


REPUBLIC OF KENYA



 <b>REPORT</b> THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 FEB 2026	DAY: Tuesday
TABLED BY: OF	Deputy Leader Majority Party Hon. Owen Baya, MP
CLERK-AT THE-TABLE:	Mr. Benson Inzofu.

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OF KENYA  
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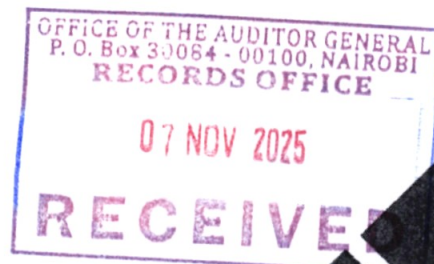
**THE AUDITOR-GENERAL**

**ON**

**NATIONAL URBAN TRANSPORT  
IMPROVEMENT PROJECT (IDA CREDIT  
NO.5140-KE)**

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

**KENYA RAILWAYS CORPORATION**



**NATIONAL URBAN TRANSPORT IMPROVEMENT PROJECT  
(NUTRIP)**

**KENYA RAILWAYS CORPORATION**

**PROJECT GRANT/CREDIT NUMBER: IDA 5140 -KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2025**

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

*National Urban Improvement Project (NUTRIP)  
Annual Report and Financial Statements for the financial year ended June 30, 2025*



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**1. ACRONYMS AND DEFINITION OF TERMS**

CBK	Central Bank of Kenya
Comparative FY	Financial year preceding the current financial year.
CT	County Treasury
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
NUTRIP	National Urban Transport Improvement Project
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank

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

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

#### **Name**

The project's official name is National Urban Transport Improvement Project.

#### **Objective**

The key objective of the project is

- a. Improve the efficiency of the road transport along the northern corridor
- b. Improve the institutional capacity and arrangements in urban transport sub-sector
- c. Promote public sector participation in the operation, financing and management of transport system

#### **Address**

The project headquarters offices are in Nairobi, Nairobi County, Kenya.

The address of its registered office is:

Kenya Railways Headquarters  
LR No. 209/11954/2  
Haile Selassie Avenue/Workshop Road  
P. O. BOX 30121-00100

**Contacts:** The following are the project contacts

Telephone: (254) 020-2221211  
Website: [www.krc.co.ke](http://www.krc.co.ke)

**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	The Project start date is 26.12.2012
Project End Date:	The project end date is 31.12.2018
Project Manager:	The Project Manager is Eng. Tobias Otieno
Project Sponsor:	The Project Sponsor is World Bank

**2.3 Project Overview**

Line Ministry or State departments/ County Department	The project is under the supervision of the Ministry of Transport - MoT.
Project number	P126321
Strategic goals of the project	The strategic goals of the project are as follows: <ul style="list-style-type: none"> <li>(i) Improve efficiency of the road transport along Northern Corridor</li> <li>(ii) Improve the institutional capacity and arrangements in the urban transport sub- sector</li> </ul> Promote private sector participation in the operation, financing and management of transport systems
Achievement of strategic goals	The project management aims to achieve the goals through the following means: <ul style="list-style-type: none"> <li>(i) Carrying out feasibility studies and detailed designs: and preparing the necessary bidding documents for construction of selected commuter rail systems in Nairobi and other major towns through provision of technical advisory services required for that purpose.</li> <li>(ii) Preparing bidding and contract documents for the selection of private sector operators providing commuter rail operations and associated services: through provision of advisory services required for that purpose.</li> <li>(iii) Supplying and installing information systems (IT) and building the capacity of KRC in IT, management of private sector involvement, planning,</li> </ul>

	management of contracts including for concessionaires; and other oversight functions; all through provision of goods, training and services required for that purpose.
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Have feasibility and detailed engineering design and studies for commuter rail in Nairobi, Mombasa and Kisumu cities (ii) Have technical assistance and advisory services related to the services of Nairobi, Mombasa and Kisumu Commuter rail. (iii) Have capacity building by Training of Staff.
Project duration	The Project Started on 26. 12 .2012 and is expected to run until 31. 12. 2018

## **2.4 Bankers**

The following are the bankers of the project:

**i. Special Account:**

NCBA Bank Kenya

NUTRIP- Project E-(KRC)-MAIN

ACCOUNT NO. 6968530013

**ii. Principal Bankers:**

NCBA BANK KENYA

USD A/C NO.1001004057

KES A/C NO.2178860056

Masaba Road Branch, Upper Hill

P.O. Box 44599, 00100

NAIROBI

## 2.5 Independent Auditor

The project is audited by the Office of the Auditor General.

Auditor General  
Office of the Auditor General  
Anniversary Towers  
P.O. Box 30084-00100  
NAIROBI

## 2.6 Roles and Responsibilities

The team responsible of the project management and coordination functions are as tabulated below:

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng. Tobias Otieno	Program Coordinator	Bachelor's Degree in Civil Engineering Certified International Project Manager Registered Eng. (EBK) P. Eng. MIEK, IABFM, ASPM, II FT, Dip. RCOM, BJTU, CeC Coc Harmonized Edition, 1999 Rvsd FIDIC	- Overall management and monitoring of all projects - Undertake contract negotiations - Ensure reports are prepared and submitted on time - Liaise with bank on project activities Attend POC and PITI briefings and meetings - Publication of awards and reports in WB client connection
Peter Kamakia	Finance Management Expert	BBM (Finance Option) MBA (Strategic Management) CPA(K)	-Preparation of project financial reports, budgets and monitoring -Ensure timely payment -Ensure financial audits are carried out

## 2.7 Funding summary

The Project was for duration of six years from 2012 to 2018 with an approved budget of US\$ 11,930,000/- equivalent to Kes 1,071,552,600 as highlighted in the table below:

Below is the funding summary:

### A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30/06/2025)		Undrawn balance to date	
					(30/06/2025)	
	Donor currency	Kes	Donor currency	Kes	Donor currency	Kes
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
IDA	11,930,000	1,071,552,600	1,311,660	117,813,333	10,618,340	953,739,267
(ii) Counterpart funds						
GoK	-	87,000,000	-	87,000,000	-	-
KR	-	64,696,113	-	64,696,113	-	-
<b>Total</b>	<b>11,930,000</b>	<b>1,223,248,713</b>	<b>1,311,660</b>	<b>269,509,446</b>	<b>10,618,340</b>	<b>953,739,267</b>

### B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2025)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2025)	Unutilised balance to date	
				(30 <sup>th</sup> June 2025)	
	Donor currency	Kes	Kes	Donor currency	Kes
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
IDA	1,311,660	117,813,333	117,813,333	-	-
GoK		87,000,000	87,000,000	-	-
KR		64,696,113	64,696,113	-	-
<b>Total</b>	<b>1,311,660</b>	<b>265,609,446</b>	<b>265,609,446</b>	<b>-</b>	<b>-</b>

**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

- i) The Project did not receive any disbursement from the World Bank during the year. Through a letter from World Bank dated 11<sup>th</sup> September 2020 and in reference to the cancellation letter dated 27<sup>th</sup> December 2020 the credit account is closed.
- ii) The overall budget absorption rate is 11% of the project donor commitment. The NUTRIP KRC component is majorly comprised of consultancy work/studies on the Nairobi and Mombasa Commuter Master Plan and procurement of a track-recording car which were ongoing by the time of the project closure. It was expected that the project will be extended since the KR components took more time to start than envisaged. This could have taken up over 50% of the overall budget of the project.

**2.9 Summary of Project Compliance:**

The Program has ensured that all its activities carried out are within the laws of the Republic of Kenya and that all regulations and procedures have been followed. The project financial reporting has also complied with the International Public Sector Accounting Standards of Accounting (IPSAS) cash basis.

In cases of inconsistency between the GOK Regulations and those of the donors, the latter has been applied.

### **3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES**

#### **Introduction**

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

The key development objectives of the project's agreement/ plan are to:

- a) Improve the efficiency of the road transport along the northern corridor
- b) Improve the institutional capacity and arrangements in urban transport sub-sector
- c) Promote public sector participation in the operation, financing and management of transport system

#### **Progress on the attainment of strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes.

Nutrip project was closed on 31<sup>st</sup> December 2018 hence; no activities took place within the period

**4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Throughout the project implementation period, it endeavoured to entrench corporate social responsibility. This mainly entails seeking opportunities to both improve the environment and actively contribute to the well-being of the communities in which the project has been engaged aimed at promoting the welfare of the society.

**5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The Managing Director, Kenya Railways and the Project Coordinator for NUTRIP project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2025.

**This responsibility includes**

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

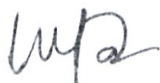
The Managing Director, and the Project Coordinator for **NUTRIP project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Managing Director and the Project Coordinator for **NUTRIP project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Managing Director and the Project Coordinator for **NUTRIP project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

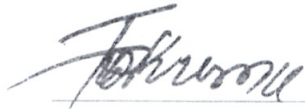
The Managing Director and the Project Coordinator for **NUTRIP project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the Managing Director and the Project Coordinator for **NUTRIP project** on \_\_\_\_\_ 2025 and signed by them.



\_\_\_\_\_  
**Managing Director**  
Philip J. Manga, EBS



\_\_\_\_\_  
**Project Coordinator**  
Eng. Tobias Otieno



\_\_\_\_\_  
**Project Accountant:**  
Jemimah Matu  
ICPAK Member Number:  
10334

# 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 NATIONAL URBAN TRANSPORT IMPROVEMENT PROJECT (IDA CREDIT NO.5140-KE) FOR THE YEAR ENDED 30 JUNE, 2025 – KENYA RAILWAYS CORPORATION

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Urban Transport Improvement Project set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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*Report of the Auditor-General on National Urban Transport Improvement Project (IDA Credit No. 5140-KE) for the year ended 30 June, 2025 – Kenya Railways Corporation*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Urban Transport Improvement Project as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No.5150-KE dated 26 September, 2012 between the Republic of Kenya and the International Development Association (IDA).

In addition, the special account statement presents fairly, the special account transactions and the ending balance has been reconciled with the books of account.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Lack of Project Closure Report**

As previously reported, Paragraph 2.2 on Project Information in the financial statements indicates that the Project start date was 26 December, 2012 and the Project end date was 31 December, 2018. Further, Paragraph 2.8 on Summary of Overall Project indicates that the Project was closed. However, the Project closure report was not provided for audit. Management did not provide an explanation for the failure to close the Project, over six (7) years after the completion date.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

## **Other Information**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Agency (IDA), I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 57 of the Public Audit Act, 2015.

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

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

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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**

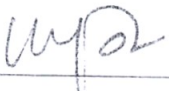
**27 October, 2025**

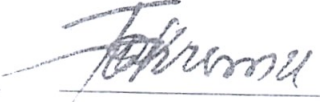
*National Urban Improvement Project (NUTRIP)  
Annual Report and Financial Statements for the financial year ended June 30, 2025*


**7. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025**

Particulars	Notes	FY2024-25
		Kshs
<b>Revenue</b>		
Miscellaneous Revenue	7	1,605
<b>Total revenue</b>		<b>1,605</b>
<b>Expenses</b>		
Miscellaneous Expenses	13	(841)
<b>Total expenses</b>		<b>(841)</b>
<b>Other gains/(losses)</b>		
Gain/Loss on foreign exchange transactions	-	-
<b>Surplus/ (deficit)</b>		<b>764</b>

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

  
 Managing Director  
 Philip J. Mainiga, EBS

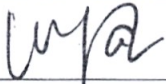
  
 Project Coordinator  
 Eng. Tobias Otieno

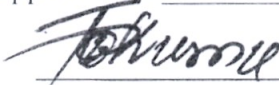
  
 Project Accountant:  
 Jemimah Matu  
 ICPAK Member Number:  
 10334


8. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025

	Note	FY2024-25 Kshs	FY2023-24 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	17	129,109	128,345
Receivables	18	-	3,900,000
<b>Total Current Assets</b>		<b>129,109</b>	<b>4,028,345</b>
<b>Non-Current Assets</b>			
Intangible Assets	22	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (a)</b>		<b>129,109</b>	<b>4,028,345</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	23	-	3,900,000
<b>Total Current Liabilities</b>		<b>-</b>	<b>3,900,000</b>
<b>Total Liabilities (b)</b>		<b>-</b>	<b>3,900,000</b>
<b>Net Assets (a-b)</b>		<b>129,109</b>	<b>128,345</b>
<b>Represented By:</b>			
Accumulated Surplus		129,109	128,345
<b>Total Net Assets</b>		<b>129,109</b>	<b>128,345</b>

The financial statements were approved on \_\_\_\_\_ 2025 and signed by:

  
\_\_\_\_\_  
Managing Director  
Philip J. Mainga, EBS

  
\_\_\_\_\_  
Project Coordinator  
Eng. Tobias Otieno

  
\_\_\_\_\_  
Project Accountant:  
Peter Kamakia  
ICPAK Member No. 9926

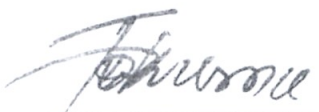
9. STATEMENT OF CHANGES IN NET ASSETS


Description	Accumulated Surplus
	Kshs
As at 30 <sup>th</sup> June 2024 (Cash Basis)	128,345
Adjustments:	
Asset Recognition	-
Liabilities recognition	-
<b>As at 1<sup>st</sup> July 2024</b>	<b>128,345</b>
Surplus for the year	764
<b>As at 30<sup>th</sup> June 2025</b>	<b>129,109</b>

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

The financial statements were approved on \_\_\_\_\_ 2025 and signed by:

  
\_\_\_\_\_  
**Managing Director**  
Philip J. Mainga, EBS

  
\_\_\_\_\_  
**Project Coordinator**  
Eng. Tobias Otieno

  
\_\_\_\_\_  
**Project Accountant:**  
Jemimah Matu  
ICPAK Member No. 10334

10. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

Description	Note	FY2024-25 Kshs
<b>Cashflow from operating activities</b>		
<b>Receipts</b>		
Transfers		3,900,000
Miscellaneous Revenue	7	1,605
<b>Total receipts</b>		<b>3,901,605</b>
<b>Payments</b>		
Use of goods and services		(3,900,000)
Miscellaneous Payment	13	(841)
<b>Total payments</b>		<b>(3,900,841)</b>
<b>Net cash flow from operating activities</b>		<b>764</b>
<b>Cashflow from investing activities</b>		
Acquisition of non-financial assets		-
Acquisition of Intangible assets		-
<b>Net cash flows from investing activities</b>		<b>-</b>
<b>Cash flow from financing activities</b>		
No Financing Activities in the period		-
<b>Net cash flow from financing activities</b>		<b>-</b>
Net increase/Decrease in cash and cash equivalents		764
Cash and cash equivalent at 1 <sup>st</sup> July 2024	17	128,345
<b>Cash and cash equivalent at end June 2025</b>	<b>17</b>	<b>129,109</b>

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11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods	-	-	-	-	-	-
Receipts						
Miscellaneous Revenue	-	-	-	1,605	1,605	-
<b>Total Revenue</b>	-	-	-	<b>1,605</b>	<b>1,605</b>	<b>n/a</b>
Payments						
Transfer to other Government Entities	-	-	-	-	-	-
Miscellaneous Payments	-	-	-	(841)	(841)	n/a
<b>Total Payments</b>	-	-	-	<b>(841)</b>	<b>(841)</b>	<b>n/a</b>
Surplus	-	-	-	764	764	-

## 12. NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Kenya Railways is established by and derives its authority and accountability from Kenya Railways Act (Cap 397) of the laws of Kenya. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of rail transport services within the Republic of Kenya. These services encompass both freight and passenger operations, playing a critical role in supporting domestic and regional connectivity.

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

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

These financial statements were authorized for issue by the accounting officer on .....

### 3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<i>Applicable 1<sup>st</sup> January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange

Standard	Effective date and impact:
	<p>transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="432 1234 1445 1312">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="432 1312 1445 1435">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="432 1435 1445 1648">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.</li> </ol>

*iii) Early adoption of standards*

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

Nutrip project was closed on 31<sup>st</sup> December 2018 hence; no budget provision or approved in the year.

##### **c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

##### **d) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at

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

**e) Intangible assets**

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

**f) Research and development costs**

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

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

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

**g) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Projects 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.

## **Financial assets**

### **Classification**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

### **Financial liabilities**

#### **Classification**

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

#### **h) Inventories**

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

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

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

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

### **Inventories (Continued)**

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

#### **i) Provisions**

Provisions are recognized when the Corporation 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 Corporation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### **Contingent liabilities**

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

#### **Contingent assets**

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

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

The Project does not maintain reserves in terms of specific requirements.

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

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

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

**n) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**o) Related parties**

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

**Notes to the financial statements**

**p) Service concession arrangements**

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

**q) Cash and cash equivalents**

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

**r) Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in the Financial Statements.

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.

Notes to the financial statements

**6. Revenue Transfers**

During the 12 months to 30 June 2025, the project did not receive revenue transfers.

**7. Miscellaneous revenue**

Description	FY 2024/25
	Kes
Interest Income	1,605
<b>Total</b>	<b>1,605</b>

Interest income from bank deposits

**8. Employees Costs**

There was no employee cost paid out of the project

**9. Use of Goods and Services**

There was no cost incurred for purchase of goods or services in the year.

**10. Depreciation and Amortization expense**

There was no depreciation and amortization of assets and intangible assets in the year

**11. Transfer to Other Government Entities**

The project did not transfer funds to other government entities

**12. Other Transfers/Subsidies/Grants**

No transfers were done in the year.

**13. Miscellaneous expenses**

Description	FY 2024/25
	Kes
Bank Charges	(841)
<b>Total</b>	<b>(841)</b>

**14. Gain/Loss on Sale of Assets**

There was no sale of assets in the year

**15. Gain/Loss on foreign exchange transactions**

There were no foreign exchange transactions in FY2024-25

**16. Impairment Loss**

There was no impairment loss in FY2024-25

**17. Cash and Cash Equivalents**

Description	FY2024-25	1 <sup>st</sup> July
	Kes	Kes
Cash in Bank	129,109	128,345
Cash on hand	-	-
<b>Total Cash and Cash Equivalents</b>	<b>129,109</b>	<b>128,345</b>

**Project Bank Accounts**

<b>Details</b>	<b>FY2024-25</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Local Currency Accounts</b>		
NCBA Bank Kenya [A/c No. 1001004057]	-	-
<b>Local Currency Accounts</b>		
NCBA Bank Kenya [A/c No. 2178860056]	129,109	128,345
<b>Total bank account balances</b>	<b>129,109</b>	<b>128,345</b>

**18. Receivables**

<b>Description</b>	<b>FY 2024-25</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Counter Part Funding	-	3,900,000
<b>Total Receivables</b>	<b>-</b>	<b>3,900,000</b>

The Counterpart funding is expected to clear the Kes 3.9 Million account payable.

**19. Inventories**

The project had no inventory balances as at 30<sup>th</sup> June 2025

**20. Prepayments**

The project had no prepayment balances as at 30<sup>th</sup> June 2025

**21. Property, Plant and Equipment**

The project had no Property, Plant and Equipment balances as at 30<sup>th</sup> June 2025

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Notes to the financial statements

22. Intangible Assets

Description	1 <sup>st</sup> July 2024
	Kes
Cost	
As at 1 <sup>st</sup> July 2024	20,805,688
Additions	-
As At 30 <sup>th</sup> June 2025	20,805,688
Amortization and impairment	
As at 1 <sup>st</sup> July 2024	(20,805,688)
Amortization	-
Impairment loss	-
As At 30 <sup>th</sup> June 2025	(20,805,688)
NBV as at 1 <sup>st</sup> July 2024	-
NBV as at 30 <sup>th</sup> June 2025	-

23. Trade and Other Payables

Description	FY 2024-25		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	-	-	3,900,000	-
Total trade and other payables	-	-	3,900,000	-
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	3,900,000	100%
2-3 years	-	-	-	-
Total (tie to above total)	-	-	3,900,000	-

The Kes 3.9 Million payable amount that resulted from costs incurred on consultancy services on the NUTRIP team leader was cleared in the year.

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**24. Third-Party Deposits**

During the year there was no third party deposits

**25. Deferred Income**

The project had no deferred income in the year

**26. Cash Generated from Operations**

The project had no cash generating activities in the year

**27. Special Deposit Accounts**

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

**Special Deposit Accounts Movement Schedule**

Description	FY 2024-25	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>(i) Central Bank of Kenya [A/c No 6968530013]</b>		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	=	=
<b>Closing balance</b>	<b>=</b>	<b>=</b>

After the project was closed the balances on the accounts was withdrawn and returned to World Bank hence zero balance

**28. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Corporation 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.

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**Government of Kenya**

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

**Other related parties include:**

- i) The Parent Ministry – Ministry of Roads and Transport
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

There were no related party disclosures for the year ending as at 30<sup>th</sup> June 2025

**29. Events after the Reporting Period**

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

**30. Ultimate and Holding Entity**

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

**31. Currency**

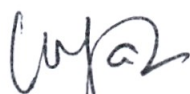
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

*National Urban Improvement Project (NUTRIP)*  
*Annual Report and Financial Statements for the financial year ended June 30, 2025*

32. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
Emphasis of Matter No. 1	Long outstanding pending accounts payables	The outstanding bill has been budgeted in FY2025/26.	Resolved	30 <sup>th</sup> June 2025
Emphasis of Matter No. 2	Lack of project closure report	NUTRIP project is a multi-agency implemented project and as such the closure of the project is guided by the parent ministry and The National Treasury. World Bank through the International Development Association issued a letter of cancellation of funding to the project, the Corporation awaits official project closure by GoK through The National Treasury and Economic Planning.	In progress	

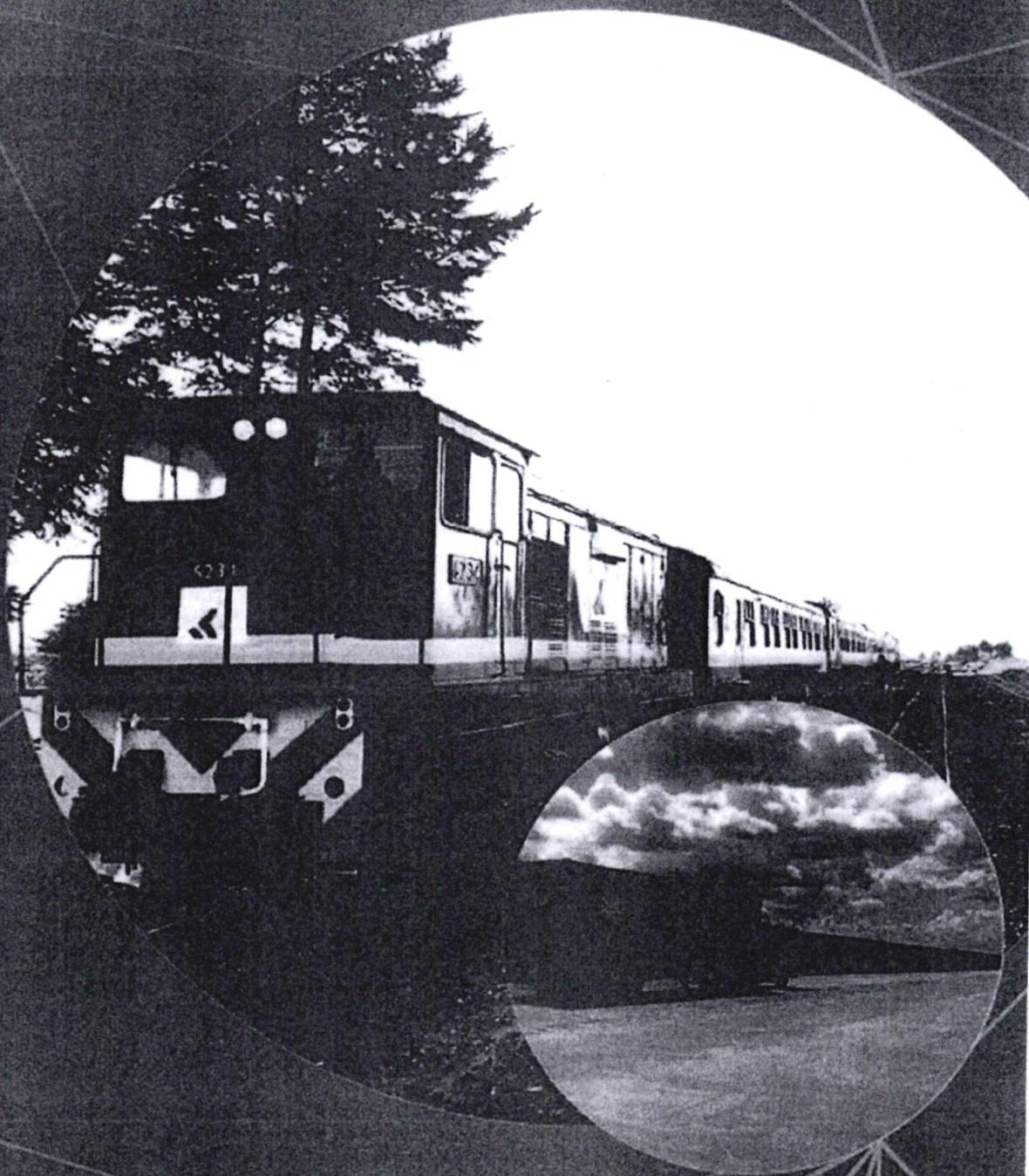


Philip J. Mainga, EBS  
**MANAGING DIRECTOR**



Eng. Tobias Otieno  
**PROJECT COORDINATOR**





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