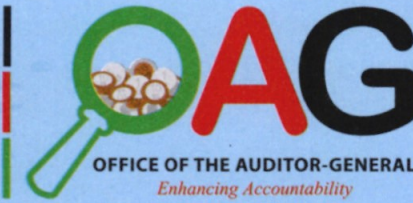


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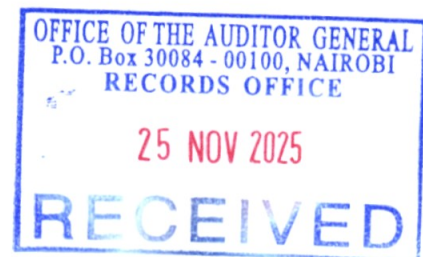
**ON**

**KENYA NAIROBI WESTERN BYPASS  
PROJECT – CHINA EXIM BANK**

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

**KENYA NATIONAL HIGHWAYS AUTHORITY**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 FEB 2026	DAY: Tuesday
TABLED BY:	Deputy leader majority party
	Hon. Owen Baya, MP
PREPARED BY:	Mr. Benson Inzafa



**MINISTRY OF ROADS & TRANSPORT**



**PROJECT NAME: NAIROBI WESTERN BYPASS**

**IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY**

**PROJECT CREDIT NUMBER: CHINA EXIM BANK GCL NO. (2017) 28 TOTAL  
NO. (633)**

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**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

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

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



***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**1 Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EIA	Environmental Impact Assessment
ESIA	Environmental Social Impact Assessment
ESMP	Environment and Social Management Plan
EXIM	Export – Import
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
Kshs.	Kenya Shillings
MoR&T	Ministry of Roads and Transport
NEMA	National Environment Management Authority
TNT	National Treasury
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
UA	Unit of Account

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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## **2 Project Information and Overall Performance**

### **2.1 Name and registered office**

Nairobi Western Bypass Project

#### **Objective:**

The project starts from Gitaru main town and mainly follows the existing road connecting into Southern Bypass towards the northeast and then turns to the southeast near Ndenderu town. The Road ends at Ruaka town connecting the starting point of the Northern Bypass. The road passes through several centres such as Gitaru, Wangige, Kihara, Ndenderu, Rumingi and Ruaka (Banana).

The specific objective of the Project is to increase efficiency of road transport in Nairobi County and neighbouring counties and countries to facilitate trade and regional intergration.

**Address:** Barabara Plaza  
Jomo Kenyatta International Airport (JKIA) off Mazao Road  
Nairobi Kenya

**Contacts:** Director General  
Kenya National Highways Authority  
Po Box 49712-00100  
Nairobi  
Telephone: (254) 020 495000  
E-mail: dg@Kenha.co.ke  
Website: www.kenha.co.ke

### **2.2 Project Information**

Project Start Date:	April, 2019
Project End Date:	June, 2022 revised to September, 2023
Project Engineer	Eng. George Amingh
Project Sponsor:	EXIM Bank of China Government of Kenya

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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**Project Information and Overall Performance (Continued)**

**2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the State Department of Roads under the Ministry of Roads & Transport.
Project number	
Strategic goals of the project	The strategic goals of the project are as follows: (i) Improve trade and regional integration and contribute to the Government of Kenya's social and economic development. (ii) Enhance social economic development of the people along the project road.
Achievement of strategic goals	Implementation of the project in timely, efficient and effective manner.
Other important background information of the project	The length of the main alignment of the project is 16.793 km with approximately 17.31 km of service roads. It starts from Gitaru town and ends at Ruaka. The Bypass mainly follows along the existing road (Gitaru Road) towards the Northeast and then turns to the Southeast near Ndenderu town (Limuru Road). The Western Bypass passes several towns such as Gitaru, Wangige, Ndenderu and Ruaka. The end of the road is at the Two Rivers Mall round about on the Northern Bypass at Ruaka.
Project duration	The project is for duration of 39 months.

**2.4 Bankers**

Co-operative Bank of Kenya  
Upper Hill Branch

Kenya Commercial Bank  
JKIA

**2.5 Independent Auditor**

Auditor General  
Office of the Auditor General  
Po Box 30084-0100,  
Nairobi.

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**Project Information and Overall Performance (Continued)**

**2.6 Roles and Responsibilities**

List of the people who are working on the project.

Names	Title designation	Key qualification	Responsibilities
Eng. Henry Gakuru	Ag. Director-Development	Registered Civil Engineer	Project Implementing Team Leader
Eng. George Amingh	Deputy Director-Special Projects	Registered Civil Engineer	Project Engineer
Mr. Walter B. Nyatwang'a	Deputy Director Environment & Social Interests	Environmental & Social Specialist	Project Safeguards Specialist
Ms. Levina K. Wanyonyi	Deputy Director-Supply Chain Management	Registered KISM	Project Procurement Specialist
Ms. Rose Oloo	Assistant Director-Social Interests	Social Development Specialist	Project Social Development Specialist
Mr. Chanje Kera	Deputy Director-Finance & Accounts	Registered CPA (K)	Project Financial Specialist

**2.7 Funding summary**

The Project is for a duration of 55 months from April 2019 to September 2023. The Project's approved budget is Yuan 1,190,253,600 equivalent to Kshs. 20,947,868,233 and amount of Kshs. 1,624,781,407 by GoK as highlighted in the table below:

**A. Sources of Funds**

Source of funds	Donor Commitments		Amount received to date (30th June 2025)		Undrawn balance to date (30th June 2025)	
	Yuan	Kshs	Yuan	Kshs	Yuan	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Loan</b>						
China Exim Bank	1,190,253,600	20,947,868,233	973,381,362	17,131,025,288	216,872,238	3,816,842,945
<b>(ii) Counterpart Funds</b>						
	-	1,624,781,407	-	1,624,781,407	-	-
<b>Total</b>	<b>1,190,253,600</b>	<b>22,572,649,640</b>	<b>973,381,362</b>	<b>18,755,806,695</b>	<b>216,872,238</b>	<b>3,816,842,945</b>

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**Project Information and Overall Performance (Continued)**

**B. Applications of Funds**

Application of funds	Amount received to date- (30th June 2025)		Cumulative Amount paid to date-(30th June 2025)		Unutilised balance to date	
	Yuan	Kshs	Yuan	Kshs	Yuan	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>i) Loan</b>						
China Exim Bank	973,381,362	17,131,025,288	973,381,362	17,131,025,288	-	-
<b>(ii) Counterpart Funds</b>						
Government of Kenya	-	1,624,781,407	-	1,624,781,407	-	-
<b>Total</b>	<b>973,381,362</b>	<b>18,755,806,695</b>	<b>973,381,362</b>	<b>18,755,806,695</b>	<b>-</b>	<b>-</b>

**2.8 Summary of Overall Project Performance:**

i. Budget performance against actual amounts for current year and for cumulative to-date: -

	2024/2025			Cumulative		
	Budget	Actual	%	Budget	Actual	%
Counterpart Funds - Gok	961,239,982	936,239,982	97%	1,999,093,282	1,624,781,407	81%
Loan from External Development Partners	-	-	-	17,655,000,000	17,131,025,288	97%
<b>Total</b>	<b>961,239,982</b>	<b>936,239,982</b>	<b>97%</b>	<b>19,654,093,282</b>	<b>18,755,806,695</b>	<b>95%</b>

ii. Physical progress based on outputs, outcome and impacts since project commencement: -

The projects was completed and taken over by the employer.

iii. Absorption rate for each year since commencement of the project

FY	Budget	Actual	%
2024/25	961,239,982	936,239,982	97%
2023/24	200,000,000	54,163,195	27%
2022/23	4,752,500,000	4,314,756,321	91%
2021/22	5,262,500,000	5,214,281,167	99%
2020/21	5,725,000,000	5,664,307,587	99%
2019/20	2,725,053,300	2,570,819,843	94%
2018/19	27,800,000	1,238,600	4%
<b>Total</b>	<b>19,654,093,282</b>	<b>18,755,806,695</b>	<b>95%</b>

**NAIROBI WESTERN BYPASS PROJECT**

***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Project Information and Overall Performance (Continued)**

**Comment on value for money achievements.**

- The project procurement process is conducted through International Competitive Bidding (ICB) which results in excellent value for money.
- The authority (KeNHA) has put in place adequate checks & balances on appointment of the works consultant supervision who oversees the project implementation on daily basis on consultation and subsequent approvals from the employer and the bank.
- In addition to works supervision, the consultant undertakes design review before commencement of roads construction works to reduce uncertainties.
- Regular auditing of the project by Internal Auditors, External Auditors and Quality Assurance Departments.
- Monthly site meetings that involve the employer, the consultant and the contractor.

**2.9 Summary of Project Compliance:**

There are no significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants, which has been reported.

## **NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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### **3 Statement of Performance against Project's Predetermined 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 formats 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 implementation plan are to:

1. To improve mobility in the transport for goods and passengers within Kenya and the neighbouring countries such as South Sudan, Uganda, Eastern Congo, Rwanda, Burundi and Northern Tanzania;
2. To improve mobility of traffic within the wider Nairobi metropolitan area. The Western Bypass is one of the major trunk road links in the Nairobi Road Network Master Plan. Its construction will complete the circuit of bypasses around Nairobi which will improve accessibility and improve the running speed of vehicles.

#### **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-bound (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>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
To improve mobility in the transport for goods and passengers within Kenya and the neighbouring countries such as South Sudan, Uganda, Eastern Congo, Rwanda, Burundi and	Increased efficient transportation of people, goods and services within the wider Nairobi metropolitan area as well as between Kenya and the	35 % reduction in travel time between Gitaru (Nakuru-Nairobi highway) and Ruaka (Limuru Road)	The projects main works are complete and taken over.
To improve mobility of traffic within the wider Nairobi metropolitan area	Reduction of traffic congestion within Nairobi metropolitan.	Better traffic movements and less emission.	The projects main works are complete and taken over by the employer.

#### **4 Environmental and Sustainability Reporting**

Nairobi Western Bypass Project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

##### **4.1 Sustainability strategy and profile**

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

- a) *Good health and well-being (SDG 3)*: The Authority strives to undertake Road Safety Audits to identify accident black spots, implement intervention measures and provide road safety education to reduce accidents.
- b) *Gender Equality (SDG 5)*: The Authority encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and recruitment.
- c) *Industry, innovation and infrastructure (SDG 9)*: The Authority develops quality, reliable, sustainable and resilient infrastructure including regional and trans-border infrastructure to support economic development and human wellbeing with a focus on affordable and equitable access for all;
- d) *Sustainable cities and communities (SDG 11)*: The Authority endeavours to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and
- e) *Climate action (SDG 13)*: The Authority endeavours to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

##### **4.2 Environmental performance**

The Authority is working towards ensuring environmental sustainability in projects by undertaking tree planting exercises, implementation of road beautification programs, enforce reinstatement of quarries and borrow pits after construction works, undertakes regular Environmental Impact Assessment (EIA) Audits, carries out M&E on Environment and Social Management Plan (ESMPs) as well as Environmental Social Impact Assessment (ESIA) on projects.

**Environmental and Sustainability Reporting (Continued)**

**4.3 Employee welfare**

In all its staff appointments, the Authority takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concerns around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Authority prioritizes training to develop technical capacity of staff in the fields of Value Engineering, Project Financing, Project, Contract Management, Performance Based Maintenance and Safety.

**4.4 Market place practices**

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity.

The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

**4.5 Community Engagements**

During the implementation of the Project, the Authority is committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement is to ensure that the projects foster long-term relationships with stakeholders and communities around the project. The aim is not just to build roads that foster development but to ensure collaboration with the local communities to achieve sustainable development. The project staff is also encouraged to give back to society by participating in the Authority's corporate social responsibility projects.

The Contractor has been involved in various CSR activities geared towards providing the local residents through construction of water kiosks along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road. To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues

**NAIROBI WESTERN BYPASS PROJECT****Annual Report and Financial Statements for the financial year ended June 30, 2025****Environmental and Sustainability Reporting (Continued)**

Some of the CSR activities carried out by the project are highlighted in the table below;

<b>NO.</b>	<b>Stakeholder</b>	<b>Date</b>	<b>Venue</b>	<b>Activity</b>
1.	Wangige Market	November 29 <sup>th</sup> 2019	Wangige Market	CRBC donated Refreshments, T-shirts and Caps with key messaging on HIV/AIDS Awareness was also given to participants as part of our CSR.
2.	Lusingiti/Karai community.	December,2019	Lusingiti Karai	Rehabilitation of Karai – Lusigiti road, Rurii, and installation of drainage culverts channels.
3.	Kabete Community	December,2019	Ndurarua	Donation of branded footballs team uniforms for winners, 1st runners up and 2 <sup>nd</sup> runners up. And hosting a match on Jamhuri Day
4.	Rungiri Community	January, 2020	Rungiri Community	Donation of Gardening equipment (pangas, slashers, Jembes, wheelbarrows and CRBC branded Overalls.
5.	Karai Residents	February,2020	Karai	Maintenance works to Karai Quarry
6.	Gitaru and Wangige Residents	March, 2020	Gitaru, Wangige	Provision of sanitary installations with running water
7.	Member Karai community	April, 2020	Karai	Medical assistance to Samuel Gichuru
8.	Karai Residents	April/May/2020	Karai	Maintenance of Karai Road
9.	Link Road Residents	05/May/2020	Link Road	Donated Gardening/ Environmental Cleanup Equipment.
10.	Kenya Forest Service	June/2020	Kenya Forest service grounds	Donated 4 houses built by CRBC for KFS Rangers at Ngong Forest
11.	Kenya Railways	June/2020	Dandora Railway Station	Assisted Kenya Railways rescue a derailed cargo train that lasted 23hours.

## **NAIROBI WESTERN BYPASS PROJECT**

***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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### **5 Statement of Project Management responsibilities**

The Director General, KeNHA and the Project Implementation Team Leader for Nairobi Western Bypass 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 for and as at the end of the financial year ended on June 30, 2025. 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 Director General, KeNHA and the Project Implementation Team Leader for Nairobi Western Bypass Project accept responsibility for the Project's financial statements, which have been prepared on the accrual basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Implementation Team Leader for Nairobi Western Bypass 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 June 30, 2025, and of the Project's financial position as at that date. The Director General, KeNHA and the Project Implementation Team Leader for Nairobi Western Bypass 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 Director General, KeNHA and the Project Implementation Team Leader for Nairobi Western Bypass 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 Director General, KeNHA, and the Project Implementation Team Leader for Nairobi Western Bypass Project on 27 AUG 2025 and signed by them.



**Eng. Luka Kimeli**  
**Ag. Director General**



**Eng. Henry Gakuru**  
**Director-Development**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA NAIROBI WESTERN BYPASS PROJECT - CHINA EXIM BANK FOR THE YEAR ENDED 30 JUNE, 2025 – KENYA NATIONAL HIGHWAY AUTHORITY**

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### **PREAMBLE**

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

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

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

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

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

#### **Opinion**

I have audited the accompanying transitional IPSAS financial statements of Kenya Nairobi Western Bypass Project - China Exim Bank – Kenya National Highway Authority set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2025

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

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Kenya Nairobi Western Bypass Project- China Exim Bank – Kenya National Highway Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Kenya Nairobi Western Bypass Project Financing Agreement No. China Exim Bank GCL NO.(2017) 28 TOTAL NO.(633) dated April, 2019 and the Public Finance Management Act, 2012; and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **1. Undrawn Loan Balance**

Review of the financial statements and as disclosed in Note 2.2 on Project Information and Note 2.7 on Funding Summary showed that the Project's period was for four (4) years from April 2019 to September 2023 and a funding commitment of Kshs.20,947,868,233 and Kshs.1,624,781,407 from Development Partners (Donors) and Government of Kenya (GoK) respectively all totaling Kshs.22,572,649,640. However, the project had drawn an amount of Kshs.18,755,806,695 or 83% of the committed funds with time lapse at 100%. This is an indication that the project closed with undrawn amount of Kshs.3,816,842,945. In the circumstances, the credit lapsed without being fully utilized and the Project's planned deliverables not achieved.

## 2. Failure to Settle Pending Bills

The statement of financial position and as disclosed in Note 9 to the financial statements reflects trade and other payables balance of Kshs.734,186,484. However, this balance includes an amount of Kshs.561,353,679.90 in respect to unpaid compensation to Project Affected Persons by the contractor. The balance has been outstanding for long and the Management did not demonstrate efforts to settle the amount.

Failure to settle pending bills in the year they relate distorts the budget of the subsequent year as they constitute a first charge on that budget.

My opinion is not modified in respect of these matters.

### Key Audit Matters

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

### Other Matters

#### Un Resolved Prior Year Matters

In the prior year audit report, several issues were raised under the Emphasis of Matter and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Project in 2024/2025 revealed that the following four (4) issues remained unresolved:

NO.	Financial Year	Audit Issue
1	2023/2024	Long outstanding pending account payables
2	2023/2024	Lack of Project closure report
3	2023/2024	Interest on delayed payments
4	2023/2024	Delay in completion of the Project

### Other Information

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

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

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

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

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

### **Conclusion**

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 57 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.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(5) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 58 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

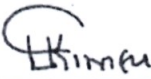
26 November, 2025

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**7 Statement of Financial Performance for the Year Ended 30th June 2025**

	Notes	Insert Current FY
		Kshs
<b>Revenue</b>		
Revenue Transfers	6(a)	-
Miscellaneous Revenue		-
<b>Total revenue</b>		-
<b>Expenses</b>		
Employee costs		-
Use of goods and services		-
Depreciation and amortization expense		-
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		-
Certified Works		-
<b>Total expenses</b>		-
<b>Other gains/(losses)</b>		
Gain/Loss on sale of assets		-
Gain/Loss on foreign exchange transactions		-
Impairment loss		-
<b>Surplus/ (deficit)</b>		-

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

  
 Eng. Luka Kimeli  
 Ag. Director General

27 AUG 2025

Date

  
 Eng. Henry Gakuru  
 Director-Development

27 AUG 2025

Date


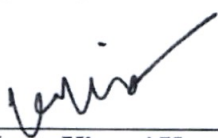
  
 CPA Isaac Kimani Karumba  
 Ag. Deputy Director-(F&A)  
 ICPAK Member No. 3321

27 AUG 2025

Date

**NAIROBI WESTERN BYPASS PROJECT****Annual Report and Financial Statements for the financial year ended June 30, 2025****8 Statement of Financial Position as at 30th June 2025**

	Note	FY 2024/25	1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	7	-	3,095,735
Prepayment		-	-
<b>Total Current Assets</b>		-	<b>3,095,735</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	19,482,014,689	19,448,634,510
<b>Total Non- Current Assets</b>		<b>19,482,014,689</b>	<b>19,448,634,510</b>
<b>Total Assets (a)</b>		<b>19,482,014,689</b>	<b>19,451,730,245</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	734,186,484	1,637,046,287
Third Party Deposits		-	-
<b>Total Current Liabilities</b>		<b>734,186,484</b>	<b>1,637,046,287</b>
<b>Total Liabilities (b)</b>		<b>734,186,484</b>	<b>1,637,046,287</b>
<b>Net Assets (a-b)</b>		<b>18,747,828,205</b>	<b>17,814,683,958</b>
<b>Represented By:</b>			
Accumulated Surplus		-	-
Capital Grant		18,747,828,205	17,814,683,958
<b>Total Net Assets</b>		<b>18,747,828,205</b>	<b>17,814,683,958</b>

The financial statements were approved on 27 AUG 2025 2025 and signed by:  
Eng. Luka Kimeli  
Ag. Director General  
Eng. Henry Gakuru  
Director-Development  
CPA Isaac Kimani Karumba  
Ag. Deputy Director-(F&A)  
ICPAK Member No. 3321

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**9 Statement of Changes in Net Assets**

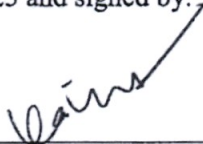
Description	Capital Grant	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (Cash Basis)</b>	-	3,095,735	3,095,735
Adjustments:			
Asset Recognition	19,448,634,510	-	19,448,634,510
Liabilities recognition	(1,637,046,287)	-	(1,637,046,287)
Transfer of surplus to capital Fund	3,095,735	(3,095,735)	-
<b>As at 1<sup>st</sup> July 2024</b>	<b>17,814,683,958</b>	<b>-</b>	<b>17,814,683,958</b>
Surplus/(Deficit) for the year	-	-	-
Capital Grants for the year	933,144,247	-	933,144,247
	<b>933,144,247</b>	<b>-</b>	<b>933,144,247</b>
<b>As at 30<sup>th</sup> June 2025</b>	<b>18,747,828,205</b>	<b>-</b>	<b>18,747,828,205</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 27 AUG 2025 2025 and signed by:

  
 Eng. Luka Kimeli  
 Ag. Director General

  
 Eng. Henry Gakuru  
 Director-Development

  
 CPA Isaac Kimani Karumba  
 Ag. Deputy Director-(F&A)  
 ICPAK Member No. 3321

**NAIROBI WESTERN BYPASS PROJECT****Annual Report and Financial Statements for the financial year ended June 30, 2025****10 Statement of Cashflow for the year ended 30<sup>th</sup> June 2025**

Description	Note	FY 2024-25 Kshs
<b>Cashflow from operating activities</b>		
<b>Receipts</b>		
Revenue Transfers		-
<b>Total receipts</b>		-
<b>Payments</b>		
Use of goods and services		-
<b>Total payments</b>		-
<b>Net cash flow from operating activities</b>	10	-
<b>Cashflow from investing activities</b>		
Acquisition of non-financial assets		(936,239,982)
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
<b>Net cash flows from investing activities</b>		(936,239,982)
<b>Cash flow from financing activities</b>		
Capital Grants-GoK Counterpart		933,144,247
<b>Net cash flow from financing activities</b>		933,144,247
Net increase/Decrease in cash and cash equivalents		(3,095,735)
<b>Cash and cash equivalent at 1<sup>st</sup> July 2024</b>	7	3,095,735
<b>Cash and cash equivalent at end June 2025</b>	7	-

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**11 Statement of Comparison of Budget and Actual for the year ended 30th June 2025**

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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget Carry Overs from previous periods</b>		3,095,735	3,095,735	3,095,735	-	100%
<b>Receipts</b>						
Revenue Transfers - GoK	215,000,000	743,144,247	958,144,247	933,144,247	25,000,000	97%
Revenue Transfers - Direct	-	-	-	-	-	-
<b>Total Revenue</b>	<b>215,000,000</b>	<b>746,239,982</b>	<b>961,239,982</b>	<b>936,239,982</b>	<b>25,000,000</b>	<b>97%</b>
<b>Payments</b>						
Use of goods and services	215,000,000	746,239,982	961,239,982	-	25,000,000	97%
Acquisition of non-financial assets				936,239,982		
<b>Total Payments</b>	<b>215,000,000</b>	<b>746,239,982</b>	<b>961,239,982</b>	<b>936,239,982</b>	<b>25,000,000</b>	<b>97%</b>
<b>Surplus</b>	-	-	-	-	-	-

**Notes**

**1. Final Budget vs. 3rd Supplementary Budget**

The revenue transfers reflected in the GOK Final Budget are higher than the 3rd Supplementary Budget due to the receipt of **Kshs. 833,144,2474** during the financial year. These funds were specifically allocated for bridge settlement to offset long-standing outstanding bills

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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**Budget Reconciliation**

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus Amounts as per the statement of Budget	-
1	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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**12 Notes to the Financial Statements**

**1. General Information**

Kenya National Highways Authority is established by and derives its authority and accountability from Kenya Roads Act 2007. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is development, rehabilitation, management and maintenance of all National Trunk Roads comprising of Class S, A, and B roads.

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

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

These financial statements were authorized for issue by the accounting officer on 27 AUG 2025

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

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

Standard	Effective date and impact:
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

Standard	Effective date and impact:
	<p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
<p>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>

**NAIROBI WESTERN BYPASS PROJECT****Annual Report and Financial Statements for the financial year ended June 30, 2025****ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"><li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li></ol>

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

Standard	Effective date and impact:
	<p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>The project does not anticipate that the standard will have any impact on the operations and reporting.</i></p>

**iii) Early adoption of standards**

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

## ***NAIROBI WESTERN BYPASS PROJECT***

### ***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

###### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

###### **Interest income**

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

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the National Assembly on 28th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the Project recorded additional appropriations of Kshs. 743,144,247 on the FY 2024/2025 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section *II* of these financial statements.

***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Notes to the financial statements**

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes

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

**d) Leases**

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

**e) Intangible assets**

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

**Notes to the financial statements**

**f) Research and development costs**

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

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

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

**g) Financial instruments**

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

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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**Notes to the financial statements**

**Financial assets**

**Classification**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Notes to the financial statements**

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The Project assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Project recognizes a loss allowance for such losses at each reporting date. The project did not have any impairment during the financial year.

***Financial liabilities***

***Classification***

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

**h) Inventories**

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Notes to the financial statements**

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Project.

**i) Provisions**

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

***Contingent liabilities***

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

***Contingent assets***

The Project 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 Project 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.

## ***NAIROBI WESTERN BYPASS PROJECT***

***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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### **Notes to the financial statements**

#### **j) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements. The Authority maintains grants and surplus reserves. The grant reserves are exchequer and donor funds received from the Government and Development Partners for development of roads. The surplus reserve represents the surplus or deficit of internally generated funds against the project operation expenses and transfers. The exchequer and Development partner funds are capitalized in the statement of financial position. However, the portion of exchequer and Development Partner funds spent on non-capital items or project expenses is transferred to recurrent transfers and treated as recurrent government grants and development partner grants and expenditures accordingly.

#### **k) Changes in accounting policies and estimates**

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

#### **l) Employee benefits**

##### **Retirement benefit plans**

The project does not employ project specific employees hence does not maintain Retirement benefit Scheme.

#### **m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

#### **n) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

***NAIROBI WESTERN BYPASS PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Notes to the financial statements**

**o) Related parties**

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

**p) Service concession arrangements**

The Project analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Project recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Project also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**q) Cash and cash equivalents**

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

**r) Subsequent events**

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

**Notes to the financial statements**

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. There were no additional provisions made in the financial year.

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

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**Notes to the Financial Statements**

**6. Revenues Transfers**

Description	FY 2024/25
	KShs
<b>Unconditional Transfers</b>	
GoK Counter Part funding	100,000,000
Transfers from Development partners	-
<i>Other unconditional transfers (Bridge Settlement Financing)</i>	833,144,247
<b>Total Unconditional Transfers (a)</b>	<b>933,144,247</b>
<b>Conditional Transfers</b>	
Transfers from Development partners (AfDB)	-
Transfers from Development partner 2	-
<i>Other conditional transfers (specify)</i>	-
<b>Total Conditional Transfers (b)</b>	<b>-</b>
<b>Total Transfers for the Year (a + b)</b>	<b>933,144,247</b>

**a) Details to Revenue Transfers**

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers 2024/2025
	Kshs	Kshs	Kshs	Kshs
State Department of Roads GOK Funding	-	-	933,144,247	933,144,247
African Development Bank	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>933,144,247</b>	<b>933,144,247</b>
Deferred Income realized	-	-	-	-
Transfers in Kind	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>933,144,247</b>	<b>933,144,247</b>

**NAIROBI WESTERN BYPASS PROJECT***Annual Report and Financial Statements for the financial year ended June 30, 2025***Notes to the Financial Statements****7. Cash and Cash Equivalents**

Description	FY 2024/25	1 <sup>st</sup> July
	Kshs	Kshs
Cash in Bank	-	3,095,735
<b>Total Cash and Cash Equivalents</b>	-	<b>3,095,735</b>

**Project Bank Account**

Details	FY 2024/25	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Local Currency Accounts</b>		
Co-operative Bank of Kenya [A/c No.01141160979900]	-	3,095,735
National Bank of Kenya Ltd. [A/c No. 0100132733200]	-	-
KCB Bank Revenue [A/c No.1274695775]	-	-
<b>Total bank account balances</b>	<u>-</u>	<u>3,095,735</u>

**8. Property, Plant and Equipment**

Cost	Other Assets	Capital	Total
	Land	Work in progress	
	Kshs	Kshs	
<b>Depreciation rate</b>			
<b>As At 1 July 2024 (opening balances)</b>	<b>1,986,684,647</b>	<b>17,461,949,863</b>	<b>19,448,634,510</b>
Additions	35,000,080	-	35,000,080
Disposals	-	-	-
Transfers/Adjustments	-	(1,619,901)	(1,619,901)
<b>As at 30<sup>th</sup> June 2025</b>	<b>2,021,684,727</b>	<b>17,460,329,962</b>	<b>19,482,014,689</b>
<b>Depreciation And Impairment</b>			
<b>As at 1 July 2025</b>	-	-	-
Depreciation charge for the year	-	-	-
Impairment loss	-	-	-
Transfers/ Adjustments	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-
<b>Net Book Values</b>			
<b>As at 1<sup>st</sup> July 2024</b>	<b>1,986,684,647</b>	<b>17,461,949,863</b>	<b>19,448,634,510</b>
<b>As at 30<sup>th</sup> June 2025</b>	<b>2,021,684,727</b>	<b>17,460,329,962</b>	<b>19,482,014,689</b>

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**Notes to the Financial Statements**

**9. Trade and Other Payables-(Annex 4)**

Description	FY 2024/25		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	734,186,484		1,637,046,287	
<b>Total trade and other payables</b>	<b>734,186,484</b>		<b>1,637,046,287</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	35,000,080	5%	-	0%
1-2 years		0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	699,186,404	95%	1,637,046,287	100%
<b>Total (tie to above total)</b>	<b>734,186,484</b>		<b>1,637,046,287</b>	

**10. Cash Generated from Operations**

Description	FY 2024/25
	Kshs
<b>Surplus/Deficit for the year</b>	-
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
<b>Working capital adjustments</b>	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	-

**11. Events after the Reporting Period**

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

**12. Ultimate and Holding Entity**

The Kenya National Highways Authority is a State Corporation under the Ministry of Roads and Transport. Its ultimate parent is the Government of Kenya.

**13. Currency**

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

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**13 Annexes**

**Annex 1 - Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe:(Date when the issue is expected to be resolved)
1	<p><b><u>Basis for Unmodified Opinion</u></b></p> <p><b>Emphasis of Matter</b></p> <p><b>Long Outstanding Pending Accounts Payable</b></p> <p>Note 7 on other important disclosures and Annex 4 to the financial statements reflects pending accounts payable balance brought forward to 2023/2024 of Kshs.1,637,046,287 in respect of construction of roads and acquisition of land. However, the statement of comparison of budget and actual amounts reflects final budgeted receipts of Kshs.57,258,930 resulting to inadequate budgetary provisions for the settlement of the pending accounts payable. Management did not provide details of the measures put in to settle the pending bills.</p> <p>In the circumstances, the Project is at risk of incurring additional costs in the form of interest and penalties for failure to settle Project costs as and when the amounts fall due.</p>	<p>We agree with the observation that there are long outstanding pending Accounts payable.</p> <p>We wish to clarify that Pending bills accumulated due to inadequate GoK budgetary provisions coupled with delayed exchequer releases to facilitate prompt payments.</p> <p>The Authority has, however, managed to reduce the pending bill from Kshs. 1,637,046,287 to Kshs.734,186,484 in FY 2024/2025.</p> <p>The Authority is however working closely with the Parent Ministry and the National Treasury with an aim of securing additional GoK budgetary provision to enable settlement all the pending bills.</p>	Unresolved	Continuous
2	<p><b>Lack of Project Closure Report</b></p>		Unresolved	Continuous

**NAIROBI WESTERN BYPASS PROJECT**

*Annual Report and Financial Statements for the financial year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe:(Date when the issue is expected to be resolved)
	<p>Paragraph 2.2 on Project Information in the financial statements indicates that the Project start date was April, 2019 and Project end date was June, 2022 revised to September, 2023.</p> <p>Further, Paragraph 2.7 on Funding Summary indicates that the Project had an approved budget of Yuan 1,190,253,600 equivalent of Kshs.20,947,868,233 to be financed by China Exim Bank while an amount of Kshs.682,137,160 was to be financed as counterpart fundings by the Government of Kenya.</p> <p>In addition, Paragraph 2.8 on Summary of Overall Project Performance on physical progress based on outputs, outcomes and impacts showed that the Project was completed and taken over by the employer. However, the Project closure report was not provided for audit and Management did not provide an explanation for the failure to close the Project, over a year after the completion date.</p>	<p>We note the audit observation that the Project closure report was not ready during the audit process.</p> <p>We, however, wish to clarify that the preparation of the project closure report is in progress and a copy will be shared with the audit team upon completion.</p>		
3	<p><b><u>Other Matters</u></b></p> <p><b>Unresolved Prior Year Matters</b></p> <p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk</p>	<p>We note the audit observation.</p> <p>We wish to clarify that the Authority has appeared before the Public Accounts Committee and made its submissions on</p>	Unresolved	Continuous

**NAIROBI WESTERN BYPASS PROJECT**


**Annual Report and Financial Statements for the financial year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe:(Date when the issue is expected to be resolved)
	Management and Governance. Although Management had indicated the issues as resolved as at 30 June, 2024, no evidence was provided to support the position.	all matters raised by the Auditor General on the Project financial statements up to FY 2021/22.		
1	<p><b>Basis for Conclusion</b>  <b>Interest on Delayed Payments</b></p> <p>Note 7 to the to the financial statements and Annex 4 reflects pending accounts payables balance of Kshs.1,637,046,287 which includes amounts of Kshs.1,347,371,712 and Kshs.289,674,575 for the acquisition of land and construction of roads, respectively. Included in the pending accounts payables is an amount of Kshs.4,628,287 in respect of interest charged on delayed payment that could have been avoided.                      In the circumstances, the value for money on the interest on delayed payments could not be confirmed.</p>	<p>We agree with the observation that included in the pending bills were Kshs. 4,628,287 in respect to interests.</p> <p>We further clarify that the inadequate budgetary allocations to the project have resulted in both time delays and cost overruns. Additionally, interest on delayed payments is a contractual obligation stipulated in the contract agreement. The contractor exercised this clause due to the prolonged delays in settling the pending bills</p>	Unresolved	Continuous
2	<p><b>Delay in completion of Project</b></p> <p>The statement of receipts and payments and Note 4 reflects acquisition of non-financial assets amount of Kshs.54,163,195 in respect of construction of roads and acquisition of land balances of Kshs.30,000,000 and Kshs.24,163,195, respectively. Review of contract documents revealed that Kenya National Highways Authority and China Road and Bridge</p>	<p>We agree with the Audit observation that an amount of Kshs 41,250.000 had been paid to the contractor in FY 2023/2024. We would wish to clarify that there was significant improvement in settling</p>	Unresolved	Continuous

**NAIROBI WESTERN BYPASS PROJECT**

**Annual Report and Financial Statements for the financial year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe:(Date when the issue is expected to be resolved)
	<p>Corporation signed addendum 3 contract amounting to Kshs.815,740,720 on 7 March, 2022 for additional road works.</p> <p>During the time of audit in September, 2024, the implementation status report indicated that works valued at Kshs.326,296,288 had been certified completed and further works valued at Kshs.196,777,772 had been done but not certified resulting to total cost of works done of Kshs.523,074,060 or 64.1% of the additional works. However, only an amount of Kshs.41,250,000 had been paid resulting to the contractor suspending works and abandoning site. In the foregoing, the Project is exposed to litigation costs and penalties due to delayed payments. The Project is at risk of incurring additional costs in form of interest and penalties for failure to settle Project costs as and when the amounts fall due.</p>	<p>contractors' bills in FY 2024/2025. An amount of Kshs. was paid.115,221,870. The Authority shall continue to closely liaise with the Parent Ministry and the National Treasury for additional budgetary allocation and timely release of exchequer to facilitate settlement of long outstanding and ongoing works.</p>		




**Eng. Luka Kimeli**  
Ag. Director General

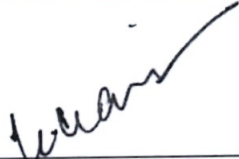


**Eng. Henry Gakuru**  
Director-Development

**NAIROBI WESTERN BYPASS PROJECT****Annual Report and Financial Statements for the financial year ended June 30, 2025****Annex 2- Reconciliation of Inter-Entity Transfers**

	<b>Project Name:</b>	<b>Nairobi Western Bypass Project</b>		
	<b>Break down of Transfers from the State Department of Roads</b>			
<b>A.</b>	<b>Government Counterpart Funding</b>			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>FY to which the amounts relate</u>
	Exchequer Receipt	26-Sep-24	100,000,000	FY 2024/25
	<b>Total</b>	<b>Total</b>	<b>100,000,000</b>	
<b>B.</b>	<b>Direct Payments</b>			
			-	
		<b>Total</b>	-	
<b>C.</b>	<b>Others</b>			
	Exchequer Receipt- Securitization - Bridge Settlement	1-Apr-25	226,352,274	FY 2024/25
		29-Apr-25	450,000,000	FY 2024/25
		21-May-25	156,791,973	FY 2024/25
		<b>Total</b>	<b>833,144,247</b>	
		<b>Total (A+B+C)</b>	<b>933,144,247</b>	

  
Eng. Luka Kimeli  
Ag. Director General

  
CPA Isaac Kimani Karumba  
Ag. Deputy Director-(F&A)  
ICPAK Member No. 3321

**NAIROBI WESTERN BYPASS PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

**Annex 3 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers/Waiver in/(out) during the year	Closing Cost
	(KSh)	Kshs	(KSh)	(KSh)	(KSh)
	2023-2024	2024-2025	2024-2025	2024-2025	2024-2025
	(a)	(b)	(c)	(e)	(f)= (a)+ (b)+(c)-(d)+(-)e
Land	1,986,684,647	35,000,080	-	-	2,021,684,727
Work in Progress	17,461,949,863	-	-	1,619,901	17,460,329,962
<b>Total</b>	<b>19,448,634,510</b>	<b>35,000,080</b>	<b>-</b>	<b>1,619,901</b>	<b>19,482,014,689</b>

**Annex 4 – Analysis of Pending Bills**

Supplier of Goods/Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2024-2025	2023-2024(Restated)	
		a	b	c=a-b		
<b>Civil Works</b>						
China Road & Bridge Corp	30-Mar-21	4,628,287	2,823,256	1,805,031	4,628,287	1A
China Road & Bridge Corp	01-Sept-21	163,148,144	155,268,515	7,879,629	121,898,144	1-Addendum 3
China Road & Bridge Corp	23-Dec-21	163,148,144	-	163,148,144	163,148,144	2-Addendum 3
<b>Sub-total</b>		<b>330,924,575</b>	<b>158,091,771</b>	<b>172,832,804</b>	<b>289,674,575</b>	
<b>Land Compensation</b>						
National Land Commission	16-Jun-22	2,021,684,727	1,460,331,047	561,353,680	1,347,371,712	
<b>Grand-Total</b>		<b>2,352,609,302</b>	<b>1,618,422,818</b>	<b>734,186,484</b>	<b>1,637,046,287</b>	