
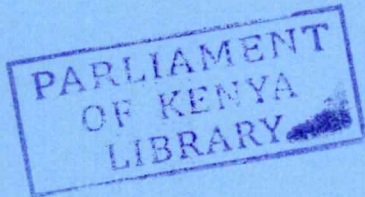


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 OCT 2025	DAY: TUE
TABLED BY:	Hon. Owen Baya Dep. Leader of the Maj. Party
CLERK-AT THE-TABLE:	M. Chumo



REPORT

OF

THE AUDITOR-GENERAL

ON

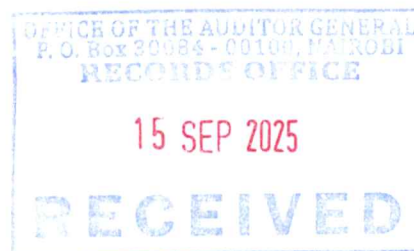
**AFRICA CLIMATE SUMMIT (ACS) AFRICA
CLIMATE WEEK**

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

**STATE DEPARTMENT FOR ENVIRONMENT
AND CLIMATE CHANGE**

HAQ





**PROJECT NAME: AFRICA CLIMATE SUMMIT
(ACS) AFRICA CLIMATE
WEEK**

**IMPLEMENTING ENTITY: STATE DEPARTMENT OF ENVIRONMENT AND
CLIMATE CHANGE.**

**PROJECT GRANT/CREDIT NUMBER: AFRICA CLIMATE SUMMIT AND AFRICA
CLIMATE WEEK**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

(Leave this page blank)

Table Contents	Page
1. Acronyms and Definition of Terms.....	ii
2. Project Information and Overall Performance	iii
3. Statement of Performance against Project's Predetermined Objectives.....	xi
4. Environmental and Sustainability Reporting.....	xii
5. Statement of Project Management Responsibilities.....	xiv
6. Report of the Independent Auditor on Financial Statements for <i>Africa Climate Summit Project</i>	xvi
7. Statement of Financial Performance for the Year Ended 30th June 2025.	1
8. Statement of Financial Position as at 30 th June 2025.....	2
9. Statement of Changes in Net Assets.....	3
10. Statement of Cashflow for the year ended 30 th June 2025	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025.....	5
12. Notes to the Financial Statements	7
13. Annexes	23

1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
GEF	Global Environment Fund

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is “**Africa Climate Summit and Africa Climate Week**”.

Objective

The Africa Climate Summit provided an opportunity for African Leaders to make the African Leaders Nairobi Declaration on a Climate Change and Call to Action. It sought to launch a new ambition for Africa and invite partnerships with the rest of the world.

The Summit served as a platform to showcase progress, exchange perspectives, and begin to converge on common priorities for global discussions (incl. UNGA, G20, WBG and IMF Annual Meetings, and COP28 and beyond). It enabled African countries to define detailed plans, shape their associated tools and investments, inform and push for reforms of the international financial architecture, share innovation, knowledge, experience, and practical approaches to deepen and expand understanding of climate challenges and opportunities, and enable Africa to renew its vision and become more assertive in pursuing a climate and development agenda through a unified approach.

Address

The project headquarters offices are Nairobi, Kenya.

The address of its registered office is:

Ministry of Environment and Forestry,
NHIF Building, 12th Floor, Ragati Road,
P.O Box 30126-00100,
Nairobi, Kenya

The project does not have any other offices/branches.

Contacts: The following are the project contacts

Telephone: +254-(0) 202730808/9

E-mail: psoffice@environment.go.ke

Website: www.environment.go.ke

Africa Climate Summit (ACS)

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

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	4 th September 2023
Project End Date:	8 th September 2023
Project Manager:	Mongo Chimwaga, EBS
Project Sponsor:	African Development Bank (ADB)

2.3 Project Overview

Line Ministry or State departments/ County Department	The project is under the supervision of the state department for Environment and Climate change
Project number	AFRICA CLIMATE SUMMIT AND AFRICA CLIMATE WEEK

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

Central Bank of Kenya.

Account No. 1000741201

2.5 Independent Auditor

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

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Dr, Eng. Festus Ngeno	Principal Secretary	PhD Environmental and Biosystems Engineering	Accounting Officer
Mongo Chimwaga	Project co-ordinator	MSc HRM	Overall co-ordination of the project.
Anne Nderitu	Project accountant	MBA	Project Financial Reporting and Administration

2.7 Funding summary

The Project is for duration of 4th to 8th September 2023. The project approved budget is USD 2,500,000 equivalent to Kshs 322,862,822 using a dollar rate of 129.145 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	Development Partner currency	Kshs	Development Partner currency	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant						
ADB (USD=Kshs129.145)	2,500,000	322,862,822	2,500,000	322,862,822	-	-
(ii) Loan						
(iii) Counterpart funds						
Government of Kenya						
Total	2,500,000	322,862,822	2,500,000	322,862,822	-	-

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	Development Partner currency	Kshs	Development Partner currency	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
ADB	2,500,000	322,862,822	1,696,614	219,109,278	803,388	103,753,544
(i) Loan	0	0	0	0	0	0
(ii) Counterpart funds						
Government of Kenya	0	0	0	0	0	0
Total	2,500,000	322,862,822	1,696,614	219,109,278	803,388	103,753,544

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

Background

Kenya was nominated to Chair the Committee of African Heads of States and Government on Climate Change (CAHOSCC) on 6th February 2022. As the Chair of CAHOSCC, His Excellency the President of the Republic of Kenya is responsible for ensuring that Africa speaks with one voice in all Climate Change meetings.

On the 7th of November 2022, at COP27 in Sharm-El Sheikh, Egypt, H.E. President William Ruto of the Republic of Kenya announced the intention to host *African Climate Summit (ACS)* in Nairobi 2023. The offer to host the first ACS was presented and approved at the CAHOSCC and Africa Union Assembly on 18th and 19th February 2023, in Addis Ababa, Ethiopia.

Following the approval to host the Africa Climate Summit, Kenya and the African Union Commission co-hosted the Summit from 4th – 6th September 2023 in parallel with the Africa Climate Week (ACW) held from 4th – 8th September 2023 at KICC, Nairobi, Kenya.

The following milestone events preceded and informed the ACS:

- a) African Ministerial Conference on the Environment (AMCEN);
- b) The Youth and Children Assembly;
- c) Indigenous Peoples Forum;
- d) The eleventh session of Climate Change and Development in Africa (CCDA XI);
- e) Civil Society Organisation (CSO) events;
- f) Farmers; and
- g) Women Forum.

The theme of the Summit was "*Driving Green Growth and Climate Finance Solutions for Africa and the World. Africa in Solidarity with the World.*"

Objective, Outputs and Outcomes of the Africa Climate Summit

The Africa Climate Summit provided an opportunity for African Leaders to make the “African Leaders Nairobi Declaration on a Climate Change and Call to Action”. It sought to launch a new ambition for Africa and invite partnerships with the rest of the world.

The Summit objectives were

- (i) Create a platform for developing a clear investment portfolio for Africa’s Green Economic Growth, for mobilising Climate Finance, business Partnerships and investment Deals on Climate Change.
- (ii) Serve as a platform to showcase progress, exchange perspectives, and begin to converge on common priorities for global discussions (incl. UNGA, G20, WBG and IMF Annual Meetings, and COP28 and beyond).
- (iii) To enable African countries to define detailed plans, shape their associated tools and investments, inform and push for reforms of the international financial architecture.
- (iv) Share innovation, knowledge, experience, and practical approaches to deepen and expand understanding of climate challenges and opportunities (particularly relating to Adaptation, Loss and damage, Carbon markets, Green Growth Agenda}.
- (v) Enable Africa to renew its vision and become more assertive in pursuing a climate and development agenda through a unified approach.
- (vi) To feed to Africa key messages and common position for the upcoming UNFCCC COP 28 in December 2023.
- (vii) Amplify Africa’s voice by calling to action the developed Country parties, including major emitters, commit to a deep decarbonization agenda to cut emissions and meet their obligations.

The outputs (non-exhaustive) of the Summit were:

- i) African Leaders Nairobi Declaration on a Climate Change and Call to Action.
- ii) Pathway to a new global financial deal that includes “at-scale” and fit-for-purpose financing instruments/products to be delivered by DFIs, MDBs and private financiers that serve specific growth goals, e.g., carbon credit project development facility, green manufacturing facility, nature financing facility, reskilling/ jobs transition facility etc.

Africa Climate Summit (ACS)

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

- iii) Investment commitments, including \$26 billion worth of green investment deals on the continent across all sectors (including energy, agriculture, nature, water among others)
- iv) Announcements on tangible progress on ongoing major continent-wide/ global initiatives (e.g., Bridgetown, ACMI, Desert to Power), and new partnerships/ initiatives.
- v) Key Messages and common position for COP28
- vi) New Partnerships, initiatives, launches and deals by state and non- state actors
- vii) Outcome of ACS Debates in the National Assembly, Judiciary, Academia;
- viii) High Level Presidential and Ministerial Segments and national commitments; and
- ix) Discussions from 400 side events all encouraging greater climate ambition in all sectors.

In terms of Outcomes, the ACS: Set a bold and ambitious vision for the continent and the world;

- a) Set priority areas for intervention – for green and climate resilient growth;
- b) Welcomed opportunities to match the ambition set with capital and technology;
- c) Augmented the role of youth and children in the delivery the ACS ambition; and
- d) Increased knowledge from innovation and sharing of success stories.
- e) Africa voice amplified.
- f) Africa to spotlight its special needs, circumstances and opportunities.

The Conclusion of the ACS in Nairobi marked the beginning of Africa's new journey to a new green bold and ambitious vision for Africa and the world. The new vision will be delivered through the proposed post-ACS roadmap.

2.9 Summary of Project Compliance:

The project has not had any incidence of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives.

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 Africa Climate Summit provided an opportunity for African Leaders to make the African Leaders Nairobi Declaration on a Climate Change and Call to Action. It sought to launch a new ambition for Africa and invite partnerships with the rest of the world.

The Summit served as a platform to showcase progress, exchange perspectives, and begin to converge on common priorities for global discussions (incl. UNGA, G20, WBG and IMF Annual Meetings, and COP28 and beyond). It enabled African countries to define detailed plans, shape their associated tools and investments, inform and push for reforms of the international financial architecture, share innovation, knowledge, experience, and practical approaches to deepen and expand understanding of climate challenges and opportunities, and enable Africa to renew its vision and become more assertive in pursuing a climate and development agenda through a unified approach.

In terms of Outcomes, the ACS:

- g) Set a bold and ambitious vision for the continent and the world;
- h) Set priority areas for intervention – for green and climate resilient growth;
- i) Welcomed opportunities to match the ambition set with capital and technology;
- j) Augmented the role of youth and children in the delivery the ACS ambition.

4. Environmental and Sustainability Reporting

Various Governments, private sector, multilaterals, banks, foundations, philanthropists, UN Agencies, Civil Society Organizations and other organizations made commitments and announcements at the Summit equating to a combined investment of nearly USD 26 billion that set out concrete, systematic and sustainable plans needed to progress towards Net Zero, and international climate goals on finance and adaptation.

I. Sustainability strategy and profile –

During the climate summit, Discussions highlighted the need for increased investment in renewable energy and green technologies, promoting sustainable economic growth across the continent.

II. Environmental performance

The summit facilitated the development of a comprehensive action plan for African Nations, the African Leaders Nairobi Declaration on Climate Change and Call to Action, to address climate change collectively, emphasizing collaboration on sustainability initiatives.

Employee welfare

The project staff management will be based on the public services human resource manual and other respective laws and procedures.

1. Market place practices

The project in the procurement of goods and services will be done in compliance with Public Procurement and Asset Disposal Act 2015. This ensures that proper guidelines and processes are followed to enable smooth operations of the project, competitiveness and value for money is achieved. In addition, Vulnerable groups of Youth, Women and Disables will be incorporated in the quotations and tendering processes of the project.

2. Community Engagements-

The summit encouraged the involvement of children, youth and local communities in climate action, ensuring that sustainability efforts are inclusive and representative. Both local and international community was involved in the summit.

5. Statement of Project Management Responsibilities

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit 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 (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


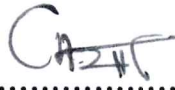
The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit Project* accept responsibility for the Project's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit 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/period ended June 30, 2025, and of the Project's financial position as at that date. The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit 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 *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit 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/period 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 *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Africa Climate Summit Project* on 2025 and signed by them:


.....
Dr. Eng. Festus K. Ngeno
Principal Secretary
.....
Mongo Chimwaga
Project Coordinator

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 AFRICA CLIMATE SUMMIT (ACS) AFRICA CLIMATE WEEK FOR THE YEAR ENDED 30 JUNE, 2025 – STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE

PREAMBLE

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

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

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

The three parts of the report 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

Opinion

I have audited the accompanying financial statements of Africa Climate Summit (ACS) and Africa Climate Week set out on pages 1 to 25, 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, statement of comparison 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 Africa Climate Summit (ACS) and Africa Climate Week 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 Grant Agreement dated 15 November, 2023 between the Government of Kenya and African Development Bank (ADB) and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Africa Climate Summit (ACS) and Africa Climate Week 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

Undisclosed Special Deposit Account Balance

The Project's special deposit account maintained at the Central bank of Kenya reflects a closing account balance of Kshs.59,731,875 (USD 462,500). However, the Project did not disclose this balance in the financial statements as at 30 June, 2025 contrary to the requirement of International Public Sector Accounting Standard (IPSAS) No.23 – revenue from non-exchange transactions. In addition, amount withdrawn and expenditure not claimed totaled USD2,537,500 (Kshs.327,718,125) as at 30 June, 2025.

My opinion is however unmodified in respect of this matter.

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. I have determined that there were no other key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, as at 30 June, 2025, Management had not resolved all the issues as prescribed in the reporting template set by the Public Sector Accounting Standards Board.

Other Information

Management is responsible for the other information set out on pages iii to xv 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.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Reimburse Excess Funds

The statement of financial position reflects cash and cash equivalents balance of Kshs.103,753,550 as disclosed in Note 8 to the financial statements. The balance relates to grant amounts that had not been expended at the date of audit in the month of September, 2025 despite the Project end date being 8 September, 2023. However, the balance had not been reimbursed to the Donor or the Project closed contrary to clause

5.3 of the of the grant agreement which states that, "any unutilized amount shall be reimbursed to the bank".

In the circumstances, Management was in breach of the grant agreement.

2. Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.4,647,662 as disclosed in Note 9 to the financial statements. This balance was not settled during the year under review despite the Project having adequate funds. This was contrary to Regulation 42. (1a) of Public Finance Management (National Government) Regulations, 2015 which states that, debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

3. Non-Compliance with Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include the Special deposits accounts movement schedule as prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the financing agreement between the Government of Kenya and the African Development Bank (ADB), 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 those records 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 Project's, ability to continue to sustain its services, disclosing, as applicable, matters related to the sustainability of services and using the applicable 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(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

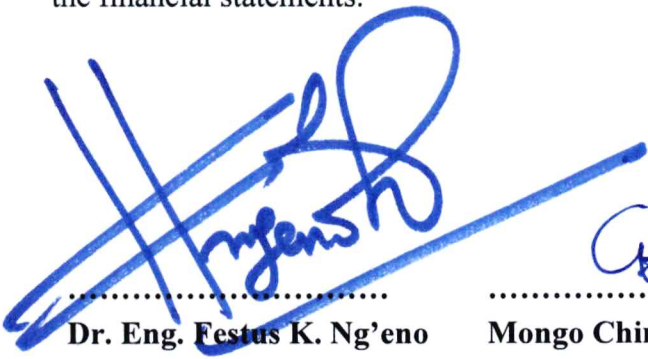
Nairobi

30 September, 2025

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

	Notes	30 th June 2025
		Kshs
Revenue		
Revenue Transfers	6	0
Total revenue		0
Expenses		
Use of goods and services	7	0
Total expenses		0
Other gains/(losses)		0
Surplus/ (deficit)		0

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



.....
Dr. Eng. Festus K. Ng'eno
Principal Secretary



.....
Mongo Chimwaga
Project Coordinator

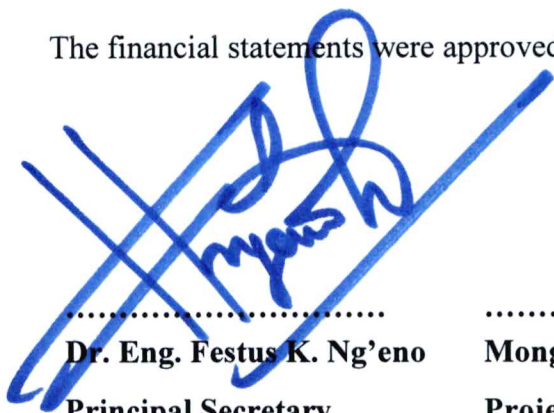


.....
Anne Nderitu
Project Accountant
ICPAK Member No:20372

8. Statement of Financial Position as at 30th June 2025

	Note	30 th June 2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	8	103,753,550	109,379,931
Total Current Assets		103,753,550	109,379,931
Non-Current Assets		0	0
Total Non- Current Assets		0	0
Total Assets (a)		103,753,550	109,379,931
Liabilities			
Current Liabilities			
Trade and Other Payables	9	4,647,662	10,274,044
Total Current Liabilities		4,647,662	10,274,044
Total Liabilities (b)		4,647,662	10,274,044
Net Assets (a-b)		99,105,888	99,105,888
Represented By:			
Accumulated Surplus		99,105,888	99,105,888
Total Net Assets		99,105,888	99,105,888


The financial statements were approved on _____ 2025 and signed by:



Dr. Eng. Festus K. Ng'eno
Principal Secretary



Mongo Chimwaga
Project Coordinator



Anne Nderitu
Project Accountant
ICPAK Member No:20372

9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	109,379,931
Adjustments:	
Asset Recognition	0
Liabilities recognition	(10,274,044)
As at 1st July 2024	99,105,888
Surplus/(Deficit) for the year	(0)
As at 30th June 2025	99,105,888

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:

.....
Dr. Eng. Festus K. Ng'eno
 Principal Secretary

.....
Mongo Chimwaga
 Project Coordinator

.....
Anne Nderitu
 Project Accountant
 ICPAK Member No:20372

Africa Climate Summit (ACS)

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

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

Description	Note	30 th June 2025 Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		0
Miscellaneous Revenue		0
Total receipts		0
Payments		
Employee costs		0
Use of goods and services		5,626,382
Transfer to other Government Entities		0
Other Transfers/Subsidies/Grants		0
Certified Works		0
Total payments		5,626,382
Net cash flow from operating activities	10	(5,626,382)
Cashflow from investing activities		
Acquisition of non-financial assets		(0)
Proceeds from sale of Assets		0
Acquisition of Intangible assets		(0)
Net cash flows from investing activities		0
Cash flow from financing activities		
<i>Specify the activity</i>		0
Net cash flow from financing activities		0
Net increase/Decrease in cash and cash equivalents		(5,626,382)
Cash and cash equivalent at 1st July 2024	8	109,379,931
Cash and cash equivalent at end 30th June 2025	8	103,753,550

11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods		0	0	0	0	0
Receipts						
Revenue Transfers	0	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0
Payments						
Employee costs	0	0	0	0	0	0
Use of goods and services	0	0	0	5,626,382	(5,626,382)	0
Transfer to other Government Entities	0	0	0	0	0	0
Other Transfers/Subsidies/Grants	0	0	0	0	0	0
Certified Works	0	0	0	0	0	0
Total Payments	0	0	0	5,626,382	(5,626,382)	0
Surplus				(5,626,382)		

Budget notes

1. The 0% utilization was due to no budget allocation in the financial year under review.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(5,626,382)
1	Opening Cash and Cash Equivalent	109,379,931
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	103,753,550

12. Notes to the Financial Statements

1. General Information

Africa climate summit is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is enhancing environmental, climate change and forestry governance.

2. Statement of Compliance and Basis of Preparation

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorized for issue by the accounting officer on2025.

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>Applicable 1st January 2025</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	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

Africa Climate Summit (ACS)

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

Standard	Effective date and impact:
<p>Assets Held for Sale and Discontinued Operations</p>	<p>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> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> 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.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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. 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.

Africa Climate Summit (ACS)

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

iii) Early adoption of standards

The African Climate Summit did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *30TH 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 to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2024/2025 budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **11** of these financial statements.

c) Property, plant and equipment

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

Notes to the financial statements

d) Leases

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

e) Intangible assets

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

f) Research and development costs

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

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

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

Notes to the financial statements

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Africa climate summit* does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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 Africa climate summit 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 African Climate Summit classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Notes to the financial statements

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

h) Inventories

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

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

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

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

Notes to the financial statements

Inventories (Continued)

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

i) Provisions

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

j) Nature and purpose of reserves

The African Climate Summit creates and maintains reserves in terms of specific requirements. .

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The African Climate Summit 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 African Climate Summit 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 Africa climate summit 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 Africa climate summit 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 Africa climate summit also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

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

r) Subsequent events

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

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Africa climate summit 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 African Climate Summit based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

Description	30 th June 2025
	KShs
Unconditional Transfers	
GoK Counter Part funding	0
Transfers from Development partners	0
<i>Other unconditional transfers (Specify)</i>	0
Total Unconditional Transfers (a)	0
Conditional Transfers	
Transfers from Development partners 1	0
Transfers from Development partner 2	0
<i>Other conditional transfers (specify)</i>	0
Total Conditional Transfers (b)	0
Total Transfers for the Year (a + b)	0

7. Use of Goods and Services

Description	FY 2024/25
	Kshs
Utilities, supplies and services	0
Bank charges	0
Communication, supplies and services	0
Domestic travel and subsistence	0
Foreign travel and subsistence	0
Fuel and lubricants	0
General office supplies	0
Stationery, Printing, advertising, and information supplies	0
Office rent	0
Training payments	0
Hospitality supplies and services	0
Insurance costs	0
Specialized materials and services	0
Other operating payments(specify)	0
Routine maintenance – vehicles and other transport equipment	0
Routine maintenance- other assets	0
Total	0

Africa Climate Summit (ACS)

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

8. Cash and Cash Equivalents

Description	30 th June 2025	1 st July
	Kshs	Kshs
Cash in Bank	103,753,550	109,379,932
Cash on hand	0	0
<i>Others (Specify)</i>	0	0
Total Cash and Cash Equivalents	103,753,550	109,379,932

Project Bank Accounts

Details	30 th June 2025	1 st July 2024
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.....]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
<i>Others (specify)</i>	0	0
Total Foreign Currency balances	0	0
Local Currency Accounts	0	0
Central Bank of Kenya [A/c No...1000741201...]	103,753,550	109,379,932
Kenya Commercial Bank [A/c No.....]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
<i>Others (specify)</i>	0	0
Total local currency balances	0	0
Total bank account balances	<u>103,753,550</u>	<u>109,379,932</u>

Africa Climate Summit (ACS)
Annual Report and Financial Statements for the financial year ended June 30, 2025
Notes to the financial statements

9. Trade and Other Payables

Description	30 th June 2025		1 st July 2024	
	Kshs		Kshs	
Trade payables	4,647,662		10,274,044	
Employee payables	0		0	
Other payables (specify)	0		0	
Total trade and other payables	4,647,662		10,274,044	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	4,647,662	100%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	4,647,662		0	

10. Cash Generated from Operations

Description	30 th June 2025
	Kshs
Surplus/Deficit for the year	(0)
Adjusted for:	
Depreciation	0
Non-cash grants received	0
Impairment	0
Gains and losses on disposal of assets	0
Working capital adjustments	
Increase in inventory	0
Increase in receivables	0
Increase in deferred income	0
Increase in payables	(5,626,382)
Increase in payments received in advance	0
Net cash flow from operating activities	(5,626,382)

Africa Climate Summit (ACS)

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

11. 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.

12. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Notes to the financial statements

Other related parties include:

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

13. Events after the Reporting Period

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

14. Ultimate And Holding Entity

The African climate summit is a project under the State department of Environment and climate change under the Ministry of Environment, Forestry and Climate change. Its ultimate parent is the Government of Kenya.

15. Currency

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

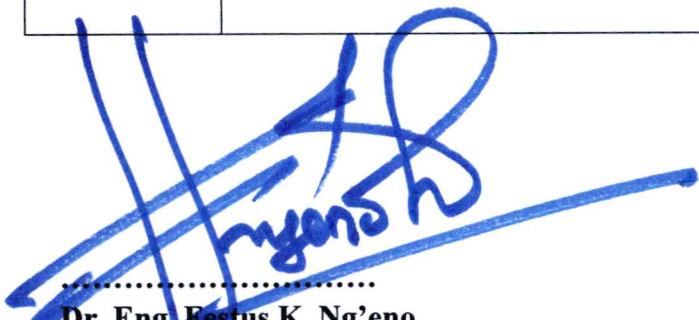
13. Annexes


Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2093.	<p>Use of Donor Funds to Pay Taxes</p> <p>The statement of receipts and payments reflects purchase of goods and services amount of Kshs.213,482,891 as disclosed in Note 2 to the financial statements. However, the amount included value added tax on transport, accommodation, service charge, training and catering levy for the accommodation and meals totalling Kshs.37,062,656. The taxes were paid using donor's funds, contrary to clause 3.2 of the financing agreement which states that, "where any tax or duty is not exempted, the recipient is responsible to pay such tax"</p> <p>In the circumstances, the accuracy and regularity of expenditure is Kshs.37,062,656 on use of goods and services could not be confirmed and Management was in breach of the agreement.</p>	<p>At the time of payment for the above-mentioned services, the Kenya Revenue Authority had just concluded a compliance audit of the State department where they emphasized the need to comply with the set tax laws. In this regard, tax laws require that withholding tax for vatable goods and services is effected at the point of payment. (section 48 A of the tax procedures Act). The State Department effected the Withholding tax using donor funds because the grant did not have a GOK component to cover for the tax.</p>	Not resolved	Awaiting to appear before PAC at a later date
2094	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis of Kshs.350,000,000 and Kshs.322,862,722 respectively resulting to an under-funding of Kshs.27,137,178 or 8% of the</p>	<p>At the end of the financial year 2023-2024, there were pending bills in relation to the Africa Climate Summit that remained unsettled due to inadequate budgetary</p>	Not resolved	Awaiting to appear before PAC

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)
	budget. However, the Project spent Kshs.213,482,891 against actual receipts of Kshs.322,862,822 resulting to an under expenditure of Kshs.109,379,931 or 34% of the actual receipts. The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.	provision. The State Department for Environment and Climate Change (SDECC) wrote a letter to the donor requesting the donor to allow the SDECC to use the remaining funds to settle the pending bills.		at a later date
2095.	Unreconciled Grant The application of funds reflects Donor Grant of USD 2,500,000 in the year under review. However, the special account for the Project at the Central Bank reflects total amount withdrawn as USD 2,537,500 which differs with the amount of USD 2,500,000 received by the Project resulting to a variance of USD 37,500. However, Management has explained that the variance of USD 37,500 (Kshs.4,842,937) was disbursed to the National Treasury.	Its true that the state department received only 2,500,000 and 37,500 was disbursed to the national treasury.	Not resolved	Awaiting to appear before PAC at a later date
2096.	Failure to Reimburse Excess Funds The statement of financial assets and liabilities reflects bank balances of Kshs.109,379,931 as disclosed in Note 3 A to the financial Statements. The Balance relates to grant amounts that had not been expended at the date of the Project closure. However, the balance had not been reimbursed to the Donor, contrary	At the end of the financial year 2023-2024, there were pending bills in relation to the Africa Climate Summit that remained unsettled due to inadequate budgetary provision. The State Department for	Not resolved	Awaiting to appear before PAC at a later date.

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)
	to clause 5.3 of the grant agreement which states that, "any unutilized amount shall be reimbursed to the bank." In the circumstances, Management was in breach of the grant agreement.	Environment and Climate Change (SDECC) wrote a letter to the donor requesting the donor to allow the SDECC to use the remaining funds to settle the pending bills. The funds were not refunded as the ministry is awaiting response from the donor		


.....
Dr. Eng. Festus K. Ng'eno
Principal Secretary


.....
Mongo Chimwaga
Project Coordinator

Annex 2: Reconciliation of inter-entity transfers

There were no inter entity transfers during the year under review

Annex 3: Other Support Documents

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