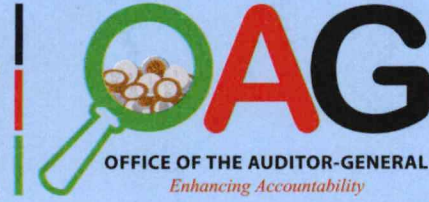


REPUBLIC OF KENYA



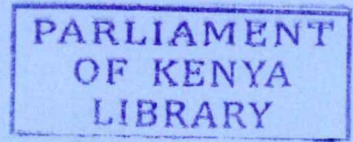
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

MOMBASA INVESTMENT CORPORATION

FOR THE YEAR ENDED
30 JUNE, 2025

	PAPERS LAID
DATE	6/2/2025
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	Chemp.



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 95202 MOMBASA
05 NOV 2025
RECEIVED
MOMBASA REGIONAL OFFICE



MOMBASA INVESTMENT CORPORATION

County Government of Mombasa

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

Mombasa Investment Corporation
County Government of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

Table of Contents.....
Page	
1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Directors/Management.....	xvi
5. Key Management Team.....	xxi
6. Chairman’s Statement.....	xxiii
7. Report of the Managing Director.....	xxiv
8. Statement of Performance against Predetermined Objectives for FY 2024/2025-1.....	xxv
9. Corporate Governance Statement.....	xxix
10. Management Discussion and Analysis	xxxi
11. Environmental and Sustainability Reporting	xxxiii
12. i) Market Place Practices	xxxv
13. Report of the Directors	xxxvii
14. Statement of Directors Responsibilities	xxxviii
15. Report of the Independent Auditor for the Financial Statements of MIC.....	xl
16. Statement of Financial Performance for the year ended 30 June 2025	1
15 Statement of Financial Position as at 30 June 2025	3
16. Statement of Changes in Net Assets for the year ended 30 June 2025.....	5
17. Statement of Cash Flows for the year ended 30 June 2025.....	6
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 .	8
19. Notes to the Financial Statements.....	10
20. Appendices.....	67

1. Acronyms and Definition of Key Terms

A: Acronyms

AGPO	Access to Government Procurement Opportunities
CEO	Chief Executive Officer
CECM	County Executive Committee Member
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
CT	County Treasury
CIDP	County Integrated Development Plan
CA	County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPPs	Public Private Partnership's
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank
MIC	Mombasa Investment Corporation
TA	Transaction Advisor
CGTRH	Coast General Teaching & Referral Hospital
EIB	European Investment Bank
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Mombasa Investment Corporation was established by an Act of the County Assembly of Mombasa (the Mombasa County Investment Corporation Act, 2019). At cabinet (County Executive Committee) level, the entity is represented by the County Executive Committee Member for Finance and Economic planning who is responsible for the general policy of the institution. The Mombasa Investment Corporation is domiciled in Mombasa, Kenya.

(b) Principal Activities

The principal activity of the Mombasa Investment Corporation is to be a world- class investment hub through strategic and sustainable partnership and interventions. Our mission is to provide a conducive environment for innovative investment in Mombasa urbanization and regenerative transformation by acting as a catalyst for economic growth and development in the County. Our core objectives are to:

- i) Provide efficient and effective service delivery.
- ii) Promote professionalism in service delivery.
- iii) Promote prudent utilization of resources.
- iv) Capacity strengthening on research and innovation for various stakeholders.
- v) Spearhead Public Private Partnership projects
- vi) Engagement with research and innovation institutions, hub and practitioners
- vii) Promote innovative programs and activities.
- viii) Focal point for all investment-related activities and partnerships
- ix) Create market linkages and networks in priority sectors for a competitive and attractive environment for investors.
- x) Mapping of investment actors.

Key Management

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

No.	Designation	Name
1.	Board of Directors (comprised of 5 independent members and 3 executive members)	Peter Njonjo, Ahmed Farah, Dennis Muganga, Charles Ndegwa, Fiona Malonza, Jimmy Waliaula, Ayub Buhiri
2.	Managing Director	Sahale Bawazir

(c) Fiduciary Management

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

No.	Designation	Name
1.	Managing Director	Sahale Bawazir
2.	Principal Finance	Gloria Naitore
3.	Head of Procurement	Jemimah Maghanga
4.	Audit Committee	Chairperson (Independent Member)- Charles Ndegwa Independent Member- Fiona Malonza Executive Member- Jimmy Waliaula Executive Member- Sahale Bawazir
5.	Finance Committee	Chairperson (Executive member)- Ayub Ridhiwani Independent Member- Ahmed Farah Independent Member- Denis Lewa

Mombasa Investment Corporation

County Government of Mombasa

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

No.	Designation	Name
		Executive Member- Sahale Bawazir
6.	Human Resource & Governance Committee	Chairperson (Independent Member)-Denis Lewa Independent Member- Charles Ndegwa Executive Member- Ayub Ridhiwani Executive Member- Sahale Bawazir
7.	Risk & Compliance Committee	Chairperson (Independent Member)- Fiona Malonza Independent Member- Ahmed Farah Executive Member- Jimmy Waliaula Executive Member- Sahale Bawazir

(d) Fiduciary Oversight Arrangements

Human Resource Governance Committee

The Human Resource and Governance Committee (the “Committee”) of the Board (the “Board”) of Mombasa Investment Corporation (the “Corporation”) shall discharge the responsibilities of the Board with respect to oversight of the following:

- Recommending recruitment of strong and capable candidates to be staff of the Corporation.
- Making recommendations as to the structure, operations, performance and effectiveness of the staff of the Corporation.
- Recommending remuneration of staff of the Corporation.
- Overseeing the CEO's succession planning process.
- Conducting an annual review of the CEO and Senior Management team.
- Leading the Board in the annual review of its performance as well as the performance of the various Board committees.
- Reviewing and monitoring the Corporation’s Human Resources Management strategy to determine whether the Human Resource plans and initiatives will enable the Corporation to achieve its strategic objectives.
- Reviewing and when appropriate, recommending to the Board the Corporation’s Human Resources policies as well as make recommendations to the Board regarding incentive-compensation plans.
- Developing and recommending to the Board a set of corporate governance principles; and
- Taking a leadership role in shaping the corporate governance of the Company through ensuring proper policies, plans etc. are in place and implemented.

2. Composition

- The Committee shall comprise of four Board members.
- The members of the Committee shall be appointed by the Board and may be replaced by the Board in accordance with the Board Charter.
- The Chairperson of the Committee shall be appointed by the Board.
- The Chairperson shall chair all sessions of the Committee and set the agenda for the Committee meetings in liaison with the Committee members.

- In the absence of the Chairperson, the Committee members present shall elect the Chairperson for that particular meeting and the decisions shall be deemed to be as that of the Chairperson.
 - Voting by the Committee shall be on the basis of a majority vote. In the event of a deadlock, the matter shall be referred to the Board.
 - The Committee may form and delegate authority to sub committees consisting of one or more members when appropriate.
3. Committee Meetings
- The Committee may meet as frequently as circumstances dictate.
 - The quorum for meetings of the Committee shall be three members.
 - Every Committee member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Board.
 - Meetings of the Committee may be held in person or by such permissible electronic means.
 - The Committee may invite to its meetings any Board member, personnel of the Corporation or any third party, as it deems appropriate to carry out its responsibilities.
4. Other Responsibilities and Duties
- The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate considering changing business, legislative, regulatory, legal or other conditions.
 - The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.
 - The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate in relation to carrying out its function.
5. Performance of the committee
- The Committee shall perform a self-assessment at least once a year and agree on actions to improve its effectiveness.

- When necessary, training will be arranged for existing and any new members introduced to the Committee. This will be arranged through the Chairperson of the Committee.
6. Review of the terms of reference
- These Terms of Reference shall be subject to review by the Board every two years or at any other time as is deemed necessary.
 - Any proposed changes to these Terms of Reference shall be submitted to the Board for approval.

Audit Committee

The Audit Committee (the “Committee”) of the Board (the “Board”) of Mombasa Investment Corporation (the “Corporation”) shall discharge the responsibilities of the Board with respect to oversight of the following:

- Obtain assurance from management that all financial and non-financial internal controls are operating effectively and reliably.
 - Provide an independent review of the reporting functions of the Corporation to ensure the integrity of financial reports.
 - Monitor the effectiveness of the performance management and performance information of the Corporation.
 - Provide strong and effective oversight of the internal audit function of the Corporation.
 - Provide effective liaison and facilitate communication between management and external auditors.
 - Provide oversight of the implementation of accepted audit recommendations; and
 - Ensure the Corporation effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
2. Composition
- The Committee shall comprise of four Board members.
 - The members of the Committee shall be appointed by the Board and may be replaced by the Board in accordance with the Board Charter.
 - The Chairperson of the Committee shall be appointed by the Board.

- The Chairperson shall chair all sessions of the Committee and set the agenda for the Committee meetings in liaison with the Committee members.
 - In the absence of the Chairperson, the Committee members present shall elect the Chairperson for that meeting and the decisions shall be deemed to be as that of the Chairperson.
 - Voting by the Committee shall be based on a majority vote. In the event of a deadlock, the matter shall be referred to the Board.
 - The Committee may form and delegate authority to sub committees consisting of one or more members when appropriate.
3. Committee Meetings
- The Committee may meet as frequently as circumstances dictate.
 - The quorum for meetings of the Committee shall be three members.
 - Every Committee member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Board.
 - Meetings of the Committee may be held in person or by such permissible electronic means.
 - The Committee may invite to its meetings any Board member, personnel of the Corporation or any third party, as it deems appropriate to carry out its responsibilities.
4. Other Responsibilities and Duties
- The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate considering changing business, legislative, regulatory, legal or other conditions.
 - The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.
 - The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate in relation to carrying out its function.

5. Performance of the committee
 - The Committee shall perform a self-assessment at least once a year and agree on actions to improve its effectiveness.
 - When necessary, training will be arranged for existing and any new members introduced to the Committee. This will be arranged through the Chairperson of the Committee.

6. Review of the terms of reference
 - These Terms of Reference shall be subject to review by the Board every two years or at any other time as is deemed necessary.
 - Any proposed changes to these Terms of Reference shall be submitted to the Board for approval.

Finance Committee

The Finance Committee (the “Committee”) of the Board (the “Board”) of Mombasa Investment Corporation (the “Corporation”) shall discharge the responsibilities of the Board with respect to oversight of the following:

- Establish and from time to time review the Finance and Planning Strategies of the Corporation.
 - Establish and review overall budgeting and budgetary control plans of the Corporation.
 - From time to time, develop financial and investment policies and procedures in line with international best practices, international financial reporting standards, and in accordance with any other applicable laws of Kenya.
 - Review the investment performance of the Corporation.
 - Review the annual procurement and asset disposal plan of the Corporation; and
 - Ensure that, there are adequate system of internal controls, management and financial reporting.
-
2. Composition
 - The Committee shall comprise of four Board members.
 - The members of the Committee shall be appointed by the Board and may be replaced by the Board in accordance with the Board Charter.

- The Chairperson of the Committee shall be appointed by the Board.
- The Chairperson shall chair all sessions of the Committee and set the agenda for the Committee meetings in liaison with the Committee members.
- In the absence of the Chairperson, the Committee members present shall elect the Chairperson for that meeting and the decisions shall be deemed to be as that of the Chairperson.
- Voting by the Committee shall be based on a majority vote. In the event of a deadlock, the matter shall be referred to the Board.
- The Committee may form and delegate authority to sub committees consisting of one or more members when appropriate.

3. Committee Meetings

- The Committee may meet as frequently as circumstances dictate.
- The quorum for meetings of the Committee shall be three members.
- Every Committee member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Board.
- Meetings of the Committee may be held in person or by such permissible electronic means.
- The Committee may invite to its meetings any Board member, personnel of the Corporation or any third party, as it deems appropriate to carry out its responsibilities.

4. Other Responsibilities and Duties

- The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate considering changing business, legislative, regulatory, legal or other conditions.
- The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.
- The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate in relation to carrying out its function.

5. Performance of the committee

- The Committee shall perform a self-assessment at least once a year and agree on actions to improve its effectiveness.
- When necessary, training will be arranged for existing and any new members introduced to the Committee. This will be arranged through the Chairperson of the Committee.

6. Review of the terms of reference

- These Terms of Reference shall be subject to review by the Board every two years or at any other time as is deemed necessary.
- Any proposed changes to these Terms of Reference shall be submitted to the Board for approval.

Risk and Compliance Committee

The Risk and Compliance Committee (the “Committee”) of the Board (the “Board”) of Mombasa Investment Corporation (the “Corporation”) shall discharge the responsibilities of the Board with respect to oversight of the following:

- Establish appropriate methods for measuring risk appetite and positions.
- Ensure key risks are identified and monitored and steps are taken by management to mitigate them.
- Consider all significant matters relating to governance, control, regulatory and compliance issues and any other applicable rules and legislation.
- Ensure the risk framework of the Corporation is up to standard and continuously refined to meet the evolving needs of the Corporation and the relevant laws and Regulations.
- Ensure that there is a budget for key risk exposures, both to ensure regulatory compliance and the achievement of the strategic objectives of the Corporation.
- Ensure the current and proposed activities of the Corporation are reviewed against its risk appetite and capital budget.
- Establish corruption prevention and whistle blowing policies and procedures which minimize potential for corruption and financial impropriety; and
- Ensure the compliance policies, procedures, programmes, and controls of the Corporation are appropriate and effective.

2. Composition
 - The Committee shall comprise of four Board members.
 - The members of the Committee shall be appointed by the Board and may be replaced by the Board in accordance with the Board Charter.
 - The Chairperson of the Committee shall be appointed by the Board.
 - The Chairperson shall chair all sessions of the Committee and set the agenda for the Committee meetings in liaison with the Committee members.
 - In the absence of the Chairperson, the Committee members present shall elect the Chairperson for that meeting and the decisions shall be deemed to be as that of the Chairperson.
 - Voting by the Committee shall be based on a majority vote. In the event of a deadlock, the matter shall be referred to the Board.
 - The Committee may form and delegate authority to sub committees consisting of one or more members when appropriate.

3. Committee Meetings
 - The Committee may meet as frequently as circumstances dictate.
 - The quorum for meetings of the Committee shall be three members.
 - Every Committee member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Board.
 - Meetings of the Committee may be held in person or by such permissible electronic means.
 - The Committee may invite to its meetings any Board member, personnel of the Corporation or any third party, as it deems appropriate to carry out its responsibilities.

4. Other Responsibilities and Duties
 - The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate considering changing business, legislative, regulatory, legal or other conditions.
 - The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.

- The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate in relation to carrying out its function.
5. Performance of the committee
- The Committee shall perform a self-assessment at least once a year and agree on actions to improve its effectiveness.
 - When necessary, training will be arranged for existing and any new members introduced to the Committee. This will be arranged through the Chairperson of the Committee.
6. Review of the terms of reference
- These Terms of Reference shall be subject to review by the Board every two years or at any other time as is deemed necessary.
 - Any proposed changes to these Terms of Reference shall be submitted to the Board for approval.

(e) Entity Headquarters

P.O. Box 34505-80118
Mombasa Investment Corporation (MIC)
Links Road, Nyali
Mombasa, Kenya

(f) Entity Contacts

Telephone: (254 717 775 103
E-mail info@mic.co.ke
Website: www.invest.mombasa.go.ke

(g) Entity Bankers

1. Sidian Bank
Moi Avenue
P.O. Box 95615-80106
Mombasa, Kenya

2. Equity Bank

Moi Avenue

P. O. Box 84618-80100

Mombasa, Kenya

(h) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Advisers

1. The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

2. County Attorney

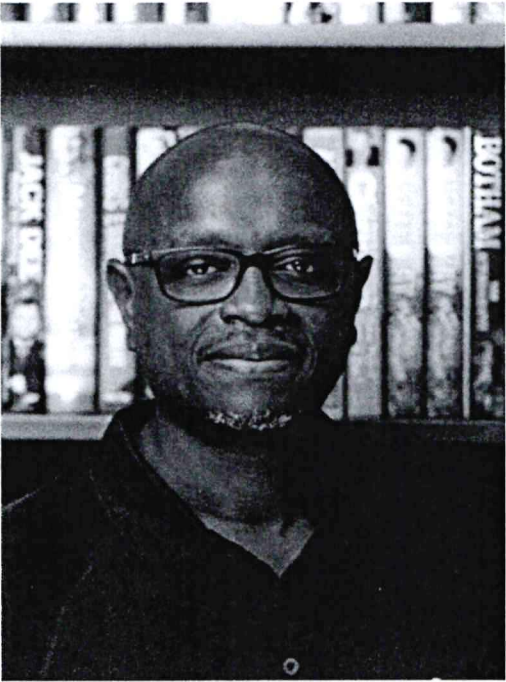

County Government of Mombasa

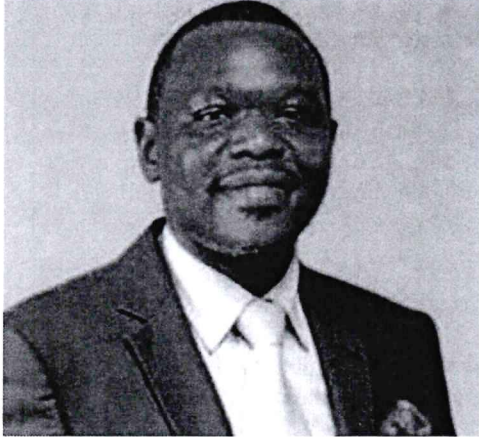
Bima Towers 6th Floor



P.O. Box 84569 – 80100


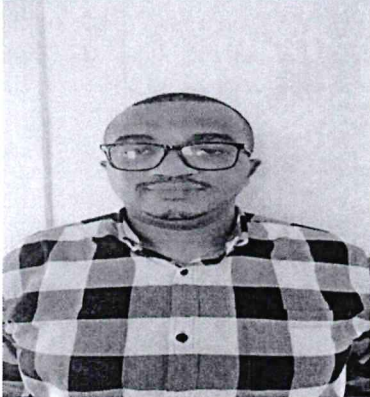
Mombasa, Kenya

3. The Board of Directors/Management

4. Directors	Details
 <p>Peter Njonjo - Chairperson, Mombasa Investment Corporation (MIC) Independent Board Member</p>	<p>Peter Njonjo is an accomplished business leader with over 25 years of experience across sub-Saharan Africa. Over the last 2 years as Chairman and Founder of the Selu Group, he secured a 30-year, 40,000acre concession, under the PPP framework to develop 20,000 acres of irrigation with the Government of Kenya. He was Founder and CEO of Twiga Foods, raising over \$200Million in venture capital equity and debt over 10 years. Also spent 21 years with The Coca-Cola Company, with the last role being President of West and Central Africa, managing 33 countries across sub-Saharan Africa, based in Lagos, Nigeria.</p> <p>Voted among the top 100 Young Leaders in Africa by Forbes Afrique, top 40 under 40 for 3 years in a row by The Business Daily in Kenya. Former President of the American Chamber of Commerce in Kenya and former member of the United States International University Council in Kenya. Served as a Board member of The Jim McFie Education Fund, American Business Council in Nigeria, Member of the Africa Leadership Network (ALN) and former Chapter Chair of the Young Presidents Organization (YPO) in Kenya.</p> <p>Peter Njonjo holds a Master of Business Administration in Strategic Management, a Bachelor of Science degree in International Business Administration from United States International University in Kenya and an Executive Leadership Program from Harvard Business School. Njonjo is also a Certified Public Accountant.</p>
	<p>Ahmed Farah, HSC is the Chairman and Co-Founder of Halal Global Standard EA.</p> <p>He is a member of the National Investment Council. He is also a member of Mombasa Investment Corporation Board and a member in the MIC Finance Committee and Risk and Compliance Committee</p> <p>Prior to taking up his current role, Farah worked as CEO at Kenya National Chamber of Commerce and Industry (KNCCI) and was also the Country Director at TradeMark Africa (TMA) prior to that. Farah was also the Economic Advisor at the County Government of Mombasa, worked as a Director at Deloitte & Touche, East Africa for 2 years and spent 10 years with PriceWaterhouseCoopers.</p>

<p>Ahmed Farah, HSC- MIC Independent Board Member</p>	<p>Farah has as a Master of Arts in International Development, Poverty, Conflict and Reconstruction from The University of Manchester and a Bachelor's degree in Commerce and Accounting from Kenyatta University. He is a Certified Public Accountant of Kenya, CPA (K) a Certified Internal Auditor (CIA) and conferred with Head of State Commendation (HSC) Honors.</p>
 <p>Denis Lewa Muganga- MIC Independent Board Member</p>	<p>Denis Lewa Muganga is a seasoned Economist with extensive expertise in the Blue Economy, Economic Policy Analysis, PPPs, Project Management, Regulatory Reforms, SEZs, and Investment Climate improvements.</p> <p>He has led initiatives in performance contracting, long-term planning, feasibility studies, and risk management, and is highly skilled in monitoring, evaluation, innovation, and knowledge management.</p> <p>He holds an Economics degree from Kenyatta University - Kenya, an MSc in Economics (Cum Laude) from the State University of Bergamo - Italy, and is pursuing both an MPhil in Development Policy at the University of Cape Town - South Africa and a PhD in Applied Economics at Vrije Universiteit Brussel - Belgium.</p> <p>He also holds professional certifications from Harvard, Strathmore, Duke University and JICA, among others.</p> <p>Currently, Denis serves as Director at MIC (also Chair of the HR Committee), Director at the JKP Economic Bloc, Director on the Board of the Mombasa Community Development Trust, Lead Economist at the Blue Economy Support Center and Director for Private Sector Investment Promotion and PPPs at the Northern Corridor Transit and Transport Coordination Authority.</p> <p>His past roles span Citi Bank, DANIDA, the National Treasury, KPA, IFC (World Bank Group), and the County Government of Mombasa (as County Secretary & Head of Public Service. He is also a member of Mombasa Investment Corporation Board and a member in the MIC Finance Committee and Human Resource and Governance Committee</p>

 <p>Charles Ndegwa- MD Winstar Security Group Kenya, MIC Independent Board Member</p>	<p>Charles Ndegwa is the Managing Director at Winstar Security Group Kenya.</p> <p>He holds a Bachelors degree in International Business Administration, Finance option from United States International University in Kenya, Owner Manager Program Diploma from Strathmore Business School, he has done a Leadership & Management Course at Lagos Business School and holds a Level 6 Diploma in Security Management Professional from International Security Management Institute.</p> <p>He is a member at Mombasa Investment Corporation Board and also Chairs the MIC Audit Committee and is a member for MIC Human Resource and Governance Committee.</p>
 <p>Fiona Malonza - MBA, LLB, CHRP, CHRA, GRC, CPM(MTI)- MIC Independent Board Member</p>	<p>Fiona Kanini Malonza is a seasoned expert in Governance, Legal, Risk, and Compliance with over 15 years of experience in capital markets, ESG, corporate law, and regulatory advisory across East Africa. She is a Partner at Soari Associates, where she leads governance and compliance consulting for financial institutions and corporates. Fiona holds an MBA in Strategic Management and a Law degree, and is a certified professional in company secretarial practice, HR, mediation, and securities investment.</p> <p>She serves on several boards including Mombasa Investment Corporation (MIC) and I Choose Life – Africa (ICL), and lectures law at leading institutions. Fiona has held senior roles at Old Mutual Group, Genghis Capital, the Nairobi Securities Exchange, and contributed to national AML policy through the National Risk Assessment Taskforce. She is widely recognized for her leadership in strengthening governance frameworks and regulatory compliance in Kenya’s financial sector.</p> <p>He is also a member of Mombasa Investment Corporation Board and a member in the MIC Risk and Compliance Committee and Audit Committee</p>



 <p>Jimmy Waliaula- County Attorney, MIC Executive Board Member</p>	<p>Jimmy is a skilled Attorney on Civil and Commercial law with over 13 years of experience working as an Associate, Partner and rising through to Principal Legal Counsel-County Assembly of Mombasa, Director- Legal Services and Acting County Attorney for County Government of Mombasa.</p> <p>He has a Bachelor of Laws Degree (LLB Hons) from Dr Bhimrao Ambedkar University – India and a Diploma from Kenya School of Law - Nairobi, Kenya and Admission to the Roll of Advocates The High Court of Kenya - Nairobi, Kenya</p> <p>He is also a member of Mombasa Investment Corporation Board and a member in the MIC Risk and Compliance Committee and Audit Committee</p>
 <p>Ayub Buhiri Ridhiwani Representative of CCO - Finance & Investment- MIC Executive Board Member</p>	<p>Mr. Ayub Buhiri is the current Ag. Head of Treasury in the County Government of Mombasa.</p> <p>Mr. Ayub has over 10 years’ experience in the public sector and is representing the Office of the County Chief Officer Finance & Investments, County Government of Mombasa.</p> <p>He is also a member of Mombasa Investment Corporation Board and a member in the MIC Human Resource and Governance Committee and Finance Committee</p>
	<p>Ms. Sahale Bawazir is the C.E.O & Managing Director of Mombasa Investment Corporation (MIC), Mombasa County.</p> <p>In the MIC Board, she sits as a member and a secretary in the Board Committees.</p> <p>Prior to taking this role, she has worked in the United Nations, Investment Banking in private sector and headed the policy and partnerships unit in public sector for over 10 years.</p>



Sahale Bawazir-Managing Director-
Executive Board Member

Sahale has an MBA in Strategic Management from Kenyatta University, a Bsc. In International Business Administration- Finance from USIU-Africa and certifications in various business and leadership courses from Harvard University and University of Witwatersrand Johannesburg. She is certified in Public Private Partnerships from APMG International.

5. Key Management Team

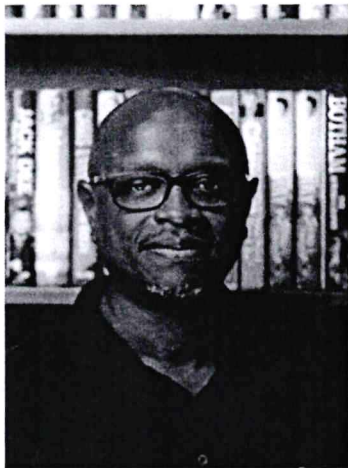
Management	Details
 <p data-bbox="213 1077 459 1106">Sahale Bawazir-MD</p>	<p data-bbox="820 454 1362 629">Ms. Sahale Bawazir is the C.E.O & Managing Director of Mombasa Investment Corporation (MIC), Mombasa County. In the MIC Board, she sits as a member and a secretary in the Board Committees.</p> <p data-bbox="820 674 1362 808">Prior to taking this role, she has worked in the United Nations, Investment Banking in private sector and headed the policy and partnerships unit in public sector for over 10 years.</p> <p data-bbox="820 853 1362 1133">Sahale has an MBA in Strategic Management from Kenyatta University, a Bsc. In International Business Administration- Finance from USIU- Africa and certifications in various business and leadership courses from Harvard University and University of Witwatersrand Johannesburg. She is certified in Public Private Partnerships from APMG International.</p>
 <p data-bbox="213 1760 699 1843">Jemimah Maghanga, MKISM - Head of Procurement</p>	<p data-bbox="820 1144 1342 1279">Ms. Jemimah Maghanga is the current Head of Procurement at Mombasa Investment Corporation (MIC). She is also a Secretariat at MIC Board.</p> <p data-bbox="820 1323 1362 1637">Prior to taking this role, she has worked in the private sector, in the Administration and Management position before joining the County Government of Mombasa, Department of Environment Waste Management and Energy, in the County Executive Committee Member's (CECM) office (Administration and Management); a position she held for almost a decade.</p> <p data-bbox="820 1682 1337 1861">She holds a Bachelor's Degree in Commerce, Procurement and Supply Chain Management option, from The University of Nairobi. She is also a member at Kenya Institute of Supplies Management (KISM) professional body.</p>



Gloria Naitore is a business and data analyst with extensive experience in public sector finance and administration. Currently pursuing a Post Graduate Program in Data Science and Business Analytics at the University of Texas at Austin, she is skilled in tools such as Power BI, Excel, R, and Python, using data to inform strategic decision-making.

She has a proven track record in financial reporting, compliance, risk management, and IFMIS implementation, having led audits, streamlined budgeting processes, and improved transparency. Passionate about data visualization and machine learning, Gloria applies data-driven solutions to enhance efficiency and innovation in financial and operational functions. She is a certified Public Accountant of Kenya, CPA (K)

6. Chairman's Statement



I am pleased to present the Mombasa Investment Corporation's (MIC) Annual Financial Report for the Financial Year 2024–2025—a year marked by growth, innovation, and strengthened partnerships. The Corporation has continued to align its investments with Mombasa County's development agenda, focusing on high-impact sectors such as logistics, tourism, real estate, the blue economy, and digital infrastructure.

Despite global and domestic economic pressures, MIC maintained steady financial performance and institutional resilience. Notably, we launched the Mombasa County Investment Portal to improve transparency and investor facilitation and progressed several public-private partnership initiatives aligned with the County's Integrated Development Plan.

Our achievements are a reflection of the professionalism and dedication of MIC's staff, as well as the strong collaboration between the Board, County leadership, and private sector stakeholders. I extend my appreciation to all who contributed to this success.

Looking ahead, MIC is committed to deepening its impact, mobilizing investment capital, creating jobs and reinforcing Mombasa's position as a leading regional hub for business and innovation. Together, we will continue to drive economic transformation and deliver value to the people of Mombasa County.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Njonjo".

.....
PETER NJONJO
CHAIRPERSON

7. Report of the Managing Director



I am pleased to present the Mombasa Investment Corporation’s (MIC) Annual Financial Report for the Financial Year 2024–2025. This report highlights our continued progress as we work to position MIC as a catalyst for sustainable, inclusive investment in Mombasa County.

This year, MIC adopted a forward-looking and adaptive approach to navigate evolving market dynamics. Our focus remained on driving innovation, maintaining resilience, and ensuring sustainability across our investment portfolio. We recognize that agility is key to responding to changing conditions while seizing new opportunities for growth.

Our success is built on strong partnerships. We remain deeply grateful to our stakeholders, investors, and the broader community for their trust and engagement. These relationships—grounded in accountability, transparency, and shared goals—continue to be the foundation of our work.

During the year, we advanced high-impact projects across logistics, the blue economy, tourism, housing, and digital infrastructure. The launch of the Mombasa County Investment Portal marked a major milestone in improving investor access and transparency. Our growing pipeline of Public-Private Partnership opportunities reflects our commitment to long-term development.

Looking ahead, we are confident in MIC’s role in shaping a vibrant and competitive Mombasa. We will continue to champion innovation, attract sustainable investment, and unlock economic opportunities for current and future generations.

I invite all stakeholders to join us on this journey as we strive to make Mombasa a beacon of investment, resilience, and progress.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sahale Bawazir'.

.....
SAHALE BAWAZIR
MANAGING DIRECTOR

8. Statement of Performance against Predetermined Objectives for FY 2024/2025-1

MIC has 5 strategic objectives within the current 10-year strategic plan for the 2024-2034. These strategic objectives are as follows:

- To enhance the competitiveness of Mombasa Investment Corporation by strengthening its institutional capacity.
- To enhance Mombasa County's investment climate through targeted promotion, attraction, and retention strategies to secure a diverse range of high-value local and international investors.
- To establish Mombasa as a leading investment destination through strategic branding and marketing.
- To enhance employment opportunities in Mombasa County through targeted investment activities.
- To implement a data ecosystem to improve timeliness and accessibility of investment data for MIC stakeholders.

MIC develops its annual work plans based on the below 5 objectives. MIC achieved its performance targets set for the FY 24/25 period for its 5 strategic objectives, as indicated in the diagram below:

Strategic Objective	Objective	Key Performance Indicators	Activities	Achievements
Strategic Objective 1:	Strengthening the Mombasa Investment Corporation's institutional capacity.	Institutional Capacity enhanced.	Ensure that MIC has adequate competent human resource. Ensure capacity building for MIC Staff/Board members.	90% The Board approved the required human resource documents and

		Ensuring proper governance and legal compliance.	<p>Approving MIC Manuals/ Policy/regulations/plan/ SOPs</p> <p>Approving Prescribed documents as per legal requirements.</p> <p>Evaluating Corporation's Performance</p>	<p>the Public Service Board recruited in phases.</p> <p>Staff training in various skills and Government prescribed trainings eg: Procurement, Human Resource, Accounting, PPP (public private partnerships) and Resource Mobilization</p> <p>Approval of financial reports, workplans, procurement plans etc</p> <p>Implementation of Performance Contract (PC)</p>
--	--	--	--	---

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

<p>Strategic Objective 2:</p>	<p>To enhance Mombasa County's investment climate through targeted promotion, attraction, and retention strategies to secure a diverse range of high-value local and international investors</p>	<p>Attracting investment</p>	<p>Enhance a collaborative environment to leverage collaboration between County Government of Mombasa, National Government, MIC and the private sector in attracting investment.</p> <p>Developing investment projects into viable, investor-ready opportunities.</p> <p>Establishing a Resource Centre and equipping it with key information.</p> <p>Packaging investment projects and pitching to potential investors</p>	<p>70%</p>
<p>Strategic Objective 3:</p>	<p>To establish Mombasa as a leading investment destination through strategic branding and marketing</p>	<p>Marketing and Branding</p>	<p>Developing promotion materials.</p> <p>Expanding non-traditional marketing approaches, especially digital.</p> <p>Drafting a long-term investment promotion strategy</p> <p>Market sounding of priority projects e.g. Advertisement i.e. RFP & EOI (solid waste management), street lighting.</p>	<p>75%</p> <p>This can be improved once we have a marketing personnel.</p> <p>Furthermore, support from private sector to brand Mombasa as a leading investment destination is important.</p>

Strategic Objective 4:	To enhance employment opportunities in Mombasa County through targeted investment activities	Job Creation	<p>Target high-impact sectors through approval of flagship projects</p> <p>Number of key strategic partnerships to unlock investment opportunities and job creation</p> <p>Providing linkages between investors and existing business.</p>	90%
Strategic Objective 5:	To implement a data ecosystem to improve timeliness and accessibility of investment data for MIC stakeholders	Investment data management	<p>Maintaining an investment pipeline and investor/partnership database.</p> <p>Development of concept notes for each flagship project.</p> <p>Stakeholders' engagement forums</p>	75%

9. Corporate Governance Statement

The Mombasa Investment Corporation (MIC) is committed to the highest standards of corporate governance, accountability, and ethical leadership in line with its mandate to drive strategic investments in Mombasa County. Sound governance structures underpin MIC's ability to deliver on its mission and contribute to the County's sustainable development.

Role of the Board

The principal role of the Board of Directors is to formulate and oversee the implementation of the Corporation's strategic objectives, corporate governance principles, and core values. In discharging this responsibility, the Board ensures that MIC remains aligned with the County's development agenda as outlined in Kenya Vision 2030, Mombasa Vision 2035, the Big Four Agenda, and the Mombasa County Integrated Development Plan (CIDP).

The governance structure is anchored in the Mombasa Investment Corporation Act, 2019, which formally established MIC and provided a robust legal and institutional framework to position Mombasa as a premier investment destination in the coastal region. The Act enables efficient investment management, promotes competitiveness, and supports socio-economic development.

Board Functions

Governance responsibilities are vested in the Board of Directors, whose roles are defined under the Act. The Board's core functions are two-fold:

- Decision-Making: Undertaken jointly with Management in the development of fundamental policies, strategic goals, and the approval of significant operational and financial actions.
- Oversight: Involves regular review of management decisions, monitoring of risk and control systems, and evaluation of policy implementation to ensure institutional accountability and effectiveness.

Board Committees

To support effective governance and fulfil its responsibilities, the Board operates through four standing committees in accordance with the Mwongozo Code of Governance for State

Corporations and the MIC Board Charter. These committees' function under clearly defined Terms of Reference approved by the Board. They include:

- Audit Committee
- Human Resources & Governance Committee
- Risk & Compliance Committee
- Finance Committee

The quorum for both Board and Committee meetings is set at more than half of the members, including the Chairperson. In the Financial Year 2023/2024, the Board held five meetings, all of which achieved quorum, with attendance consistently above 50%.

Board Remuneration and Management Delegation

Board remuneration is guided by the Salaries and Remuneration Commission (SRC). The Board has delegated the responsibility for day-to-day operations and the implementation of its decisions to the Management team, which is accountable for the Corporation's performance and execution of strategic priorities.

MIC remains committed to building a transparent, responsive, and accountable governance culture that supports its mission of delivering impactful, sustainable investments in Mombasa County.

10. Management Discussion and Analysis

In accordance with the Mombasa County Investment Corporation Act, 2019, the Mombasa Investment Corporation (MIC) functions as a centralized investment facilitation agency for the County Government. Through its One Stop Shop (OSS) framework, MIC serves as a single point of contact for both domestic and international investors, streamlining approvals, reducing bureaucratic barriers, and accelerating project implementation timelines.

Economic Context and Strategic Role

Mombasa County remains one of Kenya's most strategically positioned regions—home to the country's largest seaport and a globally recognized tourist destination. With a population of approximately 1.2 million (KNBS, 2019 Census), an urban footprint of 229.9 km², and a water mass of 65 km², Mombasa is uniquely placed to become a competitive economic hub.

However, comparative analysis shows that the City's economic contribution lags behind other African port cities. For instance, Cape Town and Durban contribute 9.6% and 15.9% to South Africa's GDP respectively, while Mombasa contributed just 5% to Kenya's GDP between 2013–2020 (KNBS, GCP 2021). The County trails Nairobi (22%) and Kiambu (6%) over the same period.

Despite this, Mombasa ranked second after Nairobi in its contributions to manufacturing, construction, and services, showcasing its industrial and infrastructural strengths. However, its share in agriculture, forestry, and fishing stood at just 0.1%, the lowest nationally—highlighting an urgent need to leverage value-addition and agribusiness potential.

Investment Potential and Sectoral Focus

The County Government, through MIC, has identified Special Economic Zones (SEZs) as critical enablers to revitalize key sectors. Priority areas include:

- Packaging and warehousing
- Automotive assembly
- Export processing
- Brokerage and logistics services

A targeted investment promotion strategy, coupled with infrastructure upgrades in SEZs and surrounding regions, is projected to increase Mombasa's contribution to national GDP to 15% over

the medium term. Further, tapping into the tea value chain and related agro-processing initiatives could boost the County's contribution to the agriculture, forestry, and fishing sectors to 8%–10%.

Employment and Socioeconomic Impact

Youth unemployment in Mombasa stands at a concerning 44% (Kuza Research). MIC's investment pipeline is designed to directly address this by catalyzing job creation through investor support, industrial growth, and public-private partnerships. With sustained effort, MIC estimates the County could generate 5,000–10,000 new jobs annually, particularly in export processing, logistics, agro-processing, tourism, and light manufacturing.

Outlook

The potential economic gains from a focused and structured investment promotion approach are significant. MIC is strategically positioned to coordinate multi-sectoral efforts, attract anchor investors, and align local capabilities with global market opportunities. The Corporation will continue leveraging policy reforms, digital platforms (such as the Mombasa County Investment Portal), and stakeholder engagement to position Mombasa as a dynamic, investor-ready destination.

11. Environmental and Sustainability Reporting

Annual Financial Report 2024–2025

Mombasa Investment Corporation (MIC) is committed to promoting sustainable economic growth that balances development with environmental stewardship and long-term resilience. Our strategic model is built around a holistic approach that aligns all investment initiatives with the Corporation’s mission to position Mombasa County as a premier investment destination—while ensuring sustainability remains at the core of every project.

Strategic Alignment with Sustainability

MIC’s operations are guided by its 10-Year Strategic Plan, which integrates environmental, social, and governance (ESG) principles into its investment promotion and project management activities. The strategy aligns with both local and global sustainability agendas, including the Mombasa County Climate Change Act, the Kenya Green Economy Strategy, and the UN Sustainable Development Goals (SDGs). Through this model, MIC ensures that all investments promote socio-economic transformation while minimizing environmental impact and enhancing community resilience.

Environmental Considerations and Risk Awareness

A detailed PESTELE (Political, Economic, Social, Technological, Environmental, Legal, and Ethical) analysis informs MIC’s understanding of external environmental dynamics. Mombasa’s strategic location, supported by a deep-water port, creates strong potential for trade, logistics, and marine-based investments. However, this coastal advantage also brings environmental vulnerabilities, particularly with regard to:

- Climate change – Rising sea levels, coastal erosion, and flooding pose a direct threat to infrastructure, disrupt logistics and operations, and raise long-term costs.
- Land constraints – Limited land availability in urban areas presents a challenge for scaling up large capital-intensive projects, especially in manufacturing, logistics, and housing sectors

By incorporating insights from both PESTELE and SWOT (Strengths, Weaknesses, Opportunities, Threats) analyses, MIC continues to adopt a proactive risk management approach that identifies potential environmental risks early and incorporates mitigation strategies into project design and execution.

Sustainability Integration in Investment Planning

The Corporation has embedded environmental and social safeguards into its project appraisal and screening criteria. All investment projects promoted or supported by MIC are subject to environmental impact assessments (EIAs) and are guided by applicable national and county environmental laws and regulations. MIC also encourages the adoption of green building standards, sustainable supply chains, and circular economy models across all sectors of investment.

Additionally, MIC actively engages stakeholders—including government agencies, civil society, communities, and investors—to ensure inclusive participation and knowledge-sharing on sustainable investment practices.

Looking Ahead

MIC recognizes that environmental sustainability is a key determinant of long-term economic success. As the Corporation continues to unlock investment opportunities in tourism, logistics, real estate, and the blue economy, a deliberate focus will be placed on climate-resilient infrastructure, renewable energy adoption, sustainable urban development, and environmental compliance.

Our goal is to not only attract high-quality investment but also ensure that these investments support a greener, more inclusive, and more resilient Mombasa County.

12. i) Market Place Practices

a) Responsible Competition Practice

MIC is committed to promoting and upholding fair competition and transparent service delivery.

To ensure responsible competition practices, MIC has implemented the following measures:

- **Anti-Corruption Measures:** MIC adheres to the Public Officer Ethics Act and the Anti-Corruption and Economic Crimes Act. Staff members undergo regular training on ethical conduct and compliance as arranged from the County Executive.
- **Open Tendering and Procurement Transparency:** MIC follows the Public Procurement and Asset Disposal Act guidelines. All tenders are advertised publicly through the official website and national newspapers to ensure competitive, open bidding.
- **Respect for Competitors:** MIC maintains a professional relationship with industry peers and avoids any form of misinformation or defamation.
- **Service Delivery Enhancement:**
 - MIC has developed and publicly shared a Service Charter, outlining expected timelines and service standards.
 - It has implemented service automation through its website and social platforms, reducing human interface and promoting efficiency.

b) Responsible Supply Chain and Supplier Relations

MIC upholds integrity and fairness in all supplier relationships. The following measures ensure responsible supply chain management:

- **Fair Procurement Practices:** MIC uses e-procurement systems to foster transparency. Procurement opportunities are open to all qualified suppliers, including youth, women, and persons with disabilities, in line with national procurement regulations.
- **Prompt Payments:** MIC values its suppliers and strives to pay all invoices within the agreed timelines.

c) Responsible Engagement with Citizens

MIC ensures that all communication and marketing practices adhere to high ethical standards:

- **Truthful and Transparent Communication:** All marketing materials, public notices, and advertisements issued by MIC avoid false claims. Communication is based on verifiable data and facts.
- **Inclusive Citizen Engagement:** MIC actively engages the public through:
 - Website updates and newsletters
 - Public participation forums during investment prioritization, and project implementation
- **Respect for Diversity:** During outreach, MIC ensures communication is culturally sensitive, inclusive, and available in both English and Kiswahili to reach a wider audience.
- **Feedback Mechanisms:** Citizens can share their views or raise concerns via Corporation telephone number, the MIC website, and social media channels.

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the MIC's affairs.

i) Principal activities

The principal activities of the Entity are set up on page iii

ii) Results

The results of the MIC for the year ended June 30, 2025, are set out on page 1-9.

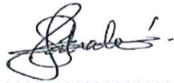
iii) Directors

The members of the Board of Directors who served during the year are shown on page xiv. During the year no director retired/ resigned.

iv) Auditors

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

By Order of the Board



.....

Name

Ms. Sahale Bawazir, MD

14. Statement of Directors Responsibilities

Section 164 of the Public Finance Management Act, 2012 and section 19 of the Mombasa County Investment Corporation Act of 2019 require the Directors to prepare financial statements in respect of that MIC, which give a true and fair view of the state of affairs of the MIC at the end of the financial year ended June 30, 2024 and the operating results of the Entity for that year.

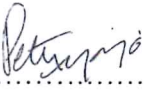
This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the MIC; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the MIC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Mombasa County Investment Corporation Act of 2019. The Directors are of the opinion that the MIC's financial statements give a true and fair view of the state of MIC's transactions during the financial year ended June 30, 2024, and of the MIC's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the MIC, which have been relied upon in the preparation of the MIC's financial statements as well as the adequacy of the systems of internal financial control.

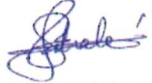
In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the MIC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The MICs financial statements were approved by the Board on 5th August 2025 and signed on its behalf by:


.....

Name: Peter Njonjo
Chairman of the Board


.....

Name: Sahale Bawazir
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MOMBASA INVESTMENT CORPORATION FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mombasa Investment Corporation set out on pages 1 to 67, 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 financial statements present fairly, in all material respects, the financial position of Mombasa Investment Corporation 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) and comply with the Mombasa Investment Corporation Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Disclose Details of Restated of Balances

The statement of financial performance, statement of financial position and the statement of changes in net assets shows that prior year audited balances were restated in the current financial year. However, details of movement on restated balances have not been disclosed in the corresponding notes to the financial statements as required under IPSAS 3.

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

2. Inaccurate Statement of Changes in Net Assets

The statement of changes in net assets reflects accumulated surplus as at 30 June, 2025 of Kshs.3,346,459. However, the opening balance of surplus/deficit of Kshs.4,783,356 differs with prior year audited net surplus of Kshs.1,783,356 resulting in an unexplained variance of Kshs.3,000,000.

In the circumstances, the accuracy of the accumulated surplus of Kshs.3,346,459 could not be confirmed.

3. Inaccurate Reconciliation of Cash Generated from Operations

Note 51 to the financial statements on cash generated from operations reflects surplus for the year before tax of Kshs.2,575,603 which differs with the surplus before tax for the year of Kshs.(424,397) resulting to a variance of Kshs.3,000,000.

In the circumstances, the accuracy of the net cash flows from operating activities of Kshs.(2,719,302) could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mombasa Investment Corporation 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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year's Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Corporation in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023/2024	Unexplained variance on transfers from the County Executive
2.	2023/2024	Late submission of financial statements
3.	2023/2024	Failure to develop regulations to operationalize the corporation
4.	2023/2024	Failure to maintain memorandum cashbook
5.	2023/2024	Weak internal controls on payments processing

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unsupported Procurement on Facilitation of Transport Costs

The statement of financial performance and Note 16 to the financial statements reflect use of goods and services amounting to Kshs.28,861,492. The expenditure includes Kshs.14,755,552 in respect of travel, accommodation, subsistence, and other allowances. However, the amounts include Kshs.1,778,168 incurred on air travel which was not supported by procurement documents such as requests for quotations, evaluation reports, award letters, or signed contracts contrary Section 44 (2) (d) of the Public Procurement and Assets Disposal Act, 2015 which requires the accounting officer to ensure proper documentation of procurement proceedings and safe custody of all procurement records.

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

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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Reports

Review of governance records revealed that no internal audit reviews were undertaken, and no internal audit reports were prepared or submitted for consideration by the audit committee. This is contrary to Section 155(1) of the Public Finance Management Act, 2012 and Regulation 153 of the Public Finance Management (County Governments) Regulations, 2015, which require each County entity to establish and maintain an effective internal audit function to review financial management, budget implementation, and governance systems and to provide assurance through an audit committee.

In the circumstances, the effectiveness of the internal control, risk management and governance could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

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

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

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

The Board of Directors is responsible for overseeing the Corporation's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that

effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 November, 2025

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

	Note	2024-2025	2023-2024 Restated
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government entities	6	30,000,000	25,000,000*
Transfers in Kind	7	-	-
Levies, Fines, and penalties	8	-	-
Public contributions and donations	9	-	-
Licenses, Fees, and Permits	10	-	-
		30,000,000	25,000,000
Revenue from exchange transactions			
Rendering of services	11	-	-
Sale of goods	12	-	-
Rental revenue from facilities and equipment	13	-	-
Finance income	14	-	-
Other income	15	-	25,000
Total revenue		30,000,000	25,025,000
Expenses			
Use of goods and services	16	28,861,492	20,676,414*
Employee costs	17	-	-
Board Expenses	18	1,393,200	577,730
Depreciation and amortization expense	19	169,705	-
Repairs and maintenance	20	-	-
Contracted services	21	-	-
Grants and subsidies	22	-	-
Finance costs	23	-	-
Total expenses		30,424,397	21,254,144
Other gains/losses)			
Gain/Loss on sale of assets	24	-	-
Gain/Loss on foreign exchange transactions	25	-	-
Gain /Loss on fair value of investments	26	-	-
Impairment loss	27	(-)	(-)
Surplus/ (deficit) before tax		(424,397)	3,770,856
Taxation	28	-	-
Surplus/(deficit) for the period/year		(424,397)	3,770,856

**Mombasa Investment Corporation
Annual Report and Financial Statements
for the year ended June 30, 2025.**

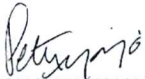
	Note	2024-2025	2023-2024 Restated
		Kshs	Kshs
Remission to County Treasury	47	-	-
Net Surplus for the year		(424,397)	3,770,856

Note:

- Use of goods for 2024 have been increased by KES 1,012,500 to correct the prior period error.

-Transfers from the County Government entities have been increased by 3,000,000 to correct the prior period error


The notes set out on pages 27 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:



.....

Name: Peter Njonjo
Chairman of the Board

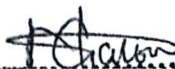
Date: 05/11/2025



.....

Name: Sahale Bawazir
Accounting Officer

Date: 05/11/2025



.....

Name: Gloria Naitore
Principal Finance
ICPAK No: 24895

Date: 05/11/2025

15 Statement of Financial Position as at 30 June 2025

	Note	2024-2025	2023-2024
		Kshs	Restated Kshs
Assets			
Current Assets			
Cash and Cash equivalents	29	1,187,220	7,006,322
Receivables from Exchange Transactions	30	-	-
Receivables from Non-Exchange Transactions	31	-	-
Inventories	32	-	-
Investments in financial assets	33	-	-
Prepayments	34	-	-
Total Current Assets		1,187,220	7,006,322
Non-Current Assets			
Receivables from Non-Exchange Transactions	31	-	3,000,000
Investments in financial assets	33	-	-
Property, Plant and Equipment	35	2,930,095	-
Intangible Assets	36	-	-
Investment Property	37	-	-
Biological Assets	38	-	-
Total Non- Current Assets		2,930,095	-
Total Assets (A)		4,117,317	10,006,322
Liabilities			
Current Liabilities			
Trade and Other Payables	39	770,856	6,235,466*
Refundable Deposits from Customers	40	-	-
Current Provisions	41	-	-
Finance Lease Obligation	42	-	-
Deferred Income	43	-	-
Employee Benefit Obligation	44	-	-
Payments received in advance	45	-	-
Short term borrowings (Current portion)	46	-	-
Service Concession Arrangements	47	-	-
Taxation	49	-	-
Total Current Liabilities		770,856	6,235,466
Non-Current Liabilities			

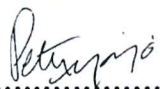
Mombasa Investment Corporation
Annual Report and Financial Statements
for the year ended June 30, 2025.

	Note	2024-2025	2023-2024 Restated
		Kshs	Kshs
Non-Current Provisions	41	-	-
Non-Current Employee Benefit Obligation	44	-	-
Long term Borrowings	46	-	-
Service Concession Liability	47	-	-
Deferred Tax Liabilities	50	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		770,856	6,235,466
Net Assets (A-B)		3,346,459	3,770,856
Represented By:			
Ordinary share capital		-	-
Revaluation reserve		-	-
Accumulated Surplus		3,346,459	3,770,856
Capital fund		-	-
Net Assets		3,346,459	3,770,856

Note: Trade and other payables for 2024 have been increased by KES 1,012,500 to correct the underpayment prior period error.


Receivables from Non-Exchange Transactions have been increased by 3,000,000 to correct the prior period error

The financial statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:


.....

Name: Peter Njonjo
Chairman of the Board

Date: 05/11/2025


.....

Name: Sahale Bawazir
Accounting Officer

Date: 05/11/2025


.....

Name: Gloria Naitore
Principal Finance
ICPAK No: 24895

Date: 05/11/2025

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

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Accumulated Surplus	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	-	-	-	-	-	-	-
Issued new capital	-	-	-	-	-	-	-
Revaluation gain							
Surplus/ deficit for the year	-	-	-	4,783,356	-	-	4,783,356
Balance as at June 30, 2024 (as previously stated)	-	-	-	4,783,356	-	-	4,783,356
Prior period adjustment (IPSAS 3)				(1,012,500)			(1,012,500)
Restated opening balance as at July 1, 2024	-	-	-	3,770,856	-	-	3,770,856
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	(424,397)	-	-	(424,397)
As at June 30, 2025	-	-	-	3,346,459	-	-	3,346,459

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

	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government entities		33,000,000	22,000,000
Levies, Fines, and penalties			
Public contributions and donations			
Licenses and permits			
Rendering of services			
Sale of goods			
Rental revenue from facilities and equipment			
Finance income			
Other income			25,000
Total receipts		33,000,000	22,025,000
Payments			
Use of goods and services		34,326,102	15,018,678
Employee costs		-	-
Board Expenses		1,393,200	-
Repairs and maintenance		-	-
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
Tax paid		-	-
Total payments		35,719,302	15,018,678
Net cash flows from/ (used in) operating activities	51	(2,719,302)	7,006,322
Cash flows from investing activities			
Purchase of PPE		(3,099,800)	(-)
Purchase of Intangible assets		-	-
Proceeds from sale of PPE		-	-
Purchase of investments		-	-
Sale of investments		-	-
Net cash flows from/(used in) investing activities		(3,099,800)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

Mombasa Investment Corporation
Annual Report and Financial Statements
for the year ended June 30, 2025.

	Note	2024-2025	2023-2024
		Kshs	Kshs
Proceeds from issue of shares		-	-
Remission to County Treasury		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) - cash & Cash equivalents		(5,819,102)	7,006,322
Cash & cash equivalents at the year Start	29	7,006,322	0
Cash and cash equivalents at the year End	29	1,187,220	7,006,322

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget Carry overs*						
Opening balance (1st July 2024)			7,006,322	7,006,322		
Receipts						
Transfers from the County Government entities	30,000,000	3,000,000	33,000,000	33,000,000	0	100%
Transfers in Kind	0	0	0	0	0	0
Levies, Fines, and penalties	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Licenses and permits	0	0	0	0	0	0
Rendering of services	0	0	0	0	0	0
Sale of goods	0	0	0	0	0	0
Rental revenue from facilities and equipment	0	0	0	0	0	0
Finance income	0	0	0	0	0	0
Other income	0	0	0	0	0	0
Total Receipts	30,000,000	3,000,000	40,006,322	40,006,322	0	100%
Payments						
Use of goods and services	25,275,000	0	35,281,322	34,326,102	955,220	97%
Purchase of PPE	3,200,000	0	3,200,000	3,099,800	100,200	97%
Board Expenses	1,525,000	0	1,525,000	1,393,200	131,800	91%
Repairs and maintenance	0	0	0	0	0	0
Contracted services	0	0	0	0	0	0
Grants and subsidies	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
Total Payments	30,000,000	0	40,006,322	38,819,102	1,187,220	97%
Capital Expenditure Payments	0	0	0	0	0	0
Surplus for the period	0	0	0	1,187,220	A	0

Mombasa Investment Corporation
Annual Report and Financial Statements
for the year ended June 30, 2025.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,187,220.00
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,187,220.00

Budget notes:

The changes between the original and final budget, arose from budget carryovers and commitments that were not absorbed within the financial year due to pending procurement and delayed delivery of goods and services. An amount of Ksh. 7,006,322 was carried forward to the subsequent financial year as part of committed obligations under Use of Goods and Services.

19. Notes to the Financial Statements

1. General Information

MIC entity is established by and derives its authority and accountability from Mombasa County Investment Corporation Act of 2019. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to be a world-class investment hub through strategic and sustainable partnership and interventions.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the MIC. The financial statements have been prepared in accordance with the PFM Act, the Mombasa County Investment Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

- i. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<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 guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

	<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>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></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>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></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>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.

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

	iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
--	---

ii. 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 upon fulfilling the conditions set.

Levies, Fines, and penalties

The MIC recognizes revenues from Levies, Fines, and penalties when the event occurs and the asset recognition criteria are met.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY 2024/25 was approved by the County Assembly in June 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 in order to conclude the final budget. The MIC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 3-4 of these financial statements.

c) Taxes

Current income tax

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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable MIC and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a ten-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit for non-exchange property.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

Depreciation and Impairment

The entity applies the **straight-line method** of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of de-recognition. The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation rates.

PPE Item	Depreciation Rate
Land	
Buildings	2%
Motor vehicles	10%
Infrastructure assets	2%
Furniture and fittings	12.5%
Computers	33.3%
Office communication equipment	30%
Heritage Assets	
Work in progress (WIP)	
Service concession assets	

Impairment The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized immediately in the statement of financial performance.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of financial performance.

f) Leases

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

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

g) 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.

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

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

i. Financial assets

Classification of financial assets

The 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 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.

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The 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).

ii. Financial liabilities

Classification

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

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the MIC.

l) Provisions

Provisions are recognized when the MIC 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 MIC 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.

m) 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.

n) 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.

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

p) 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.

q) Employee benefits

Retirement benefit plans

The Retirement benefit plans are managed by the public service administration Department under the County Executive, County Government of Mombasa.

r) 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.

s) 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.

t) Related parties

The MIC 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 County Executive- County Government of Mombasa, the directors, the CEO and senior managers..

u) Service concession arrangements

MIC analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the MIC 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 MIC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) 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.

w) Comparative figures

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

x) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the MIC'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. State all judgements, estimates and assumptions made:

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 value

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

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

Provisions

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

Note X: Restatement of Prior Period Balances

During the year ended 30 June 2025, the entity identified prior period errors affecting both expenditure and revenue recognition. In accordance with IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors, the financial statements have been restated retrospectively to correct this error. Specifically, the errors related to:

- An incorrect estimation of expenditure on professional services under the use of goods and services.
- Misstatement of receivables from non-exchange transactions, which were inaccurately recorded in the financial statements for the year ended 30 June 2024.

The impact of the restatement is as follows:

- Professional fees as at 30 June 2024 increased by KES 1,012,500
- Use of goods as at 30 June 2024 increased by KES 1,012,500
- Trade and other payables as at 30 June 2024 increased by KES 1,012,500
- Receivables from non-exchange transactions 3,000,000

6. Transfers from County Government entities

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional Grants		
Operational Grant	30,000,000	25,000,000
Unconditional development grants	0	0
Other Grants	0	0
Total Unconditional Grants	30,000,000	25,000,000
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	0	0
Infrastructure Grant	0	0
Library Grant	0	0
Facilities Development Grant	0	0
Other Organizational Grants (specify)	0	0
Total	30,000,000	25,000,000

(the purpose of funding is for the operationalization of the Corporate)

a) Transfers from County Departments

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs
Department of Finance	30,000,000	0	0	30,000,000	25,000,000
Total	30,000,000	0	0	30,000,000	25,000,000

7. Transfers in Kind

Description	2024-2025	2023-2024
	Kshs	Kshs
Electricity	0	0
Rent	0	0
Furniture	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

8. Levies, Fines and Penalties

Description	2024-2025	2023-2024
	Kshs	Kshs
Levies (<i>Specify</i>)	0	0
Fines (<i>Specify</i>)	0	0
Penalties (<i>Specify</i>)	0	0
Total	0	0

9. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Health Donations	0	0
Research Donations	0	0
Donations transferred to revenue on conditions being met.	0	0
Other Public Donations (<i>Specify</i>)	0	0
Total Transfers and Sponsorships	0	0
Reconciliation of Public Contributions and Donations		
Balance unspent at beginning of the year	0	0
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	0	0

10. Licenses, Fees and Permits

Description	2024-2025	2023-2024
	Kshs	Kshs
Licenses	0	0
Fees	0	0
Permits	0	0
Total	0	0

11. Rendering of Services

Description	2024-2025	2023-2024
	KShs	KShs
Agency income	0	0
Tuition Fees	0	0
Training Fees	0	0
Service Fees e.g. ploughing (<i>specify</i>)	0	0
Quality Assurance	0	0
Others (<i>specify</i>)	0	0
Total Revenue from the Rendering of services	0	0

12. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of textiles	0	0
Sale of certified seeds	0	0
Sale of livestock	0	0
Sale of water	0	0
Sale of firewood	0	0
Other (<i>Specify</i>)	0	0
Total revenue from the sale of goods	0	0

13. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of equipment	0	0
Staff houses	0	0
Contingent Rental*	0	0
Others (Specify)	0	0
Total Rentals	0	0

14. Finance Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest income on bank deposits	0	0
Interest income from loans	0	0
Others (<i>Specify</i>)	0	0
Total finance income	0	0

15. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance recoveries	0	0
Income from sale of tender (FY 2023-2024)	25,000	25,000
Services concession income	0	0
Skills development levy	0	0
Income written back	0	0
Bad debts recovered	0	0
Miscellaneous incomes (<i>specify</i>)	0	0
Total Other income	25,000	25,000

16. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Electricity	0	0
Water	0	0
Professional Services	2,803,370	12,187,028
Subscriptions	51,360	41,860
Audit Fees	0	0
Conferences and delegations	422,117	882,076
Consumables	7,053,874	1,700,000
Printing	1,642,616	0
Insurance	0	0
Licenses and permits	0	100,050
Hire charges (e.g. hire of equipment)	0	0
Security costs	0	0
Postage	10,100	9,450
Telecommunication	99,500	0
Training costs	1,266,450	440,900
Travel, accommodation subsistence and other Allowances	14,755,552	5,101,420
Bank charges	45,609	57,443
Others (Advertising)	710,944	156,187
Total	28,861,492	20,676,414

Disclosure notes: The changes in the Use of goods are necessitated by increase of professional services from ksh.11,174,528 to ksh.12,187,028

17. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries for permanent employees	0	0
Wages to temporary employees	0	0
Employer contribution to health insurance schemes	0	0
Employer contribution to pension schemes	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	0	0
Gratuity	0	0
Other employee related costs *	0	0
Total employee costs	0	0

18. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman/Directors' Honoraria	480,000	0
Sitting Allowances	444,000	228,000
Medical Insurance	0	0
Induction and training	0	0
Travel and accommodation	469,200	349,730
Other Allowances	0	0
Total	1,393,200	577,730

19. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	169,705	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	169,705	0

20. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property and equipment	0	0
Investment Property	0	0
Equipment and Machinery	0	0
Vehicles	0	0
Furniture and Fittings	0	0
Computers and Accessories	0	0
Others (specify)	0	0
Total Repairs and Maintenance	0	0

21. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Others (<i>specify</i>)	0	0
Total Contracted Services	0	0

22. Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Community Trust	0	0
Sporting Bodies	0	0
Others (<i>Specify</i>)	0	0
Total Grants and Subsidies	0	0

23. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount on lease liabilities	0	0
Interest on bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

24. Gain on Sale of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	0

25. Gain/Loss on foreign exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Gain on foreign exchange transactions	0	0
Loss on foreign exchange transactions	0	0
Total Gain/Loss	0	0

26. Gain/loss on fair value investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
Total Gain	0	0

27. Impairment Loss

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total Impairment Loss	0	0

28. Taxation

Description	2024-2025	2023-2024
	Kshs	Kshs
Current income tax charge	0	0
Tax charged on rental income	0	0
Tax charged on interest income	0	0
Deferred tax: [note 50	0	0
Original and reversal of temporary differences	0	0
Income tax expense reported in the statement of financial performance	0	0

29. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,187,220	7,006,322
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Others (<i>Specify</i>)	0	0
Total Cash and cash equivalents	1,187,220	7,006,322

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Equity Bank	0250281260167	25,000	25,000
Sidian Bank- recurrent	01002020021548	1,162,219.85	6,981,322
Sidian Bank- development	01002020021538	0	0
Sub- Total		1,187,220	7,006,322
b) On - Call Deposits			
Bank		0	0
Bank – etc.		0	0
Sub- Total		0	0
c) Fixed Deposits Account			
Bank		0	0
Bank		0	0
Sub- Total		0	0
d) Others (Specify)		0	0
Cash in Transit		0	0
Cash in Hand		0	0
Mobile Money Accounts		0	0
Sub- Total		0	0
Grand Total		1,187,220	7,006,322

30. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	0	0
Current portion receivables	0	0
Non-current Receivables	0	0
Total receivables	0	0

a) Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

b) Reconciliation for impairment allowance on receivables from exchange transactions

Impairment allowance/ Provision	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

31. Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Levies, fines, and penalties	0		0	
Licences and permits	0		0	
Other debtors (non-exchange transactions)	0		3,000,000	
Less: impairment allowance	0		0	
Total receivables from non- exchange transactions	0		3,000,000	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	0	%	3,000,000	%
Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	3,000,000	%

Disclosure notes: The opening Balance of previous year

Receivables Debit entry 3,000,000

Transfers Credit entry 3,000,000

Reconciliation For Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
At the beginning of the year	0		0	
Additional provisions during the year	0		0	
Recovered during the year	0		0	
Written off during the year	0		0	

32. Inventories

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Consumable stores	0		0	
Raw materials in stock	0		0	
Spare parts and meters	0		0	
Other goods held for resale	0		0	
Less: allowance for impairment	0		0	
Total inventories at the lower of cost and net realizable value	0		0	

	2024-2025	2023-2024
Opening balance	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	0	0

33. Investments in financial assets

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Investment in Treasury bills		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
Investment in Treasury bonds		
Financial institution		
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in Entity	0	0
Sub- total	0	0
Grand total	0	0
Analysed as:		
Current	0	0
Non-current	0	0

d) Movement of Equity Investments

Impairment allowance/ provision	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	0	0
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) Shareholding in other entities

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		2024-2025	2023-2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

34. Prepayments

	2024-2025	2023-2024
	Kshs	Kshs
Insurance	0	0
Subscriptions	0	0
Rent	0	0
Electricity	0	0
Water	0	0
Others (<i>Specify</i>)	0	0
	0	0

35. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Office/Communication (ICT equipment)	Capital Work in progress	Total
Depreciation Rate		10%	10%	12.5%	33.3%	30%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1st July 2023	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	0	0	(0)	(0)	(0)
Transfers/Adjustments	0	0	(0)	0	(0)	(0)	0	(0)
As at 30th June 2024	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0
As At 1st July 2024								
Additions	0	0	0	266,800	2,733,500	99,500	0	3,099,800
Disposals	(0)	(0)	0	0	0	(0)	(0)	(0)
Transfer/Adjustments	(0)	(0)	0	0	(0)	(0)	0	(0)
Revaluation adjustments	0	0	0	0	0	0	0	0
As at 30th June 2025	0	0	0	266,800	2,733,500	99,500	0	3,099,800
Depreciation And Impairment								
At 1 July 2023	-	0	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation	-	0	(0)	(0)	(0)	(0)	(0)	(0)
Impairment	-	0	(0)	0	0	0	(0)	0

Mombasa Investment Corporation
County Government of Mombasa

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

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Office/Communication (ICT equipment)	Capital Work in progress	Total
Depreciation Rate		10%	10%	12.5%	33.3%	30%		
Transfers/ Adjustments	-	0	(0)	0	0	(0)	(0)	0
As At 30th June 2024	-	0	0	0	0	0	0	0
At 1st July 2024								
Depreciation	0	(0)	(0)	(5,558)	(151,709)	(12,438)	0	(169,705)
Disposals	0	0	0	0	0	0	0	0
Impairment	0	(0)	(0)	0	0	(0)	0	(0)
Transfer/Adjustment	0	0	(0)	(0)	0	(0)	(0)	0
As at 30th June 2025	0	0	0	(5,558)	(151,709)	(12,438)	0	(169,705)
Net Book Values								
As at 30th June 2024	0	0	0	0	0	0	0	0
As at 30th June 2025	0	0	0	261,242	2,581,791	87,062	0	2,930,095

The depreciation value is prorated for the portion of the year the asset was in use. the PPE was purchased on the month of May and the financial year ends in June.

For example, furniture annual depreciation = 12.5% * 266,800= 33,350. Depreciation for May-June = 2/12*33,350 = 5,558

Valuation

MIC does not own land or building hence no need for valuation was conducted, in case of any acquisition of land and /or building MIC shall use registered professional valuers.

35 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant and machinery	0	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	0	0	0
Office equipment, furniture, and fittings	0	0	0
Total	0	0	0

Property plant and equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and machinery	0	0
Motor vehicles including motorcycles	0	0
Computers and related equipment	0	0
Office equipment, furniture and fittings	0	0
Total	0	0

36. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions–internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

37. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
Gain/(loss) in fair value (if fair value is elected)	0	0
At end of the year	0	0

38. Biological Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Trees in a plantation forest	0	0
Animals: Dairy Cattle, Pigs, Sheep	0	0
Others specify	0	0
Total	0	0

39. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	0		0	
Employee payables	0		0	
Third-party payments	0		0	
Other payables	770,856		6,235,466	
Total trade and other payables	770,856		6,235,466	
Ageing analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	770,856	%	6,235,466	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	770,856		6,235,466	

Disclosure notes: The opening Balance of previous year

Trade Payables Credit entry 5,222,966

Add. Error adjustment 1,012,500

Total = 6,235,466

40. Refundable Deposits from Customers

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Customer deposits	0		0	
Other deposits	0		0	
Total deposits	0		0	
Ageing analysis: (Refundable deposits)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%

Mombasa Investment Corporation
County Government of Mombasa

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

Over 3 years	0	%	0	%
Total	0		0	

41. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	0	0	0	0
Additional provisions during the year	0	0	0	0
Provision utilised during the year	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Total provisions at the end year	0	0	0	0
Analysed as:				
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

42. Finance Lease Obligation

Description	2024-2025	2023-2024
	Kshs	Kshs
At the start of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount (Kshs)
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: Unearned Interest	0
Total	0

Analysed as:

Description	Amount (Kshs)
Current	0
Non- Current	0
Total	0

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

43. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National Government	0	0
Development partners	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

	National government	Development partners	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions	0	0	0	0
Transfers to capital fund	0	0	0	0
Transfers to income statement	0	0	0	0
Other transfers	0	0	0	0
Balance carried forward	0	0	0	0

44. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	0	0	0	0	0
Non-current benefit obligation	0	0	0	0	0
Total employee benefits obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

Mombasa County Treasury operates the retirement benefit scheme for all full-time staff.

Description	2024-2025	2023-2024
Discount Rates	0	0
Future Salary Increases	0	0
Future Pension Increases	0	0
Mortality (Pre- Retirement)	0	0
Mortality (Post- Retirement)	0	0
Withdrawals	0	0
Ill Health	0	0
Retirement	0	0

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2024-2025	2023-2024
	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

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

b) Amounts recognised in the Statement of Financial Position

Description	2024-2025	2023-2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status (=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

45. Payments received in advance.

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent	0	0
Water	0	0
Parking fees	0	0
License fees	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

46. Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Domestic borrowings		
Balance at beginning of the year	0	0
Domestic borrowings during the year	0	0
Repayments during the year	0	0
Balance at end of the year	0	0

The analysis of domestic borrowing is as follows:

	2024-2025	2023-2024
	Kshs	Kshs
Domestic Borrowings		
Loan from KCB	0	0
Loan from ABSA Bank	0	0
Loan from Consolidated Bank	0	0
Others (<i>Specify</i>)	0	0
Total Balance at end of the year	0	0

Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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

51. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	2,575,603	770,856
Adjusted for:		
Depreciation	169,705	0
Working capital adjustments		
Increase in inventory	0	0
Increase in receivables	0	0
Increase/(Decrease) in payables	(5,464,610)	6,235,466
Net cash flow from operating activities	(2,719,302)	7,006,322

52. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
As at 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
As at 30th June 2024				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

Financial Risk Management

iii) Market risk

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

Mombasa Investment Corporation

County Government of Mombasa

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

a) Foreign currency risk

Foreign currency exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Mombasa Investment Corporation
 County Government of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

Financial Risk Management

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

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade and other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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

The following table demonstrates the effect on the entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Surplus/Deficit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	0	0
USD	10%	0	0
Sterling Pound	10%	0	0
Previous FY			
Euro	10%	0	0
USD	10%	0	0
Sterling Pound	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

Sensitivity analysis involves determining the impact on surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land and Buildings	0	0	0	0
Total	0	0	0	0
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land and Buildings	0	0	0	0
Total	0	0	0	0

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	0	0
Accumulated surplus	0	0
Capital fund	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	0	0
Net Debt/(Excess cash and cash Equivalents)	0	0
Gearing	0	0

53. Related Party Disclosures

a) Nature of related party relationships

Entities and other parties related to MIC 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.

b) County Government of Mombasa

The county Government of Mombasa is the principal shareholder of MIC, holding 100% of the MIC equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

c) Other related parties include:

- i) The Department of Finance, Economic planning & Digital Transformation.
- ii) County Government of Mombasa
- iii) Board of Directors.

d) Transactions with related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Sales to related parties		
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) purchases from related parties		
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
b) Grants /transfers from the government		
Grants from county government	33,000,000	22,000,000
Grants from other levels of Government	0	0
Donations in kind	0	0
Total	33,000,000	22,000,000

Mombasa Investment Corporation
County Government of Mombasa

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

Description	2024-2025	2023-2024
	Kshs	Kshs
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Payments for goods and services	0	0
Total		
d) Key management compensation		
Directors' emoluments	0	0
Compensation to key management	0	0
Total	0	0

54. Segment Information

MIC does not have segments and operates only in Mombasa County.

Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments.

55. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets		
Insurance reimbursements	0	0
Assets arising from determination of court cases	0	0
Reimbursable indemnities and guarantees	0	0
Receivables from other government entities	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Contingent Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Liabilities	0	0
Court case against the entity	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

56. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

57. Events after the Reporting Period

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

58. Ultimate And Holding Entity

The Entity is a County Corporation under the Department of Finance and Economic Planning. Its ultimate parent is the County Government of Mombasa.

59. Currency

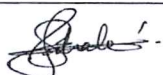
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

20. Appendices

Appendix 1: Implementation Status of Auditor General's Recommendations

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unexplained variance on transfers from the county executive	The management recognizes the revenue in the next financial report for FY 24/25 and will be spent as per the budget line for FY 24/25.	Unresolved	Awaiting from County Committee resolution Report
	Late submission of Financial Statements	The management submitted a copy of the financial statement on time but was asked to increase the number of copies hence the delay in the audit reservation.	Unresolved	Awaiting from County Committee resolution Report
	Failure to develop regulations to operationalize the corporation	The Mombasa County Investment Corporation Act 2019 is self-executing and currently sufficient to guide operations of the Corporation.	Unresolved	Awaiting from County Committee resolution Report
	Failure to maintain memorandum of cashbook	The Corporation is currently maintaining the memorandum cashbook.	Unresolved	Awaiting from County Committee resolution Report
	Weak controls on payment processing	The payment vouchers are manually serialized and stamped 'paid' to ensure budget expenditure controls.	Unresolved	Awaiting from County Committee resolution Report



Sahale Bawazir
Managing Director

Date: 27/8/2025

Appendix II: Projects implemented by Mombasa Investment Corporation

Projects implemented by the County Corporation and funded by development partners and/ or the County Government.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Mombasa Industrial Park SEZ		MIC, CGM, Trademark Africa	Long-term	Implementation of Project, Project Bankability	-	Yes
Water Transport		MIC, CGM, UNHABITAT	Long-Term	Implementation of Project, Project Bankability	-	Yes
Solid Waste Management		MIC, CGM, European Investment Bank (EIB)	Long-Term	Implementation of Project, Project Bankability	-	Yes
Solarization of Public Buildings		MIC, CGM, GIZ	Mid-Term	Implementation of Project, Project Bankability	-	Yes

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

Appendix IV: Transfers from Other Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Department of Finance & Economic planning	15 th July 2024	Recurrent	3,000,000	3,000,000	0	0	0	0	3,000,000
	26 th Nov 2024	Recurrent	10,000,000	10,000,000	0	0	0	0	10,000,000
	24 th Feb 2025	Recurrent	20,000,000	20,000,000	0	0	0	0	20,000,000
Total			33,000,000	33,000,000	-	-	-	-	33,000,000

Mombasa Investment Corporation
 County Government of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

Appendix V- Inter-Entity Confirmation Letter



Mombasa Investment Corporation
 P.O Box 34505-80118
 Links Road, Nyali

Mombasa, Kenya

The Department of Finance & Economic planning wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below.

Confirmation of amounts received by Mombasa Investment Corporation at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Department of Finance & Economic Planning (KShs) as at 30th June 2025				Amount Received by Mombasa Investment Corporation (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Department (C)	Total (D)=(A+B+C)		
	15 th July 2024	3,000,000				3,000,000	
	26 th Nov 2024	10,000,000				10,000,000	
	24 th Feb 2025	20,000,000				20,000,000	
Total		<u>33,000,000</u>				<u>33,000,000</u>	

In confirm that the amounts shown above are correct as of the date indicated.

<p>Managing Director MIC:</p> <p>Name: Sahale Bawazir</p> <p>Sign Date 05/11/2025</p>	<p>Accounting Officer: Finance & Investment</p> <p>Name: Swaleh Mwalizuma</p> <p>Sign Date 05/11/2025</p>
--	--



Mombasa Investment Corporation
County Government of Mombasa

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

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									



Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A						

