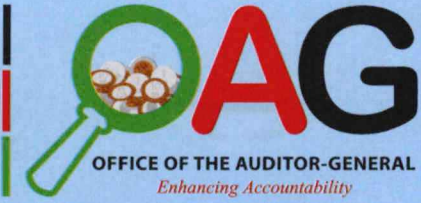


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

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ON

**BUSINESS REGISTRATION SERVICE -
OFFICIAL RECEIVER**

**FOR THE YEAR ENDED
30 JUNE, 2025**



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OFFICIAL RECEIVER

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

<i>CS</i>	<i>Cabinet Secretary</i>
<i>PS</i>	<i>Principal Secretary</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OSHA</i>	<i>Occupational Safety and Health Act of 2007</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PPE</i>	<i>Property Plant & Equipment</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>SAGAs</i>	<i>Semi-Autonomous Government Agencies</i>
<i>SC</i>	<i>State Corporations</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>WB</i>	<i>World Bank</i>

B: Definition of Key Terms

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

2. Key Information and Management

(a) Background information

The Office of the Official Receiver is a department within the Business Registration Service (BRS), a Semi-Autonomous Government Agency, which deals with insolvency of individuals and corporate entities. The office derives its mandate from the Insolvency Act, Cap 53 Laws of Kenya, which is the primary law governing insolvency proceedings in Kenya. The Official Receiver is mandated under the Insolvency Act to implement the Act and develop legislation and policy relating to insolvency for carrying out of the mandate under the Act.

The department is headed by the Official Receiver who is appointed by the Attorney General under Section 701 of the Insolvency Act.

The following are some of the key functions of the Office of the Official Receiver;

- a. Under Part II of the Insolvency Act, the Official Receiver regulates the practice of Insolvency in Kenya through licensing and supervising of Insolvency Practitioners.
- b. Maintaining records of all insolvency and bankruptcy matters
- c. Overseeing the implementation of the Insolvency Act and its Regulations
- d. Acting as an officer of the Court in all insolvency matters and facilitating court in such matters
- e. Acting as the de facto office holder in instances where a vacancy occurs in an insolvency assignment

Statutory roles, powers and responsibilities

Specifically, the Official Receiver performs the following functions:

1. Administration of insolvency of natural persons

- i. To appoint or act as a Bankruptcy Trustee or Interim Bankruptcy Trustee over a debtor's estate pursuant to sections 59-80 of the Insolvency Act.
- ii. Act as Supervisor or Provisional Supervisor for debtors under Individual Voluntary Arrangement, Summary Installment Orders and No-Asset Procedure (under Division 1, 2 and 3 of Part IV of the Insolvency Act)
- iii. Review insolvency applications: Bankruptcy Petitions, applications for Individual Voluntary Arrangements, Summary Installment Orders and No-Asset Procedures.
- iv. Admit debtors to Summary Installment Orders and No-Asset Procedure under division 2 and 3 of Part IV of the Insolvency Act).
- v. Administers insolvent deceased's estates in accordance with Part V of the Insolvency Act
- vi. Investigate the financial affairs of debtors (Section 434 of the Insolvency Act).
- vii. Identify, collect and preserve assets in the name of a debtor's estate for realization and distribution to creditors. (Sections 252, 356, 370 and 415, 459 of the Insolvency Act).
- viii. Facilitate the discharge of bankrupt individuals pursuant to Division 22 of Part III and Section 259, 333 and 359 of the Insolvency Act.
- ix. Publish notices of appointment as Bankruptcy Trustee, Individual Voluntary Arrangement Supervisor, Summary Installment Order Supervisor and No-Asset Procedure Supervisor

2. Administration of insolvency of registered and unregistered entities

- a. Act as a Liquidator or Provisional Liquidator for companies undergoing Liquidation (Division 3 and 4 of Part VI and Sections 437 and 438 of the Insolvency Act).
- b. Act as Interim Administrator or Administrator for companies undergoing Administration
- c. Act as Supervisor or Provisional Supervisor for companies under Companies Voluntary Arrangements (Part IX of the Insolvency Act)
- d. Review insolvency applications: Liquidation Petitions, applications for Administration Orders and Companies Voluntary Arrangements before they are filed in court and issue certificate of compliance

- e. Administer the realization and distribution of a company's assets among creditors based on statutory priorities. (Section 415 and 459 of the Insolvency Act)
- f. Oversee restructuring of companies and/or their debts between companies and their creditors.
- g. Publish notices of appointment as Administrator/Interim Administrator, Provisional Liquidator/Liquidator, Companies Voluntary Arrangement Supervisor or Receiver & Manager

3. Investigation and Prosecution

- a) Investigate misconduct, fraud, or negligence by directors and officers of insolvent companies. (Section 322, 511 and 634 of Insolvency Act)
- b) Report findings to the Director of Public Prosecutions (DPP) for potential criminal proceedings. (Section 322, 511 and 634 of Insolvency Act)
- c) Under Section 534 of the Insolvency Act, the Official Receiver may make an application seeking to disqualify directors for unfit conduct in company management.

4. Regulation of Insolvency Practitioners (Part II of the Insolvency Act)

- a) Review applications for licensing of Insolvency Practitioners
- b) Issue licenses to Insolvency Practitioners
- c) Supervise Insolvency Practitioners in their appointments
- d) Maintain and publish a register of licensed Insolvency Practitioners.
- e) Ensure their compliance with ethical standards and legal requirements

5. Education and Public Awareness

- a) Provide guidance and advise to individuals and companies facing financial distress about insolvency procedures.
- b) Conduct public education campaigns to promote understanding of insolvency laws.
- c) Conduct continuous professional development training for Advocates and Accountants on insolvency practice
- d) Conduct meetings and training sessions with relevant stakeholders on insolvency

6. Advisory and Policy Role

- a) Advise the Government on policy matters related to insolvency and financial distress.
- b) Assist in drafting laws and regulations and proposing amendments to the Insolvency Act to address emerging challenges.
- c) Advise State Corporations on insolvency laws, processes and procedures.
- d) Assist in restructuring of government-related organizations when called upon from time to time.
- e) Represent the Government of Kenya in international forums as technical experts in insolvency, e.g, Africa Round Table on Insolvency, United Nations Conference on International Trade Law (UNCITRAL) Working Group Five.

7. Repository of records and Public Registers on Insolvency (Division 2 of Part XII)

- a. Maintain a register of all assets subject to insolvency assignments
- b. Receive and maintain a record of all insolvency matters filed within Kenya
- c. Publish a list of Insolvency Practitioners annually
- d. Maintain and publish a register of all debtors' subject to active proceedings in Bankruptcy, Summary Installment Orders and No-Asset Procedure annually

8. Cross Border Insolvency (Fifth Schedule to the Insolvency Act)

- a. The Official Receiver's role in Cross Border Insolvency is multifaceted encompassing regulation, administration and potential involvement in international proceedings.
- b. Cooperation with Foreign Courts and Insolvency Practitioners
- c. Recognition and enforcement of foreign proceedings
- d. Assisting with the administration of assets and liabilities located in other jurisdictions

(i) VISION

Doing business made easier.

(ii) MISSION

Provide responsive business services to our customers by providing efficient business registration, facilitate access to credit, and effective insolvency system for business growth and stability

(iii) CORE VALUES

The service has centered its service delivery under six main core values. Customer Centricity; Integrity; Collaboration; Innovation; Transparency and accountability

(iv) Mandate

Business Registration Service (BRS) is mandated to oversee the operations of the Companies Registry, Trustee (Perpetual Succession) Registry, Movable Property Security Rights Registry (Collateral Registry), Insolvency (Official Receivers) Registry and the Hire Purchase Registry:

Notwithstanding the generality of the mandate stated above the Service;

- a) Carries out all registrations required under the BRS Act;
- b) Maintains registers, data and records on registrations carried out by the Service;
- c) Implements relevant policies and guidelines and provide the Attorney General with the necessary information to guide the formulation of policy and amendment of existing policy and guidelines;
- d) Carries out research and disseminate research findings in the fields covered by the relevant laws through seminars, workshops, publications or other means and to recommend to the Government any improvements in the relevant laws;
- e) Collaborates with other state agencies for the effective discharge of its functions;
- f) Charges fees for any service performed by the Service; and
- g) Performs such other functions as may be necessary under the BRS Act.

(v) STRATEGIC OBJECTIVES

- i. To promote business stability and growth.
- ii. To optimize value of data.
- iii. To improve service delivery.

(b) Key Management

The BRS day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors/ Council/ Management etc;	Board Members
2.	Director General	Mr. Kenneth Gathuma
3.	Head of Corporate Services	Mr. Jones Otuke
4.	Official Receiver	Mr. Mark Gakuru
5.	Registrar of Companies	Ms. Damaris Lukwo
6.	Head of Legal, Research & Compliance	Ms Doris Wambugu
7.	Head of Finance and Accounts	CPA Erastus K. Mbalu

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	Mr. Kenneth Gathuma
2.	Head of Corporate Services	Mr. Jones Otuke
3.	Official Receiver	Mr. Mark Gakuru
4.	Registrar of Companies	Ms. Joyce Koech
5.	Head of Legal, Research & Compliance	Ms Doris Wambugu
6.	Head of Finance & Accounts	CPA Erastus K. Mbalu
7.	Head of Human Resource & Administration	Dr. Shapayah Yusuf Saleh
8.	Head of MPSR & Hire Purchase	Ms Shighadi Mwakio
9.	Supply Chain Management Officer	Ms. Sarah Kingi
10.	Corporation Secretary	Ms. Debra Ajwang
11.	Internal Auditor	CPA. William M. Njeru

Key Entity Information and Management (continued)

(d) Fiduciary Oversight Arrangements

The Board has established the four standing Committees to which it has delegated key responsibilities. Each Committee meets at least four times a year under the terms of reference approved by the Board. The main responsibilities of the Committees are as follows;

i. The Audit and Governance Committee

The principal responsibilities of the Committee are to oversee, advise and provide assurance by making appropriate recommendations to the Board on

the non-financial and financial matters, including the effectiveness of the internal control system, risk management and governance processes. The Committee is also responsible for evaluating the effectiveness of the Internal Audit function.

ii. The Human Resource and Finance Committee

The principal responsibilities of the Committee are to consider, advise and make appropriate recommendations to the Board on all aspects of human resource management and financial strategies including policy and procedures, track and review the performance of staff members, consider annual income and expenditure budgets as well as review financial performance against budget and plans.

iii. The Compliance and Risk Committee

The principal responsibilities of the Committee are to consider, advise and make appropriate recommendations to the Board on all aspects of compliance and risk management. The Committee oversees and makes appropriate recommendations to the Board on implementation of effective processes and systems of compliance and risk management in the Service.

iv. The Technical and strategy Committee

The principal responsibilities of the Committee are to oversee, advise and make appropriate recommendations to the Board on implementation of the strategic plan, strategies and policies and advise the Board on any significant changes and emerging trends in the organisation's operating environment.

(e) Business Registration Service (BRS) Headquarters

Business Registration Service
17th Floor, 316 Upper Hill Chambers,
2nd Ngong Avenue,
P. O. Box 30404-00100
Nairobi, Kenya

(f) Business Registration Service Contacts

Telephone: 011 112 7000
E-mail: eo@brs.go.ke
Website: www.brs.go.ke

(g) Official Receiver- Service Bankers

National Bank of Kenya
Branch: Harambee Avenue
Telephone: (254) 20244939
FAX: 20244939
Website: www.kcb.go.ke

OFFICIAL RECEIVER ACCOUNTS –NATIONAL BANK OF KENYA

S/No.	Account Number	Account Name
1.	01001000904100	Bankruptcy Estates-
2.	01001000904300	Company Liquidation-
3.	01001000906800	Pioneer Building Society-
4.	01001000906700	Capital Finance-
5.	01001000906400	Continental Credit Finance-
6.	01001000905900	Rural Urban Credit Finance-
7.	01001000908800	Kenya National Assurance Company-
8.	01001000911600	Tropical Building Society-
9.	01020000513700	Ken-REN Chemicals & Fertilizers-
10.	01001000905500	Bankruptcy Investment Income-
11.	01001000904200	Bankruptcy Contingency Fund-
12.	01001000904400	Companies Contingency Fund-
13.	01001000909900	East Africa Bag & Cordage-
14.	01001000905600	Companies Investment Income Fund-
15.	01001000910200	Kenya Project & Investment Ltd-
16.	01001000907200	Matatu Vehicles Owners Association-
17.	01001061202100	Nyakio Investment Limited-
18.	01001007625700	Bankruptcy Estates-Mombasa-
19.	01001007625600	Company Liquidation-
20.	01003024650300	Bankruptcy Estates-Kisumu-

OFFICIAL RECEIVER ACCOUNTS –CENTRAL BANK OF KENYA-CDS ACC NO.

S/No.	CDS ACC NO.	Account Name
1.	131770-1	Bankruptcy Estates-
2.	132481-1	Ken Ren Chemical & Fertilizer

(h) I. Independent Auditors

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

(i) J. Principal Legal Advisers

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

Key Management

3. The Board of Directors



Mr. Hamisi Mwaguya
Chairperson of the
Board

Hamisi Mwaguya is a seasoned Development Economist with over 20 years of experience spanning both the public and private sectors. He has held key positions in government and worked in several multinational corporations in the shipping and maritime industries.

He brings a wealth of expertise in policy development, economic planning, and strategic development. Mr. Mwaguya has played a pivotal role in shaping economic policy, having previously served as County Secretary and County Executive for Trade and Investments for the Government of Mombasa County.

In 2018, he led a landmark research study in collaboration with the University of Nairobi, assessing the socio-economic impact of the Standard Gauge Railway (SGR) on the growth of Mombasa and its environs. The study sparked a national discourse and influenced critical policy adjustments. His extensive contributions to national development include serving on various economic and infrastructure committees, including urban roads committee, national economic stimulus programs, and key local development initiatives. He has also served as a Board Member of the Kenya National Trading Corporation and, in 2022, was appointed Chairperson of the Kenya Maritime Authority. Mr. Mwaguya holds a Bachelor of Arts (Economics & Management) degree from Moi University, Eldoret, and a postgraduate qualification in Local and Regional Economic Development from Dundee University, Scotland. Beyond his professional career, he is deeply committed to community development. He actively supports aquaculture projects, youth sports initiatives, and programs for orphans. Additionally, he is a co-founder of the East African Ocean Festival (TEAOF), an initiative that fosters collaboration among stakeholders to promote ocean sports, sustainable waterfront development, and marine conservation programs.



**Justice (Rtd) Erastus
Githinji CBS EBS
(Chairperson)
LL.B.(UON) CS
(Company Secretary)**

Born in 1949, Justice (Rtd) Erastus Githinji CBS EBS has over 40 years' experience in the application and interpretation of the law.

He has served as a Magistrate in various ranks for over 10 years during which he was head of five magistrates' Court stations. The Judge served as a Puisne Judge of the High Court for over 15 years and as a Judge in the Court of Appeal for over 16 years. In the Court of Appeal, he served as Acting President of the Court, Head of the Civil Division and Presiding Judge Court of Appeal Mombasa (Malindi), Kisumu and Eldoret.

In his tenure as a Judge, Justice Githinji CBS EBS, was a member and later Chairperson of Judicial Code of Conduct and Ethics which developed the current code for the entire Judiciary; he was a longstanding member of the Council of Legal Education and a Board Member of Judiciary Training Institute (now Academy).

He retired from the BRS board on 6th October, 2024.



**Ms. Njeri Wachira
MBS, EBS (Alternate to
the Solicitor General)**

Born on 30th June, 1968, Ms. Njeri Wachira MBS holds a Bachelor of Laws Degree from the University of Nairobi and a Masters of Law Degree in Public International Law from Lund University in Sweden. Ms. Njeri Wachira MBS is currently the Deputy Solicitor General and Heads, the International Law Division at the Office of the Attorney General and Department of Justice.

She is a seasoned Advocate with extensive experience working in the field of Public International Law. She possesses experience as a Legal Advisor to the Government in negotiating, drafting, vetting and interpreting local and international treaties and agreements.

She is responsible for handling all matters on Mutual Legal Assistance pursuant to the Mutual Legal Assistance Act of 2011 which appoints the Attorney-General as the Central Authority. She is also responsible for the coordination of the legal team, both external counsel and in-house counsel that represent the Republic of Kenya in all International Arbitration or Litigation matters.

Njeri MBS has been an Alternate Director to the Attorney-General on various Boards of Directors including, the Business Registration Service, Capital Markets Authority, Constituencies Development Fund, National Environmental Management Authority, Kenya Ports Authority, Kenya Pipeline Company Ltd, Kenya Railways Corporation, South Nyanza Sugar Company, and the Betting Control and Licensing Board.

Njeri MBS has also served as the Head of Legal and Corporate Affairs at Seven Seas Technologies Group which covered the Group Companies in Kenya, Rwanda, Zimbabwe, Nigeria and Portugal. She has also been assigned by the Commonwealth Secretariat to work for a period of two years as a Legal Expert with the East African Community Secretariat in Arusha, Tanzania where she was tasked with implementing the Treaty for the Establishment of the East African Community, by drafting Protocols to the Treaty and various legislation; as well as approximation of Partner States Municipal Laws relating to finance, investment, as well as commercial laws in the EAC context.

As part of her CSR, Njeri MBS has served as a Board Member and Founding Director of *Tomorrow's Child Initiative*, an NGO registered in Kenya whose vision is to have a society where children and women have unfettered access to opportunities, which allow them to live in dignity because their rights are respected and upheld.

Njeri MBS is married and is a mother of two children. She enjoys reading books, travelling and playing golf.

She was re-appointed to the Business Registration Service Board on 3rd December 2019 as an alternate to the Solicitor General and is a member of the Human Resource and Finance, Technical and Strategy and Compliance and Risk Committees. She was conferred the National Award of Moran of the Order of the Burning Spear (MBS) in December 2018.



**PS, LLB, CPA, CPS,
CIFA, CFE, Abubakar
Hassan
Principal Secretary
State Department for
Investment
Promotion, Ministry of
Investment, Trade and
Industry
(Member)**

PS Abubakar Hassan is a holder of Masters in Financial Services Law (Project ongoing), Masters of Business Administration (Strategic Management) and a Bachelor's Degree in Law all from the University of Nairobi.

He is an Advocate of the High Court of Kenya, Certified Public Accountant, Certified Public Secretary, Certified Fraud Examiner, Certified Investment & Financial Analysts and holds a Certification in the Management of Banking Risks. He is a member of the following professional bodies; Law Society of Kenya (LSK), Institute of Certified Public Secretaries of Kenya (ICPSK), and Institute of Certified, Investment and Financial Analysts (ICIFA).

From his background in law, finance and investment, he has wide experience in facilitating and mobilization of capital, allocation of the said capital into productive areas of the economy and protection of the investors' interests.

Prior to appointment as Principal Secretary in December 2022, he was the Director Market Operations at Capital Market Authority. He was in charge of market oversight and investors' confidence.

PS Abubakar is committed to steer upwards investments (both Foreign and Domestic) into the Kenyan economy.



**Mr. Faraj Mansur
(Member)**

Born on 24th October 1970, Mr. Faraj Mansur is a Serial Tech-primeur with over 20 years' experience in East African Tech Ecosystem. He is a builder of high-performance teams and a natural leader, mentor, and a motivator who thrives in environments requiring a high-level strategist and a big-picture thinker.

Faraj had an illustrious career in blue-chip tech companies like UUNET, then one of the largest Corporate Internet Service Provider and one of the early Tier 1 networks. Since 2005 he has co-founded a number of award-winning technology companies under Techbiz Group. The firms are in System Integration.

He was a member of the Core Committee that developed the National Export Strategy paper in 2003 and a founding member of the Kenya Private Sector Alliance Committee. He was first appointed as Business Registration Board member on 28th October 2021 and chairs the Human Resource and Finance Committee.

He retired from the BRS board on 6th October, 2024



**Ms. Josephine
Waruguru Macharia-
Kanyi (Alternate to the
Cabinet Secretary,
National Treasury)**

Born on 17th July 1966, Ms Josephine Waruguru Kanyi is a Senior Deputy Director in the National Treasury Budget Fiscal and Economic Affairs in the Department of Intergovernmental Fiscal Relations.

She holds a Bachelor's Degree and Master's Degree in Economics from the University of Nairobi. In addition, she has Diploma in Contemporary Public Administration Management from Galilee International Management Institute, Israel.

She served in the Ministry of Planning and National Development from 1991 to 1994, Ministry of Research and Technology (1994-1998) Ministry of Finance 1998-2010 as head of Intergovernmental Fiscal Relations and Business Regulation Reform Units. She served as Chief Economist in National Treasury from 2010-2016.

She has attended Courses on Fiscal Decentralization and Financial management and Tax Policy Analysis and Revenue forecasting at Harvard University USA & Macro Economic Diagnostics at the IMF Institute in the USA.

She also serves as a Board Member at:

1. National Construction Authority(NCA) and
2. National Government Constituencies Development Fund(NG-CDF).

She has previously served on the:

1. Kaimosi Friends University Council
2. Kenya Institute of Public Policy and Research Analysis(KIPPRA)
3. Kenya Hotel Properties Ltd(KHPL) Company
4. Kenya Vehicles Manufacturers Board; and
5. Local Advisory Transfer Fund (LATF) Advisory Board.

She was first appointed as a Business Registration Service Board member on 10th May 2017.



**Ms. Winnie Nyambok
(Alternate to the
Principal Secretary
State Department for
Investment
Promotion, Ministry of
Investment, Trade and
Industry)**

Born on 18th Feb 1984, Winnie Nyambok is an accomplished Economist with 14 years' extensive experience within the public sector.

Presently, she is involved in the dynamic landscape of business climate reforms at the State Department for Investment Promotion under Ministry of Investments, Trade and Industry. In her previous roles, Ms. Nyambok was an Assistant Director at the Ministry of East African Community & Regional Development where she played a pivotal role in shaping several business reforms.

Additionally, she served as a Senior Economist at the National Treasury providing valuable technical advisory on Financial and Sectoral affairs. Ms. Nyambok is pursuing her PhD in Economics at the University of Nairobi and holds a Master of Arts (Economics) and Bachelor of Arts in Economics; both from the University of Nairobi. She is passionate about economic modelling and analysis and is a member of the Economists Society of Kenya. (ESK)



Mr. Alex Muchira

Born on 20th January 1986, Alex is a Partner in the Corporate & Commercial Department at CMS Daly Inamdar Advocates. He also heads the Company Secretarial & Immigration Departments. He is qualified as a Kenyan Advocate and is a practicing Certified Public Secretary. Alex's experience spans over 10 years.

He provides clients with specialist advice on matters relating Corporate Law, Corporate Governance, Company Secretarial, Regulatory & Compliance and Immigration Law.

He has substantial experience in Commercial, Corporate M&A, Foreign Direct Investments. Alex has been involved in various local and international transactions in the information communications & technology, insurance, consumer products, development funds and microfinance sectors.

He also represents the secretarial division as a Certified Public Secretary for various prominent national and multinational companies. Memberships & Roles - Law Society of Kenya · Institute of Certified Public Secretaries (Kenya) · Institute of Directors (Kenya) Education 2009 – Institute of Certified Public Secretaries of Kenya 2010 – Kenya Institute of Management, DBA 2011 – University of Nairobi, LLB (Hons) 2012 – Kenya School of Law, Advocates Training Programme 2018 – United States International University (Africa), MBA and was appointed as a Board Member on 17th May 2024.



Ms. Emily Mworia

Born on 7th Feb 1959, Emily Mworia is a strategic communications specialist with a wide experience in both private and public sectors having worked as a communications consultant, as well as an employee in senior positions for more than 15 years.

Emily possesses both local and international work experience and has a passion in building partnerships and networks for sustainable change. Emily holds a Global Executive Masters in Business Administration (MBA) from the United States International University, Post Graduate Diploma in Mass Communication and Bachelor of Arts Degree from the University of Nairobi.

She is a member of the Kenya Association of Professional Fundraisers, Public Relations Society of Kenya, Child Protection Committee, Amref Kenya, Chairperson transport Committee, Amref Kenya, Secretary, Fair-Acres Neighbourhood Association and the Chairperson of St. Luke's Methodist Church-Karen from 2017 to 2023.

She was appointed as a board member on 28th July 2022.



Mr. Solomon Osundwa
Member

Solomon is the Group Chief Operating Officer of Hass Petroleum. He has a wealth of experience in Senior Management having served as the Regional Director of VTTI, Managing Director of Nissan Kenya, Manager at Kenol Kobil, Caltex and Unilever. He also sits on many Boards in the Private Sector including Bible Translation Limited, Petroleum Institute of East Africa, Shalom Hospitals, Talentplex Holdings and Twenty Talents Limited. Solomon is the immediate former Chairman of the Elder's Court at Nairobi Baptist Church.

He has a Bachelor of Commerce Degree from the University of Nairobi, an MBA in International Business from the same institution and also studied Strategic Management at Harvard Business School



**Mr. Wilfred Nyamu
Mati**

Born on 30th April, 1969, Wilfred Nyamu Mati is an Advocate of the High Court of Kenya having practiced for over 20 years where he is a senior partner in the firm of Nyamu & Nyamu Company Advocates LLP.

He has specialized in Commercial, Constitutional, Civil Law and also public interest Litigation. Upon promulgation of the Constitution of Kenya, 2010 introducing Devolution, Wilfred Nyamu Mati Advocate helped develop Jurisprudence in devolution law where he served as part of the legal team identified by the Council of Governors to shape the legal framework on the County Government system.

Wilfred Nyamu Mati Advocate is a member of the Certified Public Secretaries of Kenya (ICPSK). He has served in various boards including the TIVET where he became the pioneer chairperson of the board of management at Tseikuru Technical Training Institute, in Kitui county for two three -year term between 2016 to 2022.

In the year 2008, Wilfred Nyamu Mati served as Counsel to the Commission appointed by H.E President Mwai Kibaki to investigate the controversial sale of the Grand Regency Hotel, chaired by Hon. Chief Justice (retired) Madjid Cockar.

Prior to entering the legal practice, Wilfred Nyamu Mati worked in the NGO Sector where he was engaged in advocacy on labour law reforms meant to improve worker's conditions in Kenya and to enhance democracy in the labour sector. This paved way to the overhaul of labour regulations in Kenya in the year 2007.

He is currently also Chairperson of the Centre for Human Rights Civil Education NGO working in the Lower Eastern counties of Kitui, Makueni, Machakos and Tharaka Nithi.

In the year 2013, Wilfred Nyamu Mati was appointed member of committee on the development of the rules of procedure for Standards Tribunal representing the Law Society of Kenya and in 2015, he served in the Committee on the drafting of Broadcasting Regulations meant to guide broadcasting carriers.



**Mr. Kenneth Gathuma
HSC
Director General**

Born on 4th April 1980, Mr. Kenneth Gathuma HSC is an Advocate of the High Court of Kenya who has legal advisory skills developed through providing legal advice to government ministries and state-owned corporations for 12 years. Until his appointment as the Director-General in March 2020, Mr. Gathuma was the Acting Director General of BRS and formerly served as Deputy Head of Government Transactions in the Office of the Attorney General & Department of Justice where large Government development projects were arranged and concluded.

He holds a Bachelor of Laws Degree from the University of Nairobi and a postgraduate diploma from Kenya School of Law.



**Ms. Debra Ajwang
Corporation secretary**

Born on 10th October 1980, Debra has served as a Legal Manager & Company Secretarial Professional in top tier Banks in Kenya, notably Absa, Kenya Commercial Bank, Co-operative Bank, Family Bank and UBA Bank, where she has a demonstrable track record in litigation management and strategy, contract management, securities, legal and regulatory compliance, advisory and support, alternative dispute resolution, people management, multicultural & diversity management.

She has handled complex financial transactions, syndications and insolvency matters notably Athi River Mining and Nakumatt.

As a Company Secretary and accredited Governance Auditor, she has developed expertise in Board advisory, Board evaluations, Board Induction, Governance Audits and training and general Board Management. She is also a part time lecturer teaching Advanced Company Secretarial & Corporate Governance and also serves on a few boards on a voluntary basis – ACTKenya, Precious Sisters Kenya, Youth Hub Africa and Precious Blood Secondary School Alumni Association and therefore has a multifaceted and practical approach to corporate governance. She also serves on the recently established Nairobi Financial Centre Tribunal.

4. Profiles of Accounting Officer and Key Management.



**Mr. Kenneth Gathuma,
HSC Director General**

Mr. Kenneth Gathuma is an Advocate of the High Court of Kenya who has legal advisory skills developed through providing legal advice to government ministries and state-owned corporations for 12 years. Until his appointment as the Director-General in March 2020, Mr Gathuma was the Acting Director General of BRS and formerly served as Deputy Head of Government Transactions in the Office of the Attorney General & Department of Justice where large Government development projects were arranged and concluded.

He holds a Bachelor of Laws Degree from the University of Nairobi.



**Mr. Mark Gakuru HSC
Official Receiver**

Mr. Mark Gakuru is the Official Receiver and his mandate is to oversee the overall coordination and management of the Insolvency function at the Service and as such a regulator in Insolvency practice in Kenya in line with Section 701 of the Insolvency Act, 2015.

He holds a Master of Laws degree in Laws (LLM) from the University of Nairobi. He is an Advocate of the High Court of Kenya with over 19 years of legal and administrative experience in the private and public sectors.



**Ms. Damaris Lukwo,
OGW
Ag. Registrar of
Companies**

Damaris Lukwo, OGW, serves as the Acting Registrar of Companies. Her responsibilities include overseeing company registration and regulation, maintaining secure registry records, and ensuring compliance with statutory filing obligations to promote corporate transparency and accountability.

With over 15 years of legal experience, Ms. Lukwo has built a distinguished career in government advisory roles. Before her appointment in April 2025, she served as a Senior Legal Advisor at the Ministry of Interior and National Administration providing strategic legal counsel on complex legal and intergovernmental matters

Her expertise includes extensive practical experience in international law and diplomatic negotiations. Earlier in her career, she held the position of Senior Legal Researcher at the Court of Appeal, contributing to landmark jurisprudence through in-depth legal research and drafting. She also practiced law at the firm of Migos Ogamba & Company Advocates.

Ms. Lukwo holds a Bachelor of Laws degree (LL.B.) from Moi University, a Postgraduate Diploma in Law from the Kenya School of Law, and a Master's degree in International Conflict Management from the University of Nairobi. She is currently pursuing a Ph.D. in Law at the University of Nairobi.



**Ms. Joyce Koech
Registrar of Companies**

Ms. Joyce Koech is the Registrar of Companies and her mandate is to oversee the overall coordination and management of the Companies Registry at the Service in line with Companies Act, 2015.

She is an advocate of the High Court of Kenya with over 8 years' experience. She holds a Bachelor of Laws Degree from the University of Nairobi, and a Certified Public Secretary. Currently, she is undertaking Master's Degree in Arts at the University of Nairobi.



Mr. Jones Otuke
Director Corporate
Services

Mr. Jones Otuke is the Director, Corporate Services and his mandate is to oversee the overall coordination and management of the Corporate Services function at the Service, that include; Human Resource Management and Administration Division, Finance and Accounts Division, Corporate Strategy Unit, Corporate Communication Unit and Information Communication Technology Unit.

He holds a Masters of Business Administration, a Bachelor of Business Management (Accounting and finance) and a Certified Public Accountant (CPAK). He is a member of the Institute Certified Public Accountant of Kenya (ICPAK). Mr. Otuke has previously served in various public sector institutions in the areas of accounting, financial management and administration.



Ms. Doris Wambugu
Director Legal Research
& Compliance

Ms. Doris Wambugu is the Director, Legal Compliance and Research of the Business Registration Service. Her mandate is to oversee the overall coordination and management of the Legal, Compliance and Research function at the Service.

She is an advocate of the High Court of Kenya with over 16 years of experience in the private and public sector in the areas of legal, compliance and research. She holds a Master's degree in Strategic Management from Daystar University and a Bachelor of Laws Degree from the University of Nairobi. She is also a member of the Law Society of Kenya.



Mr. Paul Kariuki
Director ICT

Mr. Paul Kariuki is the Director Information Communication & Technology. His mandate is to oversee the overall formulation and implementation of the Services ICT strategy, development of the Information technology and Communication systems and management of the ICT security at the Service.

Paul is a highly experienced ICT specialist and solutions architect with a strong technical foundation. He holds a First-Class Honours degree in Information Technology from Ndejje University, and an MSc in Data Communications, along with multiple industry certifications.

He has over 12 years of professional experience; eight of which have been spent within the World Bank Group playing a lead digital development role as a consultant supporting governments in Sub-Saharan Africa and Asia, to adopt and implement technology for the creation of markets, business environment and economy-wide reforms through the provision of enhanced services for businesses (G2B) and citizens (G2C).

Some of the countries Paul has worked in while at the World Bank Group include the Maldives, Sierra Leone, Nigeria, Kenya, Tanzania, Somalia, Somaliland, and Liberia.

He also served as the Ag. Director ICT, and university lecturer at Karatina University, where he trained and mentored computer science students for 5 years. Paul also taught at Dedan Kimathi University of Technology and Kirinyaga University as an adjunct faculty member. He is a member of the ICT Association of Kenya



**CPA William M. Njeru,
CISA
Director Internal Audit**

CPA William M. Njeru-CISA is a financial and Information Systems assurance professional with over 14 years' experience in auditing, accounting, risk management and governance. He holds a Bachelor of Commerce (Finance) and currently pursuing a Masters in Economics at Moi University, Kenya. He is also a Certified Public Accountant, Certified Information System Auditor (CISA) and a Certified Internal Audit Quality Assessor.

Currently, William is serving as the Director Internal Audit at Business Registration Service, a state corporation under the Office of Attorney General and Department of Justice. He operationalized and heads the Internal Audit department at BRS since October 2020.

He has served in other capacities, as an accountant, internal auditor and consultant, in the private sector, Non-Governmental Organizations and the public sector. He has worked in various organization, which includes, among others, the Numerical Machining complex, MGK consulting and Kenya Women Microfinance Bank, where he gained substantial experience in accounting and finance, internal auditing, system assurance, risk management, governance and policies formulation and review processes.

William is a registered member, in good standing, with institute of Certified Public Accountants of Kenya (ICPAK), the Information Systems Audit and Control Association (ISACA) and the Institute of Internal Auditors (IIA).



**Dr. Shapayah Yusuf
Saleh
Deputy Director HR &
Administration**

Dr. Shapayah Yusuf Saleh is the Deputy Director, Human Resource Management and Administration. His mandate is the overall coordination and management of the Human Resource Management and Administration function at the Service.

He is an innovative HR leader and organizational culture and branding specialist with over 10 years working experience and has held senior executive roles. Adept at designing and implementing strategies that promote social equity, inclusivity, and sustainable growth within organizations and communities. Strong background in stakeholder engagement, project management, and impact assessment, with a proven track record of fostering partnerships that address environmental and social challenges.

He is a full member of the Institute of Human Resources Management (IHRM) Kenya and serves as a member of the continuing professional development (CPD) and membership Committee of IHRM. Previously, he has served as a member of the Association of Commonwealth Universities (ACU) HR in HE Steering committee and the first Regional liaison officer for Eastern Africa. Dr. Shapayah holds a Doctoral degree in strategic management, master's degree in business Administration and a bachelor of science in International Business Administration.



**CPA Erastus Mbalu
Deputy Director
Finance & Accounts**

Mr. Erastus Mbalu is the Deputy Director Finance and Accounts and his mandate is the overall coordination and management of the Finance and Accounts function at the Service. Erastus is a Certified Public Accountant (CPA-K) with over 10 years' experience in the public sector.

He has previously served in several ministries as well as serving under secondment in African Rehabilitation Institute (ARI-AU) as Finance and Administration Officer. Erastus holds a Bachelors of Commerce Degree (Accounts Option) from KCA University.



Ms. Debra Ajwang
Corporation secretary

Debra has served as a Legal Manager & Company Secretarial professional in top tier Banks in Kenya, notably Absa, Kenya Commercial Bank, Co-operative Bank, Family Bank and UBA Bank, where she has a demonstrable track record in litigation management and strategy, contract management, securities, legal and regulatory compliance, advisory and support, alternative dispute resolution, people management, multicultural & diversity management. She has handled complex financial transactions, syndications and insolvency matters notably Athi River Mining, Nakumatt.

As a Company Secretary and accredited Governance Auditor, she has developed expertise in Board advisory, Board evaluations, Board Induction, Governance Audits and training and general Board Management. She is also a part time lecturer teaching Advanced Company Secretarial & Corporate Governance and also serves on a few boards on a voluntary basis – ACT Kenya, Precious Sisters Kenya, Youth Hub Africa and Precious Blood Secondary School Alumni Association and therefore has a multifaceted and practical approach to corporate governance. She also serves on the recently established Nairobi Financial Centre Tribunal



Ms. Shighadi Mwakio
HSC
Deputy MPSR

Ms. Shighadi Mwakio is a Deputy Registrar, MPSR at the Business Registration Service. She is an Advocate of the High Court of Kenya with over 5 years' experience in Commercial Law and Legislative Drafting. She has been instrumental in the various legislative reforms under the Business Registration Service that led to the improvement of Kenya's standing in the World Bank Doing Business Ranking in Protecting Minority Investors Indicator, Getting Credit Indicator and Resolving Insolvency Indicator.

She was involved in the development of the Movable Property Security Rights Regulations, 2017, the Companies (Beneficial Ownership Information) Regulations, 2020 and the draft Partnership (Limited Partnerships) Regulations, 2020. She has been instrumental in the Secured Transaction Legislative Reform process in Kenya from 2017.

She is a member of the Task Force on National Risk Assessment on Money Laundering and Terrorism Financing and also sits in the Ease of doing business Transformation Team that has been responsible for the improvement of Kenya's standing in the World Bank Doing Business Ranking.

5. Statement by the Chairperson



Mr. Hamisi Mwaguya
Chairperson of the Board

Dear Stakeholder,

On behalf of the Board of the Business Registration Service, it gives me the utmost pleasure to present to you the Service's Annual Report and Financial Statements for FY 2024/25.

The report highlights the Service's efforts to promote ease of doing business in Kenya and our financial performance.

During the year, the service continued to execute its mandate with resilience, innovation, and an absolute dedication to improving the business operating environment in Kenya, despite the numerous challenges we experienced

The Service continued to deliver on its mandate to the citizenry in line with its strategic vision of making "doing business easier." In this pursuit the Service continued to execute the SDGs 8, 16, and 17 and medium-term objectives and the larger vision of making Kenya a newly industrialized, "middle-income country providing high-quality life for all its citizens by the year 2030."

Global and Regional Economic Context

The global economy in FY 2024/25 remained fragile amid persistent geopolitical tensions, fluctuating commodity prices, elevated inflation, and tighter monetary conditions in major economies. Global growth hovered around 3.1%, driven by cautious consumer demand and uneven recoveries across regions.

In Africa, economic growth rebounded modestly to 3.5%, with the services and industrial sectors showing signs of recovery. However, fiscal consolidation measures, foreign debt servicing burdens, and climate shocks remained significant challenges for most African governments.

Economic growth in Sub-Saharan Africa is showing some resilience despite uncertainty in the global economy and restricted fiscal space. Regional growth is expected to reach 3.5% in 2025 and further accelerate to 4.3% in 2026–2027. This growth is mainly due to increased private consumption and investments as

inflation cools down and currencies stabilize. The median inflation rate in the region declined from 7.1% in 2023 to 4.5% in 2024.

In East Africa, growth remained comparatively robust, with an estimated 5.3% rate for the region. Investments in infrastructure, an expanding service sector, and continued efforts toward regional integration supported this growth. However, inflationary pressures and currency depreciation posed headwinds.

In Kenya, data from the Quarterly Economic and Budgetary Review report by the National Treasury for Q3 FY 2024/25 shows that the economy remained strong and grew by 4.7 percent in 2024, compared to 5.7 percent in 2023. The growth in 2024, albeit slower than the previous year, was to a large extent supported by activities in agriculture, forestry and fishing, financial and insurance, transportation and storage, and real estate. Most subsectors experienced positive growth, with the exception of the construction and mining and quarrying subsectors.

The performance of the Business Registration Service

Despite these macroeconomic challenges, the Service has remained steadfast in its commitment to fostering formalization, access to credit, business rescue, and transparency.

In the Financial Year 2024/2025, the Service registered a total of 138,000 entities, representing a 1.31% increase from the previous year's 136,209 registrations. This upward trajectory underscores the growing trust in formal business structures and the continuous efforts to streamline registration processes through digital transformation.

On the revenue front, the Service marked financial excellence, where we collected the highest annual revenue ever on behalf of the government, amounting to a total of Ksh 1.311 billion, an impressive 11.09% increase from the Ksh 1.18 billion collected in FY 2023/2024. This demonstrates the Service's significant contribution to the country's annual revenue efforts, improved service uptake, enhanced operational efficiency, and increased compliance levels.

Within the insolvency framework, a total of 13 insolvency matters were closed, while 97 new insolvency proceedings were recorded, reinforcing our role in supporting business continuity and fair creditor-debtor relations.

In promoting access to credit through the Movable Property Security Rights (MPSR) Registry, we saw 127,298 initial notices and 29,075 MPSR searches recorded. The most frequently used forms of collateral were motor vehicles (65,957), household items (49,737), and livestock (23,686). At the lower end of utilization were negotiable instruments (34), signalling opportunities for further awareness and policy refinement in credit security instruments.

To sustain this performance, the Board is cognizant of the ever-changing macro environment, which continues to influence how the Service operates, such as the introduction of the B-Ready (new World Bank methodology of business assessment), the MTP IV, the advancement in technology, and the BETA, which calls for the Service to align strategically to support the government in delivering its agenda to the public.

Furthermore, the Board recognizes the significant advantages of strategic partnerships and collaborations with the Service. The Board commends the Service for the partnerships it has established to date with state actors, including the National Treasury, the Department of Business Transformation under the Ministry of Investments, Trade and Industry, KenInvest, KIPPRA, ICS, LSK, IPS, KRA, NHIF, and NSSF, as well as arms of government that include the National Assembly. These collaborative endeavours are steadily improving the effectiveness of public service delivery in Kenya's business environment.

The linkages with development partners continue to enhance the service performance significantly. Support from GIZ, the FSD Kenya, KEPSA, and IFC, among others, is acknowledged by the Service. For the benefit of both the Service and Kenya as a whole, the Board will persist in providing support to the Management in the establishment of new partnerships and the maintenance of existing ones.

In the future, the service will continue to leverage technology and partnerships to broaden its reach and impact, and it will capitalize on emerging trends to make doing business more convenient. The strategic plan for the medium-term period will be reviewed with a focus on the following: formalizing MSMEs, enhancing the business environment in Kenya, delivering quality services to our customers, strengthening the institutional infrastructure, automating the Official Receiver processes, launching a new system for the Company Registry, and acquiring optimal staffing levels. The e-collateral system will also be examined. IT solutions will be implemented within the service.

Strategic Direction

During the year under review, the Board maintained a strong focus on institutional reform, service efficiency, and customer centricity. Our strategic plan continued to prioritize the five core values, namely, customer centricity, integrity, collaboration, innovation, transparency and accountability, and evidence-based practices that place the needs of citizens at the forefront of our initiatives, ensuring that services are accessible, efficient, and reliable to meet their evolving requirements.

We made considerable progress in our transformation agenda, anchored on three pillars:

- i. To promote business stability and growth
- ii. To optimize the value of data
- iii. To improve service delivery

Corporate Governance

The Board exercised prudent oversight on strategy execution, risk management, and compliance, ensuring that the Service remains accountable and performance-driven. As part of our commitment to corporate governance, the Board held quarterly meetings and ensured all statutory committees functioned effectively and independently.

Outlook

According to the International Monetary Fund, global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026, an upward revision from the April 2025 World Economic Outlook. This reflects front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions. Global inflation is expected to fall, but US inflation is predicted to stay above target. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist. Restoring confidence, predictability, and sustainability remains a key policy priority.

As we navigate the path forward, our focus will remain on strengthening institutional capacity, accelerating digital adoption, and enhancing service

delivery across all platforms. We will also continue to work closely with our partners in government, the private sector, and development agencies to reinforce our mandate as a key enabler of economic growth and business sustainability.

It is crucial to recognize that our accomplishments would not have been possible without the unwavering commitment and effort of our esteemed BRS staff members, management, state and non-state actors, and development partners. Their dedication to our vision has been the driving force behind our success. I am genuinely grateful for the support and commitment they have demonstrated. I wish to assure all our stakeholders that the Board will continue to provide leadership and support to ensure the Service continues to retain its positive performance trajectory despite the ever-changing dynamics in the operating environment.

Lastly, I take this opportunity to record my sincere gratitude to all our stakeholders, especially to the Attorney General and the Solicitor General's offices for the invaluable support they have rendered to the Service during the reporting period. I also wish to appreciate my colleagues in the Board, Director General, Management, and staff of the Service for their invaluable contribution and dedication in supporting the organization's mandate. I look forward to more fruitful engagements in the new financial year as we improve the ease of doing business in Kenya.



Mr. Hamisi Mwaguya
Chairperson

Business Registration Service

6. Statement by the Accounting Officer



**Mr. Kenneth Gathuma,
HSC Director General**

This FY 2024-2025 has been a testament to the unwavering commitment and dedication of the Business Registration Service fraternity in enhancing our support to businesses in Kenya and ensuring doing business is made easier.

The strategic plan 2023–2027 is well anchored on the national transformation agenda, the Bottom-Up Economic Transformation Agenda (BETA), and the aspirations of the Fourth Medium Term Plan (MTP) and Vision 2030.

The strategic plan for 2023–2027 outlines three strategic goals, seven key result areas, and seven strategic objectives to simplify business operations. FY 2024-2025 forms the 2nd Strategic Plan implementation year. As of 30th June 2025, BRS had implemented a cumulative 31.77% of the strategic plan. However, the achievement was against the expected 40.41% proposed by the end of the 2nd year. The shortfall in implementation is a result of unexpected austerity measures by the government, leading to budget cuts that affect the execution of the strategy.

The service recently acquired the Trustee (Perpetual Succession) Registry from the Ministry of Lands at the start of the FY 2024-25. Concerted efforts have been made by the service to streamline the new mandate. So far, since its inception, 388 registrations have successfully been made with a cumulative revenue of over 5Mn.

A total of 138,000 registrations were made this FY 2024-2025, translating to a 1.31% increase in registrations from the previous year's 136,209 registrations. This was attributed to continuous system enhancements, sensitisation, and awareness of the services provided by BRS. The issue is not just about registrations. The ripple effect of registration is immense. Besides broadening the tax base to support government projects, employment opportunities are created, sustaining the livelihoods of more than two families per registered entity.

In this financial year, the service collected a total of 1.311 B in revenue. This was a positive increase of 11.09% from the initial 1.18 billion collected in the last year. The service has fully adopted a cashless system, and all payments are made through the E-Citizen Payment gateway.

To optimise insolvency outcomes, the Official Receiver has continued to provide supportive services to businesses and natural individuals experiencing financial distress. During FY 2024-25, a total of 13 insolvency matters were closed and 97 new insolvency proceedings recorded.

In terms of credit access, a total of 127,298 initial notices and 29,075 MPSR searches were registered. The most preferred types of movable collateral used to secure credit were motor vehicles (65,957), household items (49,737), and livestock (23,686). The least preferred item used to secure credit was negotiable instruments (34).

In terms of operational efficiency, the service continued to demonstrate optimal resource utilisation by absorbing more than 99% of the funds allocated for the year. The service has since implemented reforms to its operations to optimise service delivery.

A video-assisted verification process was introduced to bridge the gap between the customer and the service provider. This service has significantly expedited the process of changing company particulars, particularly for clients who are unable to access the service due to difficulties with the process or for those residing in other countries where verification is required.

Certified copies were streamlined, and the service is now fully digitised. As one of the services that initially attracted walk-in customers, this service has experienced a decrease in the number of customers physically accessing the offices. The service has been fully streamlined and integrated into the online platform.

During the year, the service has been at the forefront of advocating for compliance with beneficial ownership regulations for companies. In addition to several sensitisation forums and raising awareness, the service also took the initiative to educate the public about voluntary compliance.

To promote brand visibility, the service engaged in various business expos. The service continued to utilise ICT solutions to enhance its offerings for clients. The Business Registration Service Enhancement Project has been in pursuit of ensuring all services are migrated from V1 to V2. The move means a re-engineering of all 143 services onto the new platform. The effort has improved customer interactions with the enhanced system by simplifying processes. This move has reduced related administrative costs for the organisation.

The bulk API feature continues to serve the majority of its consumers, who are financial institutions such as banks. They provided a solution to the concern raised by bulk consumers of the services (CR12) regarding the cumbersome process of making sequential applications for numerous entities. This situation

triggered the development of an innovative approach, which included the creation of the Bulk API and its integration with the financial system to address the issue.

A number of setbacks continue to hinder effective service delivery, including budgetary constraints, suboptimal staffing levels, a low level of awareness among the public, inconsistencies in the legal framework, centralised service points, and a low level of statutory compliance, among others.

Moving forward, the Service will maintain a customised approach to service delivery and provide support for businesses to operate effectively. The service aims to assist businesses with registering quickly and efficiently, obtaining credit through MPSR, and helping those in financial distress resolve insolvency matters more easily while maximising their returns on investment.

In closing, I extend my sincere appreciation to the Board of Directors for their steadfast oversight, to our dedicated staff for their unwavering commitment, and to our stakeholders and development partners for their consistent collaboration and support. I am particularly grateful to the Attorney General and the Solicitor General for their invaluable guidance.

The progress we have achieved, both collectively and individually, serves as a source of inspiration and a testament to our potential accomplishments together. While we acknowledge the few remaining challenges, they only deepen our commitment to fostering a more conducive business environment in Kenya. It is through our shared efforts and aligned vision that we establish a strong foundation for creating meaningful, lasting impacts on the country's businesses and the broader economy.



KENNETH GATHUMA HSC

DIRECTOR GENERAL

7. Statement of Performance Against Predetermined Objectives for FY2024/25

Section 81 (2) (f) of the Public Finance Management Act No 18. Of 2012 and Section 14 of the State Corporations Act Cap 446, requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

Business Registration Service has three (3) strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/24- FY 2027/28. These strategic pillars/ themes/ issues are as follows:

1. Business Stability and Growth
2. Value of Data
3. Service Delivery and Institutional capacity

BRS develops its annual work plans based on the above three (3) pillars/Themes/Issues. Assessment of the performance against the annual work plan is done on a quarterly basis. The *Service* achieved its performance targets set for the FY 2024-25 period for its three (3) strategic pillars, as shown in the matrix below.

Table xx1: Programme performance

Program	Strategic Objective	Key Performance Indicators	Activities	Achievements of thr FY 2024/25
Business Stability and Growth	Increase business registration and formalization	Number of registered businesses	Undertake automation of registry processes	A total of 145 workflows were automated of which 138 have been onboarded to production
			Undertake registration of business entities	138,000 businesses entities registered
			Develop Master List of all registered entities	Draft Masterlist developed
			Conduct workshops to train and foster integration of the BRS system with key stakeholders such as TIMS, WHRC, SASRA,	The service engaged in several workshops and stakeholder engagements with ICS, LSK
	Increase Compliance	Compliant business entities	Promoting transparency in business ownership	53.49% Beneficial Ownership compliant business entities
			Create awareness on Beneficial ownership	Stakeholder forums held on Beneficial ownership
	Optimize insolvency outcomes	Minimizing financial loss while Maximize value for creditors	Time taken to resolve insolvency matters (years)	An average of 4 years taken to resolve creditors recovery rate
			Development of Insolvency Investment Policy	Development of Insolvency Investment Policy
	Increase access to credit for all	No of MPSR Initial notices	System upgrade to ensure efficiency	127,298 MPSR Notices facilitated
			Integration with national agencies to provide real time data	29,075 searches conducted
Issue HP Licences			22 HP licences issued	
Value of data	Provide reliable data	Quality data/ High value data	Percentage of linked Business entities	49.92% linked business entities
	Promote Research & innovation	Number of researches/briefs conducted	Research briefs conducted	1.Comparative analysis of BREs was a research paper 2. Voluntary compliance with Business Laws 3. Assessing Data Maturity: A Comprehensive Study of BDR Data Infrastructure 4. Towards an Integrated Registration System in Kenya: Harmonizing the roles of the registrar of companies, registrar of societies, and the registrar of Trademarks

Program	Strategic Objective	Key Performance Indicators	Activities	Achievements of thr FY 2024/25
				(this is incomplete) 5. Business Registration Service Legislation Review and Impact on Business Operations in Kenya 6. Creation of an alternative Dispute Resolution Tribunal (Company Law Tribunal) in Kenya: A proposal for Enhanced Corporate Dispute Resolution
To improve service delivery	Enhance Institutional Capacity for the Service to deliver its mandate	PC performance index	Development and implementation of the BRS Performance Contracting	98.044% implementation of the PC
		Average productivity	Improve on the productivity index	Productivity index at 1.33
		Annual revenue (millions)	collection of Revenue for services offered by the Service	1.311Billion collected in revenues
		Customer satisfaction (%)	Timely and efficient service delivery	78.5% customer satisfaction rate
		Brand Awareness index (%)	Engage in exhibitions and marketing of BRS Service	52.80% brand awareness index achieved
		Staff turnover (%)	Recruitment and capacity building	The service recruited more employees
		% of strategy Implementation (%)	Strategic plan implementation	31.77% strategic plan implemented to date
		System uptime(%)	Maintain systems at optimum levels	96% system uptime
		Compliance level on AGPO	30% of the total procurement budget allocated and awarded to Youth, Women and Persons with Disabilities	5921,354.00 awarded to AGPO
Compliance level on BKBK	procurement of locally produced goods and services	34348676.00 awarded to BKBK		

8. Governance Statement

The Business Registration Service Board is established pursuant to Section 5 of the Business Registration Service Act, 2015. The Board comprises the Chairperson, independent Board members, the Solicitor General, Principal Secretaries to the National Treasury and the Ministry for the time responsible for matters relating to trade. The Director General is an ex-officio member of the Board. The Board brings together members from different professional backgrounds with diverse skillsets, competencies and complies broadly with the constitutional gender balance requirements as shown below;

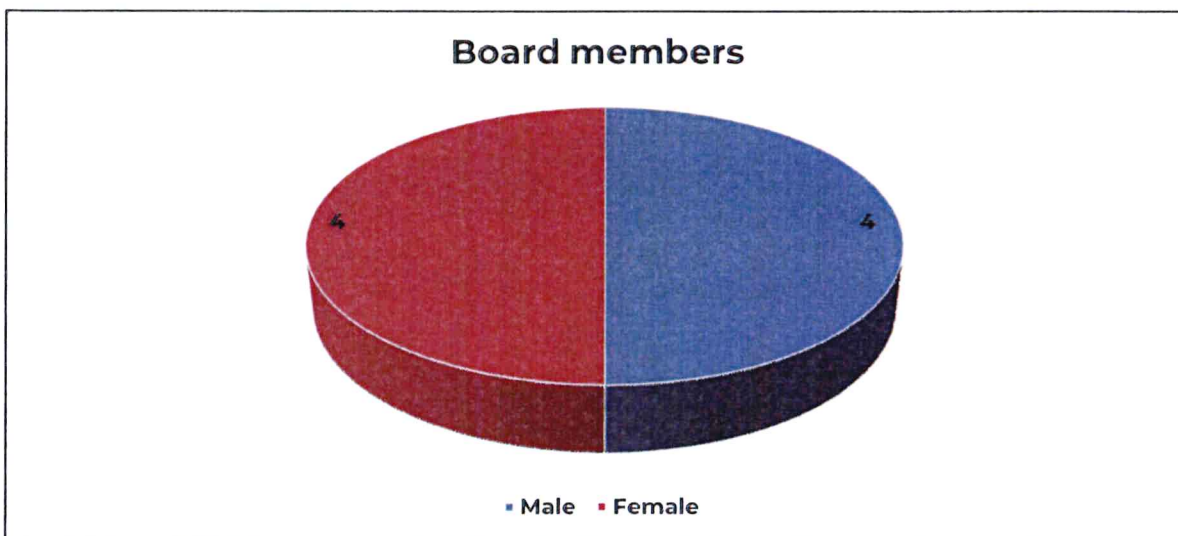


Figure 1: Board Gender Representation

The Board is responsible for the overall strategic direction and oversight of the Service. The function of the Board includes:

- (i) Formulate and review the policies of the Service;
- (ii) Ensure that the Service performs its functions;
- (iii) Monitor and evaluate the performance of the Service;
- (iv) Appoint, train, discipline and remove members of staff of the Service;
- (v) Establish departments within the Service and allocate responsibilities to such departments; and
- (vi) Perform such other functions as prescribed by this Act or any other written law.

The Board's Key Achievements during the Financial Year 2024/2025 were:

- (i) Revenue growth from Kshs 1,180,175,678 to Kshs. 1,311,020,022 an increase of 11.1%
- (ii) Approved and continuously monitored the Service's Budget, Work plan and Procurement plan;
- (iii) Implemented the Service's Performance contract with the Office of Attorney General and Department of Justice;
- (iv) Implemented and monitored the Service's Strategic Plan

The Board is committed to ensuring the Service's obligations, roles and responsibilities are discharged through its corporate governance practices. The Board of Directors carries out its responsibilities with impartiality, honesty, transparency, professionalism, care and due diligence and at all times acts in good faith to the best interest of the public. The Board is committed to ensuring that the highest level of integrity is sustained in the Service's operations.

The Board strives for consensus in decision-making and conducts informed decision-making in the establishment of the organization's strategic direction and monitoring of the organization's performance.

During the period, the Board attended a training on Resource Mobilization organized by the Institute of Certified secretaries in partnership with RESMOB.

The Board has four Committees specifically:

1. Audit and Governance Committee;
2. Technical and Strategy Committee;
3. Human Resource and Finance Committee; and
4. Compliance and Risk Committee.

The Board has a Board Charter and each of the Committee has specific Terms of Reference. The Board discloses conflict of interest before the commencement of each board meeting.

During the period under review, the State Corporation Advisory Committee ('SCAC') conducted an evaluation for the performance of the Board of Directors and its secretariats, comprising of the evaluation on individual Board members, the Director General, the Corporation Secretary and the Internal Auditor (secretary to the Audit Committee).

Board Attendance

The Board meets at least once every quarter.

Members are entitled to a Board sitting allowance in accordance with Circular No. OP/SCAC.1/9 dated 19th November 2019 issued by the State Corporations Advisory Committee

Code of Conduct

The Business Registration Service continues to observe and implement the provisions of the Mwongozo Code of Governance. The Code binds both the Board Members and staff who join the Service.

Risk Management

Risk management is an important corporate governance tool and as such has been integrated into day-to-day operations of the Service. Management has developed a sound Enterprise Risk Management framework to ensure that risk mitigation measures have been put in place to caution BRS from risks that would derail achievement of the Strategic Objectives. In the year under review, the Service continued to implement mitigation strategies to ensure that the risk levels were minimized. The FY 24-25 Risk analysis suggests a complex risk landscape requiring immediate and sustained attention. With 56% of risks rated as HIGH and 96% remaining open, the organization faces significant challenges that demand coordinated response across all departments.

The concentration of risks in operational areas, particularly within HR, OR, and LCR departments, suggests systemic issues that extend beyond individual departmental boundaries. The critical risk scores in Strategic Planning and Supply Chain Management departments indicate potential threats to organizational effectiveness and service delivery.

Success in risk mitigation will require strong leadership commitment, adequate resource allocation, and a culture of proactive risk management. The recommended monitoring framework and strategic initiatives provide a roadmap for transforming the current risk profile into a more manageable and sustainable state.

9. Management Discussion and Analysis

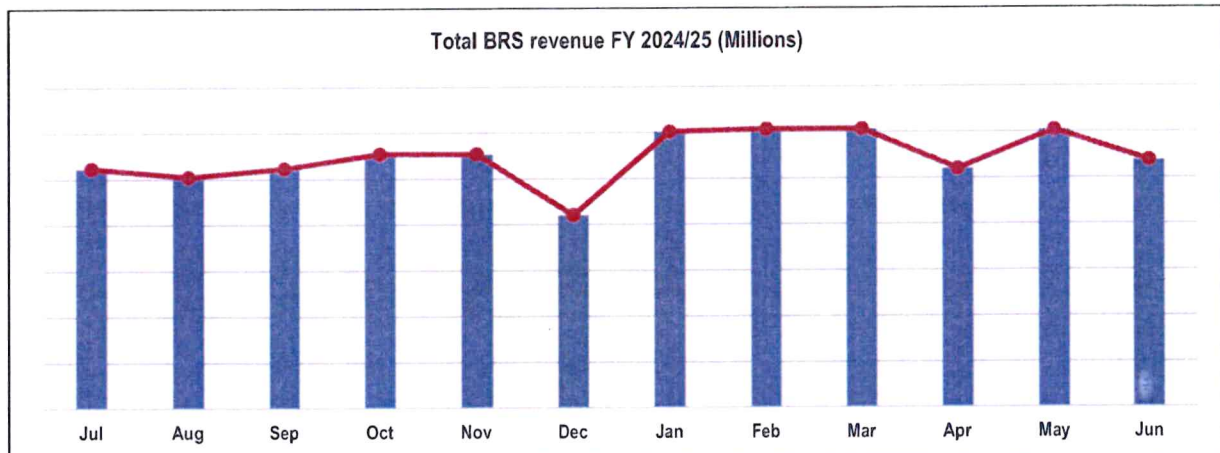
SECTION A

Operational and Financial Performance

The service's Key Achievements during the Financial Year 2024/2025 were:

- i. Revenue growth from Kshs 1,180,175,678 to Kshs. 1,311,020,022 an increase of 11.1%
- ii. Approved and continuously monitored the Service's Budget, Work plan and Procurement plan;
- iii. Implemented the Service's Performance contract with the Office of Attorney General and Department of Justice;
- iv. Implemented and monitored the Service's Strategic Plan

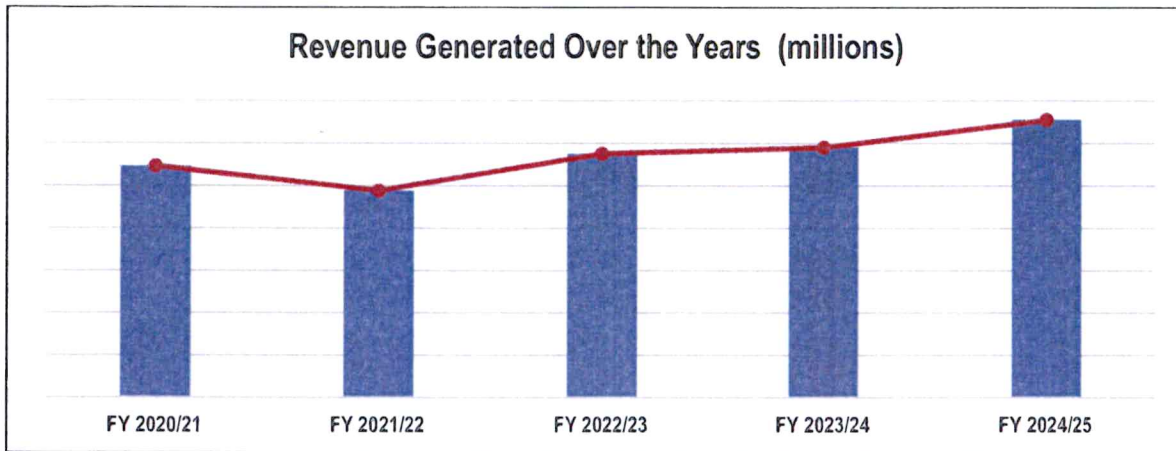
Revenue collected across the months in Millions



In order to maximize Business Registration Service potential in collecting revenue, system enhancement and capacity building is essential in delivery of the mandate. This has been majorly challenged by the inconsistent budgetary allocations.

The Service received Kshs 403,745,000 recurrent grants from the Government to implement its programmes for the year under review.

Revenue collected over the years to date



SECTION B

Compliance with statutory requirements

Official Receiver - Business Registration Service continues to comply with all statutory requirements and it does not have any major non-compliance to report.

SECTION C

Key projects and investment decisions the entity is planning/implementing

Official Receiver - Business Registration Service is not funded by the National Treasury. There are no key projects and investments decisions the entity is undertaking at the moment.

SECTION D

Major risks facing the entity

Official Receiver - Business Registration Service is exposed to various financial risks arising from its operations, including liquidity risk. To address these vulnerabilities, BRS implements a comprehensive risk management Programme designed to mitigate the potential adverse impact of economic uncertainties on its financial performance.

Risk management within the Service is conducted by management under the oversight of the Board of Directors, ensuring accountability and strategic alignment. The Service routinely reviews and updates its risk management policies and frameworks to adapt to evolving market conditions and emerging best practices.

In addition to overarching risk governance, BRS has developed targeted policies that address specific areas such as liquidity risk, credit risk, and other operational exposures, enabling a proactive and structured approach to financial risk mitigation.

SECTION E

Material arrears in statutory/financial obligations

Official Receiver - Business Registration Service did not have any active loans and generally it does not have any outstanding bills relating to previous financial periods.

SECTION F

The entity's financial probity and serious governance issues

Official Receiver - Business Registration Service has a strong corporate governance structure and internal controls. The Corporate Governance Framework is spearheaded by the Board of Directors.

SECTION G

i) Review of the economy

The data from the Quarterly Economic and Budgetary Review report by the National Treasury for Q3 FY 2024/25 shows that the economy remained strong and grew by 4.7 percent in 2024 compared to a growth of 5.7 percent in 2023. The growth in 2024, albeit slower than the previous year, was to a large extent supported by activities in agriculture, forestry and fishing, financial and insurance, transportation and storage and real estate. Most of the sub sectors recorded positive growths except construction and mining and quarrying sub sectors.

According to the report, Overall year-on year inflation declined and has remained below the mid-point of the policy target band of 5.0 percent since June 2024. The decline was mainly due to the lagged effect of the earlier tight monetary policy, declines in energy prices and continued easing of food prices. The year-on-year inflation declined to 3.6 percent in March, 2025 from 5.7 percent in March, 2024 and a peak of 9.6 percent in October 2022.

Interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 10.7 percent in March, 2025 compared to 13.4 percent in March, 2024 while the 91-day Treasury Bills rate also declined to 8.9 percent from 16.7 percent over the same period. The average lending rate declined to 15.8

percent in March, 2025 from 16.3 percent in March, 2024 while the average deposit rate also declined to 9.3 percent from 10.5 percent over the same period.

In terms of fiscal performance, the National Government revenue collection including ministerial Appropriation in Aid (A-I-A) for the period between July, 2024 – March, 2025 amounted to Ksh. 1,998.4 billion (11.4 percent of GDP) against a target of Ksh. 2,138.0 billion. The revenue collection was below the target by Ksh. 139.6 billion mainly due to shortfall in taxes/ordinary revenue.

Over the year, the Service contributed to the Kenyan economy in a number of ways:

- i. Generation of revenue on behalf of government: The Service collected revenue from the Services it rendered to the citizenry. In the FY 2024/25, the Kenya Revenue Authority (KRA) collected a total revenue of Kshs. 2.571 Trillion for the Financial Year 2024/2025. Out of this, the Business Registration Service collected a total of Kshs 1.311020022 billion representing 0.051% share contribution. This has since shown an improvement from the last year's contribution of 0.04%. The money is used to facilitate delivery of services to the public. This shows how the service has direct impact and contribution to the GDP formation in the Kenyan economy.
- ii. Facilitation of business start-up: The Service facilitates registration of business start-up. Creation of businesses in turn creates demand for goods and services. This helps producers of raw materials and providers of services to get market for their goods and services and also accelerates the velocity of money measured by monetary transactions. The Service facilitated start-up of 138,000 business entities in FY 2024/25, an increase from the last years 136,209 business entities. Therefore, on average the Service registered an average of 378 business entities per day implying new economic activities and market players in the economy.
- iii. Facilitating acquisition of credit access through MPSR: The MPSR Act of 2017 provided an avenue for use of movable properties to be used as collaterals to secure credit facilities. The Service has provided a registry where business register movable items used to secure loans. This has enabled SMEs to acquire credit facilities with movable properties unlike use of immovable collaterals which limited participation of small income earners from accessing credit and thus played less role in the economic space. Up to June 2025, the Service recorded a total of 208,436 collateral assets used in securing

credit. This has shown the continuous uptake of the public in the using the seventeen (17) diversified types of collaterals in securing credit. Through this, the service has supported an increased credit access in the economy. MPSR facilitates access to credit by all players especially the informal sector which in turn creates more than 80% of the jobs in our country.

- iv. Enabling foreign direct investment: The Service facilitates registration of foreign companies in the country. During the year under review, the Service registered a total of 185 foreign companies. These companies come to invest in Kenya which in turn benefits the economy with skills transfer and capital formation from expatriates from outside Kenya. This in turn builds the Gross Domestic product (GDP).
- v. Creation of supportive legal, policy and regulatory framework on ease of doing business: The Service has pushed for a number of legal changes and regulatory framework governing ease of doing business to create a supportive business environment. During the year under review, the Service was instrumental in the drafting of the following: Draft Bill forwarded to the Hon AG for approval: Draft Trust Bill 2025 pending approval
- vi. Facilitating business in financial distress: The Service through the Official Receiver help business to operate under financial distress. For business liquidating, the Service facilitates a faster and more efficient process of winding up which in turn give higher return on investment. During the FY 2024/25, the Service closed 13 insolvency cases and recorded a total of 97 new insolvency matters.

ii) Review of the Sector

The Service plays a role in the Governance, Justice, Law and Order (GJLO) sector especially on governance of the registration services. The sub-sector contributes to the sector especially on promotion of governance, justice and law through provision of advisory and management of legal matters. BRS contributes to the sector through provision of the legal services on registration of business and administration of laws relating to registration of business, firms, companies, movable property Security Rights registries, Hire Purchase registries and insolvency matters.

The Service contributes to the sector through the implementation of strategies under the KRA 1 strategic objective 1 of the sub-sector plan which seeks to provide

quality legal services to the government and public. The Service implements initiatives aimed at enhancing Registration services under strategy number 11 through execution of the business laws and the functions listed in the BRS Act of 2015.

Over the last the last 5 years; the Service has a played crucial role of the sector on provision of legal services by registering 706,752 business entities, registering 648,929 MPSR initial notices of loans secured through use of Movable Properties in the past five (5) years. The Service played a significant role to facilitate businesses in financial distress through enhanced mechanism of the insolvency practice in the country where a total of 323 insolvency matters were recorded over the last 5 years. Notably, the service closed 13 insolvency cases during the year.

iii) Future developments and any other information considered relevant to the users of the financial statements.

Going forward, The Service seeks to leverage on ICT based solutions to improve processes and services offered by the Service. Key among them include, implementing a robust record management system to enhance the quality and integrity of the records, modernize the call Centre and equip the centre with more efficient ICT solutions, implement self-service options, digitize all records, fully automate all the manual process through the continuous BPR program, integrate internal registries for ease of service delivery, fast track implementation of link a business process, develop new products for MPSR to enhance credit access, enhance the resolution of insolvency matters through automation and implementation of ERP within the Service among other projects.

10. Environmental and Sustainability Reporting

The Service's purpose is to offer enterprises responsive support services throughout their business lifecycle and the foundation upon which we execute our strategy, prioritizing customers, enhancing operational excellence, and providing quality services.

The Service, as the custodian of Kenya's Companies Act and a leading entity in sound corporate governance, engaged in projects and initiatives to ensure the sustainability of its social and environmental outcomes.

The Service has consistently enhanced the competitiveness of the business sector by streamlining and automating business processes in accordance with international best practices and global trends to guarantee the quality-of-service delivery. This is in accordance with the Kenya Kwanza Administration Blueprint of the Bottom-Up Transformation Agenda under the pillar of Digital Superhighway & Creative Economy.

The pillar's objective is to improve the delivery of government services by digitizing and automating all critical government processes and making 80% of them available online. The Service is currently leading in this regard, having automated 100% of all its services. This accomplishment was made possible by the support of BRS strategic partners and stakeholders.

i) Sustainability strategy and profile

The Service's strategic plan for 2023-2027 is designed to actively promote three of the UN's post-2015 sustainable development agenda, which was launched at the Sustainable Development Summit in September 2015. This plan incorporates the sustainable development goals and in particular

sustaining, as well as full and productive employment and respectable work for all. 8.3 Encourage the formalisation and growth of micro-, small-, and medium-sized enterprises, including through access to financial services, and promote development-orientated policies that support productive activities, decent employment creation, entrepreneurship, creativity, and innovation.

The Service has contributed towards the achievement of this goal by providing an online platform that is easily accessible from everywhere for registration of business entities and registration of security rights in movable property, licensing

of hire purchase businesses and Insolvency services. The Service continues to collaborate with Huduma Kenya Centres to offer services at the Cyber Cafes, contact centre and conduct outreach programs in main centres and markets to support the digitally disadvantaged.

The Service continues to utilise and improve the electronic document and records management system (EDRMS) to ensure that all of its records are archived for easy retrieval, thereby avoiding the use of tangible paper for record keeping. During the period under review, the Service implemented electronic certified copies of company records, which allowed for digital access to password-protected documents and eliminated the necessity for physical collection and printing. In accordance with our data privacy obligations, the forwarding letter includes a Quick Response (QR) Code that is password-protected and contains confidential information as part of the reforms. The Service's objective is to entirely digitise all manual records in order to promote the sustainability of the business and maintain an environmentally friendly environment. This is aligned with SDG 13.

ii) Environmental performance

This is a fundamental principle of our strategic plan, and the Service acknowledges the necessity of ensuring environmental sustainability in all aspects of our operations. To facilitate the implementation and cascading of sustainability initiatives, the Service has established an Environmental Social and Governance ("ESG") Committee that is in the process of formulating an ESG policy, strategy, and work plan.

As part of the Service's ongoing efforts to enhance efficiency and establish a paperless operating environment, we have implemented a spotless desk policy. Furthermore, the Service is in the process of enhancing its online services and is actively working to improve its workflows. The Service maintains an Enterprise Resource Planning ("ERP") system that facilitates the submission and approval of internal processes, thereby alleviating bureaucracy and enhancing efficiency.

The Board of Directors and Management continue to capitalise on ICT by employing electronic meeting platforms to convene meetings and distribute documents. The environment is also preserved by reducing the printing of the board packs and other documents, in addition to reducing carbon emissions.

In accordance with the Presidential Directive and the Government's commitment to plant 5 billion trees in the next 5 years and an additional 10 billion trees by 2032, as stipulated in the Performance Contract for the Financial Year 2024/2025, the Service participated in two tree-growing initiatives during the financial year. The target of planting 200 seedlings was achieved, and it was surpassed by 4,970 seedlings. The Kakamega Forest annual tree planting initiative resulted in the Service donating 5,000 indigenous tree seedlings.

iii) Employee Welfare

The Service has maintained its commitment to employee welfare in order to benefit its employees and improve its reputation and long-term sustainability. This mission is achieved by being an equal opportunity employer, and all candidates are selected on the basis of merit through fair and open competition from the broadest possible pool of eligible prospects.

The Service is mindful of the gender, regional, ethnic, and other diversity of the Kenyan populace when making appointments, all in accordance with the National Values and Principles of Governance. By ensuring that a minimum of 30% of the appointment/promotion process is of either gender, the services' principles of affirmative action, gender, and individuals with disabilities will be followed.

This goal was accomplished by consistently adhering to the "not more than two-thirds of either gender rule." The current staff comprises of 53.4%(N=55) female and 46.6%(N=48) male. Additionally, the Service considers the image of Kenya when appointing members to committees that oversee special assignments that are essential to fulfilling BRS's mandate.

In addition, the Service continues to implement various policies, practices, and initiatives that are designed to improve the quality of life, safety, and well-being of employees within an organization.

The Service places a high value on the health and safety of its employees by guaranteeing a secure work environment, implementing appropriate safety protocols, providing ample training, and assuring adherence to health and safety regulations. Regular health check-ups, access to essential personal protective

equipment (PPE), and effective management of workplace hazards are indispensable.

Workplace safety audits and risk assessments were implemented by the service during the period under review. In addition, the Service has maintained its commitment to the implementation of policies and programs that guarantee the safety of employees from hazards and disasters, in accordance with the Occupational Safety and Health Act, 2007, and other labour laws. The Occupational Safety and Health Administration Committee (OSHA) is a functional entity that convenes on a regular basis to discuss health and safety issues as necessary. Furthermore, insurance coverage for group personal catastrophes has been obtained for all employees by the service.

The Service acknowledges the performance management system as a critical component of the Human Resource Management function, with the overall objective of managing and enhancing the Service's performance by facilitating a greater degree of employee participation and involvement in the planning, delivery, and evaluation of work performance. This acknowledgement pertains to employee productivity and performance measurement. The human resource management function is strengthened by the Staff Performance Appraisal, which is a critical component. It is founded on the principles of work planning, performance target establishment, feedback, and reporting based on mutually agreed upon objectives.

This procedure is tied to other human resource systems and processes, such as career progression, placement, rewards, and sanctions. Performance targets are established for both departments and individuals at the commencement of the appraisal period, which spans one year from July 1st to June 30th of the subsequent year. The team members and the supervisor each complete a complex appraisal instrument. The performance appraisal is a summary of the year's performance that has the objective of enhancing efficiency by concentrating on value-add initiatives and outcomes that extend beyond the daily job responsibilities outlined in the position descriptions of the staff.

The current staff comprises of 53.4%(N=55) female and 46.6%(N=48) male.

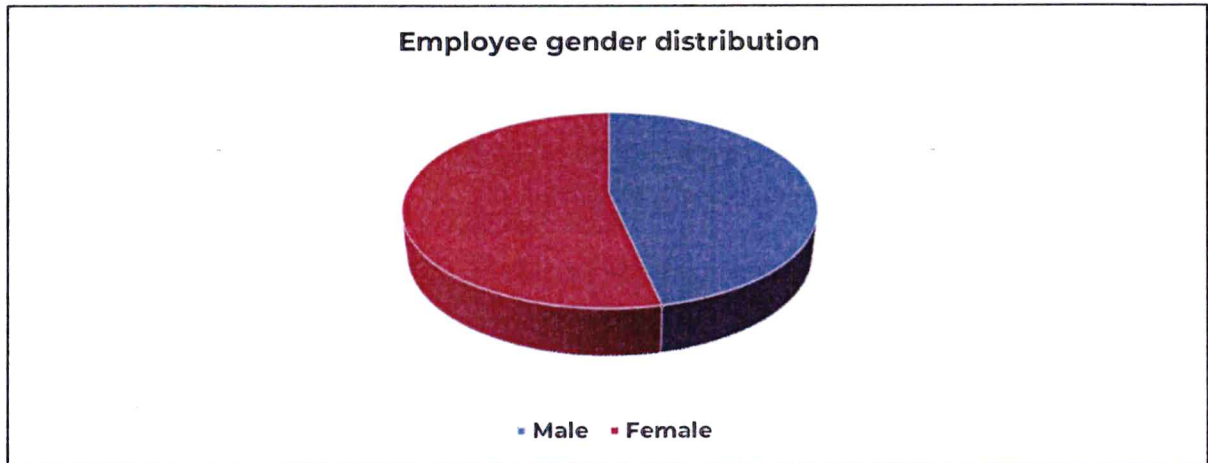


Figure 2; Staff Gender representation

The Service recognizes the need for training and development of all employees. It therefore committed to offer training opportunities to all its employees in order to improve their work performance and personal development. This is done by conducting a training needs analysis after every three years and/or on need basis. The Service has lived to its commitment in matters learning and development and ensured its officers are trained and learn from the best, in order to sustain productivity and personal growth.

iv) Market place practices-

Official Receiver - Business Registration Service has put its efforts to the following in relation to the market place practices;

a) Responsible competition practice.

The Service carries out procurement in a manner that is transparent, competitive, fair, equitable, and cost-effective by employing the open tendering method. The Service allocates a minimum of 30% of the annual procurement expenditure budget to youth, women, and individuals with disabilities.

Furthermore, the Service uses standard tendering documents published by the Public Procurement Regulatory Authority, which require bidders to declare their commitment to refraining from corrupt practices. Additionally, the Service undertakes proactive disclosure of tenders and contracts awarded in order to enhance transparency.

b) Responsible Supply chain and supplier relations

The Supply Chain Management Department has a proactive policy to train suppliers each financial year. The training helps suppliers, particularly the youth, women, and persons living with disability who own business entities, to navigate the tendering process. These sensitisations help build capacity in the target group and ensure good business practices.

The Supply Chain Department also ensured that supporting documents were submitted on time to facilitate prompt payment of invoices for delivered goods and services, thereby avoiding disruptions to suppliers' cash flow and ensuring business continuity. Consequently, mutually beneficial business relationships were maintained with the competent suppliers.

The Service maintained and achieved a target to pay verified suppliers within 30 days from the date of submission of necessary documentation upon satisfactory delivery of goods, works, or services as prescribed in the policy to pay vendors

c) Responsible marketing and advertisement.

Procurement opportunities are shared on the BRS website (www.brs.go.ke), government tenders' portal (www.tenders.go.ke) and the social media handles for access by potential bidders.

d) Product stewardship

The Service requires a product warranty and manufacturer authorization for all supplied goods to ensure that they are of reasonable quality and free from harmful substances.

v) Corporate Social Responsibility /Community Engagements

BRS participated in two tree-growing initiatives during the financial year, and the target to plant two hundred seedlings (No. 200) was achieved. The target was surpassed by four thousand, nine hundred and seventy (4970) seedlings, in accordance with our commitment in the Performance Contract to be a responsive and accountable organization that contributes to the well-being of communities and society through various environmental and social measures.

To fulfil the Presidential Directive and the Government's pledge to plant 5 billion trees within the next five years and an additional 10 billion trees by 2032, the Service collaborated with critical stakeholders to implement tree-growing initiatives. In accordance with the President's directive regarding the expedited six-month tree-growing initiative, which is being led by the Cabinet, the Ministry of Environment, Climate Change, and Forestry has tasked the State Law Office with conducting this activity on the second Monday of each month for the next six months during the period under review.

The Service subsequently donated 5,000 indigenous tree seedlings to the Kakamega Forest annual tree planting initiative on June 6, 2025, as a demonstration of our commitment to the National Tree Growing Restoration Campaign.

The Country's objectives include the following: establishing nature-based enterprises in rural areas, restoring ecological integrity and ecosystem functioning, strengthening community resilience to climate change, supporting sustainable supply of environmental products and services (water and biodiversity), increasing access to climate finance through carbon trading, and increasing tree cover from 12% to 30% by 2032.

BUSINESS REGISTRATION SERVICE
OFFICIAL RECEIVER
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025



11. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Official Receiver shall prepare financial statements. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Official Receiver in charge of Official Receiver-Business Registration Service is responsible for the preparation and presentation of the Official Receiver financial statements, which give a true and fair view of the state of affairs of the Official Receiver for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Official Receiver. (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 Official Receiver. (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Official Receiver accepts responsibility for financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Official Receiver is of the opinion that the Official Receiver- Business Registration Service financial statements give a true and fair view of the state of Official Receiver-Business Registration Service transactions during the financial year ended June 30, 2025, and of the Official Receiver - Business Registration Service financial position as at that date. The Official Receiver-Business Registration Service further confirms the completeness of the accounting records maintained for the Official Receiver - Business Registration Service which have been relied upon in the preparation of the Official Receiver-Business Registration Service financial statements as well as the adequacy of the system of internal controls.

The Official Receiver confirms that the Official Receiver - Business Registration Service has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Official Receiver-

Business Registration Service funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Official Receiver-Business Registration Service financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Official Receiver-Business Registration Service financial statements were approved on 23/10/2025 2025 and signed by:



MARK GAKURU, HSC

OFFICIAL RECEIVER

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BUSINESS REGISTRATION SERVICE - OFFICIAL RECEIVER FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Business Registration Service-Official Receiver set out on pages 1 to 30 which comprise the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section

35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Business Registration Service-Official Receiver as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Insolvency Act, 2015, and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Business Registration Service-Official Receiver 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, two issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on the Effectiveness of Internal Controls, Risk Management. These include irregular operation of bank accounts and lack of internal audit capacity. Review of the status during the audit of the Official Receiver in Financial Year 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on pages iii to lx which comprise of Key Information and Management, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Official Receiver's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work

I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Operation of Bank Accounts

As previously reported, the Official Receiver maintained bank accounts at a commercial bank. This was contrary to Section 708 of the Insolvency Act, 2015, which requires the official receiver to establish in the Central Bank of Kenya an account named "The Insolvency Account", which the Official Receiver shall pay into the insolvency services account all money recovered under the performance and exercise of the Official receiver's functions and powers under the Act.

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

2. Poor Imprest Management

The statement of financial performance reflects use of goods and services amount of Kshs.153,099,344 as disclosed in Note 6 to the financial statements. Included in the balance is an amount totaling Kshs.30,804,918, comprising allowances advanced to staff in respect to domestic travel and subsistence, foreign travel and subsistence, issued as imprests. However, the imprest register was not updated, and surrender records did not have corresponding payment voucher references. Further, temporary imprests amounting to Kshs.3,557,600 were not surrendered within the required timeframe, with delays extending up to three (3) months. This was contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015, which requires that a holder of a temporary imprest should account for or surrender the imprest within seven (7) working days upon return to the duty station.

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

3. Non-Compliance with the Capacity Building Levy Requirements

During the year under review, contracts amounting to Kshs.7,343,654 were awarded for the supply of goods and services. However, there was no evidence that the suppliers paid

a levy of 0.03% (zero-point zero three percent) of the value of the signed contracts. Further, the Official Receiver did not provide documentation confirming that monthly returns on deducted and remitted levies were filed by the 20th day of the subsequent month, as required by the Public Procurement Regulatory Authority through the Public Procurement Information Portal.

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

4. Failure to Comply with The National Treasury's Directive on Investments

Note 5 to the financial statements reflects interest income of Kshs.2,415,907 earned from fixed deposit investments. However, the financial statements did not disclose the principal amounts invested in fixed deposits or the names of the financial institutions where the deposits are held. Further, the resolution of the Investment Committee to place funds in fixed deposit accounts was in contravention of The National Treasury Circular No.4/2017 dated 2 May, 2017. The Circular directed all State Corporations and Semi-Autonomous Government Agencies (SAGAS) to invest surplus funds in Treasury Bills and/or Treasury Bonds. It further directed that any maturing investments or surplus funds previously held in fixed deposits in commercial banks/financial institutions should not be rolled over but instead retired and reinvested in Treasury Bills and Treasury Bonds.

In the circumstances, Management was in breach of The National Treasury's Circular.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Ineffective Internal Audit Unit

As previously reported, review of the staffing levels within the Internal Audit Unit revealed that the Official Receiver has only one staff member in the unit following the resignation of the Systems Auditor in May, 2022. The staff member who serves as the Head of the Internal Audit function is placed at BRS salary scale grade 4, which is contrary to the

Head of Public Service Circular dated 11 March, 2020, which requires the Heads of Internal Audit to be placed at grade levels 2 or 3 of the grading structures.

Further, the approved staff establishment provides for only two (2) audit personnel within the Internal Audit Function. This staffing level is considered inadequate to support the execution of a comprehensive and risk-based internal audit plan.

In the circumstances, the effectiveness of measures put in place by the Official Receiver for conducting an internal audit could not be confirmed.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


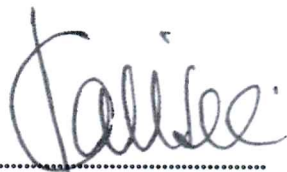

25 November, 2025

13. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024/2025 Kshs
Revenue from exchange transactions		
Finance income	5	42,410,079
Miscellaneous income	5(c)	75,845,643
Total revenue		118,255,722
Expenses		
Employee costs	7	11,891,766
Use of goods and services	6(a)	153,099,344
Depreciation and amortization expense	8	1,417,500
Other Grants and Subsidies	9	88,368
Total expenses		166,496,978
Surplus/Deficit for the year		(48,241,256)

The notes set out on pages 6-26 form an integral part of these Financial Statements


The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

		
.....
Official Receiver	Deputy Director Finance and Accounts	Chairperson
Mark Gakuru HSC	CPA Erastus Mbalu	Mr. Hamisi Mwaguya
	ICPAK Member NO. 6469	
Date: <u>23/10/2025</u>	Date: <u>23/10/2025</u>	Date: <u>29/10/25</u>

14 Statement of Financial Position as at 30 June 2025

	Notes	FY 2024/25	Reinstated Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	10	21,294,307	48,407,302
Interest Receivables from Exchange Transactions	11	16,158,679	4,129,614
Investments	12	400,124,990	431,864,816
Total Current Assets		437,577,976	484,401,732
Non-Current Assets			
Property, Plant and Equipment	13	8,032,500	9,450,000
Total Non- Current Assets		8,032,500	9,450,000
Total Assets (a)		445,610,476	493,851,732
Liabilities			
Current Liabilities			
Refundable Deposits	15	437,577,976	484,401,732
Total Current Liabilities		437,577,976	484,401,732
Non-Current Liabilities			
Unliquidated Assets	13	8,032,500	9,450,000
Total Non- Current Liabilities		8,032,500	9,450,000
Total Liabilities (b)		445,610,476	493,851,732
Net Assets (a-b)		0	0
Represented by:			
Net Reserves		493,851,732	493,851,732
Accumulated Surplus		(48,241,256)	0
Total Net Reserves		445,610,476	493,851,732
Net Assets		0	0

The notes set out on pages 6-26 form an integral part of these Financial Statements
 The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Official Receiver
 Mark Gakuru HSC



**Deputy Director Finance and
 Accounts**
 CPA Erastus Mbalu



Chairperson
 Mr. Hamisi Mwanguya

Date: 23/10/25

ICPAK Member NO. 6469
 Date: 23/10/2025

Date: 23/10/25

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

Description	Capital reserve	Reserves	Total
	Kshs	Kshs	Kshs
Balance as at July 1, 2024		493,851,732	493,851,732
Surplus/Deficit for the period	-	(48,241,256)	(48,452,124)
Transfer of excess depreciation on revaluation	-	-	-
As at June 30, 2025	-	445,610,476	445,399,608

16. Statement of Cash Flows for the year ended 30 June 2025

		2024/2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Finance income	5b	30,591,882
Other income	5c	75,845,643
Total receipts		106,437,525
Payments		
Employee costs	7	11,891,766
Use of goods and services	6(b)	153,221,844
Other Grants and Subsidies	9	176,736
Total payments		165,290,346
Net cash flows from/ (used in) operating activities	16	(58,852,821)
Cash flows from investing activities		
Purchase of investments	12	31,739,826
Net cash flows from/(used in) investing activities		31,739,826
Cash flows from financing activities		-
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		(27,112,905)
Cash and cash equivalents at 1 July	10	48,407,302
Cash and cash equivalents at 30 June	10	21,294,307

**17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025
 Recurrent and Development Combined**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Revenue from exchange Transactions	131,088,768	37,468,134	168,556,902	118,255,722	50,301,180	70%
Total Income	131,088,768	37,468,134	168,556,902	118,255,722	50,301,180	70%
Expenses						
Use of Goods and Services	118,346,893	37,468,134	155,815,027	153,099,344	2,715,683	98%
Employee costs	12,564,875	-	12,564,875	11,891,766	673,109	95%
Other grants and Subsidies	177,000	-	177,000	88,368	88,632	50%
Total Expenditure	131,088,768	37,468,134	168,556,902	165,079,478	3,477,424	98%
Surplus for the period	0	0	0	(46,823,756)	46,823,756	
Capital Expenditure	0	0	0	0	0	0%

Reconciliation of Budget Comparison and Actual Details	Amount (Kshs)
Surplus as per the Budget Comparison	(46,823,756)
Depreciation for the year	(1,417,500)
Surplus as per the financial performance	(48,241,256)

The notes set out on pages 6-26 form an integral part of these Financial Statements

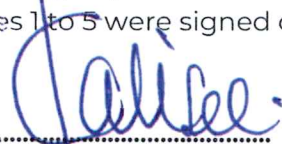
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



 Official Receiver

Mark Gakuru HSC

Date: 23/10/2025



 Deputy Director Finance and Accounts

CPA Erastus Mbalu
 ICPAK Member NO. 6469

Date: 23/10/2025



 Chairperson

Mr. Hamisi Mwanguya

Date: 21/10/25

18. Notes to the Financial Statements

1. Establishment

The Official Receiver Business-Registration Service is established by an Act of Parliament and derives its authority and accountability from the Insolvency Act Act, 2015. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Business Registration Service principal activity is generally implementation of policies, laws and other matters relating to registration of companies, partnerships and firms, individuals and corporations carrying on business under a business name, bankruptcy, hire purchase and chattels transfers, additionally the recent mandate on the Trustee (perpetual succession) registry.

2. Statement of Compliance and Basis of Reporting

Statement of Compliance

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

For the purpose of these financial statements, Official Receiver has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Official Receiver on 30th September 2025.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the Public Finance Management Act, and International Public Sector Accounting Standards (IPSAS) or the MDA has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the MDA has taken advantage of the transition provisions outlined in IPSAS 33. (MDA to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

Notes to the financial statements

Reporting period

The reporting period for these financial statements is for the period ended June 30, 2025

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of MDA for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The MDA pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the MDA is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs

associated with the MDA policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the MDAs future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. MDAs commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the MDA as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Adoption of New and Revised Standards

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

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 2025.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This Standard will have a significant impact on the Official Receiver due to the disposal of assets held in trust arising from the liquidation process.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This standard will affect the Official Receiver as it requires the valuation of properties held in trust in preparation for their disposal.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-</p>

Standard	Effective date and impact:
	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 MDA 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> <li data-bbox="475 1122 1294 1188">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="475 1188 1385 1278">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <li data-bbox="475 1278 1406 1432">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from Exchange transactions

Rendering of services

The Official Receiver 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.

Sale of goods

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

b) Budget information

The original budget for FY 2024-2025 was approved by the Board in June 2024 and there were no Subsequent revisions and additional appropriations made to the approved budget.

The Official Receiver 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under page 6 these financial statements.

c) Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when;

- It is probable that future economic benefits or service potential associated with the item will flow to the Authority; and
- The cost can be measured reliably.

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 Service recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Summary of Significant Accounting Policies (Continued)

Notes to the Financial Statements (Continued)

The useful lives of items property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Average Useful Life
Furniture and fixtures	Reducing balance	8 Years
Motor Vehicles	Reducing balance	4 Years
Office equipment	Reducing balance	8 Years
IT equipment		
Computer equipment	Reducing balance	3 Years

The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Service assesses at each reporting date whether there is any indication that the Service' expectation about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Service revises the expected useful life and/or residual value accordingly.

The change is accounted for as a change in an accounting estimate. The depreciation charge for each period is recognized in surplus or deficit. Items of property, plant and equipment are derecognized when disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

It is the policy of the Service that Depreciation charges shall commence in the beginning of the month in which the asset is first put to use and no depreciation shall be charged on the year of disposal

d) Intangible assets

An intangible asset is recognized as an asset when;

- It is probable that future economic benefits or service potential associated with the item will flow to the Business Registration Service; and
- The cost or fair value can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The useful life of the intangible assets is assessed as either finite or indefinite. Reassessing the useful life of an intangible asset with finite useful life after it was classified as infinite is an indicator that the asset may have been impaired. As a result,

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Intangible assets are acquired.

Amortisation is provided to write down the intangible assets, on a reducing balance basis, to their residual values as follows:

Item	Depreciation	Useful life
Software	Reducing Balance	3 years

e) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at

No charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

f) Provisions

Provisions are recognized when;

- Business Registration service has a present obligation 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

The amount of the provision is the best estimate of the expenditure expected to be required to settle the obligation at the reporting date. Where the *Service* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate and are reversed if it is no longer probable that an outflow of economic resources embodying economic benefits or service potential will be required to settle the obligations.

g) Contingent liabilities

The Official Receiver 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.

h) Contingent assets

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

i) Changes in Accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

Business Registration Service provides retirement benefits for its permanent and pensionable employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

The contributions to fund obligations for the payment of retirement benefits is charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis.

Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

The contribution towards employee pension scheme and staff gratuity for employees on contract are recognized in the statement of financial performance in the year in which the employees rendered their services to the Service.

k) Foreign currency transactions

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

l) Related parties

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank balances held at Kenya Commercial Bank at the end of the financial year.

n) Comparative figures

As this is the first-time application of IPSAS 33, only the Statement of Financial Position includes comparative figures.

o) Subsequent events

Events after the reporting date are those events both favourable and unfavourable, that occur between the reporting date and date when financial statements are authorised for issue. Subsequent events can be classified into two types

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

- those that are indicative of conditions that arose after the reporting date (non-adjusting events)

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

Depreciation and Amortisation

The Business Registration Service management determines the estimated useful lives and related depreciation charges on the basis of industry norm and increases the depreciation charge where useful lives are less than earlier anticipated 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 from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under page 6 these financial statements.

Notes to the Financial Statements (Continued)
5. Finance Income

Description	2024-2025
	Kshs
Interest from fixed deposits	2,415,907
Interest income from Treasury Bills	39,994,172
Total finance income	42,410,079

- Finance income comprises of interest income earned on investments made by the Official Receiver on Fixed deposits and Treasury bills.

5(b) **Finance Income**

DESCRIPTION	2024-2025
	Kshs
Total Finance Income	42,410,079
Add: Income Receivable as at 30 th June,2024	4,129,614
Less : Income Receivable as at 30th June,2025	(15,947,811)
Total amount to the cash flow	30,591,882

c. Other Income

Description	2024-2025
	Kshs
Deposits	75,845,643
Total Other income	75,845,643

- The amount of Kshs 75,845,643 represents funds received from liquidated companies and bankrupt individuals, as well as proceeds from the disposal of assets under liquidation.

Notes to the Financial Statements (Continued)

6. (a) Use of Goods and Services

Description	2024-2025
	Kshs
Communication, supplies and services	42,000
Domestic travel and subsistence	30,230,270
Foreign travel and subsistence	574,648
Printing, advertising, and information supplies & services	313,340
Rent and Storage Expense	1,696,187
Training expenses	12,346,208
Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	122,500
Hospitality supplies and services	78,400
Advertising, Awareness and Publicity Campaigns	1,464,689
Insurance costs	1,906,845
Conference/Seminar Fees	5,508,000
Courier and Postal Services	98,000
Discharged Files	76,267,057
Licensing Fees	171,500
Contracted Security Services	7,081,604
Bank Charges	158,203
Official Receiver Fees	1,749,924
Office and general supplies and services	7,343,656
Fuel Oil and Lubricants	835,000
Routine maintenance – vehicles and other transport equipment	441,733
Routine maintenance – other assets	42,340
Other operating expenses	4,627,240
Total	153,099,344

- The Official Receiver conducted an asset verification exercise across various regions of the country, led by the Internal Audit Department. Additionally, in preparation for the disposal of certain assets, valuation exercises were carried out in several locations. Consequently, these activities, along with court attendances and training of judicial officers on insolvency law contributed to the Daily Subsistence Expenditure incurred.
- The Official Receiver undertook a review of both the Insolvency Practitioners' Code of Conduct and the Investment Policy, in collaboration with relevant stakeholders. Creditors' meetings were conducted outside the station. The expenditures related to venue hire, for activities were classified under conference expenses.

Notes to The Financial Statements (Continued)

- The official receiver has in the course of the year distributed Kshs. 76,267,057 expensed under discharged files to the creditors of Eagle Vet, Akamba, Media edge and Kenya times media all under liquidation. Notably the Official Receiver has generated revenue through this exercise.
- Contracted guards were engaged to safeguard the interests of creditors, particularly in relation to properties associated with the Cytonn Yield matter, which were at risk of unauthorized access.
- Printing and publishing expenses were incurred for court document preparation and to support the Office's daily administrative operations.
- Training expenses were incurred to support the Official Receiver's staff training on emerging issues in insolvency, judicial officers' training on insolvency law, and capacity-building sessions for the board.
- A total of Kshs. 435,712 was incurred under vehicle maintenance expenses for the servicing and repair of the two vehicles under the custody of the Official Receiver. Building maintenance expenses were incurred in instances where it was necessary to secure premises under liquidation, including the purchase of padlocks and welding works.
- Kshs. 4,452,980 was incurred as valuation expense. This relates to the valuation of various properties under the custody of the Official Receiver, undertaken to ensure creditors receive fair value upon eventual disposal of the assets.

6 (b) Use of Goods and Services

DESCRIPTION	2024/2025
	Kshs
Use of Goods and Services	153,099,344
Add: Prepayments for Membership subscriptions to Professional bodies	122,500
Total amount to the cash flow statement	153,221,844

Notes to The Financial Statements (Continued)

7. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	11,282,515
Employer contributions to NSSF	434,904
Employer contributions to Housing Levy	174,347
Employee costs	11,891,766

- The Official Receiver contracts staff to support the liquidation process of various entities under administration.

8. Depreciation and Amortization Expense

Description	2024/2025
	Kshs
Property, plant and equipment	1,417,500
Total	1,417,500

- The Official Receiver owns two motor vehicles, which have been capitalized and are being depreciated at an annual rate of 15% in accordance with the applicable accounting policy on property, plant, and equipment.

9. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	88,368
Total Grants and Subsidies	88,368

9.(b) Other Grants and Subsidies

Description	2024-2025
	Kshs
Other Grants and subsidies as at Note 9	88,368
Add: Prepayments as at 30 th June, 2025.	88,368
Total amount to the Cash flow Statement	176,736

Notes to the Financial Statements (Continued)
10. Cash and Cash Equivalents

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Deposits Account	21,294,307	48,407,302
Total	21,294,307	48,407,302

10 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	Opening statement
		Kshs	1 st July 2024 Kshs
NBK	Bankruptcy Estate Fund	45,670	6,362,115
	Bankruptcy Contingency Fund	9,173	5,907,345
	Companies Liquidation	12,457,449	28,396,036
	Companies Contingency Fund	117,569	1,898,198
	Companies Investment Income Fund	27,340	37,179
	Rural Urban Credit Finance	187,794	24,495
	Continental Credit Finance Ltd	7,676	690,641
	Capital Finance Ltd	63,786	73,626
	Pioneer Building Society	994,045	65,807
	Matatu Vehicles Owners Association	1,800,806	30,739
	Kenya National Assurance Co. Ltd	102,598	1,834,149
	E.A Bag & Cordage	1,523,558	66,012
	Kenya Project & Investment Ltd	847,871	816,002
	Tropical Building society	1,135,030	472
	Ken-Ren Chemicals Fertilizers	511,530	1,880,573
	Nyakio Investments Ltd	7,396	8,596
	Bankruptcy Estate Fund(M)	309,580	181,285
	Bankruptcy Estate Fund (K)	102,405	103,605
	Company Liquidation (M)	1,043,031	30,427
	TOTAL	21,294,307	48,407,302

Notes to the Financial Statements (Continued)

11. Receivables from Exchange Transactions

Description	2024-2025	Opening statement 1 st July 2024
	Kshs	Kshs
Receivables		
Interest receivable	15,947,811	4,129,614
Prepayment for Membership subscription to Professional Bodies	122,500	
Prepayment for Membership Subscription to International bodies	88,368	
Total receivables	16,158,679	4,129,614

11 (b) Ageing analysis for Receivables

Description	2024-2025		Opening statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	1 st July	% of the total
Less than 1 year	16,158,679	100%	4,129,614	3.1%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	16,158,679	100%	4,129,614	100%

12. Investments

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK - Bankruptcy Estate Fund	305,131,287	257,083,738
CBK - Ken-Ren Chemicals & Fertilizers	94,993,703	144,881,078
Total	400,124,990	401,964,816
b) Investment in fixed deposits		
Bankruptcy Estate Fund	0	0
Bankruptcy Contingency Fund	0	8,000,000
Ken-Ren Chemicals & Fertilizers	0	0
Company Liquidation	0	7,500,000
Rural Urban Credit Finance	0	5,400,000
Matatu Vehicles Owners Association	0	1,700,000
Kenya National Assurance Co. Ltd	0	1,500,000
E.A Bag Cordage	0	1,400,000
Tropical Building Society	0	1,100,000

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Bankruptcy Estates -Mombasa	0	200,000
Company Contingency Fund	0	1,000,000
Pioneer Building Society	0	900,000
Company Liquidation Mombasa	0	1,200,000
Total	0	29,900,000
a+b=	400,124,990	431,864,816

At the start of the FY 2024/2025, the opening balances of short term deposits was kshs. 29,900,000 and the one for the treasury bills was kshs 401,964,816 making a total cash and cash equivalent of kshs. 431,864,816 which is captures under accrual reporting as investments amounts in the financial position.

Notes to the Financial Statements (Continued)

13. Property, Plant, and Equipment

	Motor vehicles	Total
Depreciation Rate	15%	
Cost	Kshs	Kshs
Opening Bal as 1st July 2024	9,450,000	9,450,000
Additions	0	0
Disposals	0	0
Transfer/Adjustments	0	0
As At Jun 2025	9,450,000	9,450,000
Depreciation And Impairment		
Depreciation	(1,417,500)	(1,417,500)
Disposals	0	0
Impairment	0	0
Transfer/Adjustment	0	0
As At 30th June 2025	8,032,500	8,032,500
Net Book Values		
Opening Bal as at 1st July 2024	9,450,000	9,450,000
As At 30th June 2025	8,032,500	8,032,500

The motor vehicles were purchased in the previous financial years when the Official Receiver was reporting in the cash basis and those were the only assets which the Official Receiver could account with certainty's we continue ascertaining other official receivers assets.

Notes to the Financial Statements (Continued)
Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the MDA would pay for the remaining service potential of an asset at the measurement date.

14. Right- of-use assets

	Motor vehicles	Total
	Kshs	Kshs
Cost		
As at 1 July 2024	9,450,000	9,450,000
Additions	0	0
As at 30 June 2025	9,450,000	9,450,000
Accumulated Depreciation		
As at 1 July 2024	9,450,000	9,450,000
Charge for the year	(1,417,500)	(1,417,500)
As at 30 June 2025	8,032,500	8,032,500
Carrying Amount		
As at 30 June 2025	8,032,500	8,032,500

15. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Other deposits	437,577,976		484,401,732	
Total deposits	437,577,976		484,401,732	
Ageing analysis: (Refundable deposits)	2024/2025	% of the Total	1st July,2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	437,577,976	100%	484,401,732	100%
Total	437,577,976		484,401,732	

Notes to the Financial Statements (Continued)

16. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	(48,241,256)
Adjusted for:	
Depreciation	1,417,500
Working capital adjustments	(12,029,065)
Increase in receivables	
Net cash flow from operating activities	(58,852,821)

17. Contingent Assets

Description	2024-2025	Opening Statement 1st July, 2024
	Kshs	Kshs
Contingent Assets		
Consolidated Bank Shares	86,644,260	86,644,260
Deposit Protection Board	41,082,583	41,082,583
Total	127,726,843	127,726,843

- The consolidated bank shares relate to Kenya National Assurance Company, which is currently in the process of liquidation. The amount of Kshs 41,082,583 pertains to several financial institutions under liquidation. The total amount of Kshs 127,000,000 is currently being held by the Kenya Deposit Insurance Corporation (KDIC).

18. Events after the Reporting Period

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

h) Currency

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

19. Appendix

Appendix 1: 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Unresolved Prior Year Matters As disclosed under the progress of auditors recommendations sections of the financial statements, the prior issues remain unresolved</p>	<p>On Incomplete Human Resource Records: The Human Resource department has updated all personal files with the necessary documents and amended all employment contracts for staff under the Official Receiver.</p> <p>On Irregular Operation of Bank Accounts: The Insolvency Act has been amended, and the draft Bill is currently awaiting public participation.</p>	Resolved	Done
1	<p>Irregular Operation of Bank Accounts As previously reported, official</p>	<p>The Official Receiver has prepared the Insolvency Amendment bill which deletes section 708, sub section (1, 2 and 3) since the section as it is, is not practical in the official receiver's</p>	Resolved	Done

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>receiver maintained bank accounts at the National Bank of Kenya Limited contrary to the section 708 of the Insolvency Act which require that the official receiver shall establish in the Central Bank of Kenya an account- called the insolvency account, which the official receiver shall pay in the to the insolvency services account all money recovered un the performance and exercise of the Official receiver's functions and powers under the Act.</p>	<p>day to day management of its operations. There is a draft amendment awaiting public participation.</p>		
2	Lack of Capacity in Internal Audit Unit	The Internal Audit unit experienced understaffing due to the resignation of the	Resolved	Done

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of the staffing levels in the Internal Audit Unit revealed that the Official Receiver has only one staff after the resignation of systems auditor in May, 2022. The head of the Internal Audit Function is placed at the BRS salary scale grade 4. This is contrary to the Head of Public Service Circular dated 11 March, 2020</p>	<p>Systems Auditor. To address this, the Board of Directors resolved on 25th June 2024 to redeploy a suitable officer from operations. The redeployment was effected in November 2024 to strengthen the Internal Audit function. The Board resolved to elevate the Head of Internal Audit position to level 2 in line with the circular. A suitability assessment was conducted, and on 4th December 2024, the Board confirmed the elevation of the current Head to level 2.</p>		