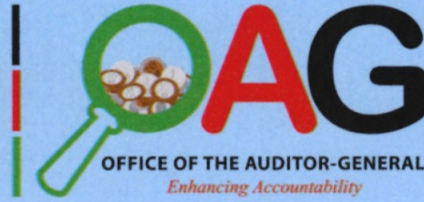


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

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Irene Nduku

ON

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

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

**GEOTHERMAL DEVELOPMENT COMPANY
LIMITED**



BOGORIA SILALI GEOTHERMAL PROJECT

Being implemented by:

GEOTHERMAL DEVELOPMENT COMPANY LIMITED

Loan No. 2013.66.103

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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Bogoria Silali Geothermal Project

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

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1 Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
Comparative FY	Financial year preceding the current financial year.
IPP's	Independent Power Producers
GDC	Geothermal Development Company Ltd
E & E	Exploration and Evaluation Assets
PPE	Property Plant and Equipment
A-I-A	Appropriations in aid

Bogoria Silali Geothermal Project

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

2 Project Information and Overall Performance

2.1 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 through an accelerated Geothermal Development program. The 300MW geothermal power will be generated as follows:

Field	Capacity (MW)
Korosi	100
Paka	100
Silali	100
Total	300

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
Website: www.gdc.co.ke

Project information and overall performance (continued)

2.2 Project Information

Project start date:	The project started in July 2014
Project completion date:	The project is expected to be completed in December 2027.
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)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Energy & Petroleum.
Project Number	152100501
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none">(i) Facilitate realisation of at least 300MW from Paka, Korosi and Silali Geothermal fields(ii) Reduce electricity tariffs due to inclusion of cheaper power mix. This will in turn spur economic growth.(iii) To promote alternative uses of geothermal energy.
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none">(i) Facilitate quick evacuation to the grid through provision of steam to Independent Power Producers (IPP's)(ii) Environmental sustainability through displacement of biomass and fossil fuel by cleaner and environmentally friendly alternatives.(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.

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">• Construction of access roads and well pads.• Construction of water supply infrastructure.• Drilling and testing of wells.• Feasibility studies.• Construction of steam gathering system.• Construction of power transmission system.• Construction of power plants.
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">• Undertake exploration, appraisal and production drilling to mitigate upfront risks associated with geothermal development that deters the private sector.• To increase the national electricity generation capacity.• Lower unit cost of electricity by providing steam (fuel) to power generators.• Attract capital for accelerated development by opening up opportunities for private sector participation.
Project duration	<p>The project started in July 2014 and is expected to run until December 2027.</p>

2.4 Bankers

The following were the bankers for the year:

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

NCBA
Masaba Branch
Narobi, Kenya

Kenya Commercial Bank of Kenya
Kipande Branch
Nairobi, Kenya

2.5 Independent Auditor

The project is audited by the Auditor General:

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

Project Information and Overall Performance (Continued)

2.6 Roles and Responsibilities

Names	Title Designation	Key Qualifications	Responsibilities
Stephen K. Busieney	Ag. Managing Director & CEO	Master's in business administration (MBA), Bachelor of Commerce and a member of the Institute of Certified Public Accountant (ICPAK)	Coordination of project work to attain strategic project objectives
Eng. Martha Mburu	Project Manager	MSc. in Renewable Energy-Technology and Sustainability from University of Reading, UK, BSc Mechanical Engineering from University of Nairobi, Postgraduate Diploma in geothermal Energy Technology from Geothermal Training Institute, University of Auckland, New-Zealand and an Postgraduate Advanced Certificate in Geothermal Reservoir Engineering from the United Nations University, Geothermal training program, in Iceland	Supervision of project work

2.7 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:

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor commitment		Amount received to date -30-June-2025				Undrawn balance to 30 June 2025				
	Donor Curr '000'		KShs'000		Donor Curr '000'		KShs'000		Donor Curr '000'		KShs'000
	(A)		(A')		(B)		(B')		(A)-(B)		(A')-(B')
	Euros	USD			Euros	USD			Euros	USD	
(i) Loan											
German Development Bank (KfW)	80,000	-	9,571,392	77,639	-	9,571,392	2,361	-	282,476		
Exchange Gain						1,086,327		-			
	80,000	-	9,571,392	77,639	-	10,657,718	2,361	-	282,476		
(ii) Counterpart funds											
Government of Kenya (GoK)	-		66,015,612	-		7,640,145	-	-	58,375,467		
(iii) Grants											
GRMF	-	9,728	1,104,430	-	6,295	790,463	-	3,433	313,966		
KfW (Debt Swap)	31,995		4,451,777	-		-	31,995		4,451,777		
Total	111,995	9,728	81,143,211	77,639	6,295	19,088,326	34,356	3,433	63,423,686		

Note:

The contract for the above financing was signed on 10th July 2014.

Project information and overall performance (continued)

B. Application of Funds

Application of Funds	Amount Received to date-30th June 2025		Cumulative Amount paid to date		Unutilized balance to 30 June 2025	
	Donor Curr't'000"	KShs'000	Donor Curr't'000"	KShs'000	Donor Curr't'000"	KShs'000
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	Eur	USD	Eur	USD	Eur	USD
(i) Loan						
German Development Bank (KfW)	77,639	-	73,669	-	3,970	-
		10,657,718		10,055,624		602,094
(ii) Counterpart funds						
Government of Kenya (GoK)	-	-		7,299,853	-	-
		7,640,145				340,290
(iii) Grants						
GRMF	-	6,295	-	3,224	-	3,071
		790,463		407,942		382,521
Total	77,639	6,295	73,669	3,224	3,970	3,071
		19,088,326		17,763,420		1,324,905

Bogoria Silali Geothermal Project

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

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for the current year and for cumulative to-date,

Programme Code and Project Title	FY 2024/2025				
	Approved Budget		Total Budget	Expenditure for the year	Cumulative Expenditure As at 30th June 2025
	Gok	foreign			
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
PROGRAMME 1: POWER GENERATION					
Sub- Programme 1.2: Geothermal Development (GDC)					
1152100501 Bogoria Silali Geothermal Projects	840,000	1,391,000	2,231,000	3,443,958	17,763,421

ii) Physical progress based on outputs and outcomes since project commencement,

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

	Financial year 2024/25	
	Target	Actual
Well drilling	3	3
Construction of well pads	2	2

Comment on value-for-money achievements:

- Geo-scientific work complete
- Pre-feasibility steam availability from drilled wells in Paka is 83MW
- 103 km of access roads to Korosi, Paka and Silali have been constructed, maintenance works are ongoing.
- 17well pads constructed; 14 in Paka and 3 in Korosi
- Waterline supply system is complete.
- 25 wells drilled to completion: Twenty in Paka (PW01, PW1A, PW 01B, PW 01C, PW02, PW 02A, PW 02C.PW03, PW 03A, PW 03B, PW03C, PW04, PW 05, PW 06, PW06A, PW07A, PW08A, PW9, PW10 and PW11A); three in Korosi (KW01, KW02 and KW03) and two in Silali (SW01A, SW02)
- Environmental and Social Impact Assessment (ESIA) gaps updated.
- Social licence enhanced through provision of 20 community watering points.

iii) Indicate the absorption rate for each year since the commencement of the project.

Bogoria Silali Budget Absorption rate										
	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/2019	FY 2017/2018	FY 2016/2017	FY 2015/2014
	56%	147%	34%	93%	71%	95%	96%	192%	117%	11

Project information and overall performance (continued)

iv) Implementation challenges and way forward

Implementation challenges

- Delays in obtaining county approvals (Turkana County).
- Geothermal License acquisition from the Ministry of Energy
- Insecurity in the 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.

Project information and overall performance (continued)

2.9 Summary of Project Compliance:

The project is compliant with applicable financial laws and regulations as well as Treasury circulars on Project Management. There are no instances where the project has been flagged on account of non-compliance and hence no adverse actual or potential consequences likely to be suffered.

3 Statement of Performance against Project’s Predetermined Objectives

The key development objectives of the project’s are to:

- a) Facilitate realization of at least 300MW from Bogoria-Silali Geothermal Block project i.e. 100MW from Paka, 100MW from Korosi, and 100MW from Silali.
- b) Provide low cost power hence reduce electricity tariffs due to inclusion of cheaper power in the energy mix.
- c) To promote alternative uses of geothermal energy through direct use of geothermal heat.

GDC 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 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-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: The status of progress in attaining the stated objectives is shown below:

Project	Objective	Outcome	Indicator	Performance
Bogoria Silali Geothermal Project	Exploration, appraisal and production drilling	De-risk the field for production drilling and attract investors who perceive upfront geothermal development risks as high	No. of wells drilled	<ul style="list-style-type: none"> • In the financial year 2024/25, one (1) exploration was drilled in Silali and two (2) production wells were successfully drilled in Paka. • The cumulative number of wells drilled in the project area as at the end of FY2024/25 is twenty five (25)
	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	During the financial year 2019/20 103km of road to the three prospects was completed Water infrastructure construction was completed and commissioned in 2019
	Social licence enhancement	Improve quality of life for people living within the prospect	Number of community water points	In the financial year 2019/20, twenty community water points were constructed and commissioned. This is 100% of the target

4 Environmental and Sustainability Reporting

The Baringo-Silali Geothermal Project is one of Kenya's flagship renewable energy initiatives under the stewardship of the Geothermal Development Company (GDC). Located in the Northern part of the Rift Valley, the project spans three major geothermal prospects namely; Paka, Korosi, and Silali across the arid and semi-arid counties of Baringo and Turkana. The primary goal of this project is to harness geothermal energy as a clean, reliable, and affordable source of electricity while supporting national energy diversification, climate resilience, and socioeconomic development. Sustainability is at the heart of the Baringo-Silali Project's design and implementation. The project integrates environmental conservation, community development, climate action, and efficient resource use to ensure long-term viability and positive legacy impacts for both people and ecosystems.

GDC's sustainability strategy is rooted in the principles of environmental responsibility, resource efficiency, and stakeholder engagement. It aligns with Kenya's Vision 2030, international environmental frameworks, and the Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). The company prioritizes sustainability across all phases of geothermal development, from exploration and drilling to power production by adopting proactive environmental safeguards, community-driven development approaches, and innovative technologies that minimize the ecological footprint.

The Project is governed by a robust Environmental and Social Management Plan (ESMP) that aligns to EMCA 1999 (revised 2015) and associated regulations, SDG's, the Geothermal Resources Regulations, ISO 14001 Environmental Management System principles and IFC performance standards.

Key focus areas of GDC's environmental and sustainability approach include:

- **Environmental Protection:** Through robust Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs), GDC ensures that its operations are conducted in line with both national laws and international standards (e.g., IFC Performance Standards, World Bank Environmental and Social Framework).
- **Biodiversity Conservation:** GDC actively implements habitat restoration programs, avoids encroachment into protected areas, and conducts regular biodiversity assessments to ensure minimal disruption to flora and fauna, especially in sensitive areas such as Menengai and Baringo-Silali. GDC has a Biodiversity Conservation and Landscape Restoration Management Plan (BCLRMP) that governs the conservation of sensitive areas such as Menengai Crater and nearby forest ecosystems are protected through buffer zones, social afforestation programs, and environmental education for local communities.
- **Sustainable Resource Use:** Efficient use of water, drilling fluids, and energy resources is emphasized. Technologies like directional drilling and reinjection of geothermal fluids help reduce waste and preserve underground reservoirs.

Environmental & Sustainability Reporting

- **Community Engagement and Social Inclusion:** GDC involves local communities in project planning and benefit-sharing initiatives. Employment opportunities, capacity building, and Corporate Social Responsibility (CSR) programs help build local resilience and foster shared value.

Environmental & Sustainability Reporting

- **Waste Management and Pollution Control:** The company has adopted a waste minimization hierarchy (reduce, reuse, recycle, and responsible disposal), with clear protocols for handling drill cuttings, non-condensable gases, and other operational waste. GDC has a Waste Management Plan that guides the handling of hazardous and non-hazardous waste. They are segregated at source, transported via licensed handlers, and disposed of in NEMA-approved facilities. Brine reinjection is in pilot phase, aiming to minimize subsurface contamination.
- **Climate Change Mitigation:** By investing in renewable geothermal energy, GDC contributes significantly to the reduction of greenhouse gas emissions in Kenya's energy sector.
- **Air Quality Management:** Air quality management is a critical component of GDC's environmental strategy, given the nature of geothermal operations which may emit gases such as hydrogen sulfide (H₂S), carbon dioxide (CO₂), and other trace gases during drilling and testing phases. GDC is committed to ensuring that its activities do not compromise the health of employees, surrounding communities, or the integrity of the local environment. GDC has a Air Quality Management Plan that guide project in monitoring emissions of hydrogen sulfide (H₂S) and non-condensable gases.

Although geothermal emissions are low, Menengai's operations include air dispersion modelling and mitigation mechanisms where thresholds are exceeded.

GDC continues to monitor and report on environmental indicators, identify sustainability risks, and implement mitigation strategies. Internal audits, third-party reviews, and stakeholder feedback inform ongoing improvements in sustainability performance. The company is also exploring opportunities for carbon financing and enhancing its environmental data systems for better transparency and accountability.

Major shortcomings include:

- Inadequate data collection on long-term impacts of exploration on soil and hydrology.
- Occasional delays in environmental audit reporting due to staffing gaps.

Employee Welfare

The Geothermal Development Company (GDC) remains committed to providing a safe and healthy work environment in compliance with the Occupational Safety and Health Act, 2007 (OSHA). During FY 2024/25, GDC undertook key statutory activities including third-party inspections of lifting equipment, procurement of medical examinations under Legal Notice No. 24 of 2005, and maintenance of emergency safety equipment in line with Legal Notice No. 59 of 2007.

Environmental & Sustainability Reporting

While challenges such as delayed deliveries and land funding constraints affected full compliance, the company took proactive steps to address gaps. These included initiating framework procurement of PPE, developing internal safety training content, and revising the Safety Policy to promote shared responsibility and improve organizational safety culture. Although GDC's safety culture is still developing, the company remains dedicated to continuous improvement, employee well-being, and meeting its legal and moral obligations under OSHA, 2007.

Responsible supply chain and supplier relations

Supply Chain Management encompasses effective planning and management of all activities involved in procurement of goods, works & services, disposal and inventory management including storage of goods from point of origin to point of consumption geared towards fulfilling user requirements in a cost-effective manner.

Supply Chain Management aims to create a more sustainable value chain by promoting responsible sourcing, contract management, reducing waste, increasing transparency, fairness and competitiveness in the procurement processes in order to create long-term value for all stakeholders including suppliers, financiers, employees and citizens. Supply Chain Management is responsible for disposal of assets in a manner that is environmentally friendly which involves handling, treating and disposing waste appropriately to minimize environmental and human health impacts.

Community Engagements

In the financial year 2024/2025, the region actively engaged the community on community engagement forums. A total of twelve (12) community meetings, six (7) stakeholder engagements, and three (7) focus group discussions were conducted. The forums were for engaging the communities on land updates/compensation, financier requirements, resolving grievances, updates on the project among others

Through the 4 fields in the north rift Baringo silale project, grievances are addressed by established committees. The grievance handing committees that consist of 11 members and 3 x- officials each are as follows;

- Silale project- 3 groups
- Paka project – 3 groups
- Korosi project – 3 groups
- Baringo project – 1 group

The initiative has minimized project down time. The grievance committee had been trained previous year by USAID/Power Africa.

As part of its community social investment, GDC has provided direct economic benefits to the Baringo community by engaging three hundred and seventy (370) locals in various casual job opportunities within the company and with the outsourced services on cleaning and security companies.

Environmental & Sustainability Reporting

Additionally, the company has invested socially through various projects investments. The community benefited directly through the following investment initiatives;

1. Land matters- Facilitation of 20 titles obtained from Ministry of lands for Paka community/ capacity building and eventual compensation
2. Water support- Provision of water in the 16 community points directly through GDC established infrastructure and supply to 4 institutions weekly through the existing water boozers. Approximately 50 households with average of 10 members benefit per water point.
3. Education support- children from Banditry stricken region were supported with bursary for elevation of their education of kshs. 1, 000,000. Career talks were held also on knowledge transfer to children in high schools. 2 schools were identified and supported during the year

Chepungus school launch and construction of the 1st classroom will commence in the year 2025/2026. This school in Paka project will be a game changer in the region
4. Medical services support- Referral cases and clinic services at Paka and Silali camps have greatly supported the community. The community receive treatment for minor ailments from the facility and critical cases are referred to Marigat and Kabarnet referral hospitals. Approximately 40 patients were referred during the year under review
5. Economic empowerment- Boat was donated to beach management unit in I. Baringo for fishing and security purposes. The community has also been engaged on temporary contracts (370) engaged during the year
6. Interim food donation- Donation of food to hunger stricken region was done at a cost of ksh 1,200,0000 during the year under review. The main aim was to support the banditry affected region as well as the vulnerable in the community.
7. GDC has continued to support national unity and cultural heritage by contributing approximately KES 120,000/- annually toward the celebration of national holidays, including Madaraka Day, Mashujaa Day, and Jamhuri Day celebrations
8. LRP- The livelihood restoration activities planned for 2025/2026 FY for Paka and Korosi project will address various issues that will elevate the community

5 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 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 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 2025, 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 20/11 2025 and signed by them.



Stephen K. Busieney
Ag. Managing Director & CEO



Eng. Martha Mburu
Project Manager



Solomon Sankaire
Project Accountant
ICPAK No.19098

5 Statement of Project Management Responsibilities

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Stephen K. Busieney
Ag. Managing Director & CEO



Eng. Martha Mburu
Project Manager



Solomon Sankaire
Project Accountant
ICPAK No.19098

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS
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, 2025 – GEOTHERMAL DEVELOPMENT COMPANY LIMITED

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying Transitional International Public Sector Accounting Standards (IPSAS) financial statements of Bogoria Silali Geothermal Project set out on

Report of the Auditor-General on Bogoria Silali Geothermal Project (Loan No. 2013.66.103) for the year ended 30 June, 2025 - Geothermal Development Company Limited

pages 1 to 26 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the Transitional IPSAS financial statements present fairly, in all material respects, the financial position of the Bogoria Silali Geothermal Project 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 Financing Agreement No. 2013.66.103 dated 10 July, 2014 between the Germany Development Bank (KfW) and the Republic of Kenya and the Public Finance Management Act, 2012 and the National Treasury and Economic Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements of the Project review revealed several inconsistencies, errors of omission and inaccuracies as detailed below:

- i. The statement of cashflows reflects net changes in working capital of Kshs.3,068,000 which are not reflected the statement of financial position. In addition, note 8 to the financial statements reflects a depreciation charge of Kshs.36,626,000 for the year, which is not reflected in the statement of financial performance.
- ii. A budget reconciliation statement which forms part of explanatory notes to the statement of comparison of budget and actual amounts reflects other receipts and interests received of Kshs.16,441,000 and Kshs.131,083,000 respectively. However, both the other receipts and interest income amounts were not supported or included in the statement of financial performance as an income during the year.
- iii. The statement of changes in net assets reflects a balance of Kshs.1,838,865 indicated as changes for the year. However, the statement of financial performance reflects a Nil surplus. The variance between the two statements was not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Inaccuracies in the Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,324,905,000 and as disclosed in Note 6 to the financial statements. However, examination of the cashbook balances and the bank balances in the financial statements revealed variances as highlighted below:

Bank Accounts	Financial Statement Amounts (Kshs.)	Cash Book Balance (Kshs.)	Variance (Kshs.)
COOP A/c No 0113*****60 0	90,405,326.00	103,364,592.32	12,959,266.32
ABSA USD Account	181,933,046.00	607,169,487.00	425,236,441.00

In the circumstances, the accuracy and completeness of bank balances of Kshs.1,324,905,000 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 the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

No	Financial Year	Audit Issue
1.	2023/2024	Inaccuracies in Cash and Cash Equivalents
2.	2023/2024	Budget Control and Performance
3.	2023/2024	Unaccounted for Strategic Fuel Stock
4.	2023/2024	Commingling of Funds
5.	2023/2024	Long Outstanding Pending Bills
6.	2023/2024	Weaknesses in Motor Vehicle Repairs and Spares Expenditure

Other Information

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

In connection with my audit on the 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. Based on the audit procedures performed and the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Slow absorption of Project Funds

As disclosed in Paragraph 2.2 of Project information and overall performance, the Project was expected to close in December, 2027, following an extension by the Donor from the initial date of June, 2025. The funding summary in Paragraph 2.7 indicates that the Donor had made commitments of EUR 111,995,000 and USD 9,728,000 equivalent to Kshs.15,127,599,000. The Government of Kenya also made a funding commitment to of Kshs.66,015,612,000 making a total commitment of Kshs.81,143,211,000.

As indicated in Paragraph 2.7A of Project information and overall performance, the actual drawdowns during the project life of ten (10) years amounted to Kshs.19,088,326,000 resulting to a balance of Kshs.62,054,885,000 equivalent to 76% of the total commitment undrawn. Management did not measures implemented to absorb the remaining funding commitment within the remaining project life.

In the circumstances, existence of effective mechanisms for project planning and implementation including utilization of funds could not be confirmed.

2. Commingling of Project Funds

The statement of financial position reflects Kshs.1,324,905,000 in respect of cash and cash equivalents as further disclosed in note 6 to the financial statements. Review of bank and cash and bank records revealed that Project funds were commingled in several bank accounts maintained by the Company for all projects. Additionally, there was no separate cashbook maintained to record cash received for the project and payments against the Project funds during the project implementation period. As a result, the total cash receipts and payments in respect of the project was not confirmed.

In the circumstances, the effectiveness of internal controls on cash and cash equivalents could not be ascertained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Financing Agreement No.2013.66.103 between the Germany Development Bank (KfW) and the Republic of Kenya, I report, based on my audit, that:

- i. 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.

- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Financing Agreement between the Germany Development Bank (KfW) and the Republic of Kenya for Bogoria Silali Geothermal Project requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 of the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

Bogoria Silali Geothermal 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	FY 2024/25
		Kshs '000'
Revenue		
Steam Charge Payments		-
		-
Total revenue		-
Expenses		
Total expenses		-
Other gains/(losses)		
Surplus/ (deficit)		-

Note:

The Entity recognises proceeds from sale of steam, transfer from Exchequer and Development partners as Capital Grants (portion financing Menengai Geothermal Project). The payments are capitalised under Property Plant & Equipment & Exploration & Evaluation Activities.

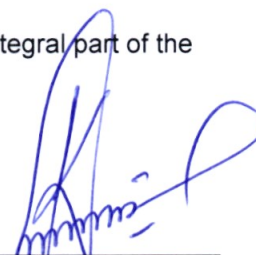
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Stephen K. Busieney
Ag. Managing Director & CEO



Eng. Martha Mburu
Project Manager



Solomon Sankaire
Project Accountant
ICPAK No.19098

8 Statement of Financial Position as at 30th June 2025

	Note	FY 2024/25	1st July 2024
		Kshs '000'	Kshs '000'
Assets			
Current Assets			
Cash and Cash equivalents	6	1,324,905	3,363,530
Receivables	7	2,531	-
Total Current Assets		1,327,436	3,363,530
Non-Current Assets			
Property, Plant and Equipment	8	398,151	434,777
Exploration & Evaluation	9	16,711,534	12,792,796
Intangible Assets	10	764	2,318
Total Non- Current Assets		17,110,448	13,229,891
Total Assets (a)		18,437,885	16,593,421
Liabilities			
Current Liabilities			
Trade and Other Payables	11	314,542	308,942
Total Current Liabilities		314,542	308,942
Total Liabilities (b)		314,542	308,942
Net Assets (a-b)		18,123,343	16,284,479
Represented By:			
Accumulated Surplus (Grants)		18,123,343	16,284,479
Total Net Assets		18,123,343	16,284,479

The financial statements were approved on 20/11 2025 and signed by:


 Stephen K. Busieney
 Ag. Managing Director & CEO


 Eng. Martha Mburu
 Project Manager


 Solomon Sankaire
 Project Accountant
 ICPAK No.19098

9 Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs '000'
As at 30th June 2024 (Cash Basis)	3,363,530
Adjustments: (to recognize assets and liabilities)	
Asset Recognition	13,229,891
Liabilities Recognition	(308,943)
As at 1st July 2024	16,284,479
Changes for the year	1,838,864
As at 30th June 2025	18,123,343

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

The financial statements were approved on 20/11 2025 and signed by:



Stephen K. Busieney
Ag. Managing Director & CEO



Eng. Martha Mburu
Project Manager



Solomon Sankaire
Project Accountant
ICPAK No.19098

10 Statement of Cashflow for the year ended 30th June 2025

Description	Note	FY 2024/25
		Kshs '000'
Cashflow from operating activities		
Receipts		
Miscellaneous Revenue		-
Total receipts		-
Changes in Working Capital		
Increase in payables		5,599
Increase in Receivable		(2,531)
Net cash flow from operating activities	xx	3,068
Cashflow from investing activities		
Expenditure on PPE		(253,949)
Expenditure on Exploration & Evaluation Assets		(3,187,479)
Net cash flows from investing activities		(3,441,427)
Cash flow from financing activities		
Grants		1,252,212
Other Receipts		147,523
Net cash flow from financing activities		1,399,735
Net increase/Decrease in cash and cash equivalents		(2,038,625)
Cash and cash equivalent at 1st July 2024	6	3,363,530
Cash and cash equivalent at end June 2025	6	1,324,905


Stephen K. Busieney
Ag. Managing Director & CEO


Eng. Martha Mburu
Project Manager


Solomon Sankaire
Project Accountant
ICPAK No.19098

Bogoria Silali Geothermal Project

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

11 Statement of Comparison of Budget and Actual Amounts 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 %
Revenue	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	
Budget Carry Overs from previous periods	-	3,363,530	3,363,530	3,363,530		
A-I-A (Steam Charge Receipts)	1,800,000	(960,000)	840,000	792,659	47,341	94%
Development Partners	2,254,000	(863,000)	1,391,000	459,553	931,447	33%
Total Revenue	4,054,000	1,540,530	5,594,530	4,615,742	978,788	
Payments						
Expenditure on PPE & Exploration & Evaluation	4,054,000	1,540,530	5,594,530	3,441,428	2,153,102	62%
Total Payments	4,054,000	1,540,530	5,594,530	3,441,428	2,153,102	
Surplus or Deficit	-	-	-	1,174,314		

Budget notes

1. Provide a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)

- Condition Precedent for Disbursement of Debt swap funds was met towards end of the Financial year. Funds eventually received in July 2025.
- Rationalization of Exchequer Support
- Shortfall in collections of Local AIA.
- Expenditure on PPE & E&E Includes commitments carried forward from previous financial year.

2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

- Condition Precedent for Disbursement of Debt swap funds was met towards end of the Financial year. Funds eventually received in July 2025.
- Condition Precedent for Disbursement of GRMF had not been met by the end of the financial year.
- Rationalization of Exchequer Support

Bogoria  li Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs'000'
	Actual Surplus Amounts as per the statement of Budget	1,174,314
1	Other Receipts	16,441
2	Interest Income	131,083
3	Working Capital changes	3,069
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,324,905

12 Notes to the Financial Statements

1. General Information

GDC is established by and derives its authority and accountability from Energy Act No 12 of 2016 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is developing steam fields and selling geothermal steam for electricity generation.

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).

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS). The Menengai Geothermal Project *has taken advantage of the transitional provisions outlined in IPSAS 33 and therefore this first year financial statements are transitional financial statements.*

These financial statements were authorized for issue by the accounting officer on 28th August 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	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45-Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
	<p>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>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- 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>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</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>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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</p>

***Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Standard	Effective date and impact:
	and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

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

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 Board on 25th 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 entity recorded reduced appropriations of 1.823 Million in 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 statement of comparison of budget vs Actual performance of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition 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.

Notes to the financial statements

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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.

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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.

Notes to the financial statements

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. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

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.

Notes to the financial statements

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

The entity 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.

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 *Entity*.

i) Provisions

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

Contingent liabilities

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

Contingent assets

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

j) Nature and purpose of reserves

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

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The *entity* provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

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

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.

o) Related parties

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

Notes to the financial statements

p) Service concession arrangements

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Bogoria Silali Geothermal Project**Annual Report and Financial Statements for the financial year ended June 30, 2025****Notes to the financial statements****6. Cash and Cash Equivalents**

Description	FY 2024/25	1 st July
	Kshs'000	Kshs'000
Cash in Bank	1,324,905	3,363,530
Total Cash and Cash Equivalents	1,324,905	3,363,530

Project Bank Accounts

Particulars	FY 2024-25	FY 2023-24
	Kshs'000	Kshs'000
Foreign Currency Accounts		
Co-operative Bank of Kenya [A/c No 02120160857600]	-	539,411
Co-operative Bank of Kenya [A/c No 02150168576]	38,665	38,665
Total Foreign Balances	38,665	578,076
Local Currency Accounts		
Kenya Commercial Bank - Marigat [A/c No 1166553671]	162	3,832
Kenya Commercial Bank of Kenya [A/c 1119615208]	27,507	8,781
Co-operative Bank of Kenya [A/c No 01136160857600]	90,405	120,804
KfW NCBA [A/c No 4761090015]	602,094	2,192,676
KCB Land Compensation Escrow [A/c No. 1290052360]	326	13,007
KCB USD [A/c No. 1334506434]	1,293	-
GRMF [A/c No. 01141160857601]	382,521	397,813
Co-operative Bank of Kenya [01136115849200]	-	45,518
ABSA KES [A/c No. 2041818169]	-	3,023
ABSA USD [A/c No. 204181893]	181,932	-
Total Local Currency Balances	1,286,240	2,785,454
Total Bank Account Balances	1,324,905	3,363,530

Bogoria Silali Geothermal Project

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

Notes to the Financial Statements (Continued)

7. Receivables

Description	FY 2024/25	1st July 2024
	Kshs'000	Kshs'000
Amounts owed by Headquarters	2,531	-
Total Receivables	2,531	-

These receivables for Kes. 2,531 relates to amount owed by Recurrent (Headquarters) to Bogoria Silali Project for amounts withdrawn from KCB Kipande and Marigat because of Garnishee order on GDC accounts.

Ageing analysis for Receivables

Description	FY 2024/25		1 st July 2024	
	Kshs'000'		Kshs'000'	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,531	0%	-	0%
Total (a+b)	2,531	0%	-	0%

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

8. Property, Plant and Equipment

Cost	Motor Vehicles	Furnitures & Fittings	ICT Equipments	Other Assets	Capital Work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Depreciation rate						
As At 1 July 2024 (opening balances)			-	-	180,828	180,828
Additions	-	-	3,000	217,924	33,025	253,949
Transfers/Adjustments	-	-	-	90,437	(90,437)	-
As at 30th June 2025	-	-	3,000	308,361	123,417	434,777
						-
Depreciation And Impairment						-
As At 1 July 2024 (opening balances)					-	-
Depreciation charge for the year	-	-	507	36,118	-	36,626
As At 30th June 2025	-	-	507	36,118	-	36,626
						-
Net Book Values						-
As at 1st July 2024	-	-	-	-	180,828	180,828
As at 30th June 2025	-	-	2,492	272,242	123,417	398,151

Bogoria Silali Geothermal Project**Annual Report and Financial Statements for the financial year ended June 30, 2025****Notes to the financial statements****9. Exploration & Evaluation Asset**

Cost	Exploration & Evaluation	Total
	Kshs'000	Kshs'000
Depreciation rate	-	
As At 1 July 2024 (opening balances)	12,792,796	12,792,796
Additions	3,918,738	3,918,738
As at 30th June 2025	16,711,534	16,711,534
		-
Depreciation And Impairment		-
As at 1 July 2025	-	-
Depreciation charge for the year	-	-
As At 30th June 2025	-	-
		-
Net Book Values		-
As at 1st July 2024	12,792,796	12,792,796
As at 30th June 2025	16,711,534	16,711,534

10. Intangible Asset

Description	1st July 2024
	Kshs
Cost	
As at 1st July 2024	7,499
Additions	-
As At 30th June 2025	7,499
Amortization and impairment	
As at 1st July 2024	5,180
Amortization	1,555
As At 30th June 2025	6,735
NBV as at 1st July 2024	2,318
NBV as at 30th June 2025	764

Bogoria Silali Geothermal Project

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

Notes to the financial statements

11. Trade and Other Payables

Description	FY 2024/25		1 st July 2024	
	Kshs'000"		Kshs'000"	
Trade payables	292,354		286,448	
Employee payables	22,188		22,495	
Total trade and other payables	314,542		308,942	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	314,431	100%	305,589	98.9%
1-2 years	111	0%	1,758	0.6%
2-3 years	-	0%	1,596	0.5%
Total	314,542	100%	308,942	100%

Bogoria Silali Geothermal Project

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

Notes to the financial statements

12. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	FY 2024/25	1st July 2024
	Kshs'000	Kshs'000
(i) KFW Steam Field Dev Bogoria Silali [A/c No 1000473894]		
Opening balance	3,200	-
Total amount deposited in the account	-	-
Total amount withdrawn	(3,200)	-
Closing balance (as per SDA bank account reconciliation attached)	≡	≡

(The Special Deposit Account reconciliation statement has been attached as **Appendix iii** support these closing balance).

Notes to the financial statements

13. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

14. Events after the Reporting Period

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

15. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Energy & Petroleum. Its ultimate parent is the Government of Kenya.

16. Currency

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

Bogoria Silali Geothermal 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: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the cash & Cash equivalent	Issue arose because of receipting A-I-A in the co-operative bank account and a garnishee order on GDC's Accounts. Management will open a separate account for the project	Not resolved	30.06.2026
2.	Budgetary Control & Performance	Management has put in place a PIT to facilitate closure of condition precedence which will facilitate project funds absorption.	Resolved	
3.	Unaccounted for strategic fuel stock	Management has put in place measures and system that monitor receipting, issuing and management of strategic stocks in our various stores	Resolved	
4.	Commingling of funds	Plans are underway to separate bank accounts meant for projects and recurrent	Not resolved	30.06.2026

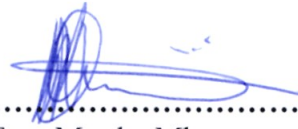
Bogoria Silali Geothermal Project

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: (Put a date when you expect the issue to be resolved)
5.	Long outstanding pending bills	Most of the pending bills have been paid except the once in dispute.	Resolved	
6.	Weakness in motor vehicle repairs and spares expenditure	Management has put in place an equipment maintenance department that is charged with the whole process of repairs.	Resolved	



.....
Stephen Busieney
Ag. Managing Director & CEO



.....
Eng. Martha Mburu
Project Coordinator

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 2: Reconciliation of inter-entity transfers

Project Name: Bogori_Silali Geothermal Project				
Break down of transfers from the State Department of Energy & Petroleum				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs'000')	
		18.09.2024	459,553	FY 2024/25
		09.07.2025	647,000	FY 2024/26
		Total	1,106,553	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	
		02.07.2024	2,513	FY 2023/24
		31.12.2024	22,464	FY 2024/25
		31.12.2024	10,794	FY 2024/25
		Total	35,771	
		Total (A+B+C)	1,142,323	

The above amounts have been communicated to and reconciled with the Parent Ministry of Energy & Petroleum.

Project Coordinator
GDC

Sign

Head of Accounting
Ministry of Energy & Petroleum.

Sign

Bogoria Silali Geothermal Project
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs'000) 1st July 2024	Additions during the year (Kshs'000)	Disposals during the year (Kshs'000)	Transfers in/(out) during the year	Historical Cost c/f (Kshs'000) FY 2024/25
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment	-	-	-	-	-
Office equipment, furniture and fittings	-	217,924	-	90,437	308,361
ICT Equipment	-	3,000	-	-	3,000
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Exploration & Evaluation Asset	12,792,796	3,918,738	-	-	16,711,534
Intangible assets	7,499	-	-	-	7,499
Work in Progress	180,828	33,025	-	(90,437)	123,417
Total	12,981,123	4,172,686	-	-	17,153,809

Note:

The financial statements are 1st Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of Accounting Method. The Entity has onboarded Exploration & evaluation Assets, Intangible Assets and Work in Progress. The rest of the asset line items above will be on-boarded in FY 2025/26 financial statements.

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025
- iii. Special Deposit Account(s) reconciliation statement(s)



REPUBLIC OF KENYA

**MINISTRY OF ENERGY AND PETROLEUM
STATE DEPARTMENT FOR ENERGY**

Telegrams: 'MINPOWER', Nairobi
Telephone: Nairobi 4841000
Fax: 240910
Telex: 23094: MINERGY
When replying please quote

**OFFICE OF THE
PRINCIPAL SECRETARY
KAWI HOUSE
P. O. Box 30582**

Ref No. MOE /ACC/I VOL.I/004

14th July, 2025

Mr. Paul Ngugi
Managing Director/CEO
Geothermal Development Company.
Kawi House, South C

~~17 JUL 2025~~

Gm-F&I
Fna

NAIROBI.

Devi MA,

RE: INTER ENTITY TRANSFERS CONFIRMATION LETTER

The State Department for Energy wishes to confirm the amounts disbursed to you for the financial 2024/2025 as indicated in the table below. Compare the amounts disbursed to you with the amounts you received and populate them in column D in the table below. Then sign and stamp this request in the space provided and return it to us by 30th July, 2025.

Confirmation of amounts received by Geothermal Development Company. for the financial year 2024/2025						
Reference No	Date Disbursed	Recurrent (A)	Development (B)	Total C=A+B	Amount Received by GDC FY 2024/25 (D)	Difference E=D-C
Ref. No.	Date Disbursed	Recurrent (A)	Development (B)	Total C=A+B		
FT24262JWD34	18-Sep-2024		459,552,561.90		459,552,561.90	
FT251900HW19	09-Jul-2025		647,000,000.00		647,000,000.00	
TOTAL			1,106,552,561.90	1,106,552,561.90	1,106,552,561.90	

**Alex K. Wachira, CBS
PRINCIPAL SECRETARY**

**FINANCE & INVESTMENT DIRECTORATE
GEOTHERMAL DEVELOPMENT CO. LTD.**

23 JUL 2025

P. O. Box 100746 - 00101,
NAIROBI, KENYA

BANK RECONCILIATION REPORT

GEOTHERMAL DEVELOPMENT COMPANY LIMITED
KCB Marigat Branch (Main KES)
Bank Acc No. 1166553671
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	141120	650,973.43
INCOMING CHEQUES	141121	0.00
OUTGOING CHEQUES	141122	488,778.86-
CASH IN TRANSIT A/C	141123	0.00
CASH BOOK BALANCE	KES	162,194.57

Prepared By : Sula Kiplaga

Checked By : ~~Handwritten~~

Reviewed By : Lkharemba

03/07/2025

03/07/2025

[Signature]

10/7/25

[Handwritten mark]

BANK RECONCILIATION REPORT

GEOHERMAL DEVELOPMENT COMPANY LIMITED
KCB Kipande Branch Main A/C (KES)
Bank Acc No. 1119615208
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	141100	16,365,010.07
INCOMING CHEQUES	141101	11,141,559.40
OUTGOING CHEQUES	141102	0.00
CASH IN TRANSIT A/C	141103	0.00
CASH BOOK BALANCE	KES	27,506,569.47

Prepared By : Moses Rutunga 09/07/2025

Checked By :

Reviewed By : L Khaemba ~~AB~~ 10/7/25

BANK RECONCILIATION REPORT

GEO THERMAL DEVELOPMENT COMPANY LIMITED
CO-OP Rusco Upper Hill Operations Main A/C (KES)
Bank Acc No. 01136160857600
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	140100	112,368,725.46
INCOMING CHEQUES	140101	5,201,742.50
OUTGOING CHEQUES	140102	14,205,875.64-
CASH IN TRANSIT A/C	140103	0.00
CASH BOOK BALANCE	KES	103,364,592.32

Prepared By : Moses Lukungu 05/07/2025
Checked By : _____
Reviewed By : _____

BANK RECONCILIATION REPORT

GEOTHERMAL DEVELOPMENT COMPANY LIMITED
KFW Steam Field Devt Bogoria Silali Project
Bank Acc No. 4761090015
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	141150	619,269,905.14
INCOMING CHEQUES	141151	0.00
OUTGOING CHEQUES	141152	17,176,290.88-
CASH IN TRANSIT A/C	141153	0.00
CASH BOOK BALANCE	KES	602,093,614.26

Prepared By : Moses Gitonga 10/7/2025

Checked By :

Reviewed By : L Khaemba 10/7/2025


BANK RECONCILIATION REPORT

GEOHERMAL DEVELOPMENT COMPANY LIMITED
GDC Land Compensation Escrow Account
Bank Acc No. 1290052360
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	141160	326,425.12
INCOMING CHEQUES	141161	0.00
OUTGOING CHEQUES	141162	0.00
CASH IN TRANSIT A/C	141163	0.00
CASH BOOK BALANCE	KES	326,425.12

Prepared By : Noses Ritunga 10/07/2025

Checked By : _____

Reviewed By : L. Khaemba  10/7/25

BANK RECONCILIATION REPORT

GEOHERMAL DEVELOPMENT COMPANY LIMITED
GDC KCB USD Account
Bank Acc No. 1334506434
AS AT 31.12.2024

Account Description	Account	Balance (USD)
Main Bank A/C	142150	10,000.00
INCOMING CHEQUES	142151	0.00
OUTGOING CHEQUES	142152	0.00
CASH IN TRANSIT A/C	142153	0.00
CASH BOOK BALANCE	USD	10,000.00

Prepared By : Moses Qitanga 05/01/2025

Checked By : _____

Reviewed By : _____


BANK RECONCILIATION REPORT

GEOHERMAL DEVELOPMENT COMPANY LIMITED
Geothermal Risk Mitigation Facility (GRMF) Acc Kes
Bank Acc No. 01141160857601
AS AT 30.06.2025

Account Description	Account	Balance (KES)
Main Bank A/C	140220	382,520,622.91
INCOMING CHEQUES	140221	0.00
OUTGOING CHEQUES	140222	0.00
CASH IN TRANSIT A/C	140223	0.00
CASH BOOK BALANCE	KES	382,520,622.91

Prepared By : Moses Gitonga 09/07/2025

Checked By : _____

Reviewed By : Lkhaemba  10/7/25

BANK RECONCILIATION REPORT

GEOHERMAL DEVELOPMENT COMPANY LIMITED
Barclays Bank Main USD Current Account
Bank Acc No. 2041818193
AS AT 30.06.2025

Account Description	Account	Balance (USD)
Main Bank A/C	142140	4,583,257.15
INCOMING CHEQUES	142141	0.00
OUTGOING CHEQUES	142142	0.00
CASH IN TRANSIT A/C	142143	0.00
CASH BOOK BALANCE	USD	4,583,257.15

Prepared By : Moses Gitzang 10/07/2025

Checked By :

Reviewed By :

Lkhaembra



10/7/25

39 37

**STEAM FIELD DEV. BOGORIA SILALI
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2025**

KfW Loan No.BMZ 2013 66 103

Bank Account No.1000473894 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by KfW			52,500,000.00
	Less:			
2	Total amount justified			-
3	Outstanding amount advanced to be justified			52,500,000.00
	Represented by:			
4	Ending Designated Account Balance at 30.06.2025			-
5	Amount claimed but not credited at 30.06.2025			-
6	Amount withdrawn and not claimed as at 30.06.2025			52,500,000.00
7	Service charges (if not included in 5 & 6 above)			
	Less:			
8	Interest earning (if included in Designated Account)			-
9	Total advance to Designated Account year ended 30.06.2025			52,500,000.00

Discrepancy between total appearing on lines 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by KfW and provide reasons for not claiming the expenditures

**AUTHORIZED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE:

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2025
Account No.	1000473894
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	KFW STEAM FIELD DEV.BOGORIA- SILALI
Credit Agreement	
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	3,199,995.00
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Add:

Total Amount deposited by Donor <i>KFW</i>	-
Total Interest earnings if deposited in account	

Total amount refunded to cover ineligible expenditure

Deduct:

Total amount withdrawn	3,199,995.00
Total service charges if not included above in amount withdrawn	

Ending balance on 30th June,2025

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

[Signature]

DATE

14/07/2025

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

[Signature]

DATE

05-08-2025

NOTE: The ending balance as per Central Bank of Kenya Ledger Account as at 30th June,2025 is attached.

Results 1 - 1 of 1

Run Date: Run Time:
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER :

ACCOUNT TITLE : KFW STEAM FIELD DEV.BOGORIA-SILALI
 30/06 2025

STATEMENT PERIOD: From 01/07/2024 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
	OPENING BAL :		3,199,995.00			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	23/08/2024	FT242365LJ7;1	PA131335	-3,199,995.00	0.00	0
				CLOSING BALANCE : 0		

END OF ACCOUNT STATEMENT

Favourites TAM.E STMT OF.ACCT.EPRM Find

Account 1000473894

Statement From 20240701

Statement To 20250630

TAM.E STMT OF ACCT.EPRM

KfW Disbursements in Kenya June 2025 (in EUR)

Number	Project	Amount Committed	Disbursements June 2025	Disbursements 1.1.2025 to 31.12.2025	Total Disbursements	Not disbursed as of 30 June 2025
201366103	Steam Field Development Bogoria-Silali Block	80.000.000,00	0,00	0,00	77.638.858,08	2.361.141,92
TOTAL SUMS:		841.140.929,22	6.540.451,92	23.589.932,52	457.122.301,48	384.018.627,74