thereby facilitating tourism and trade, increasing consumer benefits and choices, and creating jobs. Thus, activities in the aviation industry are a useful indicator of performance of the economy due to the strong correlation between GDP growth and air transport development.

As a signatory to International Civil Aviation Organization (ICAO), Kenya is obligated to administer aviation safety and security in line with ICAO Standards and Recommended Practices. Kenya maintains high levels of aviation safety and security as evidenced by the excellent results of ICAO Universal Safety Oversight Audit Programme (USOAP) and Universal Security Audit Programme (USAP) audits. The Authority's commitment to maintain high levels of standards of safety and security and the investments undertaken in the industry enabled the country to retain the FAA IASA Category I status to operate direct flights into the USA market. Besides, the Authority ensured effective coordination and implementation of the State Safety and Security programmes, undertook oversight activities, routine inspection and surveillance of operators as well as implementation of the corrective actions arising from the safety and security audits.

Guided by the Strategic Plan and the Kenya Airspace Master Plan (KAMP), KCAA recognizes the need to modernize ANS equipment and systems, improve quality of training infrastructure, and enhance service delivery through digitalization. The Authority implemented various projects and enhanced maintenance and periodic calibration of equipment, achieving an overall average availability of ANS equipment of 98.11%, which was above the ICAO recommended level of 97%. This has ensured safe and secure flow of global air traffic and supported growth of aviation and related industries. Within the year, the Authority commenced construction of Kisumu Airport Control Tower which has progressed to 45% and is expected to be completed in the FY 2024/25. Upon completion, the control tower will improve delivery of air navigations services, safety of aircrafts and promote growth of air transport activities in the Western region. Plans are also underway to construct another control tower at Diani airport to take care of the growing traffic in the region, and especially tourists.

The global aviation industry is implementing an ambitious goal of reducing CO_2 emissions through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) programme with a target of Net Zero emissions for air transport industry by 2050. Kenya is happy to join the global community in this initiative and aims at being the regional leader in the implementation of CORSIA. The Authority has supported various activities, for instance promoting research and development, fostering partnerships with stakeholders, advocating for policies that incentivize SAF adoption,

and facilitating regulatory frameworks that promote the use of alternative, environmentally friendly fuels. KCAA hosted a second High-level workshop to evaluate concrete options for deployment of SAF and trained industry professionals on SAF technology, certification, policy, and finance. The Authority also established and hosted the first meeting of Kenya National Steering Committee on Acceleration of Development and Deployment of SAF. The Committee will be pivotal in providing strategic guidance and expert recommendations as well as leading actionable solutions to accelerate the development and deployment of SAF in Kenya.

The aviation industry showed positive performance during the financial year. The number of passengers handled at Kenyan airports increased by 15.16 per cent from the 11.06 million recorded in the FY 2022/23 to reach 12.74 million recorded in the FY 2023/24. The number of international passengers increased by 21.68 per cent from 5.78 million in 2022/23 to 7.03 million in 2023/24. Domestic traffic rose by 7.99 per cent from 5.05 million in 2022/23 to 5.45 million in 2023/24. Similarly, transit passenger traffic increased by 8.91 per cent from 234,696 in 2022/23 to 255,611 in 2023/24. The volume of cargo transported increased by 4.46 per cent from 377,860 tonnes in the FY 2022/23 to 394,720 tonnes in 2023/24. Domestic cargo increased by 49.11 per cent from 1,28.86 tonnes to 1,028.8 tonnes while the volume of international freight in the FY 2023/24 was 393,186.4 tonnes which was a 4.34 per cent increase from the 376,831.5 tonnes recorded in the FY 2022/23.

The number of aircraft movements increased by 9.95 per cent from 335,464 in the FY 2022/23 to 368,851 in 2023/24. The number of aircraft registered in Kenya has been steadily increasing. Within the review period, the number of aircrafts registered increased by 1.51 per cent to reach 1,684 from 1,659 registered in the FY 2022/23. During this period, forty-two (42) new aircrafts were registered while fifteen (17) aircraft were de-registered.

The East African School of Aviation which provides training to both local and international aviation industry stakeholders, is recognized as a Platinum Training Centre of Excellence TRAINAIR PLUS Programme (TPP) Member by ICAO. The school was audited for renewal of the ISO certification, which is now valid until March 2027. The school registered an increase in the number of academic programmes with 209 courses being conducted in the FY 2023/24, compared to 187 courses conducted in the FY 2022/23. In terms of enrolment, the number of trainees increased by 7% from 2,906 in FY 2022/23 to 3,109 in the FY 2023/24. Out of the trainees enrolled, 63.5% were male while 36.5% were female. In terms of nationality, 79.1% were Kenyans while foreigners accounted for 20.9%. To enhance strategic collaborations, the school developed training MOUs with the CAAs of Mozambique, Botswana, Niger, and Rwanda. Currently, discussions are underway with KDF with a view to developing an MoU for training in Air Traffic Controllers. To support our trainees, acquire practical and relevant skills demanded by the industry, the school is developing an MoU with Nairobi Institute of Aircraft Maintenance (NIAM) to provide comprehensive training for students pursuing careers as Aircraft Maintenance Engineers (AMEs).

The Authority experienced a tremendous increase in financial performance, where revenue earnings increased from **Ksh. 10,147,689,576** collected in the FY 2022/23 to **Ksh. 12,830,411,929** in FY 2023/24. It is worth noting that the Authority had targeted to collect **Ksh. 8,114,989,598** in the FY 2023/24, therefore the revenue performance exceeded

target by **Ksh. 4,715,422,331 (58.10%).** The high revenue performance was attributed to ANS and APSC that resulted from high traffic experienced during the year. In terms of expenditure, the Authority's budget for the FY 2023/24 was **Ksh. 8,919,369,386** comprising of **Ksh. 7,632,183,874** for recurrent expenditure and **Ksh. 1,287,185,511** for Development expenditure. The actual expenditure was **Ksh. 8,264,633,486,** representing a budget absorption rate of **92.6%.** The overall financial results were a net surplus of **Ksh. 5,994,128,999** compared to **Ksh. 4,916,321,323** recorded in the FY 2022/23.

As an organization committed to excellence and professionalism, KCAA recognises the need to develop and maintain a strong institutional capacity. The Authority developed and initiated implementation of a new organisational structure in the FY 2022/23 whose intention was to improve staff welfare with increased remunerations and counter staff shortages by recruiting more personnel. The implementation was later suspended due to some identified gaps. In the FY 2023/24, the Authority evaluated the implementation of the organizational structure and identified structural gaps in roles, work processes and information flows. The identified gaps are being addressed to remain responsive, enhance efficiency and position the Authority for long-term success. The Authority also ran various welfare programmes including staff mortgage, car loan, staff loan, medical scheme, group life insurance, group accident insurance, last expense policies and creches for nursing mothers. Staff also participated in the Kenya Communications Sports Organization (KECOSO) Sports festival held during the year in Narok town.

The Authority has also fully embraced the Performance Management Framework where performance contracts are signed annually. The Performance Contract commits staff to implement agreed targets drawn from the Strategic Plan within the year and evaluation done to assess performance. The Performance Contract for the FY 2023/24 had 35 targets, out of which 31 targets were fully achieved. The targets were cascaded to management and implemented through individual performance contracts drawn from annual work plans. The Authority will strive to manage supply chain logistics, mitigate risks, improve project management while enhancing corporate image and reputation, promoting the rights of consumers, and ensuring compliance with requirements for environmental protection.

As we begin the new financial year 2024/25, I look forward with more optimism and hope for safer, secure and vibrant skies. I urge all staff to put their best foot forward and deploy their talents, expertise, and creative energy to steer the Authority to greater heights.

Let me conclude by appreciating our stakeholders for their continued support, cooperation and dedication to grow the industry. I further extend my gratitude to the Board of Directors for their excellent stewardship that created a conducive work environment, the Management, and all Staff for their efforts that made the Authority achieve the milestones.



Emile N. Arao
Director General

7. STATEMENT OF PERFORMANCE OF KENYA CIVIL AVIATION AUTHORITY AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2023/2024

The Authority developed her fourth Strategic Plan covering a six-year period from 2022/23 to 2027/28 which was approved by the Board of Directors in June 2022. In the FY 2023/24, the Plan was reviewed to align it to the Government priority of Bottom-up Economic Transformation Agenda (BETA) and the Medium-Term Plan (MTP) IV. The reviewed Strategic Plan was approved by the Board of Directors in December 2023.

The fourth Strategic plan is anchored on five (5) Key Result Areas (KRAs);

1) A Vibrant Policy, Legal and Regulatory Environment
2) Airspace, Equipment, and Infrastructure Development
3) Aviation Training
4) Corporate Image and Reputation.
5) Institutional Capacity Development

The Authority develops Annual Work Plans (AWPs) based on the above 5 KRAs. KCAA undertakes assessment of performance based on the AWP on a quarterly basis, and a summative assessment annually. Budget allocation is made on the targets in the AWP and form the basis upon which Performance Contracts are developed. KCAA performance against the set targets for FY 2023-24 is presented in Table 1:

Table 1: Key Highlights in the Implementation of the Strategic Plan

Strategic Pillar	Objective	Strategies	Achievement
A Vibrant Policy, Legal and Regulatory Environment	Establish mechanism for efficient air transport industry	a) Support the development and implementation of air transport policies and plans b) Develop and implement air operators surveillance programme/plan c) Implement licensing and approval/authorization obligations d) Monitor facilitation of air transport services at airports e) Support the development of the air transport market	a) Undertook initial issuance and continuous renewal of licenses and authorizations of air service providers and air operators by issuing 101 ASL, 232 Aircraft Lease Approvals; and 5,589 Ad hoc Permits. b) Carried out surveillance and inspections of airlines operations and facilitation inspections at JKIA, Mombasa, Malindi, Kisumu, Eldoret and Wilson Airports. c) Participated in development of the National Aviation Policy that was submitted to Cabinet and approved. d) Reviewed the State Safety Programme and Manual. e) Disseminated and implemented the National Civil Aviation Security Programme (NCASP). f) Participated in quarterly National Aviation Security Committee (NAVSEC) meetings. g) Reviewed and approved thirty-seven (37) Security Programmes and six (6) operator security training Programmes.

Strategic Pillar	Objective	Strategies	Achievement
	Develop, review and implement an effective legal and regulatory framework	a) Review the Civil Aviation Act b) Develop and review civil aviation regulations. c) Develop, review, and implement Technical Guidance Materials.	a) Reviewed the Civil Aviation Act 2013 (Amended 2016) which is scheduled to undergo stakeholder engagement in August 2024. b) Finalized review of thirty (30) and drafting of eight (8) Civil Aviation Regulations which were forwarded to the Ministry for approval. c) Reviewed the following set of Technical Guidance Materials (TGMs); • Inspection Surveillance and Audit Manual. • Surveillance Policy. • Products for Management of ICAO State Letters, Identification, Notification and Publication of Differences. • Enforcement Procedures. • Developed advisory Circular on Enforcement Procedures. d) Two TGMs for Safety Management System (SMS).
	Establish an effective aviation safety oversight system	a) Implement and maintain the State Safety Programme and Plans. b) Enhance the level of compliance with ICAO and other international aviation safety requirements. c) Undertake initial and continuous licensing, certifications, authorizations, and approval obligations. d) Enhance implementation of surveillance and quality control obligations. e) Enhance the resolution of safety issues and concerns.	a) Closed fifteen (15) USOAP CAPs b) Undertook oversight activities on KQ, JKIA and MIA for purposes of maintenance of FAA Category 1 status. c) Undertook initial and continuous certification of Aviation Personnel, ANS Stations, ATOs, and registration of aircrafts. d) Conducted an evaluation and analysis for obstacle controls and issued approvals for 928 Aerial Telecommunication Masts; 2 Wind Turbines; and 31 Buildings; and 26 TV and Radio Stations. e) Developed and implemented the surveillance plans for local, foreign AMOs and for SAFA (Safety Assessment of Foreign Operators).
	Establish and implement an effective aviation security oversight system	a) Implement and maintain the National Civil Aviation Security Programme (NCASP). b) Enhance the level of compliance with ICAO and other international aviation security requirements. c) Undertake initial and continuous licensing, certifications, authorizations, and approval obligations. d) Enhance implementation of surveillance and quality control obligations. e) Enhance the resolution of security issues and concerns.	a) Closed one (1) USAP CAP. b) Undertook oversight activities on KQ, JKIA and MIA for purposes of maintenance of FAA Category 1 status.

Strategic Pillar	Objective	Strategies	Achievement
	Influence international decisions on aviation	a) Increase the level of contribution by Kenya to global aviation development. b) Collaborate with other states to enhance aviation safety and Security. c) Collaborate with ICAO to develop Kenya's Aviation Industry. d) Strengthen and maintain Kenya's presence at ICAO HQs and other international bodies	a) Hosted the ICAO AFI week. b) Conducted ANS Inspector OJT for trainees from Nigeria and Mozambique. c) Hosted a stakeholder's workshops on Development & Deployment of Sustainable Aviation Fuel (SAF). d) Submitted air transport data to ICAO. e) Participated in various ICAO and AFCAC experts WG meetings and presented Kenya's position. f) Made voluntary contributions through participation in developments of SARPS in Technical working groups of ICAO. g) Made payment of Kenya's yearly assessed contribution to ICAO.
	Establish and implement mechanisms for environmental conservation and protection	a) Enhance compliance with international obligations on environmental protection in the aviation sector. b) Implement the Kenya State Action Plan on environment protection in the Aviation sector. c) Develop and implement internal policies and action plans on Environment and Climate Change.	a) Participated in the First AFCAC Workshop on Development and Deployment of Sustainable Aviation Fuels in Africa. b) Hosted a workshop on CORSIA, SAF and high-level meetings on development and deployment of SAF). c) Trained industry stakeholders on SAF Technology. d) Participated in various ICAO Conferences on Aviation and Alternative Fuels. e) Hosted the first meeting of the National Steering Committee on Development & Deployment of Sustainable Aviation Fuel (SAF) in Kenya. f) Developed Civil Aviation (Carbon Offsetting and Reduction Scheme for International Aviation) Regulations, 2024. g) Planted 51,370 tree seedlings to support the government's efforts in forest restoration.
Airspace, Equipment, and Infrastructure Development	Modernize systems and equipment	a) Review and implement a modernization plan for systems and equipment. b) Review and implement a maintenance plan for systems and equipment	a) Achieved overall availability of ANS equipment and systems of 98.11%. b) Modernization and upgrade of equipment and systems ongoing. c) Maintenance of equipment and systems undertaken regularly to ensure functionality and improve performance.
	Develop and maintain buildings, facilities, and Infrastructure	a) Develop and implement a buildings and facilities policy. b) Develop and implement a master plan for buildings, facilities and infrastructure improvement including maintenance	a) Handed site for construction of Kisumu Airport Control Tower which has progressed to 45%. b) Concept paper for construction of Diani Airport Control Tower was prepared and submitted to the Ministry. c) Renovation and routine maintenance for other buildings, facilities and installations undertaken on a regular and need basis.

Strategic Pillar	Objective	Strategies	Achievement
	Enhance airspace safety	a) Provide quality aeronautical information products. b) Implement standards and operating procedures. c) Implement effective safety management systems. d) Manage Search and Rescue Operations efficiently. e) Implement ATM Security Programme	a) Conducted regulatory audits for MIA, Diani and Malindi. b) Provided ATC services during the Safari World Rally Championships. c) Conducted QMS checks in Mombasa, Malindi, Eldoret, Kisumu and ground control survey for Lamu and Manda. d) Carried out internal ATS audits on eleven (11) ATS Units.
	Optimise airspace operational capacity	a) Implement Operational Performance Management System (OPMS) b) Undertake systematic and regular reviews of airspace and air route's structure. c) Improve coordination, planning and implementation of ANS Plans	a) Conducted training and two (2) multi-agency stakeholders' workshop on Search and Rescue (SAR) to build SAR capacity. b) Registered four hundred and ninety-seven (497) new Emergency Beacons. c) Undertook mapping of SAR assets in the five counties in western part of the country.
Aviation Training	Enhance the quality of aviation training	a) Enhance the existing mechanisms for course development and review. b) Ensure a robust quality management framework. c) Enhance capacity for training delivery. d) Enhance partnerships and collaborations for aviation training	a) Developed training MOUs with several states including Mozambique, Botswana, Niger, and Rwanda. b) Discussions are underway with KDF on an MoU for training in ATC. c) Developing an MoU with Nairobi Institute of Aircraft Maintenance (NIAM) to provide comprehensive training for students pursuing careers as Aircraft Maintenance Engineers (AMEs) and obtaining relevant licenses. d) Developed the Aeronautical Information Management Competency Assessors Course (AIMCA – STP) and submitted it to ICAO. e) Student enrolment increased by 7% from 2,906 in FY 2022/23 to 3,109 in the FY 2023/24.
	Improve Student Welfare	a) Enhance and maintain co-curricular programs and activities. b) Develop a mechanism for psycho-social support.	a) Promoted student welfare at EASA through engaging coaches for various disciplines - basketball, football, handball. b) EASA students participated in various co-curricular activities including KETISA Games, inter-county swimming gala and Music Festivals.

Strategic Pillar	Objective	Strategies	Achievement
Corporate Image and Reputation	Enhance brand resonance, visibility, and corporate image	a) Enhance brand resonance and visibility. b) Institutionalize Corporate Social Responsibility c) Nurture and enhance strategic partnerships and collaborations d) Lobby for hosting of international events.	a) Issued branded items, including T-shirts, caps, Flash discs, lanyards, and Notebooks for publicity to professional clients. b) Held digital Media campaigns involving Twitter, Facebook, Instagram, and YouTube. c) Hosted and participated in several national and international events aimed at improving KCAA visibility. d) Appointed the Aviation Excellence (AviEx) Award Committee. e) Hosted the 8th AFI week regional meeting in Nairobi. f) Participated in various ICAO high level meetings.
	Enhance Customer Experience and Quality Management	a) Implement measures to improve customer satisfaction. b) Develop and implement quality management systems (QMS)	a) Trained six (6) Officers on Quality Management Systems (QMS). b) EASA underwent a recertification Audit by Kenya Bureau of Standards (KEBS) which resulted in the renewal of EASA ISO certification, valid until March 2027.
	Protect Aviation consumers rights	a) Enhance the rights and interests of aviation consumers	a) Developed draft Consumer Protection Strategy. b) Updated the Consumer Protection Service charter and sensitization done to staff. c) Developed draft consumer protection regulations.
Institutional Capacity Development	Attract and retain skilled, competent, and high performing workforce	a) Attract skilled, competent, and motivated workforce. b) Manage staff performance for improved productivity. c) Review, enhance and inculcate a positive work culture. d) Review and implement an effective staff capacity development programme. e) Enhance a conducive and enabling work environment	a) Prepared and implemented the Board PC which had 35 targets, and 30 targets were fully achieved. b) Undertook evaluation of FY 2022/23 PC where KCAA registered a score of very good (2.9433). c) Reviewed the KCAA Strategic Plan. d) Prepared a Paper to enhance contributions to the staff Retirement Benefits Scheme. e) Evaluated implementation of the organization structure and identified gaps are being addressed. f) Developed a Staff performance appraisal tool that will be used from FY 2023/24 employee performance appraisal. g) Ongoing implementation of various Staff welfare programmes - Provision of staff tea, drinking water, medical health insurance, housing mortgage facility, pension scheme, car loan scheme, group life insurance, group accident insurance, last expense policies, gym and creches for nursing mothers. h) Undertook various capacity-building programme to address identified skill gaps and improve staff performance. Within the FY, 589 Staff were trained locally and abroad. i) Engaged a consultant to carry out an audit on current work environment, the organization culture, and a comprehensive training needs assessment together with training projections for the next three years.

Strategic Pillar	Objective	Strategies	Achievement
	Digitalise systems and processes	a) Review and implement ICT Policy and Strategy. b) Automate, integrate and upgrade key business processes c) Upgrade and modernize ICT equipment and infrastructure	a) Reviewed ICT policy and strategy b) In line with the Government directive to have all financial transactions conducted through e-Citizen platform, automated the following business processes; • File tracking. • Partial Automation of Personnel Licensing and licensing for AVSEC Department. • Automation of examinations system. • Automation of surveillance activities. • Implementation of Obstacles Control Analysis for AAMLE. • Air Navigation Services (ANS). • School management processes. c) All financial transactions are conducted through the e-Citizen platform.
	Promote prudent financial management	a) Enhance and diversify revenue sources. b) Increase efficiency in expenditure management, budget utilization and finance operations. c) Optimize returns on assets.	a) Budget absorption rate was 83.16% (Recurrent 80.33%; Development 99.94%). b) The actual revenues collected were Ksh. 12,778.16 million representing above target achievement of Ksh. 4,663.18 million (57.46%).
	Strengthen the supply chain system	a) Implement procurement processes in compliance with requirements. b) Enhance inventory/ stores management and disposal of assets. c) Establish mechanisms to enhance contract management processes	a) Value of tenders awarded to Youth, Women and PWD was Ksh. 470,518,502.78 against a target of Ksh. 324,180,960.30 exceeding the AGPO target of 30%. b) Value of goods, works and services procured from local market was Ksh. 1,029,047,817.65 against a target of Ksh.686,550,808.00 exceeding the target of 40%. c) Reports on procurement activities submitted to Public Procurement Regulatory Authority (PPRA), the National Council for People with Disabilities (NCPWD) and Ministry of Industry, Trade, and Investments. d) Prepared a Procurement and Asset Disposal Policy which is aligned to the PPADA 2015, PPADR 2020 and PPADR 2022 that was approved by management awaiting presentation to the Board.
	Mainstream Research, Science, Technology, Innovation & Knowledge Management in service delivery	a) Develop and implement a framework to promote and support Research, Technology and Innovation, (RSTI). b) Harness organizational knowledge for business sustainability	a) Prepared a Research, Science, Technology and Innovation (RSTI) Policy. b) In collaboration with KAA and KNBS, undertaking a study that aims to measure the contribution of Civil Aviation activities on Kenya's economy and establish a Civil Aviation Satellite Account for Kenya. c) Implemented the KCAA STI Annual Work Plan and submitted quarterly reports to NACOSTI. d) Held a benchmarking visit to University of Embu and KURA on implementation of Performance Contracts. e) Held a Knowledge Management Day on 15th and 16th May 2024 in all KCAA Stations.

Strategic Pillar	Objective	Strategies	Achievement
	Strengthen the risk management framework	a) Review and implement an effective Risk Management Framework. b) Review and implement an Authority-wide Business Continuity and Disaster Preparedness (BC&DP) Plan	a) Continuous implementation of the Institutional Risk Management Framework (IRMF) to transform the Authority to a Risk Intelligent entity. b) Strengthened the Authority Risk Management capacity through training of seven (7) Risk Management Champions (RMCs). c) Undertook a Risk Management maturity assessment.
	Enhance assurance and advisory services offered by internal audit function	a) Enhance governance over the internal audit function in line with legislative/ government requirements and best practices. b) Enhance IAD capacity to contribute towards protection of the Authority's value through provision of effective assurance and advisory services. c) Review and implement effective and efficient Internal Audit processes that incorporate emerging technologies.	a) Level of implementation of Annual Internal Audit Plan was 92% against a target of 90%. b) Utilizes Teammate+ auditing management system, open CAPs declined from 175 in June 2023 to 163 in June 2024. a) Frequent Audits carried out on various functions and internal Audit Reports presented to the Board.
	Enhance good governance and compliance practices	a) Implement relevant governance laws, regulations, policies, and circulars. b) Enhance capacity building on corporate governance at Board and Management level. c) Ensure effective communication between Management and Board d) Review and implement Board and Board Committees Charters	b) Engaged the Institute of Certified Secretaries (ICS) to conduct the legal audit. c) Updated Board and Board Committee Charters.
	Improve efficiency and effectiveness in Project Management	a) Enhance project conception and planning. b) Ensure effective implementation, monitoring and evaluation of projects and Programmes.	a) Progressed with implementation of projects planned for FY 2023/24. b) Prepared concepts notes for projects planned for implementation in FY 2024/25 and submitted to the Ministry for approval.

8. CORPORATE GOVERNANCE STATEMENT

Corporate Governance is the process by which corporations are directed and controlled with the objective of increasing stake/shareholders value. This is achieved by establishing a system of clearly defined authorities and responsibilities, which results in a system of internal controls that is regularly tested to ensure effectiveness.

At Kenya Civil Aviation Authority, the Board places a high degree of importance on maintaining a sound control environment and applying the highest standards of business integrity and professionalism in all areas of the Authority's activities. The Board has adopted the Code of Best Practice for Corporate Governance issued by the Centre for Corporate Governance (Kenya) as its benchmark in developing its corporate governance principles and further provided these principles in the KCAA Board charter.

Board of Directors and Board Meetings

The composition of the Board is set out on pages ix –xiv. The Board has varied and extensive skills in the areas of aviation, finance, business management, governance and law. The Directors' responsibilities are set out in Civil Aviation Act no. 21 of 2013 read together with the Civil Aviation (amendment) Act of 2016 and include the policy direction and development of internal financial controls.

The Chairman of the Board provides the overall leadership to the Board without limiting the principle of collective responsibility for Board decisions. He acts as the link between the Board and the Director General and plays a leading role in consensus building between the Board members, the Director General and Senior Management. The Board has delegated the authority for day-to-day management to the Director General. It however retains the overall responsibility for decisions with regard to finances and operations of the Authority.

The Board meets at least once every quarter and has a formal schedule of matters reserved for it. During the Financial year 2023-2024, the Board held a total of Six (6) meetings. The quorum for the board meetings is six (6) members excluding the Director General.

The Board has appointed four (4) standing Committees to which it has delegated certain responsibilities with the chairpersons of the Committees reporting to it. The Committees are, Finance and Human Capital, Licensing of Air Services and Technical, Audit Risk and Governance and the East African School of Aviation Committee and they consist of;

1. LICENSING OF AIR SERVICES AND TECHNICAL COMMITTEES (LASTC)	
Chairperson	Mr. Jacob N. Narengo, EBS
Members	1. Mr. Tokei N. Loten 2. Dr. Annette Mbogoh 3. Ms. Angelah C. Rugut (Alternate to PS State Department of Transport) 4. Mr. Emile N. Arao
Number of meetings and agendas considered in FY 2023/2024	The Committee is responsible for considering applications for air service licenses including variations thereof and issuing or denying such licenses; Considering all air transport/economic regulation matters; Providing guidance on air transport policy in Kenya in consultation with the parent ministry; Ensuring engineering standards and monitoring engineering projects; Monitoring air navigation (and other equipment) availability and serviceability; and, Monitoring the Aviation safety and aviation security oversight functions of KCAA, including the licensing of aviation personnel and all matters incidental to the functions of KCAA including examinations conducted by KCAA. During the year, the Committee had a total of 5 meetings. The meetings considered briefing of air services license applications, technical briefings from the technical departments of the Authority as well as holding virtual public hearings as per statutory requirements. The committee also considered technical directorate's quarterly reports and strategic requests.

2. EAST AFRICAN SCHOOL OF AVIATION COMMITTEE (EASA)	
Chairperson	**Ms. Liz Aluvanze**
Members	1. Dr. Boniface M. Wanjau 2. Mr. Jacob N. Narengo, EBS (Alternate to PS Internal Security and National Administration) 3. Ms. Angelah C. Rugut (Alternate to PS State Department of Transport) 4. Mr. Emile N. Arao
Number of meetings and agendas considered in FY 2023/2024	The Committee is responsible for considering on behalf of the Board all matters relating to the East African School of Aviation. The Committee held 5 meetings. The committee considered East African School of Aviation's reports which included academic reports, administrative reports, project reports, student welfare reports, EASA Policies, EASA land matters, the school annual investment plan and proposed projects for implementation in the year.

3. FINANCE AND HUMAN CAPITAL COMMITTEE (F&HCC)	
Chairperson	**Mr. Tokei N. Loten**
Members	1. Ms. Liz Aluvanze 2. Col. (Rtd.) Rogers Mbithi Muneene 3. Ms. Eunice Kigen (Alternate to PS National Treasury) 4. Mr. Emile N. Arao
Number of meetings and agendas considered in FY 2024/2024	The Committee is responsible for reviewing and monitoring the KCAA financial matters/position on behalf of the Board, including monitoring the implementation of Authority's financial strategic goals/objectives; liquidity status, all the Authority's banking facilities, recommending KCAA Budgets, Financial Statements and statutory reports; and Ensuring compliance with the financial reporting requirements and the proper keeping of all the financial records of the Authority. The Committee also monitors the implementation of KCAA Human Capital strategic goals/objectives; Considering and processing all human resource and administration matters that require to be processed through the Board, including recruitment, promotions and disciplinary action, as well as issues relating to staff training, development, remuneration, welfare and benefits; The committee held 7 meetings. The committee considered among other agenda's the Authority's Budget estimates, annual report and financial statements, quarterly financial statutory reports, proposed revised human resource policies, the Authority's staff recruitment and approved employment contracts among other staff welfare matters.

4. AUDIT, RISK AND GOVERNANCE COMMITTEE (ARGC)	
Chairperson	**Dr. Boniface M. Wanjau**
Members	1. Dr. Annette Mbogo 2. Col. (Rtd.) Rogers Mbithi Muneene 3. Ms. Eunice Kigen (Alternate to PS National Treasury)
Number of meetings and agendas considered in FY 2023/2024	The Committee is responsible for considering and processing on behalf of the Board all matters relating to audit, audit queries and audit Management letters from the Office of the Auditor General or duly appointed external auditors; and, considering matters of quality assurance of systems and processes in KCAA operations and reviewing the risk management framework. The committee held 6 meetings. The agendas considered included among others the implementation of institutional risk management framework, Internal and External Audit reports, reports on court and land matters, quarterly Board PC reports and Governance Policy documents

The quorum for each Committee is three (3) members excluding the Director General or his representative.

Appointment of Board Members

There is a succession plan which has the tenure of service of the various Board members lapsing in phases. This allows the institutional memory held by longer serving Directors to carry on as new Directors take up the roles of Board members.

Board Trainings

The Authority has an induction program and an annual training program. The program has so far achieved trainings for the Board members on advanced governance risk mitigation and compliance and board evaluation masterclass among others. The trainings are undertaken on an ongoing basis with emphasis on new and emerging area of aviation oversight and requisite competencies for the Board of Directors.

Board & Member Performance

There is in place Board evaluation exercises undertaken annually by the State Corporations Advisory Committee (SCAC).

Conflict of Interest

Directors are required to disclose all areas of conflict of interest to the Board during the adoption of agenda for any meeting and are excluded from voting on such areas. There is a conflict-of-interest register maintained by the Corporation Secretary where all the declarations of conflicts of interests are recorded.

Ethics, Conduct and Governance Audit

The Authority undertakes a governance audit annually. The Authority has also developed a whistle blowing policy and engaged the Ethics and Anti-Corruption Commission on the same.

Directors' Emoluments

The members of the Board are remunerated variously through allowances. The Chairman earns a monthly honorarium. All members other than the Director General earn travelling, accommodation, mileage, sitting and lunch allowances as per the prevailing Government guidelines contained in circulars.

The aggregate amount of emoluments paid to Directors for services rendered to the Authority during the Financial Year 2023-2024 are disclosed in note 19.15 to the financial statements.

9. MANAGEMENT DISCUSSION AND ANALYSIS

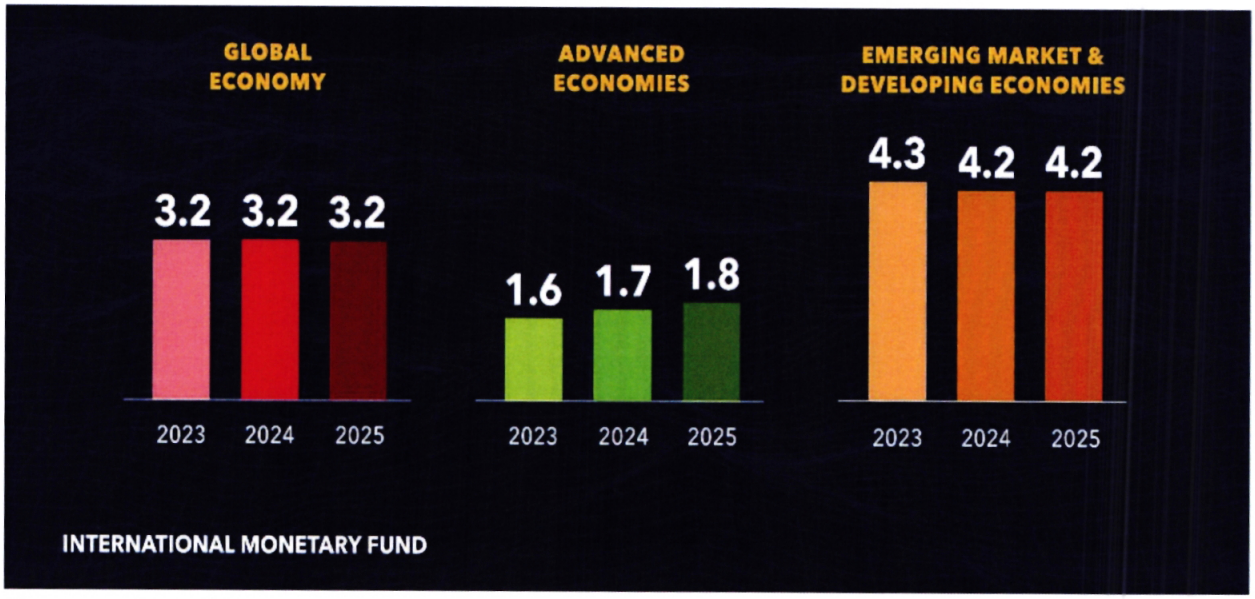
i) Performance of the Economy

a) Global Economic Performance

According to World Economic Outlook (WEO) Report by IMF for April 2024, global output growth slowed down from 3.5% in 2022 to 3.2% in 2023 and is projected to grow at the same pace in 2024 and 2025. The growth projections are below the 2000 – 2009 historical average. Growth in advanced economies was 1.6% in 2023 and is projected to rise to 1.7% in 2024 and 1.8% in 2025. Growth in emerging markets and developing economies was 4.3% in 2023 and is expected to stabilize at 4.2% in 2024 and 2025. Growth in Sub-Saharan Africa is projected to rise from 3.4% in 2023 to 3.8% in 2024 and 4.0 % in 2025. The global output growth comparison is presented in figure 1.

Global inflation declined from 8.7% in 2022 to 6.8% in 2023 and is projected to decline further to 5.9% in 2024 and 4.5% in 2025. Inflation is highest in emerging markets and developing economies. Advanced economies are experiencing lower inflation, but still above target. The central driver of the fall in inflation is declining international oil prices, tight monetary policy frameworks, softening of labour markets, and lower exposure to shocks to commodity prices and exchange rates.

Figure 1: Global Economic Outlook



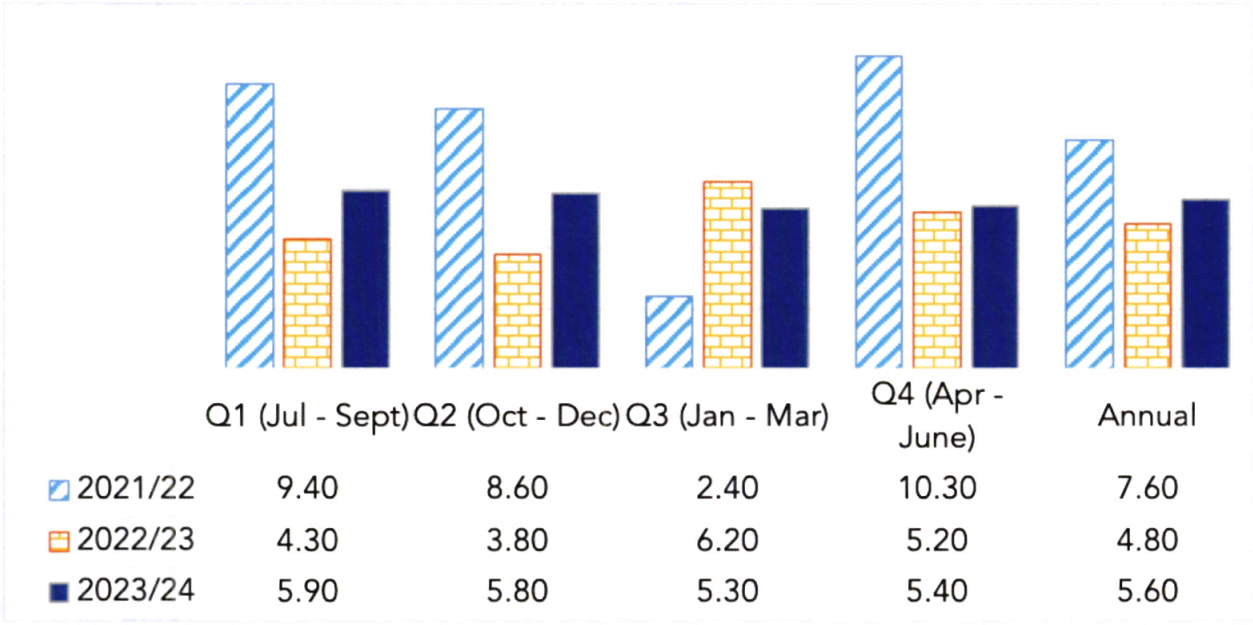
Source: *IMF. 2024. World Economic Outlook: A Rocky Recovery. Washington, DC. April.*

b) National Economic Performance

The national economy sustained the growth momentum that started in 2021, following the gradual recovery from the effects of COVID-19 pandemic. The Real Gross Domestic Product (GDP) expanded by 5.6% in 2023 compared to a growth of 4.8% in 2022 and 7.6% in 2021. The growth was supported by a rebound in agricultural activities that had contracted in 2022 owing to favourable

weather conditions and a significant growth in the service sector activities. Comparison of quarterly real GDP Growth rates in 2021 and 2022 is presented in figure 2.

Figure 2: Comparison of Real GDP Growth in 2021/22, 2022/23 and 2023/24



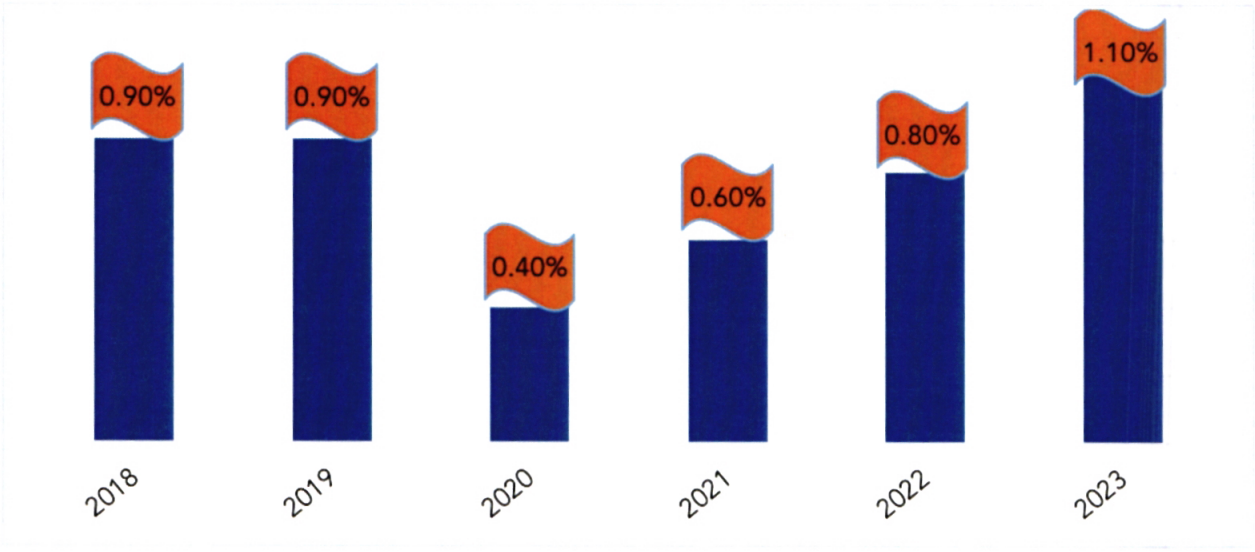
Source: *Kenya National Bureau of Statistics, 2024*

c) Air Transport Contribution to the National Economy

Air transport facilitates speedy international, regional, and domestic movement of passengers and cargo. It is an important enabler to achieving economic growth and development as it enables flow of goods, investments, people, and ideas that drive economic growth. It also facilitates tourism and trade, thereby increasing consumer benefits and choices, creating jobs, and generating numerous socio-economic benefits.

Based on the Economic Survey, 2024, Air Transport contributed 0.9 per cent to the national GDP in 2019. This contribution declined to 0.4 per cent in 2020 because of the impact of COVID-19 but with the recovery from the effects of the pandemic, the contribution increased to 0.6 per cent in 2021, 0.8 per cent in 2022 and was 1.1% in 2023. The growth was driven by increased air passenger and cargo traffic as air transport activities nears a return to pre-pandemic levels. Figure 3 presents a six-year analysis of the trend of air transport contribution to the national economy.

Figure 3: Six-Year Analysis of Air Transport Contribution to GDP



Source: *Kenya National Bureau of Statistics, 2024*

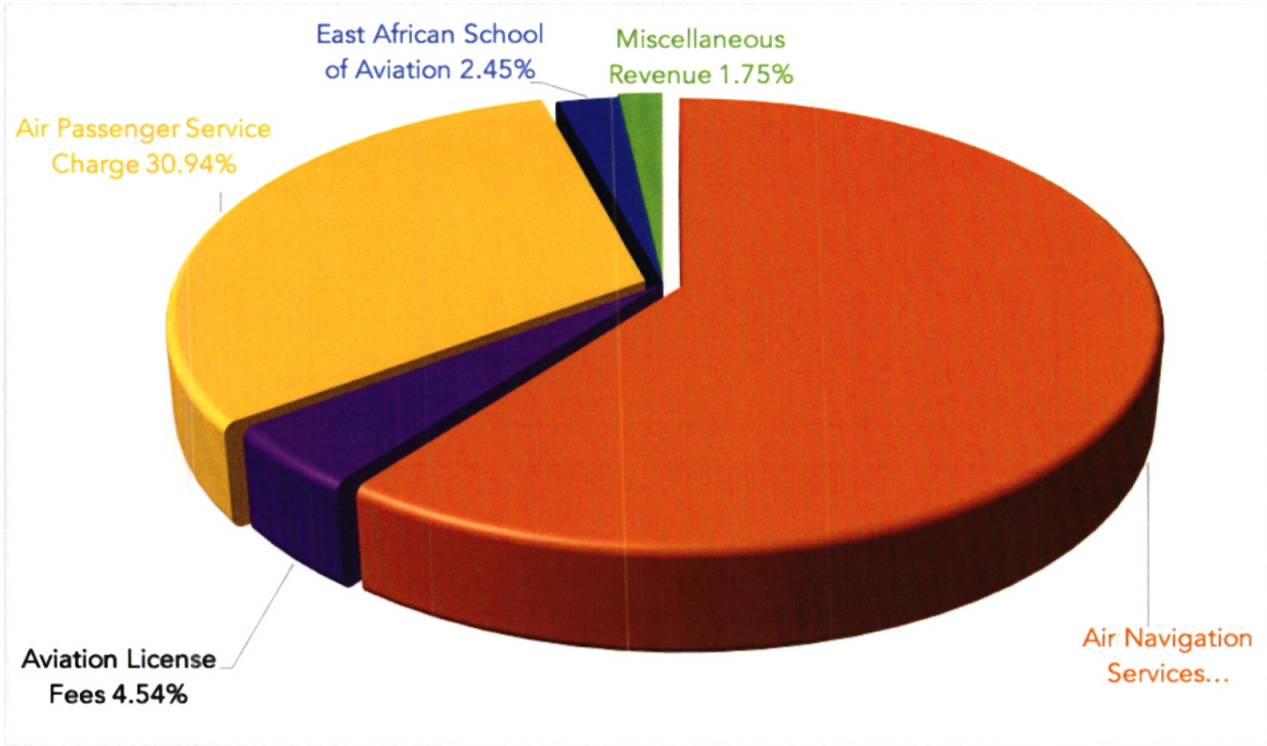
ii) Operational and Financial Performance

a) Financial Performance

During the FY 2023/24, the Authority experienced an increase in financial performance, where revenue collection was **Ksh. 12,830,411,929** against a target **of Ksh. 8,114,989,598**, representing above target achievement of **Ksh. 4,715,422,331.00** (**58.10%**). The high revenue performance was attributed to the ANS and Air Passenger Service charge that resulted from the high traffic experienced during the year. The major sources of revenue were Air Navigation Service Charge (60.3%), Air Passenger Service Charge (30.9%), Aviation License Fees (4.5%), Training and Conference related earnings at the EASA (2.5%).

In terms of expenditure, the Authority's budget for the FY 2023/24 was **Ksh. 8,919,369,386** comprising of **Ksh 7,632,183,874** for recurrent expenditure and **Ksh 1,287,185,512** for Development expenditure. The actual expenditure was **Ksh. 8,264,633,486,** representing a budget absorption rate of **92.66%.** The overall financial results were a net profit of **Ksh. 5,994,128,999** compared to **Ksh. 4,916,321,324** recorded in the FY 2022/23 before 90 per cent remittance to the National Treasury.

Figure 4: Proportion of Revenue by Source



Source: *KCAA Finance Department, 2024. (*Draft Financial Reports)*

b) Passenger Traffic

The performance of the industry during the financial year showed good recovery trend from COVID-19 pandemic and return to normalcy. Given the role of aviation as a critical catalyst for global and national development, the positive trend is a great reprieve to the Kenyan economy. The number of passengers handled at Kenyan airports increased by 15.16 per cent from the 11.06 million recorded in the FY 2022/23 to reach 12.74 million recorded in the FY 2023/24. The number of domestic passengers was 5.45 million while that of international passengers was 7.03 million. The increase in passenger traffic was mainly driven by a rise in domestic travellers by 7.99 per cent and a 21.68 per cent increase in international passengers compared to the previous year. There was also significant increase of 21.68% in the international passengers owing to the increased tourism activities, foreign investments and international events, meetings and conferences being hosted in Kenya. Transit passenger traffic also increased by 8.91 per cent. Table 2 presents a five-year analysis of passenger traffic in Kenya.

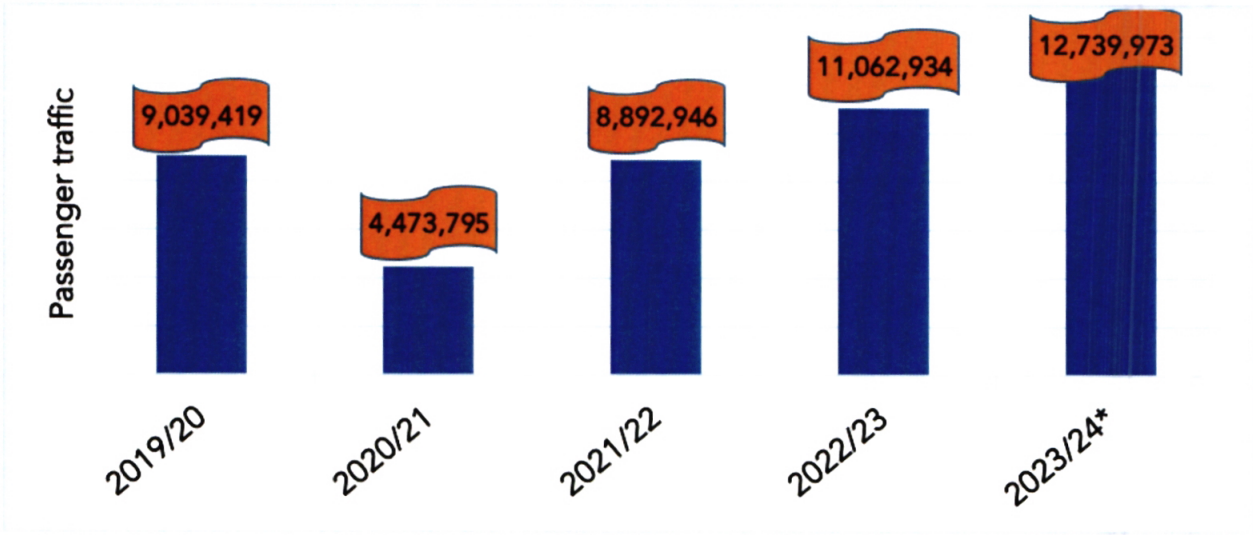
Table 2: Passenger Traffic from 2019/20 to 2023/24

Passenger and Freight Traffic Statistics			2019/20	2020/21	2021/22	2022/23	2023/24*	Percent Change
Passengers	Domestic	Arrivals	1,821,760	1,386,059	2,464,507	2,537,082	2,755,859	8.62
		Departures	1,728,472	1,386,839	2,447,967	2,512,119	2,696,753	7.35
		Total	**3,550,232**	**2,772,898**	**4,912,474**	**5,049,201**	**5,452,612**	**7.99**
	International	Arrivals	2,597,186	781,996	1,834,777	2,857,644	3,475,798	21.63
		Departures	1,660,577	787,188	1,915,079	2,921,391	3,555,952	21.72
		Total	**4,257,763**	**1,569,184**	**3,749,856**	**5,779,035**	**7,031,750**	**21.68**
		Total arrivals	4,418,946	2,168,055	4,299,284	5,394,726	6,231,657	15.51
		Total departures	3,389,049	2,174,027	4,363,046	5,433,510	6,252,705	15.08
		Transit	1,231,424	131,713	230,616	234,696	255,611	8.91
		Total	**9,039,419**	**4,473,795**	**8,892,946**	**11,062,934**	**12,739,973**	**15.16**

Source: *KCAA, 2024*

* Includes projections for Q4 2023/24

Figure 5: Passenger Traffic Trend from 2019/20 to 2023/24



Source: *KCAA, 2024*

c) Cargo Throughput

The volume of domestic cargo loaded and unloaded in the FY 2023/24 was 1,534.1 tonnes which was a 49.11 per cent increase from the 1,028.86 tonnes recorded in the FY 2022/23 while the volume of international freight in the FY 2023/24 was 393,186.4 tonnes which was a 4.34 per cent increase from the 376,831.5 tonnes recorded in the FY 2022/23. Overall, the total cargo transported through the Kenyan airspace increased by 4.46 per cent from 377,860.4 tonnes in the FY 2022/23 to 394,720.6 tonnes in the FY 2023/24. The five years' trend in freight traffic is shown in the table 3.

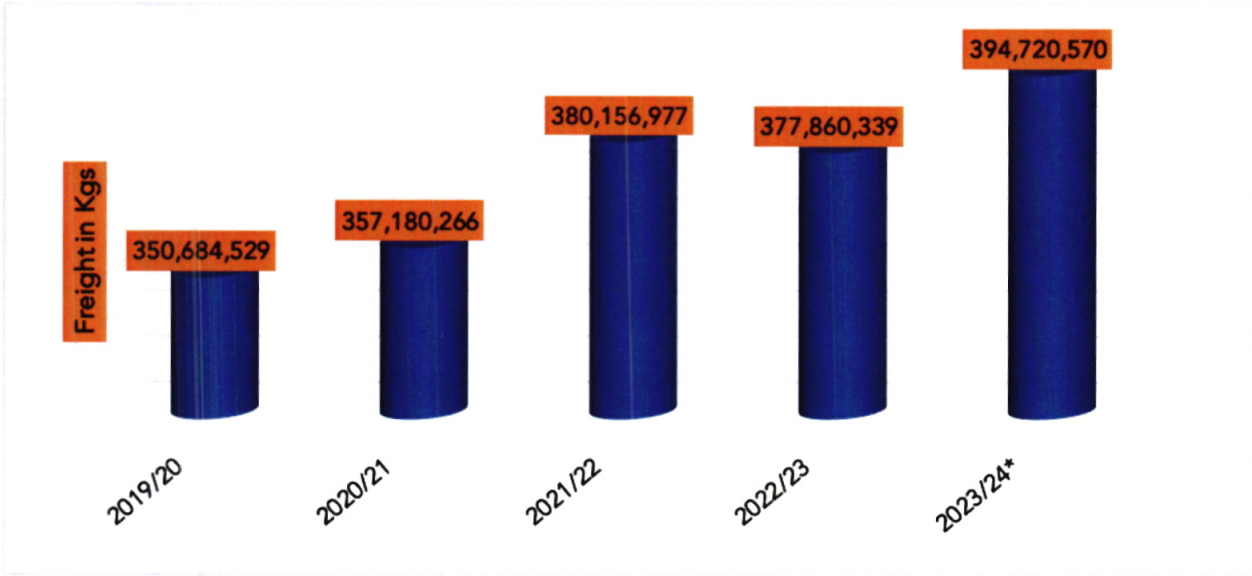
Table 3: Freight Traffic from 2019/20 to 2023/24

Freight Traffic Statistics			2019/20	2020/21	2021/22	2022/23	2023/24*	Percent Change
Total Freight (in kgs)	Domestic	Unloaded	289,496	635,316	739,254	890,482	1,250,362	40.41
		Loaded	766,276	472,652	211,428	138,380	283,762	105.06
		Total	**1,055,772**	**1,107,968**	**950,682**	**1,028,862**	**1,534,124**	**49.11**
	International	Unloaded	69,381,514	69,316,039	76,059,632	75,485,908	66,481,989	-11.93
		Loaded	280,247,243	286,756,259	303,146,663	301,345,569	326,704,457	8.42
		Total	**349,628,757**	**356,072,298**	**379,206,295**	**376,831,477**	**393,186,446**	**4.34**
		Total Unloaded	69,671,010	69,951,355	76,798,886	76,376,390	67,732,351	-11.32
		Total Loaded	281,013,519	287,228,911	303,358,091	301,483,949	326,988,219	8.46
		Total	**350,684,529**	**357,180,266**	**380,156,977**	**377,860,339**	**394,720,570**	**4.46**

Source: *KCAA-Planning, 2024*

* Includes projections for Q4 2023/24

Figure 6: Total Freight 2018/19 to 2023/24



Source: *KCAA-Planning, 2024*

* Includes projections for Q4 2023/24

d) Aircraft Movements

As compared to the previous period, there was increased aircrafts moving through the Kenyan airspace in the review period. Domestic aircrafts registered increased movements by 3.77 per cent from 202,278 recorded in the FY 2022/23 to 209,900 recorded in the FY 2023/24. Landings increased by 3.68 per cent while take-offs increased by 3.86 per cent. Movements of international aircrafts increased by 16.06 per cent from 76,824 in the FY 2022/23 to 89,162 in the FY 2023/24. Landings increased by 15.97 per cent while take-offs increased by 16.15 per cent. Over-flights increased by 23.82% from 56,362 in the FY 2022/23 to 69,789 in the FY 2023/24. Overall, the total aircraft movements increased by 9.95 per cent from 335,464 in the FY 2022/23 to 368,851 in

2023/24. Domestic aircrafts accounted for 56.9 per cent, international aircrafts accounted for 24.2 per cent while overflights accounted for 18.9 per cent of the total movements.

The increased activity through the Kenya airspace is attributed to improved performance of aviation industry, post-pandemic rebound and increased economic activities. The five years' trend in aircraft movements is presented in the table 4 and figure 3.

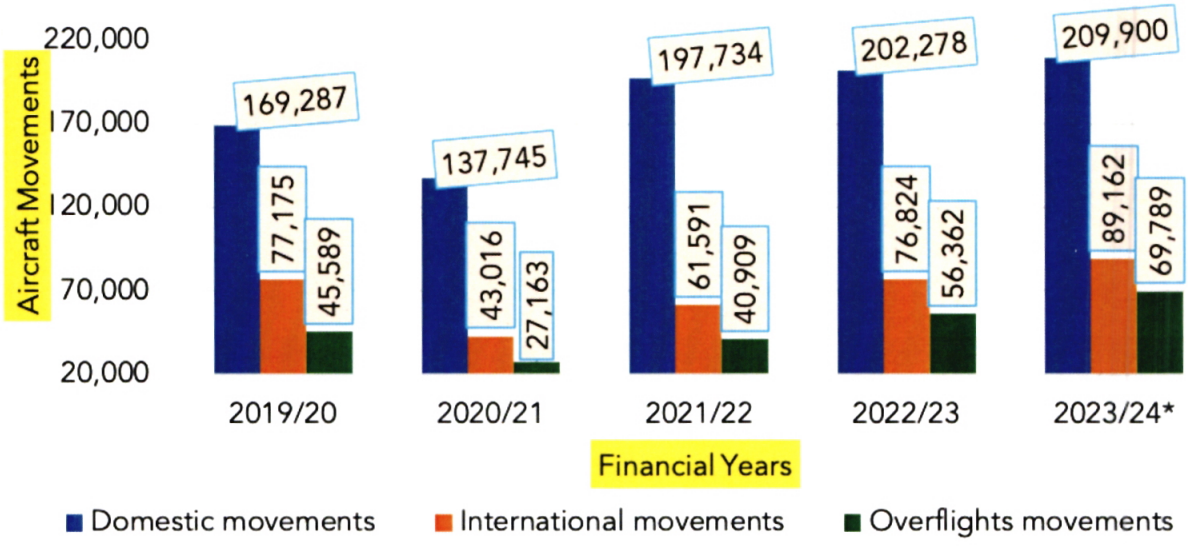
Table 4: Aircraft Movements from 2019/20 to 2023/24

Item	Movement		2019/20	2020/21	2021/22	2022/23	2023/24	%
Aircraft Movements	Domestic	Landings	83,928	68,856	99,508	101,591	105,325	3.68
		Take-offs	85,359	68,889	98,226	100,687	104,575	3.86
		Total	**169,287**	**137,745**	**197,734**	**202,278**	**209,900**	**3.77**
	International	Landings	38,362	21,409	30,947	38,469	44,613	15.97
		Take-offs	38,813	21,607	30,644	38,355	44,549	16.15
		Total	**77,175**	**43,016**	**61,591**	**76,824**	**89,162**	**16.06**
		Total Landings	122,290	90,265	130,455	140,060	149,938	7.05
		Total Take-offs	124,172	90,496	128,870	139,042	149,124	7.25
		Total	**246,462**	**180,761**	**259,325**	**279,102**	**299,062**	**7.15**
	Over flights	Total Over flight	45,589	27,163	40,909	56,362	69,789	23.82
Overall aircraft Movements			**292,051**	**207,924**	**300,234**	**335,464**	**368,851**	**9.95**

Source: *KCAA-Planning, 2024*

* Includes projections for Q4 2023/24

Figure 7: Aircraft Movements by Type from 2018/19 to 2023/24



Source: *KCAA-Planning, 2024*

e) Aircraft Registration

The total number of aircrafts registered in Kenya has been on an upward trajectory, notwithstanding the impact of COVID-19. In the FY 2023/24, the number of registered aircrafts grew by 1.51 per cent to 1,684. In the same financial year, 42 new aircrafts were registered while 17 were de-registered. Table 5 presents the five years' trend in aircraft registration in Kenya.

Table 5: Aircrafts Registered in Kenya from 2019/20 to 2023/24

Financial Year	2019/20	2020/21	2021/22	2022/23	2023/24
Total Aircraft Registered	1,586	1,600	1,624	1,659	1684
Per cent Change	2.5	0.9	1.5	2.16	1.51
New Aircraft Registered	48	29	56	50	42
De-Registered Aircraft	9	15	32	15	17

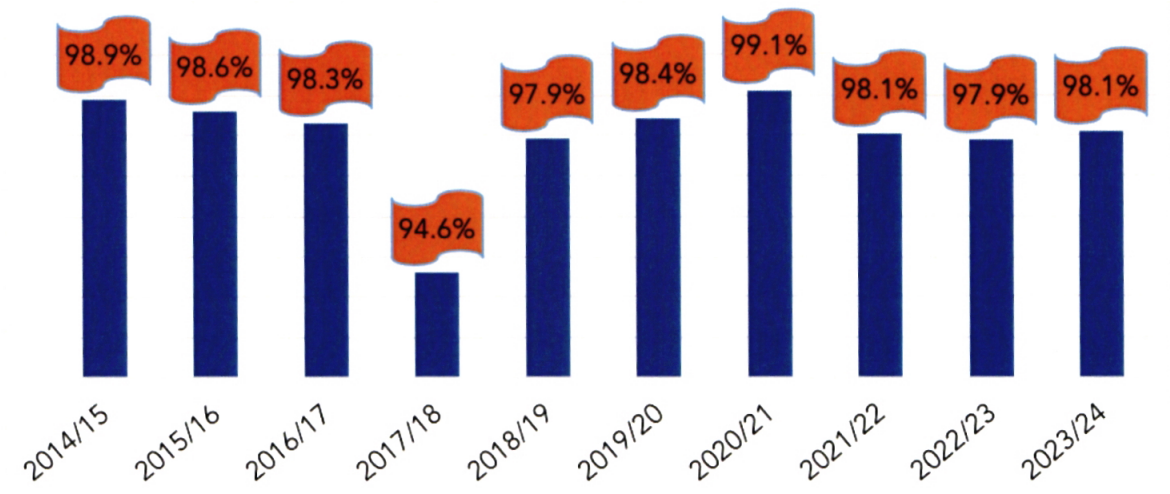
Source: *KCAA-Planning, 2024*

f) Investments Decisions

The Authority's major investments are in the provision of Air Navigation Services equipment and facilities and maintenance and upgrade of ICT infrastructure. ICAO require that Air Navigation Services be operated based on cost recovery mechanism with no profit maximization objective. Investment decisions are guided by the Global Air Navigation Plan (GANP) which is implemented by Contracting States. The investments are undertaken to achieve safe and secure flow of global air traffic and enable growth of aviation and related industries. Thus, the return on these investments should be considered from the wider economic benefits to the country and not profit maximization.

The Authority continued with implementation of projects aimed at modernising ANS equipment and systems, improving quality of training infrastructure, and enhancing service delivery through digitalization. Implementation of the projects, alongside enhanced maintenance and periodic calibration enabled the Authority to achieve an overall average availability of ANS equipment of 98.11% during the year, which was above the ICAO recommended level of 97%. Projects completed include; Extension of Digital Automatic Terminal Information Service (D-ATIS) system to other Airports from Wilson; installation of VCCS for Wajir and Lokichoggio; installation of VHF Radio systems for Kisumu and Malindi; installation of Relay Station 118.1 MHz for Wilson Airport Tower; installation of Instrument Landing System (ILS); Very High Frequency Omni-Range System (VOR); Flight Planning and Briefing Laboratory at EASA. Ongoing works include; installation of VDF equipment for Eldoret (25%); VHF Area Cover Radio Systems for Mua Hills and Lokichoggio (50%); Voice Recorder Systems for JKIA, Mombasa, Kisumu and Malindi (60%); and Upgrade of 3-D ATC Simulator; AIM System; AVSEC CBT System at EASA. The Authority also commenced construction of Kisumu Airport Control Tower which has progressed to 45%.

Figure 8: Ten-Year Analysis of Overall Availability of ANS Equipment



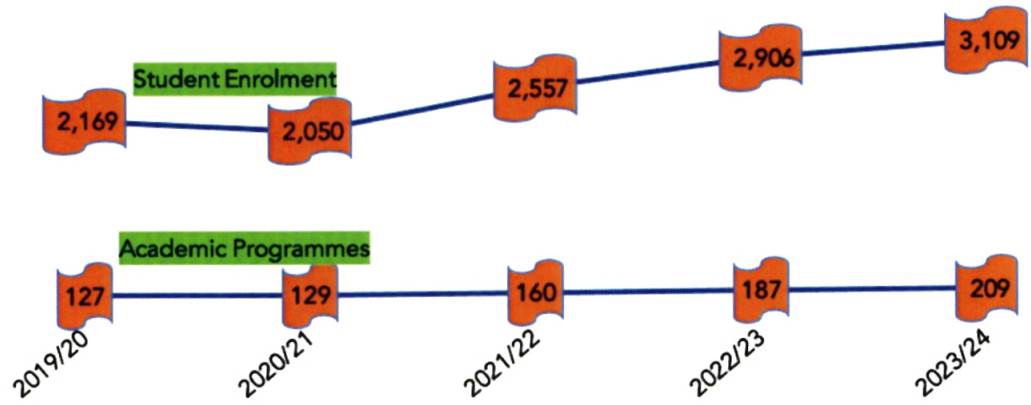
Source: *KCAA-Planning, 2024*

g) Aviation Training

The East African School of Aviation (EASA) is the training Directorate of the Authority approved by ICAO to develop and implement Standardized Training Packages (STPs) and ICAO Training Packages (ITPs). EASA provides training to both local and international aviation industry stakeholders. The school gained recognition as a Platinum Training Centre of Excellence TRAINAIR PLUS Programme (TPP) Member by ICAO and renewal of ISO certification which is valid until March 2027.

The school registered an increase in the number of academic programmes with 209 courses being conducted in the FY 2023/24 in comparison to 187 courses conducted in the FY 2022/23. In terms of enrolment, the number of students trained at EASA increased by 7% from 2,906 in FY 2022/23 to 3,109 in the FY 2023/24. Out of the trainees enrolled, 63.5% were male while 36.5% were female. In terms of nationality, 79.1% of the trainees were Kenyans while foreign trainees accounted for 20.9%. Figure 7 shows the breakdown of programmes conducted and the number of students trained at EASA for the 5-year period.

Figure 9: Analysis of Student Enrolment and Academic Programmes at EASA



Source: *KCAA-Planning, 2024*

h) Staff Statistics

The Authority has registered a stable growth in staff numbers over the years. Within the FY 2023/24, the in-post staff grew by 9.7% from 771 to 846. The staff establishment within the Authority comprise of four categories; those on Permanent and Pensionable terms (621); Contract terms (169); Graduate trainees (20); and Interns (36). Table 9 presents key human resource statistics while Figure 8 presents an analysis of staff numbers for the ten-year period from 2014/15 to 2023/24.

Table 6: Key Human Resource Statistics

S/No.	Year	June – 2022	June – 2023	June – 2024
1.	Staff on Permanent and Pensionable	624	614	621
2.	Staff on Contract terms*	50	56	55
3.	Staff on Temporary Contract**	73	77	114
4.	Graduate Trainees ***	0	24	20
5.	Interns ***	35	0	36
	Total Staff	**782**	**771**	**846**

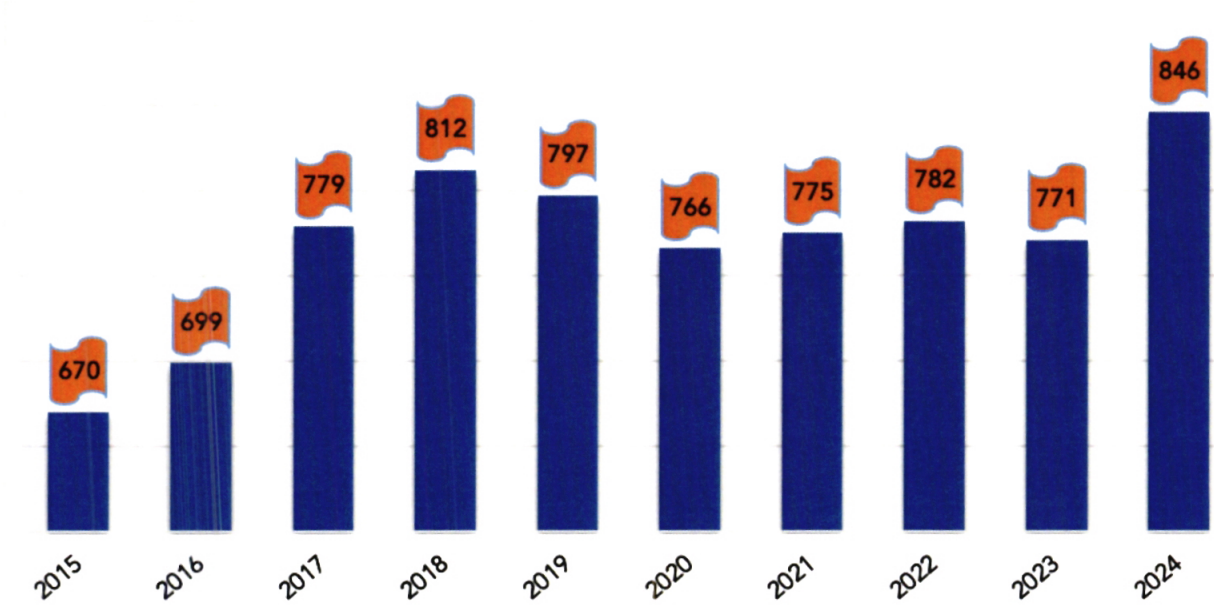
Source: *KCAA HR Department*

***** *Employees on more than one-year employment contract.*

****** *Employees on 1 year or less than 1 year employment contract.*

**** These are not employees of the Authority. They are ab initial trainees at the East African School of Aviation and interns who are on government apprenticeship programme.*

Figure 10: Staff Statistics Trend



Source: *KCAA, 2024*

Due to the dynamic nature of the aviation industry, there are factors outside the control of the Authority that may impact both the Authority, and the industry as discussed below;

Table 7: Analysis of Major Risks

S/No	Risk Description	Overall Risk Level	Mitigation Measures
	Non-compliance with laws, treaties, regulations, and rules	High	a. Full involvement of stakeholders from the beginning of drafting regulations. b. Continuous training of legal officers on aviation laws and related laws, treaties, regulations, rules, and legislative drafting c. Participate in budget review to ensure sufficient budget allocation. d. Keep and update conflict-of-interest register, Declaration to be made in every meeting, Quarterly reminders on declarations and Sanctions. e. Facilitation of continuous sensitization on applicable laws and regulations to KCAA staff. f. Conduct compliance audits and implement corrective actions on audit findings on compliance matters. g. Engage relevant institutions for constant updates on new changes in law. h. Develop and implement a compliance and reporting check list on all applicable laws to KCAA. i. Develop and review civil aviation policies, legislation, regulations, and programmes. j. Develop, review, and implement Technical Guidance Materials
1.	Failure to implement State Safety Programme (SSP) and National Aviation Safety Plan (NASP)	High	a. Continuous training of staff b. Management sensitization of the State Safety programme and NASP; a. Stakeholder engagement and on the requirements of the programs and plans b. Automation of ASSR processes and procedures c. Enhanced budgetary allocation. d. Establishment of a SSP Safety Review Board. e. Development of the National Aviation Safety Plan (NASP)
2.	Failure to implement National Civil Aviation Security Programme (NCASP)	High	a. Continued training of staff b. Implementation of the surveillance programme a. adequate resource allocation in the implementation of the NCASP b. Automation of ASSR processes and procedures c. Enhanced budgetary allocation
3.	Inadequate legal and regulatory oversight framework	High	a. Implementation and review of the2022approved career structures b. Continuous development and review of civil aviation policies, legislation, regulations, and programmes. c. Develop, review and implement Technical Guidance Materials d. Provide appropriate facilities, tools and equipment. e. Continuous update of the OLF (USOAP-CMA) and update to ICAO under USAP-CMA

S/No	Risk Description	Overall Risk Level	Mitigation Measures
4.	Failure to implement surveillance programmes and plans	High	a. Recruit adequate number of staff commensurate with the workload b. Continuous sensitization of staff; c. Timely development and approval of the surveillance program and plans including the implementation of the same; d. Adherence to regulatory requirements, rules and procedures; e. Adequate management support including the Board of Directors; f. Allocation of sufficient budget and resources; g. Develop and implement a tracking system on the implementation of corrective action plans; h. Track the compliance with regulatory requirements; i. Implement the National; Aviation Security Programme j. Implement the automation of surveillance activities;
5.	Failure to identify and resolve safety issues & security concerns	High	a. Provide required training on the resolution of safety and security issues. b. Develop and implement a mechanism/system for the verification and validation of documents submitted to the Authority to confirm authenticity. c. Provision of working tools to facilitate inspections e.g. vehicles, ICT equipment, etc. d. Allocate tasks according to professional training, skills, knowledge and experience. e. Develop and implement coordination procedures between ASSR departments. f. Coordinate regular reviews of regulations and TGMs per planned schedule. g. Continuously review quality control schedules to cover all areas. h. Develop and implement procedures for coordination between the Authority and external organizations. i. Automation of resolution of safety issues and security concerns. j. Implementation of a risk-based surveillance system. k. Implementation of performance-based oversight system.
6.	Failure to implement ICAO USOAP-CMA, ICAO USAP-CMA and FAA Category 1 Corrective Action Plans (CAPs)	High	a. Automation of resolution of safety issues and security concerns. b. Implementation of a risk-based surveillance system c. Implementation of performance-based oversight system. d. Capacity building within the ASSR Coordination Office e. Automation of ASSR Processes
7.	Failure to oversight new entrants into the aviation system i.e drones, UAM, etc	High	a. Identify and provide relevant training for UAS oversight personnel. b. Review organisational structure and recruit suitable personnel. c. Develop and implement an appropriate UAS oversight system. d. Identify and provide enhanced training for UAS oversight personnel

S/No	Risk Description	Overall Risk Level	Mitigation Measures
	Low Customer satisfaction	High	a. Sensitize stakeholders on mandate & services of the Authority. b. Develop and implement customer quality standards. c. Enhance customer loyalty programmes. d. Develop & implement a mechanism for customer feedback.
	Ineffective and inefficient complaints management for internal processes	High	a. Sensitize stakeholders through the use of various use of various platforms. b. Timely update of information using corporate platforms. c. Enhance the rights and interests of aviation consumers.
	Nonrealization of revenue targets	High	a) Conducted quarterly revenue reconciliations between KCAA & KRA b) Enforced credit control policy. c) Enhance and diversify revenue sources. d) Increase efficiency in expenditure management, budget utilization and finance operations. e) Optimize returns on assets. f) Implementation of hybrid training delivery to enhance training programs accessibility from different locations. g) Establish and maintain MOUs with CAAs for both offsite and onsite trainings for professional programmes. h) Increase visibility of the school by increasing marketing activities. i) Diversification and enhancing products and services. j) Establish framework training agreements with key EASA clients. k) Enhance and diversify revenue sources. l) Increase efficiency in expenditure management and budget utilization and Finance operations.

Compliance to Statutory Requirements

In the financial year ended 30th June 2024, the Authority was able to comply with the requisite statutory requirements. However, there have been one major long-standing court case. This is summarised below:

Nairobi HCCC Misc. Appl. No 1278 of 2004 & Court of Appeal No. 67 of 2010 Rufus Njuguna & 67 Others –v. - KCAA & 2 Others

This is a case involving 68 former employees of the Directorate of Civil Aviation (the predecessor of KCAA) emanating from alleged dismissal of the said employees from public service and malicious prosecution. The case was ruled in favour of the plaintiffs but KCAA appealed against the judgment and the appeal proceeded for hearing on 7th January, 2014. The Court dismissed KCAA's appeal with costs. The Court of Appeal ordered the matter to be referred back to High Court for assessment of total damages. The High Court delivered the ruling on assessment for 40 plaintiffs out of 67 plaintiffs. The judgment amount in total is approximately Kshs 154,841,140. The Claimants' application for review seeks an additional Kshs. 103,835,080/=.

The matter was mentioned on 25th April 2019 for Claimants to update the Court on the issue of the Claimants' representation. The Court ordered that the Claimants sort out their issues on representation as it had not resolved the issue.

The matter was mentioned again on 12th June 2019 where Dr. Khaminwa and Mr. Mutai tentatively agreed to act alongside each other with respect to 2nd, 4th to 25th claimants on the condition that the incoming advocates lay no claim to Fees already earned. The Court then directed that the Claimants finalise on their representation and agree on how to proceed with regards to Mr. Mutai's Application to file a Notice of Appeal out of Time. On 14th August 2020, KCAA was served with a Preliminary Decree of Kshs. 152,071,216 and a Final Decree of Kshs. 28,229,748 for the wrongful dismissal and unlawful arrest of the former DCA employees. The amounts are salary arrears since 18th April 2002.

There was an error on assessment on dues done by the court and the same is pending determination by the court. Meanwhile the Authority is liaising with the Advocates on record for parties to agree on the amount that is not disputed for purposes of payment by KCAA. The matter is being handled by Walker Kontos Advocates on behalf of KCAA. An application on the error on assessment was heard on 20th September 2022 and a ruling delivered on 26th January 2023 where the court did not allow the application. An appeal was preferred and application for review of the ruling and stay of execution were filed. The two applications are pending direction from the court. The appeal has received direction from to the court directing parties to file and serve written submissions. The court further gave directions that the concerns as set out in KCAA's appeal could be considered on the main Judicial Review application. An application by the claimants on execution was declined and the court held that the intended execution by way of the judicial review proceedings ought to await the determination of the application for Judicial Review. The matter has since been transferred to Eldoret to be handled by the Judge handling the Judicial Review application. We await a date for mention for further directions by the substantive Judge.

Meanwhile the Authority continues to liaise with the Advocates on record for parties to agree on the amount that is not disputed for purposes of payment by KCAA and to halt the accrual of interest. The undisputed amount as per KCAA's computation is Kshs. 73,015,632/-. The total interest accrued on the undisputed decretal amount as of 27th March 2024 is Kshs. 56,222,036.60/-.

The Authority has also settled fully the party and party costs of Kshs.2,159,754.45/- taxed by the Court of Appeal in Civil Appeal No.67 of 2010.

Material Arrears in Statutory and Other Financial Obligations

The Authority reported a number of liabilities as at 30th June 2024. These major liabilities included;

a)	Trade Payables & Other Payables	Kshs	1,181,906,804
b)	Employee Benefit Obligation	Kshs	243,654,973
c)	Current Portion of Borrowings	Kshs	182,324,356
d)	Current Provisions (90% Surplus)	Kshs	4,644,586,099

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya Civil Aviation Authority objective is to create a vibrant, safe, secure, and sustainable civil aviation system and support Kenya's long-term development goals through increased domestic and global connectivity. The objective is achieved through implementing the mandate which requires KCAA to promote the growth of the civil aviation industry, improve the levels of compliance with aviation safety and security standards, undertake economic regulation of air transport, provide Air Navigation Services and aviation training.

a) Sustainability Strategy and Profile

The aviation industry is an important enabler to achieving economic growth and development as it facilitates speedy international, regional, and domestic movement of passengers and cargo and integration of the local economy into the global economy. The industry also facilitates flow of investments, ideas, tourism, and trade which have a positive effect on economic growth. Aviation also enables a country's integration into the global economy by facilitating speedy international, regional, and domestic movement of passengers and cargo, flow of investments, ideas, tourism, and trade, thereby providing direct benefits for users and wider economic benefits through its positive impact on productivity.

As a signatory to the Chicago Convention which established the International Civil Aviation Organization (ICAO), Kenya is obligated to administer aviation safety and security in line with the ICAO Standards and Recommended Practices. The Authority enhanced the implementation of compliance requirements, oversight capacity, surveillance of the industry and investments in modern air navigation services infrastructure and training equipment. The activities undertaken by the Authority enabled the country to retain the FAA IASA Category I status granted in 2017 to operate direct flights into the USA market while also promoting safe flow of global air traffic.

The Bilateral and Multilateral Air Service agreements between Kenya and other countries have helped to open up markets for Kenya's products, increased access for inputs and interactions across the globe. KCAA will continue to work with other states in Africa to implement the framework for opening up air spaces to enable full exploitation of the African Market. To achieve this, the Authority will continue to lobby for implementation of the Single African Air Transport Market (SAATM) and for more states on the continent to join the initiative. At the EAC level, KCAA will continue to work with the other countries to open up the regional market and create opportunities for growth. At the same time, the Authority continues to promote the exploitation by local airlines of the market access opportunities negotiated under the current framework of Bilateral Air Services Agreements.

The Board of Directors has fully embraced the Performance Management Framework, and each year implements a Performance Contract. During the FY 2023/24, the Board PC had 35 targets, out of which 31 targets were fully achieved. The Authority also developed her forth strategic plan for the period 2023/24 to 2027/28. The Authority Vision is to create a vibrant, safe, secure, and

sustainable civil aviation system that will support the realization of Kenya's long-term development goals. The initiatives contained in the Strategic Plan are aimed at promoting financial sustainability, transforming the Authority into a risk intelligent entity, digitalization to enhance operational efficiency, attracting and maintaining a high performing workforce, reducing aviation environmental pollution, enhancing the level of compliance with ICAO SARPs and increased growth of civil aviation activities evidenced by higher contributions of civil aviation to the GDP.

ii) **Environmental Performance**

KCAA fully complies with international and domestic requirements on matters related to environment. The Authority operates in line with the expectations of diverse global stakeholders and therefore sees environmental protection as a discipline through which the Authority integrates economic, environmental, and social objectives without compromising ability of future generations to meet their needs. To this end, the Authority created a new Department (Aviation Environment Protection) to implement policies relating to aviation environmental protection in Kenya. At the international level, KCAA is working together with the global civil aviation community towards reductions of aircraft emissions and the negative effects of climate change.

The Authority participated in the following meetings:

1) Conference of Parties (COP 28) of the UN Framework Convention on Climate Change (UNFCCC) held in November 2023 in United Arab Emirates aimed at coming up with mitigation measures, providing financial support opportunities and promoting collaboration among states.
2) Organised a Session on CORSIA, SAF and CORSIA Eligible Fuels for Kenya Stakeholders.
3) Participated in ICAO CAAF/3 (third Conference on Aviation Alternative Fuels).
4) Hosted the first meeting of the National Steering Committee on Acceleration of Development & Deployment of Sustainable Aviation Fuel (SAF).
5) Participated in Sub-Saharan regional workshop on environment.
6) Collaborating with EASA Project Team to kickstart the EU-funded ACT-SAF Africa-India Project
7) Hosted the ICAO CAEP Working Group 4 meeting.
8) Participated in (UN Climate Change Conference) the 60th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA).

Kenya has been participating in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in the pilot phase since 2021. The scheme aims at contributing to the global aspirations of keeping the global net CO_2 emissions from international aviation neutral from 2020 at the same level and attain a target of Net Zero growth in carbon emissions for air transport industry by 2050. This implies that aircraft will increasingly use efficient fuels and Air Navigation Service providers will design routes that do not contribute to increased aircraft emissions. The authority compiled the 2023 CORSIA Emission Data into the ICAO CORSIA Central Registry (CCR) System. The compiled emission report indicates that the total CO_2 emissions recorded in 2023 for Kenyan aeroplane operators was 1,320,805.55 tonnes, representing an increase of approximately

15% from the 1,122,873.31 tonnes recorded in 2022. To ensure that efforts to protect and conserve the environment in the industry are anchored on a strong legal framework, the Authority developed the following sets of regulations and forwarded to the Ministry for approval; Carbon Offsetting and Reduction Scheme for International Aviation; Environmental Protection - Aircraft Noise; and Aircraft Engine Emissions.

In a move aimed at reducing greenhouse emissions, stopping and reversing deforestation and restoring 5.1 million hectares of deforested and degraded landscapes, the government launched the National Tree Growing Restoration Campaign which targets to plant at least 15 billion trees and increase the country's forest coverage from 12% to 30% by the year 2032. In response to this initiative, the Board committed to planting 32,500 seedlings across various sites within KCAA operational network. For the FY 2023/24, the Authority successfully planted 52,245 trees.

iii) **Employee Welfare**

The Authority recognises the important role that employees play in delivering her mandate and realizing the vision. As such, the Authority is keen to develop institutional capacity that will deliver services that meet and exceed the expectations of clients. The Authority initiated the implementation of a new organisational structure in the FY 2022/23 that was intended to improve staff welfare with increased remunerations and counter staff shortages by recruiting more personnel in all critical areas. It was however found to have gaps and its implementation was suspended. Further reviews were undertaken during the year and the organisational structure is expected to be approved early in the FY 2024/25.

The Authority has in place a performance management system that utilises performance contracts and appraisals to set targets, report progress, evaluate results and reward good performance while discouraging underperformance. During the FY, the Authority reviewed the Staff performance appraisal tool that will be used from FY 2023/24 for employee performance appraisal. During performance appraisals, various skills gaps were noted and the Authority has supported staff to address the gaps by building their capacity through training 589 staff locally and abroad in various fields. The Authority also conducted training for 20 graduate trainees.

The Authority endeavoured to provide a work environment that is conducive to staff in the performance of their duties by providing office spaces and work tools, Personal Protective Equipment (PPE) including face masks and continued to undertake periodic disinfection of the office premises. In addition, the Authority also runs various Staff welfare programmes including provision of staff tea, clean drinking water, medical health insurance, housing mortgage facility, pension scheme, car loan scheme, group life insurance, group accident insurance, last expense policies, gym and creches for nursing mothers. Staff also participated in the Kenya Communications Sports Organization (KECOSO) sports festival.

OSH committees have been established at the Headquarters and in all stations. Fire and emergency exits have been clearly marked in corridors and staircases within KCAA HQs building and stations, fire assembly points designated and marked at HQs and outstations, all fire safety equipment serviced bi-annually. All risks associated with workplace have been identified and documented.

iv) **Market Place Practices**

a) Responsible Competition Practice

As a regulator of the industry, KCAA commits to support the development of fair and responsible competition practices among aviation players with an aim to grow a vibrant civil aviation industry. The Authority, recognizing the importance of fair competition, established a Unit within the new organization structure whose goal is to ensure compliance with the regulations. The Civil Aviation Act bill also incorporates a provision for widening the aspects of economic regulation to enhance fair competition and charging systems.

While undertaking its regulatory services on the licensing of air transport services, the Authority takes into consideration the size of the market and the current operators in each segment of the market among other factors before making a decision. This is to ensure that fair competition is promoted among air operators by balancing the approvals granted to operate in the market and the frequencies of flights granted to various operators in those markets.

The Air Services Licensing Committee meetings are open to the public and individuals are free to bring any memorandum and objections against any of the applicants for business licenses. This ensures that licenses are issued after objective analysis and representation by all parties involved. The Authority also ensures that fares charged are based on a cost recovery mechanism and that airlines do not practice unfair competition through under-pricing with the objective of creating dominance and driving other operators out of the market.

b) Responsible Supply Chain and Supplier Relations

Supply chain processes involve procurement of goods, works and services, contract management, inventory management and disposal of obsolete/unserviceable assets. KCAA Supply Chain Department is committed to efficient provision of quality goods, works and services at competitive rates to the satisfaction of external and internal customers in accordance with Article 227 of the Constitution of Kenya, Public Procurement and Disposal Act (PPADA) 2015 and the Public Procurement and Asset Disposal Regulations (PPADR) 2020. The Authority is preparing a Procurement and Asset Disposal Policy which is aligned to the PPADA 2015 and PPADR 2020.

The Authority conducts supply chain processes competitively in a manner that promotes fairness, equity, transparency, cost-effectiveness, and accountability to procure working equipment that can provide effective services. KCAA takes cognizant that there are limited suppliers of aviation equipment globally and only procures from credible suppliers who are also supplying other air navigation service providers. KCAA ensures that reports on all procurement activities are submitted to Public Procurement Regulatory Authority (PPRA), the National Council for People with Disabilities (NCPWD) and Ministry of Industry, Trade, and Investments. The Authority has also undertaken sensitization to suppliers, especially Youth, Women and PWDs on the available opportunities especially under AGPO.

The Authority undertakes market surveys to ensure prices are competitive, enters into contracts with warranties/guarantees that ensure suppliers provide quality equipment, spare parts and maintenance support. All open tenders are advertised through local dailies under Government

Advertising Agency (GAA) and at the same time uploaded on KCAA's website: www.kcaa.or.ke and the Public Procurement Information Portal; www.tenders.go.ke for access by all interested bidders. Further, all Request for Quotations (RFQ) are processed through a competitive process using registered suppliers for various categories. These processes are aimed at promoting strong customer relationship, continuous commitment to quality, cost-effective operations and flexibility for faster decision making while ensuring compliance with the procurement laws.

KCAA uses standard tender documents issued by the Public Procurement Regulatory Authority (PPRA) in processing all supply chain functions in compliance with PPADA 2015 and PPADR 2020. The tender documents are processed using established Tender Committees which include Tender Opening, Tender Evaluation, Contract Implementation Team, Inspection & Acceptance Committee, Disposal Committee, and other Ad hoc Committees provided in the PPADA 2015. The committees are appointed from multi-function teams from various Departments and adhere to the laid down legal framework and KCAA code of conduct in carrying out their activities. All supplier payments are processed after satisfactory performance/delivery, Inspections and Acceptance of goods, works and or Services as per the respective contract terms.

c) Responsible Marketing and Advertisement

The Authority being a regulator and service provider of the aviation industry in Kenya regularly processes advertisements regarding its policies, technical material sourcing including human capacity, i.e, vacancies, and stakeholder sensitization. The Authority has a training arm, the East African School of Aviation, which also advertises its training programmes regularly. The process of advertising is in line with GoK advisory where all advertisements are facilitated through the Government Advertising Agency. This is intended to achieve the economies of scale through bringing together all government advertising needs under one umbrella. Only on exceptional circumstances does KCAA go directly to other sources of media output.

d) Product Stewardship

KCAA has established a Consumer Protection Section whose goal is to inform, educate, promote, and protect the rights of aviation consumers. Through efforts to safeguard consumer rights and interests and ensure that the civil aviation industry upholds consumer rights as per the Manual on the Regulation of International Air Transport (Doc 9626, Appendix 5), the African Union Regulations on The Protection of Consumers of Air Transport Services; Annex 6 to the Yamoussoukro Decision and other applicable International Convections and local legislations, the Authority is preparing a Consumer Protection Strategy and updated the Consumer Protection Service charter. The goal is to ensure that services provided in the aviation industry are of the highest standards, comparable to that in other parts of the world.

The Authority takes seriously consumer protection by ensuring compliance with the laid down code of practice; ensuring that quality of services provided meet consumer expectations; enforcement of policies, rules, regulations, and procedures relating to the rights of consumers. It addresses customer complaints in the Aviation industry and provides a forum for redress against unfair treatment. Individuals, suppliers, and any other party, if they feel aggrieved by the decisions of the Authority, can launch a complaint with the Commission on Administrative Justice.

Internally, KCAA has established a comprehensive complaints management framework whose role is to conduct internal reviews of complaints management mechanism in both process and content; identify systemic issues arising from complaints and provide appropriate recommendations to management for action. This framework also publicizes the complaint system to encourage stakeholders to voice their dissatisfaction to a service within KCAA's mandate and promote access to information.

V) Corporate Social Responsibility/Community Engagement

The Authority's CSR initiatives play a significant role in enhancing its corporate image and managing stakeholder expectations. The Authority reaffirms its commitment to being a responsible corporate citizen by contributing to national development through Corporate Social Initiatives and sponsorships in accordance with the provisions of Mwongozo. These CSR initiatives are crucial for engagement with key publics, both internally and externally.

The Authority's approach to CSR is centered on identifying and developing projects guided by a comprehensive policy, responding to specific needs that address challenges and create opportunities within the community. During the reviewed period of 2023-2024, KCAA, through a CSR Committee established and guided by an approved CSR Policy, undertook the following activities:

i) Ngong Hills Tree Planting Exercise, 2,000 seedlings planted

ii) KECOSO Opening Ceremony Sponsorship, networking and team building

iii) Sponsorship Towards Aviation Community Golf Day

iv) East Africa School of Aviation (Easa) Tree Planting, 3,000 seedlings planted.

v) Maragoli Hills Tree Planting, 2,600 seedlings planted.

vi) Air Navigation Services HQ Tree Planting 3,000 seedlings planted.

vii) Poror Tree Planting, 2,000 seedlings planted.

viii) Stanchart Marathon, the 20th Stanchart Nairobi Marathon which was geared towards raising funds to plant 2 million trees.

ix) Kwale Tree Planting in collaboration with Kenya Forest Services and Local Community, KCAA staff planted 2,000 trees in Gongoni Forest, Kwale County.

x) Malindi Tree Planting, 2,000 Mangrove Seedlings planted in Arabuko-Sokoke Forest, Malindi.

xi) Eldoret Tree Planting, Eldoret Station KCAA's staff in together with Kenya Forest Service and Kapseret Community planted 2,100 trees at Kapseret Forest

xii) Tree Planting at Maasai Mau Forest- Narok, in commitment to protect the Mau Forest and its Complex Water Towers, the Authority together with Kenya Forest Service and Kenya Water Towers and the Local Community planted 3,000.

xiii) Wajir International Airport,1,000 seedlings planted

xiv) Usoma Primary School, next to Kisumu International Airport, Fees Assistance to a student of Usoma Primary School. The community is now hosting the New Kisumu Control Tower – Still under construction.

xv) Kakamega Tree Planting, 3,000 seedlings planted.

xvi) Kiambu Golf Tournament, sponsorship to raise funds for the Kiambu Level IV Hospital, Paediatric Ward.

xvii) Mwakirunge Primary School, the Authority assisted to construct New Ablution Block, donated Sanitary Kits and Exercise Books.

xviii) Shamu Primary School, Renovations on the School which also serves as a crucial visual marker for flight operations in the coast region. They also donated Sanitary Kits and Exercise Books.

xix) Undertook to support Ms Elizabeth Anyango Otieno, a student at Francis Rang'ala Secondary School by paying the four-year tuition fees and facilitation to buy critical school items.

xx) Donation/Support to an Orphanage: Donated a freezer Compassionate Hands for the Disabled.

11. REPORT OF THE DIRECTORS

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

i) **Principal activities**

The principal activities of the Authority are, technical and economic regulation of civil aviation in Kenya, provision of air navigation services within the Nairobi Flight Information Region and Training in Aviation in accordance with the Civil Aviation Act as amended by the Civil Aviation (Amendment) Act 2016.

ii) **Results**

The results of the Authority for the year ended June 30, 2024, are set out on page 1.

iii) **Directors**

The members of the Board of Directors who served during the year are shown on page ix– xiv. During the year, none of the directors retired/resigned.

Surplus Remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of the financial year. The Authority remitted Kshs. 4,420,981,789 during the 2023/24 financial year.

v) Auditors

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

By Order of the Board

George O. Mogaka	.....	**30/12/2024**
Corporation Secretary	**Signature**	**Date**

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 15 of the State Corporations Act, requires the Directors to prepare financial statements in respect of that Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2024. 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 Authority; (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 Authority; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority'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, Civil Aviation Act, 2013 (as amended in 2016) and the State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority 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 Authority's financial statements were approved by the Board on **30/09/2024** and signed on its behalf by:



Brown M. M. Ondego, EBS

Chairman of the Board



Emile N. Arao

Director General

13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF KENYA CIVIL AVIATION AUTHORITY

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

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA CIVIL AVIATION AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024

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. 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, the risk management environment and the 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 Kenya Civil Aviation Authority set out on pages 1 to 54, which comprise the statement of financial position as at 30 June, 2024 and the statement of 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 Kenya Civil Aviation Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Civil Aviation Act, Cap.394 of the Laws of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Trade and Other Payables

The statement of financial position and as disclosed in Note 19.29 to the financial statements reflects trade and other payables balance of Kshs.1,181,906,804. Included in the balance is an amount of Kshs.43,378,534 owed to Kenya Airports Authority (KAA). However, Kenya Airports Authority (KAA) financial statements revealed receivables of Kshs.102,387,215 from KCAA resulting in an unreconciled balance of Kshs.59,008,681.

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

2 Lack of Ownership of Documents for Assets

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.23,113,681,566. The balance includes an amount of Kshs.10,661,950.000 in respect of various assets without ownership documents.

Further, review of land records revealed that four (4) parcels of land belonging to the Authority had been allocated and registered in the names of third parties as shown below:

Property	Acreage
Mtito-Andei-Ngai Ndeithya Settlement Scheme/161	13 Acres
Bamburi Staff Housing	Unknown
Central Stores in Nairobi	0.7733 Hectares
East African School of Aviation	37 Acres

In addition, the Public Investment Committee in its 19th Report recommended that the National Land Commission revoke the titles and revert them to the Authority. The Committee had previously recommended that the National Land Commission investigate circumstances under which a plot in Nairobi County was transferred from public to private ownership.

Management explained that various measures have been taken to secure title deeds while recoveries are being pursued through Courts and good progress has been made recovering six (6) out of seventeen (17) parcels of land in Bamburi Staff Housing. However, for the other two cases, the matters are still pending in court.

In the circumstances, the value, existence and ownership of the Authority's land parcels which were irregularly allocated to third parties could not be confirmed.

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

Emphasis of Matter

1. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 19.25 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.802,667,867. However, the aging analysis revealed that the receivables amount of Kshs.593,385,525 or 74% has been outstanding for more than one (1) year. Management explained that this is a result of the staff mortgage scheme which has a tenure of twenty (20) years. The recoverability of the current receivables from exchange transactions could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 19.24 to the financial statements reflects net current receivables from exchange transactions balance of Kshs.2,354,132,210. The receivables aging analysis revealed that an amount of Kshs.1,973,041,455 has been outstanding for over two (2) years. No satisfactory explanation was given why the debts have not been recovered. The recoverability of the current receivables from exchange transactions could not be confirmed.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues were not resolved.

Other Information

Management is responsible for the other information set out on page iv to lvi which comprise of Key Authority Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Director General, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Public Sector Accounting Standards Board Reporting Requirements.

The Public Sector Accounting Standards Board (PSASB) prescribed the direct method of cashflow presentation for all entities under the International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting. However, the Authority presented the statement of cash flows using the indirect method.

In the circumstances, Management was in breach of the PSASB reporting template requirements.

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 Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi
27 December, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Kshs	2023 Kshs
Revenue from Non-Exchange Transactions			
Licenses and Permits	19.7	574,187,891	491,922,811
Air Passenger Service Charge	19.8	3,953,771,498	3,278,825,060
Sub-Total		**4,527,959,389**	**3,770,747,871**
Revenue from Exchange Transactions			
Rendering of Services	19.9	8,077,799,034	6,246,376,042
Rental Revenue	19.10	36,658,091	36,116,675
Finance Income	19.11	186,005,822	92,971,318
Other Revenue	19.12	1,989,594	1,477,670
Sub-Total		**8,302,452,541**	**6,376,941,705**
Total Revenue		**12,830,411,930**	**10,147,689,576**
Expenses			
Use of Goods & Services	19.13	1,718,481,218	1,394,624,038
Employee Costs	19.14	3,271,829,300	3,134,767,628
Board Expenses	19.15	44,796,317	40,239,071
Depreciation & Amortization Expense	19.16	864,060,566	774,562,249
Repairs and Maintenance	19.17	524,965,124	386,824,525
Contracted Services	19.18	234,456,413	214,456269
Finance Costs	19.19	60,004,133	67,172,851
Total Expenses		**6,718,593,071**	**6,012,646,631**
Sub-Total		**6,111,818,859**	**4,135,042,945**
Other Gains/(Losses)			
Gain on Sale of Assets	19.20(a)	310,846	1,162,177
Loss on Sale of Assets	19.20(b)	-	(220,730)
Gain on Foreign Exchange	19.20(c)	-	947,135,359
Loss on Foreign Exchange	19.20(d)	(186,517,377)	(394,217,684)
Amortization of Capital Grant	19.21(a)	3,420,000	3,420,000
Increase in Accrued Leave Days	19.21(b)	-	(41,353,557)
Amortization of Debtors	19.21(c)	-	265,352,814
Amortization of Accrued Leave Days	19.21(d)	65,096,673	-
Surplus for the Year		**5,994,128,999**	**4,916,321,324**
Remission to the National Treasury	19.22	(4,644,586,099)	(4,424,689,191
Net Surplus for the Year		**1,349,542,900**	**491,632,132**

The notes set out on pages 8 to 49 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

Emile N. Arao
Director General

Date: 30/12/2024

CPA Joseph K. Chebungei
Director Corporate Services
ICPAK Member No: 4023

Date: 30/12/2024

Brown M. M. Ondego, EBS
Chairman of the Board

Date: 30/12/2024

15. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 Kshs	2023 Kshs
Cash and Cash Equivalents	19.23	4,233,138,671	4,528,199,103
Receivables from Exchange Transactions	19.24	2,354,132,210	1,604,786,527
Receivables from Non-Exchange Transactions	19.25	802,667,867	725,869,323
Inventories	19.26	26,887,869	20,000,375
Total Current Assets		**7,416,826,617**	**6,878,855,328**
Non-Current Assets			
Property, Plant and Equipment	19.27	23,113,681,566	18,181,928,315
Intangible Assets	19.28	296,633,382	22,180,150
Total Non-Current Assets		**23,410,314,948**	**18,204,108,465**
Total Assets		**30,827,141,565**	**25,082,963,793**
Liabilities			
Current Liabilities			
Trade and Other Payables	19.29	1,181,906,804	884,439,088
Refundable Deposits from Customers	19.30	14,105,343	14,105,343
Employee Benefit Obligation	19.31	243,654,973	207,488,703
Current Portion of Borrowings	19.32	182,324,356	182,324,356
Current Provisions	19.33	4,903,580,109	4,688,772,241
Total Current Assets		**6,525,571,585**	**5,977,129,730**
Non-Current Liabilities			
Borrowings	19.34	1,299,727,535	1,482,051,891
Total Non-Current Liabilities		**1,299,727,535**	**1,482,051,891**
Total Liabilities		**7,825,299,120**	**7,459,181,621**
Net Assets			
Revaluation Reserves	19.35	12,851,109,613	8,326,882,978
Capital Fund - Govt Grant	19.36	126,540,000	129,960,000
Accumulated Surplus	19.37	10,024,192,832	9,166,939,194
Total Net Assets		**23,001,842,445**	**17,623,782,172**
Total Net Assets and Liabilities		**30,827,141,565**	**25,082,963,793**

The Financial Statements set out on pages 1-6 were signed on behalf of the Board of Directors by:



Emile N. Arao
Director General

Date: 30/12/2024



CPA Joseph K. Chebungei
Director Corporate Services
ICPAK Member No: 4023

Date: 30/12/2024



Brown M. M. Ondego, EBS
Chairman of the Board

Date: 30/12/2024

16. STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Revaluation Reserve	Retained Earnings	Capital / Development Grants / Fund	Total
		Kshs	Kshs	Kshs	Kshs
Balance as at 1st July 2022		**8,318,582,978**	**8,974,952,004**	**133,380,000**	**17,426,914,982**
Revaluation Reserve Adjustment	19.35	8,300,000	-	-	8,300,000
Amortization of Govt Grant	19.36	-	-	(3,420,000)	(3,420,000)
Accumulated Surplus Adjustment	19.38		(299,644,942)		(299,644,942)
Net Surplus for the Period	19.22	-	491,632,132	-	491,632,132
Balance as at 30 June 2023		**8,324,082,978**	**9,166,939,194**	**129,960,000**	**17,623,782,172**
Revaluation Reserve Adjustment	19.35	4,524,226,635	-	-	4,524,226,635
Amortization of Govt Grant	19.36	-	-	(3,420,000)	(3,420,000)
Accumulated Surplus Adjustment	19.38		(492,289,262)		(492,289,262)
Net Surplus for the Period	19.22	-	1,349,542,900	-	1,349,542,900
Balance as at 30 June 2024		**12,851,109,613**	**10,024,192,832**	**126,540,000**	**23,001,842,445**

17. STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Kshs	2023 Kshs
Cash from Operating Activities			
Net Surplus from Operations	19.22	1,349,542,900	491,632,132
Finance Cost	19.19	60,004,133	67,172,851
Interest Income on Bank Balances	19.11	(186,005,822)	(92,971,318)
Adjusted for :			
Increase in Provision for Doubtful Debts	19.24	183,341,033	(228,187,995)
Depreciation of Property, Plant & Equipment	19.16	724,207,075	757,278,368
Amortization of Intangible Assets	19.16	139,853,491	17,283,881
Amortization of Capital Grant	19.21(a)	(3,420,000)	(3,420,000)
Gain on Sale of Assets	19.20(a)	(310,846)	(1,162,177)
Loss on Sale of Assets	19.20(b)	-	220,730
Operating profit before working Capital changes		**2,267,190,733**	**1,007,846,474**
Increase in Receivables (Exchange Transactions)	19.24	(932,686,715)	(574,093,519)
Increase in Receivables (Non-Exchange Transactions)	19.25	(76,798,544)	(43,097,706)
(Increase)/ Decrease in Inventories	19.26	(6,887,494	1,870,011
Increase/ (Decrease) in trade and other Payables	19.29	297,467,716	33,302,918
Increase/(Decrease) in Employee Benefits Obligations	19.31	36,166,270	334,442
Increase/(Decrease) in Current Provisions	19.33	214,807,868	2,538,229,840
Net Cash from Operating Activities		**1,799,281,066**	**2,964,392,458**
Cash used in Investing Activities			
Purchase of Property, Plant and Equipment	19.27	(1,489,462,119)	(1,132,837,882)
Purchase of Intangible Assets	19.28	(56,578,297)	(16,869,015)
Proceeds on Disposal of Assets	19.20(a)	310,846	6,581,057
Interest Income on Bank Balances	19.11	186,005,822	92,971,318
Total Cash used in Investing Activities		**(1,359,723,748)**	**(1,050,154,522)**
Cash flow from Financing Activities			
Loans Repayment	19.32	(182,324,356)	(182,324,356)
Finance Cost	19.19	(60,004,133)	(67,172,851)
Accumulated Surplus (Retained Earnings) Adjustments	19.38	(492,289,262)	(299,644,942)
Net Cash flow from Financing Activities		**(734,617,751)**	**(549,142,149)**
Increase / (Decrease) in Cash & Cash Equivalents		(295,060,432)	1,365,095,787
Cash & Cash Equivalents at the Start of the Year	19.23	4,528,199,103	3,163,103,316
Cash & Cash Equivalents at the End of the Year		**4,233,138,671**	**4,528,199,103**

The Financial Statements set out on pages 1-6 were signed on behalf of the Board of Directors by:

Emile N. Arao
Director General

Date: 30/12/2024

CPA Joseph K. Chebungei
Director Corporate Services
ICPAK Member No: 4023
Date: 30/12/2024

Brown M. M. Ondego, EBS
Chairman of the Board

Date: 30/12/2024

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30TH JUNE 2024

Description	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Change	Note
	2024 Kshs	2024 Kshs	2024 Kshs	2024 Kshs	2024 Kshs	%	
Revenue							
Licenses and Permits	498,595,226	47,349,642	545,944,868	574,187,891	28,243,023	5%	
Air Passenger Service Charge	1,407,132,341	760,769,432.49	2,167,901,774	3,953,771,498	1,785,869,724	82%	a
Rendering of Services	6,122,506,748	1,264,129,843	7,386,636,591	8,077,799,034	691,162,443	9%	
Rental Revenue	36,514,548	-	36,514,548	36,658,091	143,543	0%	
Finance Income	48,054,812	50,083,720	98,138,531	186,005,822	87,867,291	90%	b
Other Income	2,185,923	-	2,185,923	1,989,594	(196,329)	-9%	
Total Revenue	**8,114,989,598**	**2,122,332,637**	**10,237,322,235**	**12,830,411,930**	**2,593,089,695**	**25%**	
Other Sources							
Cash Reserves	744,375,655	(744,375,655)	-	-			
Grand Total Revenue	**8,859,365,253**	**1,377,956,982**	**10,237,322,235**	**12,830,411,930**	**2,593,089,695**	**25%**	
Expenses							
Use of Goods & Services	1,766,508,988	(18,073,040)	1,748,435,948	1,718,481,218	29,954,730	2%	c
Employee Costs	3,830,719,030	92,482,405	3,923,201,435	3,271,829,300	651,372,135	17%	d
Remuneration of Directors	30,000,000	15,000,000.00	45,000,000	44,796,317	203,683	0%	
Depreciation and Amortization	888,742,472	(134,784,515)	753,957,956	864,060,566	(110,102,610)	-15%	e
Repairs and Maintenance	721,429,821	11,850,543	733,280,364	524,965,124	208,315,240	28%	f
Contracted Services	274,775,297	9,899,902	284,675,199	234,456,413	50,218,786	18%	g
Finance Costs	60,004,133	-	60,004,133	60,004,133	0	0%	
Total Recurrent Expenditure	**7,572,179,742**	**(23,624,705)**	**7,548,555,037**	**6,718,593,071**	**829,961,966**		
Other Gains/Losses	-	-	-	(117,689,858)	117,902,170	-100%	h
Surplus for the Period	**-**	**-**	**-**	**5,994,128,999**	**-**		
Capital Expenditure							
Other Payments-Capital Expenditure	1,287,185,511	5,678,742	1,292,864,253	1,546,040,415	(253,176,162)	-20%	i
Total Expenditure	**8,859,365,253**	**(17,945,963)**	**8,841,419,290**	**8,264,633,486**	**576,785,804**		

EXPLANATION OF MATERIAL DIFFERENCES

a) **Air Passenger Service Charge (82% Favourable Change):** These are actual remittances in the course of the year which includes previous years collections.

b) **Finance Income (90% Favourable Change)**: The increase attributed to deposits from improved revenue performance and better negotiated interest rates and translation rates.

c) **Employee Costs (17% Favourable Change):** Non – filling of vacant positions in time during the year.

d) **Depreciation and Amortization (15% Adverse Change):** The Authority undertook a revaluation exercise of its assets and software during the year.

e) **Repairs and Maintenance (28% Favourable Change).** Projected maintenance works did not fall due and were not entirely carried out in the course of the financial year.

f) **Contracted Services (18% Favourable Change):** Reduced activity levels due to on-going contracts and engagement.

g) **Other Gains/Losses (100% Positive Change):** This is a book entry with regard to changes in foreign exchange gains/losses, disposals and amortizations during the financial year.

h) **Other Payments – Capital Expenditure (20% Adverse Change):** A number of pending payments were settled in the course of the financial year.

19. NOTES TO THE FINANCIAL STATEMENTS

19.1 GENERAL INFORMATION

Kenya Civil Aviation Authority is established by and derives its authority and accountability from Civil Aviation Act 2013, as amended by Civil Aviation (Amendment) Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Air Navigation Services in the Nairobi Flight Information Region, Regulation of the Aviation industry in Kenya and training of the Aviation Personnel.

19.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kenya Civil Aviation Authority.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act Cap 446, the Civil Aviation Act No. 21 of 2013, *Mwongozo* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

19.3 ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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

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

Standard	Effective date and impact:
IPSAS 43	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** 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.
IPSAS 45- Property Plant and Equipment	***Applicable 1st January 2025*** 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.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Standard	Effective date and impact:
IPSAS 47- Revenue	***Applicable 1st January 2026*** 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.
IPSAS 48- Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** 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.

iii. ***Early adoption of standards***

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

19.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Licences and Permits

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits

or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/ capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

i) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

Rental income

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

b) Budget Information

The original budget for FY 2023-24 was approved by the KCAA Board of Directors on 30th January 2023 and forwarded to the National Treasury through the State Department of Transport. It was approved by the Government on 20th July 2023. Subsequent revision were made to the approved budget and was approved by the Authority's Board of Directors on 30th January 2024, but the Government did not approve it for implementation.

The Authority'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. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 pages 5 -6 of these financial statements.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Authority operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. 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.

Depreciation is calculated on a straight-line basis to write down the cost/ revalued values of each asset to its residual value over its estimated useful life as follows:

	%
Buildings	2.5
Air Navigation Equipment	10
Plant & Other Equipment	20
Computers, copiers and faxes	$33^{1}/_{3}$
Motor vehicles	20
Furniture and fittings	20
Freehold land	0

Depreciation is charged in full to all the assets during the year of acquisition/revaluation, while none is charged during the year of disposal.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Authority also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

f) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

g) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

h) 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 Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i Financial Assets

Classification of financial assets

The Authority 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 Authority classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

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.

Impairment

The Authority 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 Authority recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgements made by Management in determining the expected credit loss (ECL) are set out in Note 19.5.

ii). Financial liabilities

Classification

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

i) Inventories

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

j) Provisions

Provisions are recognized when the Authority 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 Authority expects a provision to be reimbursed whether in full or in part, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Contingent liabilities

The Authority 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.

l) Contingent assets

The Authority 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 Authority 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.

m) Nature and Purpose of Reserves

The Authority creates and maintains reserves in terms of specific requirements. These reserves include Revaluation reserve (which arises every time the Authority revalues its property, plant and equipment and intangibles assets). The Authority also maintains retained earnings reserve that grows or reduces from one financial year to another depending on the financial performance of the Authority.

n) Changes in Accounting Policies and Estimates

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

o) Employee Benefits
Retirement Benefit Plans

The Authority provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions into a separate scheme (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.

p) Foreign currency transactions

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

q) 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.

r) Related Parties

The Authority 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 Authority, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors, the Director General, Executive Directors and senior managers.

s) 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 various commercial banks at the end of the financial year.

t) Comparative Figures

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

u) Subsequent Events

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Authority'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.

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 Authority based its assumptions and estimates on parameters available when the 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 Authority. Such changes are reflected in the assumptions when they occur.

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:

a) The condition of the asset based on the assessment of experts employed by the Authority.

b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

c) The nature of the processes in which the asset is deployed.

d) Availability of funding to replace the asset.

e) Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note no. 23 and Note no. 33.

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.

19.6 TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised Accumulated Surplus	Total transfers 2023-24	Prior year 2022-2023
	KShs	KShs	KShs	KShs	KShs
Kenya Airports Authority	3,953,771,498	-	-	3,953,771,498	3,278,825,060
Total	**3,953,771,498**	**-**	**-**	**3,953,771,498**	**3,278,825,060**

(The detailed breakdown of this figure is shown in Appendix II)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.7 LICENSES, PERMITS, FINES & CLEARANCES

	2024 Kshs	2023 Kshs
Licence Ratings & Certificates	41,294,251	21,599,500
Technical Ground Examinations	33,122,485	35,558,200
AMEL Licences & Ratings	14,344,280	12,211,028
Aircraft Certificate of Registration	6,322,000	4,736,500
Certificate of Airworthiness	90,786,699	87,191,899
Grant & Renewal of AMO License	73,942,236	92,980,053
Grant & Renewal of AOC Certs	17,237,161	5,778,944
Certification of Aerodromes	1,910,400	4,631,700
Duty Exemption Processing Fees	74,884,743	41,821,689
Grant & Renewal of Air Service Licences	33,391,039	47,051,564
Adhoc /Permit Clearances	61,218,664	41,099,659
Approval of Manuals	853,500	240,500
Inspection of Masts & Obstacles	42,366,200	35,899,200
Issue of SSR Transponder Codes	409,323	421,827
AVSEC Fees/ Regulated Agent/Screeners Fees	4,720,000	5,007,000
Grant & Renewal of ATO Licences	1,086,510	900,000
Approval of Commercial Operations - (FOC)	28,026,914	33,230,972
Infringement Notices Fee	800,000	1,280,000
Approval of Leases	2,440,338	4,276,820
Granting of Authorization	91,000	-
Approval of Security Programmes	1,010,003	865,000
UAS Import & Registration	35,023,146	2,201,756
Remote Air Operator Certificate	1,538,000	1,507,000
UAS Training Organization Approval & Certification	600,000	920,000
Certification of UAS Resalers & Distributors	850,000	835,000
UAS Authorizations	3,050,000	7,599,000
UAS Licensing	2,855,000	2,078,000
Letter of Exemption & No Objection	14,000	-
Total Licenses, Permits, Fines & Clearances	**574,187,891**	**491,922,811**

This revenue stream covers the regulatory function of the Authority in air transport, air worthiness, aviation safety, flight operations, personnel licensing, certifications and ground operations

19.8 AIR PASSENGER SERVICE CHARGE

	2024	2023
	Kshs	Kshs
Air Passenger Service Charge	3,953,771,498	3,278,825,060
Total Air Passenger Service Charge	**3,953,771,498**	**3,278,825,060**

Entails the Authority's share together with Kenya Airports Authority and the Tourism Fund as per the Air Passenger Service Charge (APSC) Act and APSC Legal Notice 143 of 14th June 2018.

19.9 RENDERING OF SERVICES

	2024	2023
	Kshs	Kshs
Air Navigation Service Charges	7,748,387,488	5,931,001,757
Sale of AIPS & Publications	790,197	1,101,732
EASA Revenue	328,621,349	314,272,553
Total Revenue from the Rendering of Services	**8,077,799,034**	**6,246,376,042**

Besides regulatory function, the Authority other mandate entails provision of air navigation service and training of aviation personnel, whose revenue is captured here. EASA also offers hospitality services.

19.10 RENTAL REVENUE

	2024	2023
	Kshs	Kshs
EASA House Rent	22,384,651	22,351,034
Embakasi House Rent	959,000	923,893
Miritini House Rent	2,660,000	2,478,000
Bamburi House Rent	1,820,000	1,530,000
Nyali House Rent	4,190,000	3,609,226
Water Recovery - Payroll	814,700	797,100
Commercial Rent, Water & Electricity	1,105,738	1,718,923
Non-Staff Rent	2,724,002	2,708,500
Total Rentals	**36,658,091**	**36,116,675**

The Authority has institutional houses that accommodate its officers in the Nairobi and Mombasa Stations. It also has a lease arrangement for a restaurant facility in its Aviation House Headquarters.

19.11 FINANCE INCOME - EXTERNAL INVESTMENTS

	2024	2023
	Kshs	Kshs
Interest Income - Current Bank Accounts	181,037,574	85,563,667
Interest Income - Staff Mortgage Bank Account	4,968,248	7,407,651
Total Finance Income - External Investments	**186,005,822**	**92,971,318**

This entails interest from current bank accounts and from a mortgage bank facility.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.12 OTHER INCOME	2024	2023
	Kshs	Kshs
Interest on Salary Advances	3,927	20,196
Commission on Payroll Deductions	731,875	670,546
Miscellaneous Receipts	1,254,792	711,848
Skills Development Levy	-	75,080
Total Other Income	**1,989,594**	**1,477,670**
Total Revenue	**12,830,411,930**	**10,147,689,576**

These relates to receipts from non-core functional areas and other miscellaneous related revenues notably for capacity building (interns, attachees, regional sister bodies and reports).

19.13 USE OF GOODS & SERVICES	2024	2023
	Kshs	Kshs
Electricity Expenses	63,552,759	51,835,935
Water & Sewerage Expense	8,496,484	8,829,264
Security Services	72,285,535	62,337,771
Subscription to International Organisations	91,204,335	72,044,795
Subscription to Professional Bodies	2,858,390	1,969,916
Subscription to Publications	4,566,676	4,004,252
General Training	142,666,153	113,567,543
Training Levy	430,650	180,248
Workshops, Conferences & Evaluations	64,706,649	27,767,552
Local Travel	78,894,131	62,297,895
International Travel	121,594,398	82,857,209
Secondments & Knowledge Mgt Programmes	17,427,421	32,119,380
EAC & Other Aviation Bodies Activities	30,881,621	26,532,230
Deployment ICAO Mission of the Republic of Kenya	26,563,325	23,822,926
Environment & CORSIA Programme	12,342,452	2,093,542
Certification of Aerodromes & ANS Facilities	16,570,406	6,353,723
Continous Oversight Surveillance & Regulations	60,476,722	59,308,110
ICAO Universal Safety Oversight Audit Programme	10,826,470	4,130,294
Accident Investigation, Search & Rescue	3,644,655	2,970,661
HIV/AIDS, Drug Abuse, Gender & Disability	5,647,726	6,456,598
Integrity & National Values Programmes	3,566,542	3,376,003
Implementation of Safety Management System	4,995,374	3,076,597
Implementation of State Safety Programme	4,179,045	4,129,694

ISO Related Activities	5,899,483	5,945,437
Implementation of Risk Mgt Framework	7,173,702	5,816,798
Corporate Social Responsibility	28,310,332	10,983,977
ICAO Universal Security Audit Programme	3,095,527	3,580,271
Unmanned Aircraft Systems (UAS) -RPAS Oversight	2,612,693	3,019,241
Occupational Safety (OSHA) & Road Safety Mainstreaming	1,806,984	2,285,939
Innovation, Research and Devt Activities	15,113,873	2,719,995
National Civil AVSEC Committee Activities	2,176,900	-
Projects Management and Monitoring	833,689	-
Recruitment Costs	3,578,451	-
National Air Transport Facilitation Programme	1,976,253	-
Funeral Expenses	300,422	387,955
Staff Welfare	29,016,014	27,487,115
Official Entertainment	2,900,348	3,020,486
Group Life Insurance	48,692,477	43,348,010
Aviation Staff Insurance	30,427,054	27,664,225
Office Equipment Insurance	10,242,317	10,547,437
Motor Vehicle Insurance	3,184,416	3,601,324
Work Injury Benefit Act (WIBA) Insurance	5,482,620	4,929,616
Hire of Transport, Plant & Machinery	1,366,267	1,388,693
Uniform and Clothing	4,474,020	4,585,055
Sports Expenses	22,027,663	21,513,416
Telephone Expenses	19,530,656	17,992,916
Cooking Gas & Fuel	3,351,300	2,819,214
Postal, EMS & Courier Services	1,349,147	1,377,257
Rents & Rates	11,802,612	12,547,605
Cleaning Services	34,820,457	39,703,196
Drugs & Dressings (Medicines & First Aid Kits)	38,171	213,416
Fungicides & Spray (Pest Control)	971,226	1,008,156
Library Expenses	2,658,351	2,376,547
Internet Related Expenses	21,126,067	17,598,793
Dedicated Leased Lines & Communication Frequencies	8,791,807	-
Legal Expenses	38,225,974	59,428,337
External Audit Expenses	1,500,000	1,500,000
Advertisement Publicity & Photography	43,577,448	39,514,184

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Public Relations / Show Expenses	7,729,999	9,612,460
Events & Anniversaries	56,852,788	13,193,974
KRA Agency Collection Costs (Fees)	25,719,118	136,103,823
Bank Charges - Fees and Commissions	3,822,716	2,091,354
General Provision- Doubtful Debts	106,087,314	37,164,819
Specific Provision - Doubtful Debts	77,253,718	-
Consumables	36,297,166	36,724,150
Publishing and Printing	15,795,936	11,909,342
Office Stationery	18,916,197	20,368,907
Food & Rations	59,092,545	54,794,060
Fuel Expenses	22,958,348	18,281,199
Student Academic Activities	4,236,928	1
Curriculum Design & Development	4,947,200	5,527,520
Hostel & Conference	7,386,570	4,003,516
Graduation Expenses	3,476,108	2,844,241
Students Welfare (Laboratory, Dispensary)	1,095,923	1,037,923
Total Use of Goods & Services	**1,718,481,218**	**1,394,624,038**

Approximately 10% overall increase due to operational cost increment. During the year under review, the Authority received Kshs 20 Million towards the Aviation Satellite Account Activities. The amount was posted under Innovation, Research and Devt Activities, and Kshs 10,052,837 was utilized. The balance has since been refunded.

19.14 EMPLOYEE COSTS	**2024**	**2023**
	Kshs	**Kshs**
Salaries & Wages	2,501,123,309	2,383,940,619
Employer Contributions to Health Insurance Schemes	166,940,957	166,214,992
Employer Contributions to Pension Schemes	219,441,432	209,286,232
Housing and Other Benefits	322,701,101	322,459,306
Performance and Other Bonuses	-	457,121
Service Gratuity	57,447,591	50,095,864
Ex-Gratia Expenses	4,174,912	2,313,494
Total Employee Costs	**3,271,829,300**	**3,134,767,628**

The increase in 2023/24 period is attributable to annual staff increment (basic salary) and filling of a few vacant positions during the year.

19.15 BOARD EXPENSES

	2024	2023
	Kshs	Kshs
Chairman's Honoraria	960,000	960,000
Board of Directors' Expenses	43,836,317	39,279,071
Total Board Remuneration	**44,796,317**	**40,239,071**

The increase attributable to induction, training costs, travelling and sitting allowances costs for board who had just joined the Authority towards the tail end of the 2022/23 financial year.

19.16 DEPRECIATION & AMORTIZATION EXPENSES

	2024	2023
	Kshs	Kshs
Property, Plant and Equipment	724,207,075	757,278,368
Intangible Assets	139,853,491	17,283,881
Total Depreciation and Amortization	**864,060,566**	**774,562,249**

The Authority undertook a revaluation exercise during the 2023/24 financial year.

19.17 REPAIRS & MAINTENANCE

	2024	2023
	Kshs	Kshs
Property & Staff Houses	48,060,755	37,307,859
Equipment and Machinery	335,692,931	293,723,585
Motor Vehicles	10,257,023	9,333,491
Computers, Accessories and ICT Infrastructure	125,812,264	45,133,040
Others (Roads, Water & Sewerage)	5,142,150	1,326,550
Total Repairs and Maintenance	**524,965,124**	**386,824,525**

The increase in 2023/24 is due to scope of coverage as the Authority continues to invest in new assets as well as the issue of aging infrastructure that requires frequent and regular maintenance services.

19.18 CONTRACTED SERVICES

	2024	2023
	Kshs	Kshs
Hire of Resource Persons	70,471,565	77,435,984
Hire of Satellite Links	19,400,021	19,475,846
Contracted Professional Services	90,416,349	63,284,414
Flight Calibration	54,168,478	54,260,025
Total Contracted Services	**234,456,413**	**214,456,269**

Major cost component was on contracted professional services for consultancies under air navigation service provision, regulatory function as well as Human Resources related functionalities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.19 FINANCE COSTS	2024	2023
	Kshs	Kshs
Interest on Long-term Loans (NCTIP)	11,154,343	13,778,894
Interest on Long-term Loans (KTSSP)	48,849,790	53,393,957
Total Finance Costs	**60,004,133**	**67,172,851**

The reduction in finance costs is consistent with the loan interest terms which are premised on reducing balance. The Loan Repayment is also being undertaken simultaneously.

19.20(a) GAIN ON SALE OF ASSETS	2024	2023
	Kshs	Kshs
Property, Plant & Equipment	310,846	1,162,177
Total Gain on Sale of Assets	**310,846**	**1,162,177**

Few assets were disposed during the period financial year. The disposals carried out was mainly for furniture, for motor vehicles and laptops that were fully depreciated.

19.20 (b) LOSS ON SALE OF ASSETS	2024	2023
	Kshs	Kshs
Property, Plant & Equipment	-	220,730
Total Gain on Sale of Assets	**-**	**220,730**

Assets that were disposed during the year were fully depreciated.

19.20 (c) GAIN FOREIGN EXCHANGE TRANSACTIONS	2024	2023
	Kshs	Kshs
Foreign Exchange Gain	-	947,135,359
	-	**947,135,359**

The closing rate on the 30th June 2024 was lower that running rates in the entire financial year.

19.20 (d) LOSS ON FOREIGN EXCHANGE TRANSACTIONS	2024	2023
	Kshs	Kshs
Foreign Exchange Loss	186,729,689	394,217,684
	186,729,689	**394,217,684**

The closing rate on the 30th June 2024 was lower that running rates in the entire financial year. Currency valuation is applied to creditors, debtors and cash books that are US Dollar denominated.

19.21 (a) AMORTIZATION OF CAPITAL GRANT

	2024	2023
	Kshs	Kshs
Amortization of Capital Grant	3,420,000	3,420,000
	3,420,000	**3,420,000**

The Authority was given a grant of Kshs. 136.8 million to construct the Regional Centre for Aviation Medicine. This was completed and capitalized in the financial year 2021/22. It was among those assets that were revalued in the financial year 2023/24.

19.21 (b) INCREASE IN ACCRUED LEAVE DAYS

	2024	2023
	Kshs	Kshs
Increase in Accrued Leave Days	-	41,353,557
	-	**41,353,557**

There was a reduction in leave provision for the financial year 2023/24 as most leave days were utilized over the financial year.

19.21(c) AMORTIZATION OF DEBTORS

	2024	2023
	Kshs	Kshs
Amortization of Debtors - General	-	-
Amortization of Debtors - Specific	-	265,352,814
	-	**-**

There was an increase in provision for bad and doubtful debts during the year under review

19.21(d) AMORTIZATION OF ACCRUED LEAVE DAYS

	2024	2023
	Kshs	Kshs
Amortization of Accrued Leave Days	65,096,673	-
	65,096,673	**-**

Most officers were able to utilize their leave days during the year.

19.22 SURPLUS REMISSION

In accordance with section 219 (c) and the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement the Authority remitted Kshs 4,420,981,789. The Surplus Remission has been computed as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Description	2024	2023
	Kshs	Kshs
Surplus for the Period	5,994,128,999	4,916,321,323
Less: Allowable Deductions by National Treasury	-	-
Surplus before Remission to National Treasury	5,994,128,999	4,916,321,323
90% Computation	(5,394,716,099)	(4,424,689,191)
Remittance to National Treasury 2022/23FY	300,130,000	-
Remittance to National Treasury During 2023/24FY	450,000,000	-
Amount Due to the National Treasury (2023/24)	(4,644,586,099)	(4,424,689,191)
Transfer to Retained Earnings	**1,349,542,900**	**491,632,132**

Surplus Remission Payable

Description	2024	2023
	Kshs	Kshs
Payable at the Beginning of the year	4,424,689,191	1,631,413,938
Paid during the year	(4,420,981,789)	(1,634,140,170)
Surplus Overpayment 2022/23FY	(2,726,231)	-
Surplus Overpayment 2020/21FY	(663,380)	-
Payable at the end of the year	**317,791**	**(2,726,231)**

The Authority remittance in 2023/24 financial year was less Kshs 2,726,231 and Kshs 663,380 being overpayments in 2022/23 and 2020/21 financial years respectively.

19.23 CASH & CASH EQUIVALENTS

	2024	2023
	Kshs	Kshs
Current Account	4,114,866,423	4,330,311,218
Staff Mortgage	114,562,156	186,223,003
Others (M-Pesa, Station Cash& Bank)	3,710,092	11,664,882
Total Cash and Cash Equivalents	**4,233,138,671**	**4,528,199,103**

The reduction attributable to remittance to the Kenya Revenue Authority, the National Treasury and gains the shilling made against the dollar

19.23 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial Institution & Account Number	2024	2023
a) Current Account	**Kshs**	**Kshs**
Kenya Commercial Bank - A/C No. 1210005522	5,966,783	5,842,160
KCB Call A/C No. 1210001942	407,751,864	68,745,065
EASA KCB Expenditure A/C No. 1216797889	7,601,401	5,070,450
EASA KCB Call A/C No. 1216797714	1,578,512	1,602,606
CfC Stanbic -A/C No. 0100000351727	43,595,945	111,353,207
CFC Stanbic Call No. 0100000316347	27,893,589	399,293,513
CFC Stanbic Dollar - No. 0100001937639	2,438,530,417	2,437,330,010
Stanchart A/C, No. 0108098898400	102,138,546	235,230,024
Commercial Bank of Africa Dollar A/C No. 6514690019	904,866,044	924,105,094
EASA Dollar A/C - Equity No. 0180299978478	111,645,015	77,597,909
EASA KES A/C - Equity No. 0180263498882	775,063	2,319,907
KTSSP-National Bank of Kenya No. 01001084895000	4,920,117	4,848,043
Expenditure Account- NBK No. 01003058447500	21,660,996	21,660,996
Revenue Account-NBK, No. 01003058447600	34,238,505	34,238,505
EASA Expenditure A/C- NBK No. 010058420600	397,081	398,281
EASA Revenue, NBK No.010058710400	1,306,544	639,930
Sub-Total Current Account	**4,114,866,423**	**4,330,311,218**

19.23(b) STAFF MORTGAGE

Kenya Commercial Bank A/C No. 1159226555	114,562,156	186,223,003
Sub-Total Staff Mortgage	**114,562,156**	**186,223,003**

19.23(c) OTHERS

Stations Cash & Bank	3,710,092	3,226,696
EASA M-Pesa A/C PayBill No 754206	-	8,438,186
Sub-Total Others	**3,710,092**	**11,664,882**
	4,233,138,671	**4,528,199,103**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.24 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
	Kshs	Kshs
Domestic Operators	1,457,009,351	1,559,006,288
Foreign Operators	1,557,557,403	544,709,225
Student Debtors	49,751,756	27,916,281
Total Gross Current Receivables	**3,064,318,510**	**2,131,631,794**
Less: General Provision for Bad and Doubtful Debt	(235,129,576)	(129,042,261)
Less: Specific Provisions for Bad and Doubtful Debt	(475,056,724)	(397,803,006)
Total Net Current Receivables	**2,354,132,210**	**1,604,786,527**

In light of the increase in revenue during the period, there was a slight increase in the receivables from exchange transactions and the subsequent increase in provisions for bad debts.

19.24(a) AGEING ANALYSIS FOR RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024	2024
	Kshs	Kshs
	Amount	% of the total
Less than 1 Year	1,091,277,055	36%
Between 1-2 Years	621,358,158	20%
Between 2-3 Years	732,159,843	24%
Over 3 Years	619,523,454	20%
Total Net Current Receivables	**3,064,318,510**	**100%**

19.25 RECEIVABLES FROM NON - EXCHANGE TRANSACTIONS

	2024	2023
	Kshs	Kshs
Prepayments	207,314,289	208,730,763
Staff Imprest	602,065	1,999,894
Salary Advance	2,000	105,999
Medical Excess	4,783,893	1,791,573
Rent Receivable	18,000	72,899
Staff Surcharge	82,260	304,366
Station Imprest	2,187,115	2,187,115
Staff Mortgage Receivable	586,414,517	510,571,713
Interest Receivable	785,226	-
Non-Staff Rent	478,500	105,000
Total	**802,667,867**	**725,869,323**

19.25(a) AGEING ANALYSIS FOR RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

	2024	2023
	Kshs	Ksh
	Amount	% of the total
Less than 1 Year	209,282,341	26%
Between 1-2 Years	4,783,893	1%
Over 3 Years	588,601,632	73%
Total	**802,667,867**	**100%**

19.26 INVENTORIES

	2024	2023
	Kshs	Kshs
Consumables	12,510,031	10,063,113
Publishing and Printing	4,738,005	2,995,251
Office Stationery	6,788,389	4,904,552
Food & Rations	2,652,003	1,521,850
Fuel	199,441	515,609
Total inventories	**26,887,869**	**20,000,375**

These consumable items are kept in the various storage facilities for the Authority in order to facilitate service delivery.

19.27 PROPERTY, PLANT & EQUIPMENT (PPE) MOVEMENT SCHEDULE

	Air Navigation Equipment	Land	Buildings	Motor Vehicles	Plant & Other Equipment	Computer Hardware	Furniture & Fittings	WIP	Grand Total
Cost/Revaluation	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
As at 1st July 2022	**3,832,127,139**	**11,497,950,000**	**3,533,919,862**	**271,528,139**	**471,464,584**	**392,899,026**	**253,784,763**	**143,932,560**	**20,397,606,072**
Disposals	(4,154,902)	-	-	(6,100,000)	-	(2,040,567)	-	-	(12,295,469)
Additions	143,291,545	-	33,737,584	6,840,000	43,066,215	82,781,891	1,395,200	821,725,447	1,132,837,884
Transfers Adjustments	52,284,411	-	31,804,126	-	-	-	-	(84,088,537)	-
Valuations	-	-	-	8,300,000	-	-	-	-	8,300,000
As at 30th June 2023	**4,023,548,192**	**11,497,950,000**	**3,599,461,572**	**280,568,139**	**514,530,799**	**473,640,350**	**255,179,963**	**881,569,470**	**21,526,448,485**
Opening Balance Write Down	(4,023,548,192)	(11,497,950,000)	(3,599,461,572)	(280,568,139)	(514,518,299)	(471,437,199)	(254,099,463)		(20,641,582,864)
Disposals	-	-	-	-	(12,500)	(2,203,151)	(1,080,500)	-	(3,296,151)
Revaluation	2,751,549,030	14,458,550,000	3,287,931,988	211,440,000	326,741,273	297,716,410	132,928,352	-	21,466,857,053
Transfers Adjustments	118,727,647	-	7,910,450	-	-	22,254,785	-	(148,892,882)	-
Additions	178,725,664	-	14,046,501	484,474	28,458,732	268,481,829	1,990,218	997,274,700	1,489,462,119
As at 30th June 2024	**3,049,002,341**	**14,458,550,000**	**3,309,888,940**	**211,924,474**	**355,200,005**	**588,453,024**	**134,918,570**	**1,729,951,288**	**23,837,888,642**
Depreciation & Impairment							-		
At 1st July 2022	1,295,917,194	-	311,009,829	193,000,469	283,631,880	345,243,450	165,094,838	-	2,593,897,660
Disposals	-	-	-	(4,880,000)		(1,775,859)	-	-	(6,655,859)
Depreciation	402,354,819	-	89,986,539	56,113,628	102,906,160	54,881,228	51,035,993		757,278,368
As at 30th June 2023	**1,698,272,013**	**-**	**400,996,369**	**244,234,097**	**386,538,040**	**398,348,820**	**216,130,831**	**-**	**3,344,520,169**
Opening Balance Write Down	(1,698,272,013)	-	(400,996,369)	(244,234,097)	(386,525,540)	(396,145,669)	(215,050,331)	-	(3,341,224,018)
Disposals	-	-	-	-	(12,500)	(2,203,151)	(1,080,500)	-	(3,296,151)
Depreciation	304,900,234	-	82,747,223	42,384,895	71,040,001	196,151,008	26,983,714		724,207,075
At 30th June 2024	**304,900,234**	**-**	**82,747,223**	**42,384,895**	**71,040,001**	**196,151,008**	**26,983,714**	**-**	**724,207,075**
NET BOOK VALUE									
As at 30th June 2024	**2,744,102,107**	**14,458,550,000**	**3,227,141,716**	**169,539,579**	**284,160,004**	**392,302,016**	**107,934,856**	**1,729,951,288**	**23,113,681,566**
As at 30th June 2023	**2,324,923,179**	**11,497,950,000**	**3,198,465,203**	**36,334,042**	**127,992,759**	**75,291,530**	**39,049,132**	**881,569,470**	**18,181,575,315**

19.27 (a) WORK IN PROGRESS-PPE

	Project Description	Supplier/Vendor	2024	2023
			Kshs	Kshs
01	Power Supply System & Air Conditioning System-AC& DRC	Encapsulated East Africa Ltd	-	33,649,608
02	VHF Radio Equipment-AC&DRC	Leornado Technologies & Services Ltd	-	8,411,798
03	Extended ATS Message Handling System -AC&DRC	Indra Ltd	105,101,062	30,627,844
04	ATM System Schronized Data & Voice Recorder System-AC &DRC	Indra Ltd	796,843,165	390,787,883
05	Extension of VCCS System - JKIA - AC&DRC	Sitti SPA	62,709,288	33,197,784
06	Very High Frequency (VHF) Direction Finder	Silchip International Ltd	4,245,732	4,245,732
07	Lokichoggio & Wajir VCCS	Datacore Ltd	-	29,953,626
08	Very High Frequency OMNI Range Equipment	Agoma Group Ltd	-	24,494,710
09	Instrument Landing System	Agoma Group Ltd	-	22,217,906
10	Digital Aerodrome Traffic Information System (D-ATIS)-JKIA,MIA,ELD &KIA Airports	Broadband Communication Network Ltd	63,981,943	42,624,423
11	Overhaul of Pulse Secondary Surveillance Radar	Leornado Technologies & Services Ltd	163,733,743	83,199,475
12	Aeronautical Information Management System Upgrade	Ids Air Nav	13,947,166	13,947,166
13	Voice Recorder Systems-JKIA,MIA,KIS , MAL &ELD	Datacore Ltd	54,146,148	-
14	Back Up Fibre Optic Link	Liquid Telecommunications K Ltd	54,092,921	-
15	Consultancy for Construction of EASA Classrooms	Dama Services Ltd	2,460,000	-
16	Assorted air conditioners at various ANS stations	Ozonecool Investment Limited	6,572,000	-
17	AVSEC Computer Based Training System	Muladys Engineering Agency	10,973,987	-
18	VHF Area Cover Radio Systems for Mua Hills Radar Station and Lokichoggio Airport	Datacore Ltd	31,967,610	-
19	Radio Link between JKIA and ACC/ANS HQS	Datacore Ltd	10,035,607	-
20	Upgrade of RDRC Ethernet Switches & Routers	Sybyl Kenya Ltd	10,000,000	-
21	Construction of Malindi VOR Perimeter wall	Cosmo-Mint Company	-	1,708,920
22	EASA Executive Hostel & Conferencing Centre	Tectura International	10,551,360	10,551,360
23	EASA Executive Hostel & Conferencing Centre	Ernst & Young	9,494,600	9,494,600
24	EASA Executive Hostel & Conferencing Centre	Nairobi City County	1,384,550	1,384,550
25	Kisumu International Airport Air Traffic Control Tower	Polish Contractors Co Ltd & Dama Services Ltd	179,238,535	71,759,257
26	Mwakirunge Security House	Tames Logistics Co Ltd	-	2,526,880
27	Extension of EASA Perimeter Wall	Fossils Agencies Ltd	-	3,674,650
28	Perimeter Wall at Central Transmission Station (CTX)	Gamoji Ltd	25,912,784	10,856,514
29	Upgraded ICT Security Infrastructure	Comztech Ltd	-	22,254,785
30	Virtual Infrastructure- HQs Datacentre	Sybyl Kenya Ltd	112,559,085	30,000,000
	Total		**1,729,951,288**	**881,569,470**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.28 NON-PPE MOVEMENT SCHEDULE

Description	2024 Kshs	2023 Kshs
Cost		
At the Beginning of the Year	**401,300,223**	**384,431,208**
Opening Balance Write Down	(401,300,223)	-
Transfer Adjustments	-	(2,429,857)
Revaluation	379,908,577	-
Additions During the Year	37,646,258	16,869,015
Capitalization of Work In Progress	-	2,429,857
At the End of the Year	**417,554,835**	**401,300,223**
Additions - Internal Development	2,005,639	-
Additions - Work In Progress	16,926,400	-
At the End of the Year	**436,486,874**	**401,300,223**
Amortizations & Impairment		
At the Beginning of the Year	379,120,072	361,836,191
Opening Balance Write Down	379,120,072	-
Amortization	139,853,491	17,283,881
At the End of the Year	**139,853,491**	**379,120,072**
NBV	**296,633,382**	**22,180,150**

19.28 (a). WORK IN PROGRESS – NON PPE

	Project Description	Supplier/Vendor	2024 Kshs	2023 Kshs
1	EASA Integrated Student Management System	Appkings Solutions Limited	16,926,400	-
	Total		**16,926,400**	**-**

19.29 TRADE & OTHER PAYABLES

	2024 Kshs	2023 Kshs
Trade Creditors - Local	675,936,536	616,785,205
Trade Creditors - Foreign	243,159,947	148,735,693
Third Party Claims	112,957,174	30,945,676
Stale and Unpaid Cheques	6,132,807	4,811,531
Collaboration Fees	3,288,640	6,274,640

Student Association Fees	1,389,387	568,137
External Examination Fees	2,125,629	3,125,525
Student Excursions	8,851,637	9,134,649
Caution Money	2,594,619	2,085,119
KUCCPS Placement Fees	995,500	825,000
Student Industrial Attachment	7,262,913	5,582,670
VAT Output	93,544,770	(1,042,951)
VAT Withheld A/C	23,667245	43,348,145
Withholding Tax	-	13,260,048
Foreign Exchange Posting Differences	1	-
Total Trade and Other Payables	**1,181,906,804**	**884,439,088**

19.29(a) AGEING ANALYSIS FOR TRADE AND OTHER PAYABLES

	2024		2023	
	Kshs	Kshs	Kshs	Kshs
	Amount	% of the total	Amount	% of the total
Under one Year	496,202,727	42%	675,716,308	76%
1-2 Years	278,138,536	23%%	92,599,478	10%
2-3 Years	220,070,364	19%	66,035,995	7%
Over 3 Years	187,495,178	16%	50,087,307	6%
Total	**1,181,906,804**	**100%**	**884,439,088**	**100%**

19.30 REFUNDABLE DEPOSITS FROM CUSTOMERS

	2024	2023
	Kshs	Kshs
Consumer Deposits	14,105,343	14,105,343
Total Refundable Deposits	**14,105,343**	**14,105,343**

19.30 (a) AGEING ANALYSIS: REFUNDABLE DEPOSITS

	2024		2023	
	Kshs	Kshs	Kshs	Kshs
	Amount	%of the total	Amount	% of the total
Under 1 Year	-	0	-	0%
1-2 Years	-	0%	-	0%
2-3 Years	-	0%	163,000	1%
Over 3 Years	14,105,343	100%	13,942,343	99%
Total	**14,105,343**	**100%**	**14,105,343**	**100%**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.31 EMPLOYEE BENEFITS OBLIGATIONS	2024	2023
	Kshs	Kshs
Net Salary	3,980,488	4,280,011
PAYE Staff	-	488,010
Payroll Deductions-Cheques	113,267	113,267
Payroll Deductions EFT	74,729,317	466,902
Staff Claims	10,150,878	900,190
EASA Housing Levy	179	-
Board Liability	225,465	998,500
PAYE Board of Directors	242,000	18,000
EASA NSSF	1,102	75,600
EASA Bank Loans	9,944	-
EASA PAYE Liability	1	(20,021)
EASA Insurance Deductions	(50,594)	-
Service Gratuity Liability	89,988,620	71,742,123
Leave Provision	63,321,378	128,418,051
Others: PAYE Others	942,930	8,069
Total Employees Benefits Obligation	**243,654,973**	**207,448,703**

19.32 CURRENT PORTION OF BORROWING	2024	2023
	Kshs	Kshs
NCTIP	52,491,025	52,491,025
KTSSP	129,833,330	129,833,330
Balance at End of Period	**182,324,356**	**182,324,356**

19.33 CURRENT PROVISIONS

Description	National Treasury	Ex- Staff	Total
Balance as at 1st July 2022	1,891,866,182	258,676,220	2,150,542,402
Additional Provisions during the year	4,424,689,191	-	4,424,689,191
Domestic Air Navigation Service Charge VAT Assessment Liability	(255,045,414)		(255,045,414)
Surplus Payments during the year	(1,631,413,938)	-	(1,631,413,938)
Balance as at 30th June 2023	**4,430,096,021**	**258,676,220**	**4,688,772,241**
Balance as at 1st July 2023	4,430,096,021	258,676,220	4,688,772,241
Additional Provisions during the year	4,644,586,099	-	4,644,395,020
Surplus Payments during the year	(4,420,981,789)	-	(4,420,981,789)
2020/21FY Surplus Overpayment	(663,380)	-	(663,380)
2022/23 FY Surplus Overpayment	(2,726,231)	-	(2,726,231)
Domestic Air Navigation Service Charge VAT Assessment Liability Write Back	(5,406,830)	-	(5,406,830)
Balance as at 30th June 2024	**4,644,903,889**	**258,676,220**	**4,903,580,109**

19.34 BORROWINGS

	2024	2023
External Borrowing	**Kshs**	**Kshs**
NCTIP	131,227,564	183,718,589
KTSSP	1,168,499,971	1,298,333,302
Balance at the End of the Period	**1,299,727,535**	**1,482,051,891**

19.34 (a) BORROWINGS

	2024	2023
External Borrowing	**Kshs**	**Kshs**
Balance at the Beginning of the Period	1,482,051,891	1,664,376,246
Repayments of External Borrowing During the Period	(182,324,356)	(182,324,356)
Balance at the End of the Period	**1,299,727,535**	**1,482,051,891**

19.35 REVALUATION RESERVE

	2024	2023
	Kshs	**Kshs**
Opening Balance	8,326,882,978	8,318,582,978
Add: Accumulated Depreciation & Amortization 30/06/24	3,720,344,091	-
Adjustments during the Year	-	8,300,000
Revaluation 2023/24 Financial Year	21,846,765,630	-
Less: Cost as at 30/06/2024	(21,042,883,086)	-
Total Revaluation Reserves	**12,851,109,613**	**8,326,882,978**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.36 GOVT GRANTS

	2024	2023
	Kshs	**Kshs**
Opening Balance	129,960,000	133,380,000
Less: Amount Amortized During the Year	(3,420,000)	(3,420,000)
Total Govt Grants	**126,540,000**	**129,960,000**

19.37 ACCUMULATED SURPLUS

	2024	2023
	Kshs	**Kshs**
Opening Balance	9,166,939,194	8,974,952,004
Add: Surplus for the period	1,349,542,900	491,632,132
Add; Refund from OAG	-	3,211,290
Less: Surplus (Excess) Paid During the Period	-	(2,726,232)
Domestic ANSC VAT Assessment Liability Write Back	5,406,830	-
2020/21FY Surplus Overpayment	663,380	-
2022/23 FY Surplus Overpayment	2,726,231	-
Less: Rationalized Budget Recall by TNT	(450,000,000)	(300,130,000)
Less: VAT Tax Arrears Settlement	(51,085,703)	-
Total Accumulated Surplus at the End of the Period	**10,024,192,832**	**9,166,939,194**

19.38 ACCUMULATED SURPLUS (RETAINED EARNINGS) ADJUSTMENTS

	2024	2023
	Kshs	**Kshs**
Refund from OAG	-	3,211,290
Surplus (Excess) Paid During the Period	-	(2,726,232)
Domestic ANSC VAT Assessment Liability Write Back	5,406,830	-
2020/21FY Surplus Overpayment	663,380	-
2022/23 FY Surplus Overpayment	2,726,231	-
Rationalized Budget Recall by TNT	(450,000,000)	(300,130,000)
VAT Tax Arrears Settlement	(51,085,703)	-
Total Accumulated Surplus (Retained Earnings) Adjustments	**(492,289,262)**	**(299,644,942)**

19.39 FINANCIAL RISK MANAGEMENT

The authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency exchange rates. The Authority'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 Authority 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 Authority's financial risk management objectives and policies are detailed below:

(i) **Credit Risk**

The Authority 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.

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 Authority'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 Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows

	Total Amount Kshs	Fully Performing Kshs	Past Due Kshs	Impaired
As at 30 June 2024				
Receivables from Exchange Transactions	3,064,318,510	2,589,261,786	475,056,724	-
Receivables from Non-Exchange Transactions	802,667,867	800,480,752	2,187,115	-
Bank Balances	4,233,138,671	4,233,138,671	-	-
Totals	**8,100,125,048**	**7,622,881,209**	**477,243,839**	**-**
As at 30 June 2023				
Receivables from Exchange Transactions	2,131,631,795	1,733,828,789	397,803,006	-
Receivables from Non-Exchange Transactions	725,862,323	723,675,208	2,187,115	-
Bank Balances	4,528,199,103	4,528,199,103	-	-
Totals	**7,385,700,221**	**6,985,710,100**	**399,990,121**	**-**

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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The Authority's has significant concentration of credit risk on amounts due from Kenya Airways Plc.

The Board of Directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) **Liquidity risk management**

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

The table below represents cash flows payable by the company 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 Kshs	Between 1-3 months Kshs	Over 5 Months Kshs	Total Kshs
As at 30 June 2024				
Trade Payables	389,540,643	342,124,821	187,643,331	917,831,494
Current Portion of borrowings			182,324,356	182,324,356
Provisions				-
Employee Benefit Obligation			243,654,973	243,654,973
Total	**389,540,643**	**342,124,821**	**613,622,660**	**1,345,288,124**
As at 30 June 2023				
Trade Payables	192,697,349	390,275,308	301,184,134	884,156,790.54
Current Portion of borrowings			182,324,356	182,324,356
Provisions			4,620,977,610	4,620,977,610
Employee Benefit Obligation			207,488,703	207,488,703
Total	**192,697,349**	**390,275,308**	**5,379,733,940**	**5,962,706,597**

(iii) **Market risk**

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Authority 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.

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

a) Foreign Currency risk

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

Description	In Kshs	Other Currencies Kshs	Other Currencies Kshs
As at 30 June 2024			
Financial Assets			
Investments	-	-	-
Cash	771,093,769	3,462,044,902	4,233,138,671
Debtors	1,506,761,107	1,557,557,403	3,064,318,510
Total Financial Assets	**2,277,854,876**	**5,019,602,305**	**7,297,457,181**
Financial Liabilities			
Trade & Other Payables	938,746,857	243,372,259	1,182,119,8116
Borrowings	1,299,727,535		1,299,727,535
Total Financial Liabilities	**2,238,474,392**	**243,372,259**	**2,481,846,651**
Net Foreign Currency Asset/(Liability)	**39,380,484**	**4,776,230,046**	**4,815,610,530**

Description	In Kshs Kshs	Other Currencies Kshs	Other Currencies Kshs
As at 30 June 2023			
Financial Assets			
Investments	-	-	-
Cash	1,089,166,090	3,439,033,014	4,528,199,103
Debtors	1,579,104,693	552,527,102	2,131,631,795
Total Financial Assets	**2,668,270,783**	**3,991,560,116**	**6,659,830,898**
Financial Liabilities			
Trade & Other Payables	735,703,394	148,735,693	884,439,088
Borrowings	1,664,376,246	-	1,664,376,246
Total Financial Liabilities	2,400,079,640	148,735,693	2,548,815,334
Net Foreign Currency Asset/(Liability)	**268,191,143**	**3,842,824,422**	**4,111,015,565**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Foreign Currency Sensitivity Analysis

Description	Change in Currency Rate	Effect on Profit before tax	Effect on Equity/ Net Assets
	Kshs	Kshs	Kshs
2024			
Euro	10%	-	-
USD	10%	(18,668,644.12)	3,870,621.10
2023			
Euro	10%	-	-
USD	10%	17,088,455	54,421,832

Interest rate risk

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

Capital Risk Management

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

Description	2024	2023
	Kshs	Kshs
Revaluation Reserve	12,851,109,613	8,326,882,978
Retained Earnings	10,024,171,601	9,166,939,194
Capital Reserve	126,540,000	129,960,000
Total Funds	**23,001,821,214**	**17,623,782,172**
Total Borrowings	1,482,051,891	1,664,376,246
Less: Cash and Bank Balances	4,233,138,671	4,527,916,806
Net Debt/(Excess Cash and Cash Equivalents)	(2,751,086,780)	(2,863,540,560)
Gearing	**-12%**	**-16%**

19.40 RELATED PARTY DISCLOSURES

Nature of Related Party Relationship

The Authority 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 its operating and financial decisions. These include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long term lenders of the entity, both domestic and external. Other related parties' disclosures for the period are;

Transactions with Related Parties

Description	2024	2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to Related Parties		
Certification of Aerodromes & Staff Certification-Kenya Airports Authority	-	1,666,000
Totals	**-**	**1,666,000**
b) Purchase from Related Parties		
Purchase of Power from Kenya Power & Lighting Company Ltd	63,552,759	51,835,935
Purchase of Diesel and Petrol of National Oil	-	3,641,200
Training and Conferences Fees paid to Kenya School of Government	12,554,587	7,229,200
Totals	**76,107,346**	**62,706,335**
c) Key Management Compensation		
Directors' Emoluments	44,796,317	39,240,571
Compensation to Key Management	14,319,850	11,004,524
Totals	**59,116,167**	**50,245,095**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.41. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

(a) **A Summary of the Contingent Assets are as Follows:**

(i) Potential Receipts from Kenya Airports Authority:

With reference to the Statute Law (Miscellaneous Amendments) Act, 2014 that came into effect on the 8th December 2014, the Authority has been pursuing up the arrears that may not have been remitted by the KAA over the period since the law came into effect and in addition to changes that were effected in light of the Legal Notice No. 143 dated 14th June 2018. As such, the Authority has been undertaking a reconciliation with the KAA and a team from Kenya Revenue Authority (KRA), with an aim to determine the amounts receivable from the KAA. The Authority has made efforts to follow up the amounts due from the KAA. KAA informed the Authority that they shall report Kshs. 934,910,931.40 as payable to KCAA as at 30 June 2024.

(ii) Pending Fraud Case:

This is a criminal Case No. 2840/03 at the Anti-Corruption Court. The case relates to a Kenya Revenue Authority officer who was responsible for collecting Air Navigation charges and is charged with defrauding KCAA of USD 100,465. These assets have not been recognized in the accounts because there is material uncertainty on their realization.

(b) **Contingent Liabilities:**

(i) Potential Debts/Claims owed to Suppliers Totalling Ksh 40.32 Million:

Kenya Airports Authority billings for rent and utility charges for the period up to 30 June 2005 amounting to Ksh.40.32 Million. Much of this period was a time when the Authority was still a department in the Ministry of Transport and Communications. This amount has not been provided for in the financial statements

(ii) Potential claims arising from dismissed staff:

This is a case involving 68 former employees of the Directorate of Civil Aviation (the predecessor of KCAA) emanating from alleged dismissal of the said employees from public service and malicious prosecution. The case was ruled in favour of the Plaintiffs. KCAA appealed against the judgment and the appeal proceeded for hearing on 7th January, 2014. The Court dismissed KCAA's appeal with costs. The Court of Appeal ordered the matter to be referred back to High Court for assessment of total damages. The High Court delivered the ruling on assessment for 40 plaintiffs out of 67 plaintiffs. The judgment amount in total is Kshs 154,841,140. The Claimants' sought a review. The application for review sought an additional Kshs. 103,835,080. To this extent, the Authority has made a provision of Kshs 258, 676,220 in its financial statements for the period ended 30th June 2021. KCAA made a review application to review the Court orders to run up to the date when judgment was delivered. This application will be mentioned on 20th September 2022.

(iii) Other Claims from former staff

The Authority is facing employee related disputes which are at different stages of litigation. The outcome of this disputes may occasion potential liability to the Authority.

19.41 CAPITAL COMMITMENTS

Capital Commitments	2024	2023
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	1,386,096,790	893,086,187
Total	**1,386,096,790**	**690,376,557**

19.42 EVENTS AFTER THE REPORTING PERIOD

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

19.43 ULTIMATE AND HOLDING ENTITY

The Authority is a State Corporation under the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works. Its ultimate parent is the Government of Kenya.

19.44 CURRENCY

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

APPENDIX I: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
Basis of Qualified Opinion					
1.0	**Variances in Provision for Bad Debts**				
	Receivables from exchange transactions balance Kshs.1,604,786,528 as disclosed in Note 19.23 to the financial statements, comprising of Kshs.2,131,631,795 and Kshs.526,845,267 as gross receivables from exchange transactions and general and specific provisions for bad and doubtful debts. Computation of provision for bad and doubtful debts were based on the balances in the aged analysis which did not however agree with the amounts in the supporting schedules provided. In the circumstances, the accuracy of provision for bad and doubtful debts Kshs.526,845,267 could not be confirmed.	This a work in progress that is systematically being addressed since the exit of Kenya Revenue Authority as a collecting agent for the Authority's revenue and the creation of individual operators in the Authority's invoicing and reporting systems.	Director General	Not Resolved	Update on progress to be given during the 2024/25 reporting.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2.0	**Unsupported Balance from Kenya Revenue Authority**				
	The statement of financial position, and as disclosed in Note 19.23 to the financial statements, reflects current receivables from exchange transactions balance of Kshs.1,604,786,528 which comprises gross receivables balance of Kshs.2,131,631,795 less provisions of Kshs.526,845,267. However, the following anomalies were noted. The gross balance of Kshs.2,131,631,795 includes domestic operator's balance of Kshs.1,559,906,288 which further includes a balance of Kshs.1,321,871,092 receivable from Kenya Revenue Authority (KRA), being unremitted revenue collected by KRA on behalf of the Authority. Review of the supporting age analysis indicated that part of the latter balance had been outstanding for more than one year. It is not clear why KRA did not remit the balance to the Authority upon collection. Further, and as indicated previously supporting schedule, the balance of Kshs.1,321,871,092 due from KRA is net of an unsupported and unexplained negative adjustment of Kshs.2,110,419,203 made in the previous year. In the circumstances, the accuracy and validity of balance due from KRA of Kshs.1,321,871,092 could not be confirmed.	The Kenya Revenue Authority has settled a couple of outstanding amounts during the period 2023/24 and the Authority is workings closely with the KRA management to ensure all the outstanding balance is settled.	Director General	Not Resolved	Update on progress to be given during the 2024/25 reporting.
3.0	**Unconfirmed Property, Plant and Equipment Balance**				
	Lack of Ownership Documents for Land and Buildings	The Authority has kept engaging the relevant stage agencies in its efforts to get hold of the ownership documents for the properties it owns.	Director General	Not Resolved	This a work in progress that is systematically being addressed

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
4.0	**Variances in Trade and Other Payables**				
	The statement of financial position reflects a balance of Kshs.884,439,088 in respect of trade and other payables as disclosed in Note 19.28 of the financial statements. However, the aged analysis provided in Note 19.28 (b) reflects a balance of Kshs.884,639,087 thus resulting in an unexplained variance of Kshs.199,999. However, an ageing analysis provided for trade payables, both local and foreign payables reflects amounts denominated in Kenya Shillings and US Dollars. However, review of the analysis revealed that there were some variances between financial statements and the age-ing analysis due to the exchange rate ruling as at 30 June, 2023 Although Management has explained that the Authority has engaged the vendor of the ERP system to determine the cause of the variance, no explanation or reconciliation was provided for the variance of Kshs.1,875,999. Further, Note 19.28 (b) to the financial statements reflects and amount of Kshs.208,722,780 in respect of payables that were due for over one (1) year. Management has not provided any explanation on how the Authority intends to settle these long outstanding payables In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.884,439,088 could not be confirmed.	i). Regarding the closing creditors denominated in foreign currency a review by Management has shown that the ERP system aged the closing balances as per the exchange rate that was ruling at the end of each financial year as opposed to the closing rate. ii). As regards the long outstanding creditors, the amount mostly relates to projects that have warranty payments that can only be paid after the expiry of the respective periods. The Authority does not have cash flows issues and as such all payments that are due for payment and are well supported get processed promptly on the dates they are due. iii. Creditors' circularization has also been undertaken to allow settlement of any amount that may not have been dully paid out in due regard.	Director General	Not Resolved	Progress can be reviewed in the 2024/25 financial year reporting status.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
Emphasis of Matter					
1.	**Budget Control and Performance**				
	The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.8,088,473,535 and Kshs.10,147,689,576 respectively, resulting in over-collection of Kshs.2,059,216,041 or 25% of the budget. Similarly, the State Department for Transport spent an amount of Kshs.7,162,706,629 against an approved budget of Kshs.8,088,473,535 resulting in an under expenditure of Kshs.925,766,906 or 11% of the budget. The under-expenditure affected the planned activities of the Authority and may have impacted negatively on service delivery to the public	Although the Authority had budgeted to collect revenue of Kshs 8,088,473,535 however, Kshs 10,147,689,576 was actually collected. The over collection arose from receipt of APSC revenue from KAA for prior years in the last month of the financial year. The under-expenditure during the financial year under review was occasioned by delay in approval of the initial, rationalized and revised budgets for the financial year under review Management is formulating measures in the current year including business process re-engineering that will enhance project implementation timelines and ensure substantial improvement in absorption of budgeted resources.	Director General	Not Resolved	Progress update to be given in the 2024/25 reports
2.1	**Balance Due from Kenya Airports Authority**				
	Included in the domestic operator's balance is an amount of Kshs 23,827,113 due from Kenya Airports Authority (KAA). However, records at KAA has indicated that they owe KCAA Kshs.1,057,046,038.18 thus resulting in an unexplained and unreconciled variance of Kshs1,033,218,925.18. Failure to reconcile the amount owed by KAA with the Authority's records may lead to wrong balances reported in the financial statements and the possibility of loss of funds	The amount reported in KAA books relates to Air Passenger Service Charge and the given the mode of collection and remittance and coupled with surplus funds remittance, the Authority has faced challenges in accruing the due amounts. However, the amounts were remitted during the 2023/24 financial year.	Director General	Resolved	Progress update to be given in the 2024/25 report.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2.2	**Debt owed by the National Carrier (Kenya Airways)**				
	Included in domestic operations balance of Kshs 1,559,006,288 is an amount of Kshs 112,327,035 representing 7% of the receivable for the year which was due from Kenya Airways PLC between 1st June 2023 and 30th June 2023. Further, the balance of Kshs 1,559,006,288 includes an amount of Kshs 1,321,871,092 owed by Kenya Revenue Authority which further includes Kshs 592,290,184 which was owed by Kenya Airways PLC through KRA as at 31st May 2023. The latter amount represents amounts that were owing for the long period of time. The recoverability of the current receivables from exchange transactions amount of Kshs 592,290,184 representing 38% of total domestic operators' receivable could not be confirmed.	The Authority has kept engaging the management of Kenya Airways to settle the outstanding amounts. The airline, has been partly settling the accrued amounts over time, though for sometime now, the national carrier has been operating on huge losses and been struggling financially.	Director General	Not Resolved	. Update on progress to be given during the 2024/25 reporting.
3.	**Employee Benefit Obligation - Provision of Leave for the Authority's Staff**				
	The statement of financial Position reflects a balance of Kshs.207,448,703 in respect of employee benefit obligations which as disclosed in Note 19.30 of the financial statements includes a leave provision amount of Kshs.128,418,051. Review records revealed that the calculation of leave provision for the year indicated an amount of Kshs.63,322,665 which relates to provision of leave days for officers who had carried forward leave days of more than half of their entitlement for that year. His is contrary to section (3) of the Authority's Human Resource Manual for Staff Regulations and Administration	Management explained that the situation due to the unique operational environment that the Authority operates in and the shortage of critical and technical staff.	Director General	Resolved	

Emile N. Arao
Director General
Date: 30/12/2024

APPENDIX II: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/ Donor Transferring the funds	Date Received as Per Bank Statement	Nature: Recurrent/ Development/ Others	Total Amount	Where Recorded/recognized					
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	Total Transfers during the Year
			Kshs	Kshs					Kshs
Kenya Airports Authority	31-10-23	Recurrent	300,140,000	300,140,000	-	-	-	-	300,140,000
Kenya Airports Authority	27-12-23	Recurrent	653,249,898	653,249,898	-	-	-	-	653,249,898
Kenya Airports Authority	29-12-23	Recurrent	1,170,000	1,170,000	-	-	-	-	1,170,000
Kenya Airports Authority	01-02-24	Recurrent	175,330,500	175,330,500	-	-	-	-	175,330,500
Kenya Airports Authority	01-02-24	Recurrent	240,930,000	240,930,000	-	-	-	-	240,930,000
Kenya Airports Authority	05-03-24	Recurrent	323,501,412	323,501,412	-	-	-	-	323,501,412
Kenya Airports Authority	05-03-24	Recurrent	461,673,753	461,673,753	-	-	-	-	461,673,753
Kenya Airports Authority	19-03-24	Recurrent	497,526,464	497,526,464	-	-	-	-	497,526,464
Kenya Airports Authority	19-03-24	Recurrent	371,388,414	371,388,414	-	-	-	-	371,388,414
Kenya Airports Authority	09-05-24	Recurrent	475,767,274	475,767,274	-	-	-	-	475,767,274
Kenya Airports Authority	14-05-24	Recurrent	213,093,783	213,093,783	-	-	-	-	213,093,783
Kenya Airports Authority	16-05-24	Recurrent	240,000,000	240,000,000					240,000,000
Total			**3,953,771,498**	**3,953,771,498**	**-**	**-**	**-**	**-**	**3,953,771,498**

APPENDIX III: REPORTING OF CLIMATE RELEVANT EXPENDITURES

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

The Authority fully complies with international and domestic requirements on matters related to the environment. The Authority operates in line with the expectations of diverse global stakeholders, and therefore sees environmental protection as a discipline through which the Authority integrates economic, environmental, and social objectives without compromising the ability of future generations to meet their needs. To this end KCAA has created a new department (Environmental Protection Department) within ASSR directorate to implement policies relating to aviation environmental protection in Kenya.

At the international level, KCAA is working together with the global civil aviation community towards reductions of aircraft emissions and reduce the effects of climate change. KCAA has participated in the following meetings:

1. Conference of Parties (COP 28) of the UN Framework Convention on Climate Change (UNFCCC) held in November 2023 in United Arab Emirates that aimed to come up with mitigation measures, provide financial support opportunities and promote collaboration among states.
2. Organised a Session on CORSIA, SAF and CORSIA Eligible Fuels for Kenya Stakeholders, held in Nairobi 10-12 October,2023
3. International Civil Aviation Organization (ICAO) CAAF/3 (third Conference on Aviation Alternative Fuels) held in November 2023 in Dubai, United Arab Emirates
4. Session on CORSIA, SAF and CORSIA Eligible Fuels for Kenya Stakeholders, Nairobi10-12 October,2023
5. Organised the First meeting of the National Steering Committee on Acceleration of Development & Deployment of Sustainable Aviation Fuel (SAF) was held at Argyle hotel on 29th May 2024
6. Participated in Sub-Saharan regional workshop which was held in Addis-Ababa from 14th -16th May 2024.
7. Participated in the Kick-off meeting KCAA-EASA Project Team to kickstart the EU-funded ACT-SAF Africa-India Project on 27th May 2024 which was held virtually
8. Hosted the ICAO CAEP Working Group 4 meeting from 20th-23rd May 2024 in Nairobi
9. Participated in (UN climate change conference) the 60th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA) took place from 1 to 13 June 2024, in Bonn, Germany.
10. Participated in the Study tour and Achema 2024 in Frankfurt Germany from 4th- 12th June 2024

Kenya has been participating in the Carbon Offsetting and reduction Scheme for International Aviation (CORSIA) in the pilot phase since 2021. The scheme aims at contributing to the global aspirations goals of keeping the global net Carbon Dioxide emissions from international aviation neutral from 2020 at the same level and attain a target of Net Zero carbon emissions for air transport industry by 2050. This implies that aircraft will increasingly use efficient fuels and Air Navigation Service providers will design routes that do not contribute to increased aircraft emissions. The authority compiled the 2023 CORSIA Emission Data into the ICAO CORSIA Central Registry (CCR) System conducted from 24th -28th June 2024. The compiled emission report indicates that the total CO_2 emissions recorded for 2023 for Kenyan aeroplane operators were 1,320,805.55 tonnes. This represents an increase from the 2022 figure of 1,122,873.31 tonnes of CO2, marking approximately 15% rise in emissions.

The department also participated and presented the following draft regulations in the Stakeholder validation meeting held in Panari hotel from 6-8 May 2024 and 12- 14 June 2024:

a) The draft Civil Aviation (Carbon Offsetting and Reduction Scheme for International Aviation) Regulations, 2024
b) The Draft Civil Aviation (Environmental Protection - Aircraft Noise) Regulations, 2024; and
c) The Civil Aviation (Aircraft Engine Emissions) Regulations, 2024

In response to the Presidential directive aiming to plant and grow 15 billion trees by 2032, the KCAA Board committed to planting 32,500 seedlings across various areas within our operational network. This commitment was formalized in a Board policy requiring each KCAA staff member to plant and nurture 30 trees annually.

From 1st July 2023 to 30th June 2024, KCAA successfully planted a total of 52,245 trees in various locations as follows Mua Hills, Machakos ,1,500 trees, Eldoret , Uasin Gishu Kapseret - 4,000 trees, East African School of Aviation (EASA), Nairobi - 3,200 trees, ANS Mlolongo, Machakos - 2,000 trees, Maragoli Hill, Vihiga County - 2,600 trees, Mombasa Moi Airport Transmitter Station, Mombasa - 2,500 trees, Poror Tree Planting, Samburu County - 1,500 trees, Lodwar Turkana DVRME Site, Turkana - 2,000 trees, Kwale Gogoni Forest, Kwale County - 2,000 trees, Malindi Arabuko Sokoke Marine Forest - 3,000 trees, Narok Tree Planting, Masai Mau Forest - 3,000 trees, KCAA HQ, Nairobi County - 500 trees, Wajir KCAA Staff Quarters - 1,000 trees, Kakamega Tree Planting, Kakamega County - 3,500 trees, Mombasa Ndogo Kundu - 5,000 trees and Gembe Hill - 15,000 trees

APPENDIX IV: REPORTING OF DISASTER MANAGEMENT EXPENDITURE

Programme	Sub-Programme	Disaster Type	Category of Disaster Related Activity (response/ recovery/mitigation/ preparedness	Expenditure Item	Amount (Kshs.)	Comments
Search Mission Coordinators Training	Incident Management Training (IMT(ICS+ JESSIP))	Aviation Rescue Management	Develop Capacity to coordinate and Manage multi agency teams at to undertake the rescue activities at the scene of an aircraft accident.	Training of ten participants in Incident Command System Course (ICSC) at Kesal Base Camp - Meru 24th-30th Sep 2023 and 1st to 7th Oct 2023	565,000.00	All ten officers certified.
"Preventive Search and Rescue"	Mapping of SAR assets, personnel and Resources	Aeronautical Search and Rescue	Undertake preparatory activities in building the capacity of the National Search and Rescue system and collecting data for use in Search and Rescue Mission Coordination	Search and Rescue (SAR) Asset Mapping	78,400.00	SAR Database Updated.
"Preventive Search and Rescue"	Search and Rescue Stakeholders workshop	Aeronautical Search and Rescue	Meet the various stakeholders in Aeronautical search and Rescue to consider various guide and policy documents for approval ((Aeronautical Search and Rescue Standard Operating Procedures(SOP)) and National Aeronautical and Maritime Search and Rescue plan (NAMSAR Plan).	Conference facility in Nairobi for 55 persons on 18th December 2023.	209,000.00	Stakeholder engagement process The Workshop was successfully held, SOP and NAMSAR plan approved by stakeholders.

Programme	Sub-Programme	Disaster Type	Category of Disaster Related Activity (response/ recovery/mitigation/ preparedness	Expenditure Item	Amount (Kshs.)	Comments
"Preventive Search and Rescue"	Preparation of Aeronautical Search and Rescue Manual	Aeronautical Search and Rescue	Preparation of an overall guide for Aeronautical Search and Rescue Manual for reference in SAR Coordination and Training .	5 full day Conference in Machakos for 4 persons	70,000.00	The conference was held and a draft SAR manual prepared.
International Aeronautical Search and Rescue Collaboration	Africa and Indian Ocean (AFI) Inter-Regional Search And Rescue (Sar) Workshop	Aeronautical Search and Rescue	Development of a consolidated action plan coordinated by ICAO for cooperation and collaboration among AFI countries in Aeronautical Search and Rescue.	Return Ticket and Travel insurance to Luanda Angola for Alfred G Wagura on 16th June and return 22nd June 2024	180,775.00	The workshop was successfully held and Kenya was a key facilitator.

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KCAA
Kenya Civil Aviation Authority
Efficiently Managing Air Safety

Kenya Civil Aviation Authority
Aviation House, Jomo Kenyatta International Airport, P.O. Box 30163 - 00100, Nairobi Kenya.
Tel: (+254-20) 6827470-5 · Cell: +254 728 606 570, +254 709 725 000, +254 728 606 586,+254 734 000 491
E-mail: info@kcaa.or.ke · Website: www.kcaa.or.ke