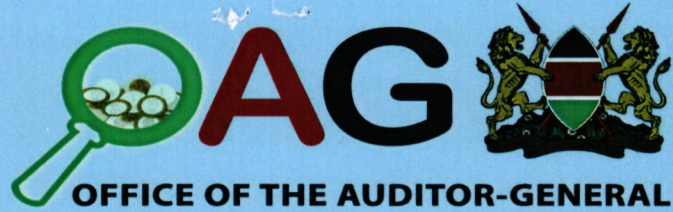
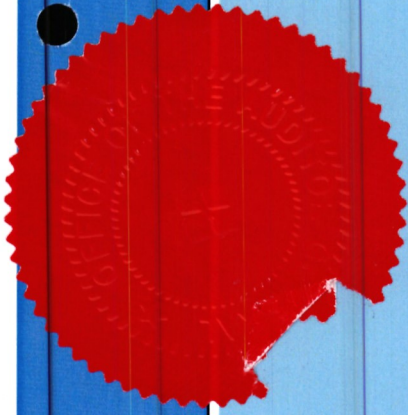


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS L AID

DATE: 10 FEB 2022

DAY: Thurs

TABLED BY: LDM

CLERK-AT THE-TABLE: B. Inzabi

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**BOGORIA SILALI GEOTHERMAL PROJECT  
(LOAN NO.2013.66.103)**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**GEOHERMAL DEVELOPMENT COMPANY  
LIMITED**



**BOGORIA SILALI GEOTHERMAL PROJECT**

Being implemented by:

**GEOTHERMAL DEVELOPMENT COMPANY LIMITED**

Loan No. 2013.66.103

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 June 2021**

---

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

***Bogoria Silali Geothermal Project  
Report and Financial Statements  
For the financial year ended June 30, 2021***

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## **10. PROJECT INFORMATION AND OVERALL PERFORMANCE**

### **1.1 Name and registered office**

The project's official name is Bogoria Silali Geothermal Project. The project's official is the Managing Director (MD) & Chief Executive Officer (CEO) of Geothermal Development Company Limited (GDC).

#### **Objective:**

The key objective of the project is to facilitate the realisation of at least 300MW geothermal power by 2025 through an accelerated Geothermal Development program. The 300MW geothermal power will be generated as follows:

<b>Field</b>	<b>Capacity (MW)</b>
Korosi	100
Paka	100
Silali	100
<b>Total</b>	<b>300</b>

#### **Address:**

The project headquarters and registered offices are:

Kawi House, South C, Off Mombasa Road  
P.O. Box 100746 – 00101  
Nairobi, Kenya.

Polo Centre, Tom Mboya Road (Branch)  
P.O. Box 17700 – 20100  
Nakuru, Kenya.

Telephone: +254 719 036 500

E-mail: [info@gdc.go.ke](mailto:info@gdc.go.ke)

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

## **1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.2 Project Information**

Project start date:	The project started in July 2014
Project completion date:	The project is expected to be completed in June 2025.
Project responsibility:	The personnel responsible for the project is the MD & CEO of GDC.
Project sponsor:	The project sponsors are Government of Kenya (GoK) and German Development Bank (KfW)

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Energy & Petroleum.
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) Facilitate realisation of at least 300MW from Paka, Korosi and Silali Geothermal fields</li> <li>(ii) Reduce electricity tariffs due to inclusion of cheaper power mix. This will in turn spur economic growth.</li> <li>(iii) To promote alternative uses of geothermal energy.</li> </ul>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Facilitate quick evacuation to the grid through provision of steam to Independent Power Producers (IPP's)</li> <li>(ii) Environmental sustainability through displacement of biomass and fossil fuel by cleaner and environmentally friendly alternatives.</li> <li>(iii) To promote alternative uses of geothermal resources other than electricity generation. These include greenhouse heating, drying of grains, pasteurizing milk, cooling and heating of rooms, among others.</li> </ul>

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

Other important background information of the project	<p>The project entails the drilling of wells for the connection to power plants. Key activities include the following:</p> <ul style="list-style-type: none"> <li>• Construction of access roads and well pads.</li> <li>• Construction of water supply infrastructure.</li> <li>• Drilling and testing of wells.</li> <li>• Feasibility studies.</li> <li>• Construction of steam gathering system.</li> <li>• Construction of power transmission system.</li> <li>• Construction of power plants.</li> </ul>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> <li>• Undertake exploration, appraisal and production drilling to mitigate upfront risks associated with geothermal development that deters the private sector.</li> <li>• To increase the national electricity generation capacity.</li> <li>• Lower unit cost of electricity by providing steam (fuel) to power generators.</li> <li>• Attract capital for accelerated development by opening up opportunities for private sector participation.</li> </ul>
Project duration	The project started in July 2014 and is expected to run until June 2025.

**1.4 Bankers**

The following were the bankers for the year:

Cooperative Bank of Kenya Limited  
 Upper Hill Branch  
 Nairobi, Kenya.

NCBA  
 Masaba Branch  
 Nairobi, Kenya

Kenya Commercial Bank of Kenya  
 Kipande Branch  
 Nairobi, Kenya

**Bogoria Silali Geothermal Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.4 Bankers (Continued)**

1. Kenya Commercial Bank  
Marigat Branch  
Marigat, Kenya.
2. NCBA Bank  
Masaba Branch  
Upper Hill  
Nairobi, Kenya

**1.5 Auditor**

The project is audited by the Auditor General:

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

**1.6 Roles and Responsibilities**

<b>Names</b>	<b>Title Designation</b>	<b>Key Qualifications</b>	<b>Responsibilities</b>
Eng. Jared O. Othieno	Managing Director & CEO	Master of Business Administration (MBA) and BSc in Electrical Engineering from the University of Nairobi	Coordination of project work to attain strategic project objectives
Dr. George Muia	Project Manager	PhD in Earth Science, Master of Science in Integrated Petroleum Geoscience, Master of Arts in Environmental Planning & Management and a Bachelor of Science in Geology	Supervision of project work

***Bogoria Silali Geothermal Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021***

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.7 Funding Summary**

The Project's duration is for 10 years from July 2014 to June 2025 with initial funding from German Development Bank. The loan amount is EUR 80,000,000 equivalent to KShs 9,571,392,000 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor commitment		Amount received to 30-Jun-21		Undrawn balance to 30 June 2021	
	EUR'000 (A)	KShs'000 (A')	EUR'000 (B)	KShs'000 (B')	EUR'000 (A)-(B)	KShs'000 (A')-(B')
(i) Loan						
German Development Bank (KfW)	80,000	9,571,392	31,383	3,756,367	48,617	5,815,025
(ii) Counterpart funds						
Government of Kenya (GoK)	-	66,015,612	-	3,045,775	-	-
<b>Grand total</b>	<b>80,000</b>	<b>75,587,004</b>	<b>31,383</b>	<b>6,802,141</b>	<b>48,617</b>	<b>5,815,025</b>

**Note:**

The contract for the above financing was signed on 10<sup>th</sup> July 2014.

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**Bogoria Silali Geothermal Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

**1.7 Funding Summary**

Application of Funds	Amount Received to date- 30th June 2021		Cumulative Amount paid to date 30-June-21		Unutilised balance to 30 June 2021	
	EUR'000 (A)	KShs'000 (A')	EUR'000 (B)	KShs'000 (B')	EUR'000 (A)-(B)	KShs'000 (A')-(B')
<b>(i) Loan</b>						
German Development Bank (KfW)	31,383	3,756,367	27,561	3,266,227	3,822	490,139
<b>(ii) Counterpart funds</b>						
Government of Kenya (GoK)	-	66,015,612	-	3,121,277	-	
<b>Grand total</b>	<b>31,383</b>	<b>69,771,979</b>	<b>27,561</b>	<b>6,387,504</b>	<b>3,822</b>	<b>490,139</b>

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.8 Summary of Overall Project Performance**

Physical progress based on outputs, outcomes and impacts since project commencement:

	Financial year 2020/21	
	Target	Actual
Well drilling	6	3
Construction of water line	100% completion	100% completion

**Comment on value-for-money achievements:**

- Geo-scientific work complete
- 103 km of access roads to Korosi, Paka and Silali have been constructed, maintenance works are ongoing
- Six well pads constructed; three at Paka and three at Korosi
- Waterline supply system is complete.
- Five wells drilled, three in Paka prospect PW01, PW02 and PW03 and two in Kososi (KW01 and KW02)
- Environmental and Social Impact Assessment (ESIA) gaps updated
- Social licence enhanced through provision of 20 community watering points

**Implementation challenges**

- Delays in getting approval from various county governments
- Geothermal License acquisition from the Ministry of Energy
- Security lapses within project area

**Way forward**

- Continuous engagement with County Governments to secure County Government approval
- Continuous engagement with the Ministry of Energy to obtain a geothermal license
- Continuous engagement with Government agencies to beef up security

**Compliance with applicable environmental laws and regulations**

The Company has strived to ensure compliance with all relevant national and international environmental and other statutory regulatory provisions that apply to Bogoria-Silali Geothermal Power Project as relates to licensing/permitting for water usage (abstraction license) and project implementation to ensure sound environmental management practice. The key national laws are; the Environmental Management and Coordination Act (EMCA) of 1999 Amendment 2015 and the associated regulations; the Water Act of 2016 and Associated Rules/Guidelines; Occupational Safety and Health Act 2007 and Associated Rules and any other regulations relating to environmental conservation and management. Key International Best practices that guide project implementation include the International Finance Corporation (IFC) Performance Standards on Environment and Social Sustainability. The Baringo-Silali geothermal project’s environmental and social management/monitoring plans are anchored on these regulations, standards and best practices.

GDC continues to streamline its environmental and social management/monitoring plans to be in total compliance with International Environmental Best Practices and Standards. Dissemination of knowledge on environmental conservation has been a key component through the social afforestation program and national/international environmental conservation and management awareness campaigns. The company has also continued to contribute to National realization of Sustainable Development Goals (SDGs) relating to: Affordable and Clean Energy; Clean Water and Sanitation for communities in project areas; Improved Infrastructure, and Climate Change Action.

**1. PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.8 Summary of Project Compliance (continued)**

- **Consequences if any suffered on account of non-compliance or likely to be suffered**

The Company has a valid Water Abstraction permits (Lake Baringo) and has continuously undertaken timely monthly monitoring & annual external environmental audit is underway. GDC has not suffered any consequence as a result of non-compliance due to its commitment towards environmental regulatory compliance. The Company is working towards implementation of ISO 14001 (EMS) and has also streamlined its environmental and social management/monitoring plans to be in total compliance with International Environmental Standards such as the IFC Performance Standards.

**2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and format prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives

The key development objectives of the project's 2018-2022 plan are to:

- a) Facilitate realisation of at least 300MW from Bogoria-Silali Geothermal Block project i.e. 100MW from Paka, 100MW from Korosi, and 100MW from Silali out of the total 1,065 MW earmarked for generation by 2025.
- b) Reduce electricity tariffs due to inclusion of cheaper power mix. This will in turn spur economic growth.
- c) Lower the cost of electric power by providing fuel (steam to independent power generators).
- d) To promote alternative uses of geothermal energy

The project management aims to achieve the goals through the following means:

- a) Facilitate early generation of electricity through provision of steam to Independent Power Producers (IPP's) to ensure electricity becomes available faster.
- b) Environmental sustainability through displacement of biomass and fossil fuel by cleaner and environmentally friendly alternatives.
- c) To promote alternative uses of geothermal resources other than electricity generation. These include greenhouse heating, drying of grains, pasteurizing milk, cooling and heating of rooms, among others.

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bund (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Bogoria Silali Geothermal Project	Exploration drilling (20 wells)	De-risk the field for production drilling and attract investors who perceive upfront geothermal development risks as high	No. of wells drilled	In the financial year 2019/20, 3 exploration Wells were successfully drilled representing 15% of the target
	Infrastructure development through construction of roads and waterline installation	Ease of accessibility and availability of water to support drilling activities	Availability of roads to 3 project prospects Availability of water in three project prospects	In the financial year 2019/20 103km of road to the three prospects completed Water line completed and commissioned
	Social licence enhancement	Improve quality of life for people living within the prospect	Number of community water points	In the financial year 2019/20, 20 community water points were constructed and commissioned. This is 100% of the target

### **3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

GDC has a deeply rooted tradition of acting in a responsible and ethical manner, and of being actively and positively present in the communities where it is established. It continues to emphasize the need for sustainable relationships with communities in and around its project areas. The value conferred to social acceptance continues to top the Company's agenda as project success is anchored on this important aspect.

#### **Our approach**

GDC's approach to corporate social responsibility (CSR) replicates the steps that we are taking as a company to ensure we are and remain, a good corporate citizen. Social responsibility embraces everything we do that has an impact on society around us – it is our values and behaviour as an organisation. The company continues to emphasize social, economic and environmental sustainability

#### **1. Social Sustainability**

##### **a) Education**

###### **Purchase and donation of school desks**

In the 2019/2020 Financial Year the Company received proposals from Tulwobwoi and Paka Hills Primary Schools in Central and North Rift regions respectively. The schools cited inadequate furniture and in particular desks as a major challenge and further justified how the support will improve learning environment and ultimately boost performance in school. In Financial Year 2020/2021 GDC Management approved the proposal for implementation and Community Relations Department facilitated procurement and handover of fifty desks each to the schools.

##### **b) Health**

In light of the medical response challenges within the Bogoria-Silali project area, the Company has provided first aid support and ambulance services to the local community. The company also procured sanitary towels for distribution to secondary schools within the financial year.

##### **c) Sports**

GDC has facilitated youth empowerment by sponsoring a football club (GDC FC) that nurtures local talent and create opportunities to expose their skills.

#### **2. Economic Sustainability**

##### **a) Reserved Tender Opportunities**

The Company has undertaken procurement sensitization to local businesses, women, youth and People Living with Disabilities (PWDs) on AGPO on all areas of operation. This has enabled most of the special groups to successfully participate in the tendering process at GDC. These procurement opportunities have created diverse financial benefit for the special groups as well as enhancing the GDC corporate image and reputation.

##### **b) Road Infrastructure**

The Company has improved the accessibility to the Bogoria-Silali region through a road network system of over 100km within the project area. By extension, the road system has immensely benefited the host community by streamlining transport and communication for commerce, education, health services and government administrative services.

##### **c) Employment Opportunities**

The host communities in the areas of operation have benefited from employment opportunities by GDC and its contractors. This has boosted the living standards of the communities in the project areas

##### **d) Employment Opportunities**

The host communities in the areas of operation have benefited from employment opportunities by GDC and its contractors. This has boosted the living standards of the communities in the project areas

**3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING (continued)**

**e) Corporate Sponsorship**

GDC sponsored and participated in the Nakuru International Investment Conference (NIICO) held in Naivasha between the 29th November and 1st December 2019. Key issues discussed at the conference include the place of geothermal energy as a natural source of reliable power and its importance to the national economy. The Company also sponsored and participated in the Fifth Africa Engineering Week and Third Africa Engineering Conference held between the 17th and 21st September 2019.

**4. Environmental sustainability**

The Company's contribution to societal well-being in its operational areas continues to be a pillar for business continuity. The Company envisions lowering the cost of power in Kenya through development of 1065MW from geothermal resources. To ensure sustainability of the business, the Company endeavors to align its activities to ensure minimal impact on the environment.

**a) Compliance with Applicable Environmental Laws and Regulations**

The Company's contribution to societal well-being in its operational areas continues to be a pillar for business continuity. The Company envisions lowering the cost of power in Kenya through development of 1065MW from geothermal resources. To ensure sustainability of the business, the Company endeavors to align its activities to ensure minimal impact on the environment.

**a) Compliance with Applicable Environmental Laws and Regulations**

GDC participated in this year's World Environment Day (WED), this year's theme was "Ecosystem restoration". This activity was spearheaded by NEMA, GDC played an active role in events leading to the build-up for WED as well as participated in tree planting activities in Menengai where GDC planted over 1500 tree seedlings on 5th June 2021. GDC also participated in the International day of forest on the 21st of March.

GDC's environmental and social management/monitoring plans are anchored on environmental laws, regulations, standards and best practices. The Company ensures compliance with all relevant national and international environmental and other statutory regulatory provisions that apply to its projects as pertains to licensing/permitting for water usage (abstraction license) and project implementation to ensure safe and sound environmental management practice.

The Company undertakes bi-annual environmental audits and has valid permits and licenses for its operations to ensure continual improvement of the environmental systems in place. The Company is working toward implementation of ISO 14001 (EMS) and has also streamlined its environmental and social management/monitoring plans to be in total compliance with following;

- the Environmental Management and Coordination Act (EMCA) of 1999 Amendment 2015 and the associated regulations;
- the Water Act of 2016 and Associated Rules/Guidelines;
- Occupational Safety and Health Act 2007 and Associated Rules and any other regulations relating to environmental conservation and management.

Project implementation is guided by the international best practices that include the International Finance Corporation (IFC) Performance Standards on environment and social sustainability.

**3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING (continued)**

**f) Stakeholder Management**

The Company's stakeholders continue to play a critical role in the success of the projects and for growth. As part of its commitment to a sustainable environment and society, GDC continues to disseminate knowledge on environmental conservation through the social afforestation program and the national/international environmental conservation and management awareness campaigns. The Company has also continued to contribute to national realization of Sustainable Development Goals (SDGs) relating to: Affordable and Clean Energy, Clean Water and Sanitation for communities in project areas, Improved Infrastructure, and Climate Change Action.

In the year under review FY 2020-21 GDC has invested heavily in support for the host communities in the project areas of influence; in areas of employment, water, road infrastructure, education and economic empowerment initiatives.

**Water Support**

**North Rift Community Water:**

In the year under review GDC played a crucial role in the maintenance, repairs and managing operations of L Baringo-Silali community water project in North Rift Region; the water system comprises of twenty (20) community water points that supply potable water for human consumption and water troughs for community livestock. The impacts have been significant and include the following:-

- Increased enrolment in the local schools and reduced drop outs
- Improved the hygiene standards
- Improved health and sanitation conditions
- Reduction of water borne diseases
- Promotion of peace as pressure for water for livestock has been minimized

#### 4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The MD & CEO and Project Manager for Bogoria-Silali Geothermal Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project's transactions for and as at the end of the financial year ended 30 June 2021. This responsibility includes:

- (i) maintaining adequate financial management arrangement 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 Project;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the Project;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

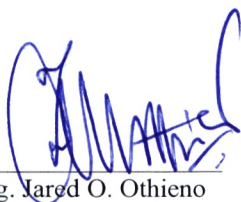
The MD & CEO and Project Manager for Bogoria-Silali Geothermal Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The MD & CEO and Project Manager for Bogoria-Silali Geothermal Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended 30 June 2021, and of the Project's financial position as at that date. The MD & CEO and Project Manager for Bogoria-Silali Geothermal Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

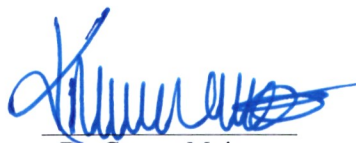
The MD & CEO and Project Manager for Bogoria-Silali Geothermal Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

#### Approval of the Project financial statements

The Project financial statements were approved by the MD & CEO and Project Manager for Bogoria-Silali Geothermal Project on \_\_\_\_\_ 2021 and signed by them.



Eng. Jared O. Othieno  
Managing Director & CEO



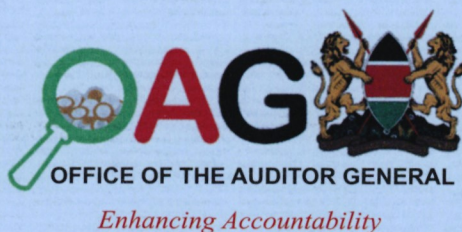
Dr. George Muia  
Project Manager



Stephen Busieney  
General Manager Finance:  
ICPAK No.4880

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

## **REPORT OF THE AUDITOR-GENERAL ON BOGORIA SILALI GEOTHERMAL PROJECT (LOAN NO.2013.66.103) FOR THE YEAR ENDED 30 JUNE, 2021 - GEOTHERMAL DEVELOPMENT COMPANY LIMITED**

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### **PREAMBLE**

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

- A. Report on the 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 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 government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Bogoria Silali Geothermal Project set out on pages 16 to 32, which comprise the statement of financial assets as

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*Report of the Auditor-General on Bogoria Silali Geothermal Project (Loan No.2013.66.103) for the year ended 30 June, 2021 - Geothermal Development Company Limited*

at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bogoria Silali Geothermal Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.2013.66.103 dated 10 July, 2014 between the German Development Bank (KfW) and the Kenya Government and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Cash and Cash Equivalents**

The statement of financial assets for the year ended 30 June, 2021 reflects cash and cash equivalents of Kshs.870,796,000 comprising of bank balances for four accounts held at Kenya Commercial Bank, Cooperative Bank of Kenya and NCBA Bank. However, the balance of Kshs.322,045,000 in respect of the account held at Cooperative Bank as reflected in Note 10.9 to the financial statements differs with cashbook balance of Kshs.60,948,99 resulting in a variance of Kshs.261,096,001. The difference between the two balances was not reconciled.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.870,796,000 included in the statement of financial assets for the year ended 30 June, 2021 could not be confirmed.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, 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**

### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts for the year ended 30 June, 2021 reflects total budgeted expenditure of Kshs 2,079,000,000 against the actual expenditure of Kshs.1,069,898,000 resulting in an under-expenditure of Kshs.1,009,102,000 or 49% of the total budget. The under expenditure implies that planned activities during the year were not implemented thus affecting service delivery to citizens.

### **Other Information**

The Managing Director and Chief Executive Officer, Geothermal Development Company Project Implementation Team are responsible for the other information, which comprise the Project Information and Overall Performance, and the Corporate Social Responsibility Statement as required by the Public Financial Management (PFM) Act, 2012. The other information does not include the financial statements and our auditor's report thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Compliance with Lawfulness and Effectiveness in 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. Commingling of Funds Due to Failure to Observe PFM Regulations**

During the year under review, the Company operated a bank account opened and dedicated to the project. However, a number of payments relating to the Project were made outside the Project's bank account contrary to the Financing Agreement and Regulation 76(1) of the Public Finance Management (National Government Regulations, 2015 which requires a project account to be opened, maintained and operated in the name of the Project for which it is opened.

#### **2. Stalled Geothermal Development at Silali Prospective Site**

The amended Loan Agreement between the German Development Bank(KfW) and the Kenya Government dated 26 August, 2020 for steam field development at Bogoria-Silali Block provided that the loan would finance drilling exploration and appraisal wells carried out by GDC mobilization and demobilization of drilling rigs for up to 20 wells in the Bogoria-Silali Block.

Paragraph 1.3 of the annual report containing project information and overall performance report indicates that geothermal development under the Project was to be carried out in three prospective areas: Korosi, Paka and Silali. However, review of the Project status showed that drilling had only been carried out in two (2) of the prospected areas namely Korosi and Paka. The Management indicated that GDC had requested for approval and authorization for geothermal development and associated projects from the County Government of Turkana vide letter referenced GDC/MD/02/3a/GMM-jat dated 27 May, 2015. Despite the Company's follow up efforts through the Principal Secretary Ministry of Energy in May, 2021, no response had been received as at the time of audit December, 2021.

Lack of approval and authorization from the County Government of Turkana has occasioned delay in commencement of drilling activities at the Silali prospected site.

### **3. Failure to Prioritize Payments of Pending Bills**

As disclosed in Note 11 to the financial statements, the Project had pending bills amounting to Kshs.184,801,000 as at 30 June, 2021. Examination of documents provided for audit revealed that bills amounting to Kshs.33,938,773 were brought forward from 2019/2020 financial year and ought to have been paid as a first charge in 2020/2021 financial year as required by The National Treasury Circular No 10/2020 dated 16 June, 2020.

The Management indicated that invoices relating to the pending bills for supply of goods and services were received after year end and hence could not be settled in the year. However, the ageing analysis provided showed that invoices for all the pending bills had been received by the Company by 30 June, 2021.

No explanation has, therefore, been given for the failure to give priority to prior year pending bills. While it reflects arrogance towards the Project's creditors, it may also be a breeding ground for corruption in determining the Project debts to be paid in priority.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for Conclusion**

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

## **Responsibilities of Management and Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL


Nairobi

23 December, 2021


**Bogoria Silali Geothermal Project  
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**5. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021**

Note	FY 2020/21		FY 2019/20		Cumulative to-date
	Receipts & payments controlled by entity	Payments made by third parties	Receipts & payments controlled by entity	Payments made by third parties	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Receipts</b>					
Transfer from Government entities	137,500	-	325,000	-	2,164,375
Company Contributions	448,005	-	250,000	-	956,902
Loan from external development partners	900,646	-	-	(892,201)	3,756,367
<b>Total receipts</b>	<b>1,486,151</b>	<b>-</b>	<b>575,000</b>	<b>(892,201)</b>	<b>6,877,644</b>
<b>Payments</b>					
Compensation of Employees	496,542	-	272,271	-	1,072,903
Purchase of goods and services	152,801	-	69,864	-	370,683
Social Security Benefits	66,917	-	33,355	-	133,031
Acquisition of non-financial assets	421,568	-	160,735	(892,201)	4,430,231
<b>Total payments</b>	<b>1,137,828</b>	<b>-</b>	<b>536,225</b>	<b>(892,201)</b>	<b>6,006,848</b>
<b>Surplus/(deficit) for the year</b>	<b>348,323</b>	<b>-</b>	<b>38,775</b>	<b>-</b>	<b>870,796</b>

  
Eng. Vajed O. Othreno  
Managing Director & CEO

  
Dr. George Muia  
Project Manager

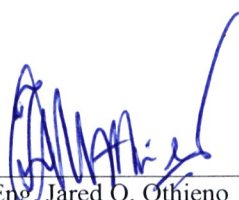
  
Stephen Busteny  
General Manager Finance:  
ICPAK No.4880

**Bogoria Silali Geothermal Project  
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**6. STATEMENT OF FINANCIAL ASSETS AS AT 30 June 2021**

	Note	At 30 June 2021 Kshs'000	At 30 June 2020 Kshs'000
<b>FINANCIAL ASSETS</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10.90	870,796	522,473
<b>Total Cash &amp; cash Equivalent</b>		<b>870,796</b>	<b>522,473</b>
<b>Total Financial Assets</b>		<b>870,796</b>	<b>522,473</b>
<b>Financial Liabilities</b>		-	-
<b>NET ASSETS</b>		<b>870,796</b>	<b>522,473</b>
<b>REPRESENTED BY:</b>			
Cash and cash equivalents brought forward	10.10	522,473	483,698
Surplus for the year		348,323	38,775
<b>NET FINANCIAL POSITION</b>		<b>870,796</b>	<b>522,473</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
Eng. Jared O. Othieno  
Managing Director & CEO

  
Dr. George Muia  
Project Manager


  
Stephen Busieney  
General Manager Finance:  
ICPAK No.4880


**Bogoria Silali Geothermal Project  
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**7. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 June 2021**

	Note	FY 2020/21 Ksh'000	FY 2019/20 Ksh'000
<b>Receipts for operating income</b>			
Transfer from Government entities	10.30	585,505	575,000
<b>Payments for operating activities</b>			
Compensation of employees	10.50	(496,542)	(272,271)
Purchase of goods & services	10.60	(152,801)	(69,864)
Social security benefits	10.70	(66,917)	(33,355)
		(716,259)	(375,490)
<b>Net cash flow from operating activities</b>		<b>(130,754)</b>	<b>199,510</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	10.80	(421,568)	731,466
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	10.40	900,646	(892,201)
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>348,323</b>	<b>38,775</b>
Cash and cash equivalent at beginning of the year	10.10	522,473	483,698
Cash and cash equivalent at end of the year	10.11	<b>870,796</b>	<b>522,473</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
Eng. Jared O. Othieno  
Managing Director & CEO

  
Dr. George Muia  
Project Manager

  
Stephen Busieny  
General Manager Finance:  
ICPAK No.4880

***Bogoria Silali Geothermal Project  
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**8. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 June 2021**

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
<b>Receipts</b>						
Transfer from Government entities	470,000	109,000	579,000	585,505	(6,505)	101%
Proceeds from borrowings	1,500,000	-	1,500,000	900,646	599,354	60%
<b>Total Receipts</b>	<b>1,970,000</b>	<b>109,000</b>	<b>2,079,000</b>	<b>1,486,150</b>	<b>592,850</b>	<b>71%</b>
<b>Payments</b>						
Compensation of employees	389,100	108,568	497,668	496,542	1,126	100%
Purchase of goods and services	315,967	432	316,400	152,801	163,599	48%
Social security benefits	66,917	-	66,917	66,917	-	100%
Acquisition of non-financial assets	1,198,015	-	1,198,015	421,568	776,447	35%
<b>Total Payments</b>	<b>1,970,000</b>	<b>109,000</b>	<b>2,079,000</b>	<b>1,137,828</b>	<b>941,172</b>	<b>55%</b>



Eng. Jared O. Othieno  
Managing Director & CEO



Dr. George Muia  
Project Manager



Stephen Busieney  
General Manager Finance:  
ICPAK No. 4880

**9. NOTES TO THE FINANCIAL STATEMENTS**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**9.1 Basis of Preparation**

**9.2 Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

**9.3 Reporting entity**

The financial statements are for the Project Bogoria\_Silali Geothermal Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

**9.4 Reporting currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

**9.5 Significant Accounting Policies**

**a) Recognition of receipts**

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

**i) Transfers from the Exchequer**

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**ii) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

**iii) Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**9. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**b) Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

**c) Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

**d) Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

**e) Recognition of payments**

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

**i) Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

**ii) Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

**iii) Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**iv) Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

**9. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**v) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**f) In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**g) Cash and cash equivalents**

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

**Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

**h) Accounts receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**9. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**i) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**j) Contingent Assets**

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

**Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**9. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**k) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**l) Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

**m) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

**n) Comparative figures**

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

**o) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021

**p) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

***Bogoria Silali Geothermal Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021***

**10. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10.30 RECEIPTS FROM GOVERNMENT OF KENYA**

These represent counterpart funding and other receipts from government as follows:

	FY 2020/21	FY 2019/20	Cumulative to-date
	Kshs'000	Kshs'000	Kshs'000
<b>Counterpart funding through Ministry of Energy</b>			
Counterpart funds Quarter 1	62,500	75,000	407,625
Counterpart funds Quarter 2	-	312,500	789,750
Counterpart funds Quarter 3	-	-	477,250
Counterpart funds Quarter 4	75,000	(62,500)	489,750
	137,500	325,000	2,164,375
Company contributions	448,005	250,000	956,902
<b>Total</b>	<b>585,505</b>	<b>575,000</b>	<b>3,121,277</b>

**10.40 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

Name of Sponsor	Date received	Amount received in Loan currency Kshs'000	FY 2020/21		Total	FY 2019/20
			Loans received in cash Kshs'000	loans received as direct payments Kshs'000		loans received as direct payments Kshs'000
<b>Loans Received from Multilateral Donors</b>						
German Development Bank (KfW)	18.03.2020	8,427	900,646	-	900,646	628,220
Refund of Hoosl (Note 8.4.2)	10.12.2019	-	-	-	-	(1,516,994)
Refund of BV APG (Note 8.4.2)	27.01.2020	-	-	-	-	(3,427)
<b>Sub-total</b>		<b>8,427</b>	<b>900,646</b>	<b>-</b>	<b>900,646</b>	<b>(892,201)</b>
German Development Bank (KfW)	Cumulative as at 30.06.2020	<b>28,390</b>	<b>-</b>	<b>2,855,721</b>	<b>2,855,721</b>	<b>3,747,922</b>
Cumulative Total of loans and refunds		<b>36,817</b>	<b>900,646</b>	<b>2,855,721</b>	<b>3,756,367</b>	<b>2,855,721</b>

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**10. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10.50 COMPENSATION OF EMPLOYEES**

	FY 2020/21		FY 2019/20	
	Payments made by entity in cash	Total payments	Payments made by entity in cash	Cumulative to-date
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Basic salaries of permanent employees	218,777	218,777	272,214	770,441
Personal allowances paid as part of salary	277,764	277,764	57	302,462
<b>Total</b>	<b>496,541</b>	<b>496,541</b>	<b>272,271</b>	<b>1,072,903</b>

**10.60 PURCHASE OF GOODS AND SERVICES**

	Payments made by the entity in cash	Total payments	Payments made by the entity in cash	Cumulative to-date
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Utilities, supplies and services	16,009	16,009	19,377	48,950
Communication, supplies and services	1,902	1,902	2,968	6,988
Domestic travel and subsistence	27,911	27,911	28,910	119,244
Foreign travel & subsistence	-	-	38	73
Printing, advertising and information supplies & services	669	669	1,630	4,507
Training expenses	341	341	2,845	6,197
Hospitality supplies & services	437	437	131	1,108
Insurance costs	-	-	-	3,839
Other operating payments	69,472	69,472	3,769	130,852
Routine maintenance vehicles and other transport equipment	36,060	36,060	10,196	48,925
	<b>152,801</b>	<b>152,801</b>	<b>69,864</b>	<b>370,683</b>

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**10. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10.70 SOCIAL SECURITY BENEFITS**

	FY 2020/21		Total	FY 2019/20		Cumulative to-date
	Payments made by entity in cash	Payments made by third parties		Payments made by entity in cash	Payments made by third parties	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Government pension and retirement benefits	65,681	-	65,681	32,887	-	130,359
Social security benefits in cash and in kind	1,236	-	1,236	468	-	2,672
<b>Total</b>	<b>66,917</b>	<b>-</b>	<b>66,917</b>	<b>33,355</b>	<b>-</b>	<b>133,031</b>

**10.80 ACQUISITION OF NON-FINANCIAL ASSETS**

	FY 2020/21		FY 2019/20		Cumulative to-date
	Payments made by entity in cash	Total Payments	Payments made by entity in cash	Payments made by third parties	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
Construction of buildings	-	-	6,739	-	10,744
Refurbishment of buildings	-	-	536	-	2,373
Construction of roads and civil works	23,372	23,372	16,999	-	1,007,736
Purchase of office furniture & general equipment	511	511	-	-	7,302
Purchase of specialized plant, equipment and machinery	695	695	-	587,157	2,057,984
Exploration and evaluation assets	51,628	51,628	50,353	41,064	1,869,178
Acquisition of strategic stocks	345,362	345,362	86,078	-	904,711
Acquisition of land	-	-	-	-	4,000
Purchase of motor vehicles	-	-	-	-	86,594
Acquisition of other Intangible assets	-	-	30	-	30
Refund of Advance Payment (Note 8.4.2)	-	-	-	(1,520,421)	(1,520,421)
<b>Total</b>	<b>421,568</b>	<b>421,568</b>	<b>160,735</b>	<b>(892,200)</b>	<b>4,430,231</b>

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**10. NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10.90 Bank Accounts**

	FY 2020/21 Kshs'000	FY 2019/20 Kshs'000
<b>Local Currency Accounts</b>		
Kenya Commercial Bank of Kenya [A/c No 1166553671]	2,211	566
Kenya Commercial Bank of Kenya [A/c 1119615208]	56,401	-
Co-operative Bank of Kenya [A/c No 01136160857600]	322,045	521,907
NCBA [A/c No 4761090015]	490,139	-
Total Bank Account Balances	<u>870,796</u>	<u>522,473</u>

**10.10 CASH AND CASH EQUIVALENTS CARRIED FORWARD**

	FY 2020/21 Kshs'000	FY 2019/20 Kshs'000
Bank accounts (Note 10.90)	870,796	522,473
Total	<u>870,796</u>	<u>522,473</u>

**10.11 FUND BALANCE BROUGHT FORWARD**

	FY 2020/21 Kshs'000	FY 2019/20 Kshs'000
Bank accounts (Note 10.90)	870,796	522,473
	<u>870,796</u>	<u>522,473</u>

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**11. OTHER IMPORTANT DISCLOSURES**

**11.10 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2019/20			FY 2020/21
	KShs'000	KShs'000	KShs'000	KShs'000
Construction of civil works	10,012.00	16,327	-	26,339
Supply of goods	54,596.00	406,729	400,507	60,818
Supply of services	69,427.00	72,335	44,118	97,644
<b>Total</b>	<b>134,035</b>	<b>495,391</b>	<b>444,625</b>	<b>184,801</b>

**11.20 PENDING STAFF PAYABLES (See Annex 2B)**

	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2019/20			FY 2020/21
	KShs'000	KShs'000	KShs'000	KShs'000
Senior Management	684	5,729	5,884	529
Middle Level Mgt	825	6,883	2,707	5,001
Unionisable employees	1,203	10,076	7,207	4,072
Others	623	5,221	5,393	451
<b>Total</b>	<b>3,334</b>	<b>27,909</b>	<b>21,191</b>	<b>10,052</b>

**11. OTHER IMPORTANT DISCLOSURES**

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**11.30 EXTERNAL ASSISTANCE**

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
External assistance received as loans and grants	900,646	(892,201)
Total	<u>900,646</u>	<u>(892,201)</u>

**a) External assistance relating loans and grants**

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
External assistance received as loans	900,646	(892,201)
Total	<u>900,646</u>	<u>(892,201)</u>

**b) Undrawn external assistance**

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Undrawn external assistance - loans	5,815,025	6,715,671
Total	<u>5,815,025</u>	<u>6,715,671.00</u>

**c) Classes of providers of external assistance**

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Multilateral donors	900,646	(892,201)
Total	<u>900,646</u>	<u>(892,201)</u>

The external assistance was provided for purposes of economic development activities.

**11. OTHER IMPORTANT DISCLOSURES**

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**d) Purpose and use of external assistance**

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Acquisition of assets	314,384	(892,201)
Purchase of goods & Services	48,350	-
	<u>362,734</u>	<u>(892,201)</u>
	=====	=====

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.

**e) External assistance paid by third parties on behalf of the entity by source**

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	<b>FY 2020/21</b>	<b>FY 2019/20</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Multilateral donors	-	(892,201.00)
	<u>-</u>	<u>(892,201.00)</u>
	=====	=====

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**12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Commingling of funds	Management to effect separation of bank accounts	Stephen Bisiency GM-Finance	Not resolved	30.06.2022



Eng. Jared O. Othieno  
Managing Director & CEO



Dr. George Muia  
Project Manager

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**ANNEXES**

**ANNEX 1 – VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comment
	a	b	c=a+b	d	e=c-d	f=d/c %	
	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	
<b>Receipts</b>							
Transfer from Government entities	470,000	109,000	579,000	585,505	(6,505)	101%	N/a
Proceeds from borrowings	1,500,000	-	1,500,000	900,646	599,354	60%	GRMF funding for Ksh. 542 million was not received in the FY 2020.21 due to challenges with donor requirements & 40 Million from KFW was not received in the FY
<b>Total Receipts</b>	<b>1,970,000</b>	<b>109,000</b>	<b>2,079,000</b>	<b>1,486,150</b>	<b>592,850</b>	<b>71%</b>	
<b>Payments</b>							
Compensation of employees	389,100	108,568	497,668	496,542	1,126	100%	
Purchase of goods and services	315,967	432	316,400	152,801	163,599	48%	Kfw funds were received in April 2021. This greatly affected the absorption of the funds upto end of financial year
Social security benefits	66,917	-	66,917	66,917	-	100%	N/a
Acquisition of non-financial assets	1,198,015	-	1,198,015	421,568	776,447	35%	Kfw funds were received in April 2021. This greatly affected the absorption of the funds upto end of financial year
<b>Total Payments</b>	<b>1,970,000</b>	<b>109,000</b>	<b>2,079,000</b>	<b>1,137,828</b>	<b>941,173</b>	<b>55%</b>	

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**ANNEX 2A – ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
	a	b	c	d=a-c	
	Ksh.'000'	Ksh.'000'	Ksh.'000'	Ksh.'000'	Ksh.'000'
<b>Construction of civil works</b>					
Mechanical And Transport Fund	12,377	08.06.2021	-	12,377	-
Tamani Construction Company Ltd	10,012	28.03.2017	-	10,012	10,012
Benir Hourders	3,950	25.06.2021	-	3,950	-
<b>Sub-Total</b>	<b>26,339</b>	<b>-</b>	<b>-</b>	<b>26,339</b>	<b>10,012</b>
<b>Supply of goods</b>	<b>-</b>				
National Oil Corporation	51,612	22.06.2021	-	51,612	12,024
Synergy Power Systems Ltd	8,435	11.06.2021	-	8,435	-
Ramji Haribhai Devani Ltd	41,151	30.06.2021	41,151	-	41,151
Lergend Enterprises	770	26.02.2021	-	770	1,421
<b>Sub-Total</b>	<b>101,969</b>	<b>-</b>	<b>41,151</b>	<b>60,818</b>	<b>54,596</b>
<b>Supply of Services</b>	<b>-</b>				
Quality Inspectors Ltd	689	02.06.2021	-	689	-
Kenya Bureau Of Standards	3,038	17.11.2020	-	3,038	53
Postal Corporation Of Kenya	143	05.05.2021	-	143	8
Abcos Industrial Limited	3,116	26.02.2021	-	3,116	-
Dr Ahmed Parkar	304	01.07.2020	-	304	-
Tames Logistics Company Limited	555	11.06.2021	-	555	-
Ecolab East Africa(K) Ltd	68	30.06.2019	-	68	68
Smart Applications International Lt	91	31.08.2019	91	-	91

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
	a	b	c	d=a-c	
<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
Loyamorok Sacco Society	84	08.10.2020	-	84	1,556
Eim Solutions Ltd	1,418	20.06.2020	1,418	-	1,418
Prof. Paul G. Kioy	3	01.07.2020	-	3	-
Dr. Hosea W. Waweru	24	01.07.2020	-	24	-
Crater X-Ray Clinic	1	01.07.2020	-	1	-
Stallion Group Africa Limited	3,661	03.06.2021	-	3,661	959
Hever Company	840	14.06.2021	-	840	-
Novel Technologies E.A. Ltd	874	03.05.2021	-	874	139
Liquid Telecommunication Kenya	118	01.04.2020	118	-	118
Dimension Data Solutions Limited	49	25.05.2020	49	-	49
Nodal Systems Limited	128	16.04.2021	-	128	-
Seequent Limited	2,589	31.05.2021	-	2,589	-
Telkom Kenya	463	01.02.2020	463	-	463
Top Image Cleaning Services	305	25.01.2021	-	305	910
Institution Of Engineers Of Kenya	12	09.04.2020	12	-	12
National Environment Management Auth	21,600	25.05.2015	-	21,600	21,600
Ankh Womens Clinic	117	01.07.2020	-	117	45
The Polyclinic Hospital	23	01.07.2020	-	23	5
Naivagil Pharmaceuticals Ltd	12	01.07.2020	-	12	4
Elementaita Pharmaceuticals Ltd	180	01.07.2020	-	-	180
Baus Optical	785	01.07.2020	-	785	143
Care Chemists Limited	395	01.07.2020	-	395	397
Karen Hospital	2,091	01.07.2020	-	2,091	993
	a	b	c	d=a-c	

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Supplier of Goods or Services	Original Amount Ksh.'000'	Date Contracted Ksh.'000'	Amount Paid To-Date Ksh.'000'	Outstanding Balance 2020/21 Ksh.'000'	Outstanding Balance 2019/20 Ksh.'000'
Gertrude's Children's Hospital	667	01.07.2020	-	667	317
Menelik Hospital	39	01.07.2020	-	39	6
The Nairobi Women's Hospital	1,221	01.07.2020	-	1,221	245
The Nairobi South Hospital	807	01.07.2020	-	807	230
Malibu Pharmacy Ltd	82	01.07.2020	-	82	112
Lyntons Pharmacy	0	01.07.2020	-	0	2
Ben-Ammi Medical Centre	76	01.07.2020	-	76	8
Dr Anthony Biketi Wabule	351	01.07.2020	-	351	70
Dr C. Oduka-Obonyo Medical Practice	13	01.07.2020	-	13	15
Dr E K Mutakha	530	01.07.2020	-	530	107
Dr Wanjohi Esther Njeri	40	01.07.2020	-	40	1
Abdallah & Associates Dental And Implant Centre	11	30.06.2020	11	-	11
Dr Joseph Kariuki Mbuthia	3	01.07.2020	-	3	-
Dr Martin Oduori	1	01.07.2020	-	1	-
Dr N. G. Thagana	15	01.07.2020	-	15	5
Njoroge Ngugi Moses	9	01.07.2020	-	9	2
Dr Omondi Oyoo	3	01.07.2020	-	3	2
Kamau & Mwendwa Medical Associates	2	01.07.2020	-	2	2
Dr V. N Choksey	1	01.07.2020	-	1	-
Dr Wairimu Imalingat	46	01.07.2020	-	46	3
Dr. Betty M Musau	1	01.07.2020	1	-	1
Dr. Charles Kariuki	31	01.07.2020	-	31	16
Dr. Jean Kagia	13	01.07.2020	-	13	2
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>

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Dr. Joy Mpaata	90	01.07.2020	-	90	24
Dr. Peter Ndagutha	4	01.07.2020	-	4	1
Equitorial Medical	16	01.07.2020	-	16	-
Garlands Medical Centre Ltd	94	01.07.2020	-	94	42
Nairobi Dental Polyclinics Ltd	6	01.07.2020	-	6	4
Nairobi E.N.T. Clinic	24	01.07.2020	-	24	4
Molars Ltd	463	01.07.2020	-	463	79
Parklands Kidney Centre Ltd	1	01.07.2020	-	1	3
Pathcare Kenya Limited	207	01.07.2020	-	207	26
Prof.Elly O. Ogutu	12	01.07.2020	-	12	1
Prof. M. Sajabi Masinde	1	01.07.2020	1	-	1
Mt. Longonot Medical Services Ltd	5	01.07.2020	-	5	4
Ndonyo Healthcare	33	01.07.2020	-	33	18
Ngethe Florence Njeri	1	01.07.2020	-	1	1
Aga Khan University Hospital	85	30.06.2020	85	-	85
Evans Sunrise Medical Centre	1,004	01.07.2020	-	1,004	325
Ranalo Medical Imaging Centre	29	01.07.2020	-	29	20
Valley Hospital Ltd	757	01.07.2020	-	757	176
Corner House Medical Laboratory	4	01.07.2020	-	4	1
Kenya Hospital Association	2,584	01.07.2020	-	2,584	1,649
Plaza X-Ray Services	3	01.07.2020	-	3	-
Nakuru War Memorial Hospital	3,688	01.07.2020	-	3,688	1,699
Inkamed Pharmaceuticals Ltd	269	01.07.2020	-	269	81
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
Dr.Mong'are Onsomu	197	01.07.2020	-	197	84

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The Nakuru E.N.T Medical Centre	58	01.07.2020	-	58	45
Dr. Mwangi S Watene	41	01.07.2020	-	41	4
Dr. Julius Ogeto	37	01.07.2020	-	37	8
Rol Medical Laboratories Ltd	22	01.07.2020	-	22	2
Dr. Amos M Otara	219	01.07.2020	-	219	72
The Mater Hospital	556	01.07.2020	-	556	62
Dr. Susan Wanjiku Maina	61	01.07.2020	-	61	16
Dr. Ahmed Parkar	5	01.07.2020	-	5	4
Dr. Ramadhan Mawenzi	132	01.07.2020	-	132	25
Dr. Lucy N. Gachare	2	01.07.2020	-	2	10
Dr. Naomi Gachara	7	01.07.2020	-	7	2
Dr. A.H. Mohamed - Paed Prac	15	01.07.2020	-	15	5
Dr. Nancy Ngugi	8	01.07.2020	-	8	1
Prof. Paul G. Kioy	3	01.07.2020	-	3	1
Prof. Erastus O. Amayo	1	01.07.2020	-	1	1
Dr. Joseph A. Alouch	15	01.07.2020	-	15	3
Dr. Hosea W. Waweru	24	01.07.2020	-	24	5
Dr. Prafull S. Patel	6	01.07.2020	-	6	1
Dr. H. S. Dhadialla	1,083	01.07.2020	-	1,083	170
Dr. Irungu Ndirangu	4	01.07.2020	-	4	6
Dr. Musa K. Kipingor	1	01.07.2020	1	-	1
Dr. Marx M. O. Okonji	1	01.07.2020	-	1	-
	a	b	c	d=a-c	
	<b>Ksh. '000'</b>	<b>Ksh. '000'</b>	<b>Ksh. '000'</b>	<b>Ksh. '000'</b>	<b>Ksh. '000'</b>
De Mundo	7	01.07.2020	-	7	-
Amani Counselling Centre	55	01.07.2020	-	55	-

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
Prime Physiotherapy Services	24	01.07.2020	-	24	6
Cambridge & Company Ltd	223	01.07.2020	-	223	35
Dr. F. Mugo Ng'ang'a	183	01.07.2020	-	183	73
Dr. Jane Nyikuri Wenyaa	75	01.07.2020	-	75	12
Dr. Benedict Osore	88	01.07.2020	-	88	22
Dr. Charles Luseno	3	01.07.2020	-	3	1
Dr. Gitu Robert	12	01.07.2020	-	12	4
Dr. Njuguna Gachoiro	6	01.07.2020	-	6	6
Dr. Lutomia Lumbasi	29	01.07.2020	-	29	11
Dr. Naresh Sarna	6	01.07.2020	-	6	5
Dr Riaz M Khan	9	01.07.2020	9	-	9
Nakuru Dental Centre	28	01.07.2020	-	28	21
The Aga Khan Hospital - Kisumu	839	01.07.2020	-	839	321
Chiromo Lane Medical Centre	407	01.07.2020	-	407	162
Avenue Healthcare	1,012	01.07.2020	-	1,012	44
Eagle Eye Laser Centre Limited	337	01.07.2020	-	337	59
Mediheal Diagnostic & Fertility Cen Ltd	394	01.07.2020	-	394	389
Naivasha Optics	20	01.07.2020	-	20	8
Naivasha Dental Clinic	28	01.07.2020	-	28	19
Nairobi Spine & Orthopaedic Centre	34	01.07.2020	-	34	6
Catherine Wangui Muthigani	11	01.07.2020	-	11	5
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
Dr. Catherine Muthoni Boit	16	01.07.2020	-	16	9
Mogere Agencies	8	01.07.2020	-	8	-
Hyrax Medical Centre	35	01.07.2020	-	35	19

**Bogoria Silati Geothermal Project**  
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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
Dr. Timothy Kagoda Byakika	10	01.07.2020	-	10	3
Advent Med & Dent Care Centre	1,740	01.07.2020	-	1,740	349
Dr. Samuel Okoth Owinga	7	01.07.2020	-	7	1
Prof. Josephat A. O. Mulimba	14	01.07.2020	-	14	1
The Aga Khan Hospital - Mombasa	201	01.07.2020	-	201	70
Crater X-Ray Clinic	1	01.07.2020	-	1	-
Nakuru Paediatric Clinic Limited	28	01.07.2020	-	28	72
Prof. Lawrence N. Gakuu	5	01.07.2020	-	5	-
Kenyatta National Hospital	11	01.07.2020	-	11	3
Dr. Rohit Radia	10	01.07.2020	-	10	2
Dr. John Ongech	182	01.07.2020	-	182	46
Kam Pharmacy Limited	44	01.07.2020	-	44	8
Dr. Calisto Odongo	12	01.07.2020	-	12	1
Pathologists Lancet Kenya	11	01.07.2020	11	-	11
Dr. Tanga Audi	1	01.07.2020	-	1	-
Hi-Tech Opticians	184	01.07.2020	-	184	62
Omega Opticians Ltd	225	01.07.2020	-	225	18
Dr. Millicent Muthoni	8	01.07.2020	-	8	-
Dr. Fredrick Kalande	55	01.07.2020	-	55	21
Aic Kijabi	148	01.07.2020	-	148	28
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
The Gynae-Paed Medical Centre	46	01.07.2020	-	46	15
Bureau Veritas(K) Limited	16	26.04.2019	16,272	-	16,272
Solvit Security	5	19.02.2020	4,722	-	4,722
Primesoft Technologies	1	14.04.2020	708	-	708

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
Evovick Enterprise	1	17.03.2020	705	-	705
Estec Limited	307	26.06.2021	-	307	-
Bamburi Cement Limited	3,180	26.03.2014	-	3,180	-
Cmc Motors Group	828	06.04.2021	-	828	-
D.T.Dobie	281	31.03.2021	-	281	-
First County Assurance	59	17.06.2020	59	-	59
Paper Technologies	9,341	16.09.2020	-	9,341	-
Bhogals Garage Limited	5,393	24.02.2021	-	5,393	803
Bearing House (1985) Ltd	104	13.01.2021	-	104	-
Stevemore Auto Spares	191	22.01.2021	-	191	-
New Kcc Ltd	339	02.04.2021	-	339	258
Mogere Agencies Ltd	131	07.04.2021	-	131	-
Rift Valley Engineering Works Ltd	109	04.02.2021	-	109	-
Bawani Stores Limited	333	13.01.2021	-	333	46
Nelka Regional Ventures	828	15.01.2021	-	828	230
Stevian Trading Agencies	289	14.02.2020	289	-	289
Niletrac Kenya Limited	215	23.10.2020	-	215	-
Nyathi Agencies	168	01.03.2020	168	-	168
Transvalle	3,291	05.06.2021	-	3,291	-
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
Benjana Investment Limited	309	22.03.2021	-	309	117
Abitiwani	1,099	28.04.2021	-	1,099	-
Maunteni Investment Ltd	711	09.10.2020	-	711	-
Forthright Ventures Company Limited	409	01.04.2021	-	409	-
Lotus Link Limited	238	25.10.2019	238	-	238

**Bogoria Silali Geothermal Project**  
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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
Fontana Enterprises Ltd	1,643	21.03.2020	1,643	-	1,643
Marileon International Consultants	189	15.01.2020	189	-	189
Globalinks Enterprises Limited	21	02.06.2020	21	-	21
Pecar Investments	324	17.05.2021	-	324	-
Zahryn K Limited	155	28.05.2020	155	-	155
Retam Enterprises	144	05.05.2020	144	-	144
Riverville Enterprises	76	02.06.2020	76	-	76
Tonline Agencies	317	15.06.2020	317	-	317
Babuye Investment Limited	737	04.06.2021	-	737	-
Greenberg International Ltd	585	09.12.2020	-	585	-
Spac Electricals & Hardware Limited	685	22.06.2021	-	685	-
Edge Courts Limited	426	11.06.2021	-	426	-
Mfi Document Solutions Limited	1,292	19.04.2021	-	1,292	164
Azmasoft Limited	345	29.10.2019	345	-	345
Kenya Meat Commission	409	06.03.2021	-	409	593
Power Options Limited	4	07.05.2019	-	4	204
Gifkana Investments Limited	1,745	18.01.2021	-	1,745	606
Red Hat Agencies	44	26.11.2020	-	44	238
	a	b	c	d=a-c	
	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>	<b>Ksh.'000'</b>
Kylewanz Limited	551	03.02.2020	551	-	551
Ecolab East Africa(K) Ltd					2,476
<b>Sub-Total</b>	<b>104,309</b>	<b>-</b>	<b>28,868</b>	<b>97,644</b>	<b>69,427</b>
<b>Grand Total</b>	<b>232,617</b>	<b>-</b>	<b>70,019</b>	<b>184,801</b>	<b>134,035</b>

**Bogoria Silali Geothermal Project  
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**ANNEX 2B – ANALYSIS OF PENDING STAFF BILLS**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	
					2020/21	2019/20
		Kshs'000'		Kshs'000'	Kshs'000'	Kshs'000'
<b>Permanent Employees - Management</b>						
Stephen Cherutich	GD-03	205	-	-	205	-
Zedekiah Orioki	GD-04	324	-	-	324	684
		<b>529</b>			<b>529</b>	<b>684</b>
Abraham Khaemba	GD-05	624	-	-	624	-
Dominic Langat	GD-05	222	-	-	222	-
Paul Cheptai	GD-06	91	-	-	91	263
Daniel Magicho	GD-06	145	-	-	145	83
Isaac Makuk	GD-06	105	-	-	105	34
Peter Mbia	GD-06	454	-	-	454	-
Francis Opiyo	GD-06	401	-	-	401	-
Stephen Nato	GD-06	303	-	-	303	-
Joel Sutter	GD-06	243	-	-	243	-
Diana Macodawa	GD-06	224	-	-	224	-
Billy Awili	GD-06	113	-	-	113	-
Paul Pakka	GD-06	80	-	-	80	-
Patrick Ketter	GD-06	14	-	-	14	-
Julius Tunta	GD-07	158	-	-	158	179
Lawrence Murithi	GD-07	34	-	-	34	60
Albert Lochilit	GD-07	319	-	-	319	-
Sarah Safari	GD-07	117	-	-	117	204
Irene Cheptum	GD-07	504	-	-	504	-
John Mundui	GD-07	256	-	-	256	-
Michael Mululu	GD-07	187	-	-	187	-
Mathew Arthur	GD-07	168	-	-	168	-
Martin Waswa	GD-07	139	-	-	139	-
Sharon Chebet	GD-07	97	-	-	97	-
<b>Sub-Total</b>		<b>4,997</b>			<b>4,997</b>	<b>822</b>
<b>Permanent Employees -Others</b>						

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Name of Staff	Job Group	Original Amount Kshs'000'	Date Payable Contracted	Amount Paid To- Date Kshs'000'	Outstanding Balance	
					2020/21 Kshs'000'	2019/20 Kshs'000'
<b>Permanent Employees - Management</b>						
Yusuf Losute	GD-08	-	-	-	-	90
Galeb Mwaniki	GD-08	173	-	-	173	59
Nancy Lomoto	GD-08	81	-	-	81	134
Lawrence Macharpus	GD-08	-	-	-	-	-
Braxton Atuko	GD-08	59	-	-	59	8
Oscar Ole Kirgotty	GD-08	58	-	-	58	47
Raymond Yego	GD-08	13	-	-	13	-
Gideon Chebon	GD-08	219	-	-	219	28
Wycliffe Omasete	GD-09	-	-	-	-	-
Conrad Barasa	GD-10	18	-	-	18	27
Scola Kiplagat	GD-10	98	-	-	98	67
Abraham Kimaiyo	GD-10	-	-	-	-	-
John Petu	GD-09	-	-	-	-	14
Majaliwa Mwaruwa	GD-09	-	-	-	-	25
Vincent Ohanya	GD-08	-	-	-	-	29
Josephat Kimani	GD-09	9	-	-	9	9
Onesmus Mwangoma	GD-09	-	-	-	-	76
Peterson Riandae	GD-09	-	-	-	-	10
Stephen Lepapa	GD-09	53	-	-	53	53
Johnstone Kirui	GD-10	60	-	-	60	60
Jabes Juma	GD-10	-	-	-	-	25
David Kariuki	GD-10	-	-	-	-	4
Urbanus Mbevi	GD-10	-	-	-	-	39
Kennedy Simiyu	GD-10	85	-	-	85	85
Justus Mutiso	GD-10	-	-	-	-	18
Robert Gitonga	GD-10	-	-	-	-	39
Martin Kimani	GD-10	-	-	-	-	9
James Gitari	GD-10	62	-	-	62	62
Phyllis Mathenge	GD-08	-	-	-	-	66

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Name of Staff	Job Group	Original Amount Kshs'000'	Date Payable Contracted	Amount Paid To-Date Kshs'000'	Outstanding Balance	
					2020/21 Kshs'000'	2019/20 Kshs'000'
<b>Permanent Employees - Management</b>						
Lionel Akaranga	GD-09	9	-	-	9	31
Fuad Shariff	GD-09	-	-	-	-	89
Daniel Loumen	GD-08	334	-	-	334	-
Loice Kipchumba	GD-08	284	-	-	284	-
Michael Lokirima	GD-08	272	-	-	272	-
David Mutungwa	GD-08	211	-	-	211	-
Fredrick Mutua	GD-08	201	-	-	201	-
John Rono	GD-08	170	-	-	170	-
Jean-Marie Ogeto	GD-08	166	-	-	166	-
Pascal Wanyama	GD-08	49	-	-	49	-
Peter Kariuki	GD-08	27	-	-	27	-
Enock Kosgei	GD-08	17	-	-	17	-
Boston Oginda	GD-08	11	-	-	11	-
Gilbert Kirui	GD-08	9	-	-	9	-
Maureen Otieno	GD-09	145	-	-	145	-
Lawrence Makumi	GD-09	83	-	-	83	-
Peter Maina	GD-09	55	-	-	55	-
Fredrick Ogugo	GD-09	40	-	-	40	-
Jairo Ohanya	GD-09	36	-	-	36	-
Gideon Yator	GD-09	29	-	-	29	-
Dan Odongo	GD-09	25	-	-	25	-
Yvonne Nyanjong'	GD-09	24	-	-	24	-
Kiplagat Rono	GD-09	20	-	-	20	-
Timothy Kahuria	GD-09	19	-	-	19	-
Eric Mukiri	GD-09	17	-	-	17	-
Stephen Mwakazi	GD-09	17	-	-	17	-
Wangila Wamayeku	GD-09	14	-	-	14	-
Frankline Mulanda	GD-09	14	-	-	14	-
Vincent Osango	GD-09	13	-	-	13	-

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Name of Staff	Job Group	Original Amount Kshs'000'	Date Payable Contracted	Amount Paid To- Date Kshs'000'	Outstanding Balance	
					2020/21 Kshs'000'	2019/20 Kshs'000'
<b>Permanent Employees - Management</b>						
Stephen Buluma	GD-09	13	-	-	13	-
Joseph Makau	GD-09	12	-	-	12	-
David Kitaiika	GD-09	12	-	-	12	-
Charles Kipkemoi	GD-09	8	-	-	8	-
Peter Nyaga	GD-09	8	-	-	8	-
Vincent Indiazi	GD-09	7	-	-	7	-
Wyclef Lemein	GD-10	119	-	-	119	-
George Okoth	GD-10	76	-	-	76	-
Shadrack Odera	GD-10	74	-	-	74	-
Tobias Odoyo	GD-10	57	-	-	57	-
George Odallo	GD-10	46	-	-	46	-
Kennedy Oyier	GD-10	37	-	-	37	-
Joseph Wanjala	GD-10	27	-	-	27	-
Wanyonyi Theodrick	GD-10	26	-	-	26	-
Paul Ochieng'	GD-10	18	-	-	18	-
Charles Njoroge	GD-10	15	-	-	15	-
Mark Turibu	GD-10	14	-	-	14	-
George Mwangi	GD-10	12	-	-	12	-
Collince Ojika	GD-10	8	-	-	8	-
Robert Manduku	GD-11	70	-	-	70	-
John Mwangi	GD-11	44	-	-	44	-
Josline Kipsimnyan	GD-11	26	-	-	26	-
Mohammed Omar	GD-11	16	-	-	16	-
Ayub Ajwang	GD-11	16	-	-	16	-
Mugambi Muriuki	GD-12	15	-	-	15	-
<b>Sub-Total</b>		<b>4,072</b>	<b>-</b>	<b>-</b>	<b>4,072</b>	<b>1,203</b>
<b>Temporary employees</b>						
Sammy Kamuren	GD-08	-	-	-	-	250

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Name of Staff	Job Group	Original Amount Kshs'000'	Date Payable Contracted	Amount Paid To- Date	Outstanding Balance	
					2020/21 Kshs'000'	2019/20 Kshs'000'
<b>Permanent Employees - Management</b>						
Frizer Mugo	GD-09	-	-	-	-	92
Patrick Rimoo	GD-08	-	-	-	-	8
Charles Lotiang	GD-08	-	-	-	-	63
Timothy Barturo	GD-11	-	-	-	-	53
Alex Nangari	GD-11	-	-	-	-	54
Peter Kamau	GD-10	-	-	-	-	90
Jamlick Irambuh	GD-10	-	-	-	-	14
Charles Lotiang	GD-08	-	-	-	-	-
Victor Kanyi	GD-06	-	-	-	-	-
Josephat Momanyi	GD-08	306	-	-	306	-
Charles Lotiang	GD-08	121	-	-	121	-
Patrick Rimoo	GD-08	13	-	-	13	-
Isaac Onchiri	GD-09	10	-	-	10	-
<b>Sub-Total</b>		<b>451</b>	<b>-</b>	<b>-</b>	<b>451</b>	<b>623</b>
<b>Others (specify)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-Total</b>	<b>Grand Total</b>	<b>10,049</b>	<b>-</b>	<b>-</b>	<b>10,049</b>	<b>3,331</b>

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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Opening Cost	Donations in form of assets	*Purchases/ Additions in the Year	**Disposals in the Year	Transfers in/(out)	Closing Cost
	2019/20 KShs '000'	2020/2021 KShs '000'	2020/2021 KShs '000'	2020/2021 KShs '000'	2020/2021 KShs '000'	2020/2021 KShs '000'
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land	4,000	-	-	-	-	4,000
Buildings and structures	13,116	-	-	-	-	13,116
Construction of roads & civil works	985,923	-	23,372	-	-	1,009,295
Office equipment, furniture and fittings	6,790	-	511	-	-	7,301
Other machinery and equipment	2,235,801	-	695	-	-	2,236,496
Exploration and evaluation activities	667,792	-	396,990	-	-	1,064,782
Purchase of Motor Vehicles	86,624	-	-	-	-	86,624
<b>Total</b>	<b>4,000,046</b>	<b>-</b>	<b>421,568</b>	<b>-</b>	<b>-</b>	<b>4,421,614</b>

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**APPENDICES**

Bank reconciliations

- a) Kenya Commercial Bank of Kenya [A/c No 1166553671]
- b) Co-operative Bank of Kenya [A/c No 01136160857600]

This account is shared between the projects and the recurrent expenditure for GDC.

- c) NCBA [A/c No 4761090015]
- d) Kenya Commercial Bank of Kenya [A/c No 1119615208]