

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT: 27 FEB 2025

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Thursday

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OF KENYA
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Hon Naomi Wago/MP
Deputy Majority Party Whip

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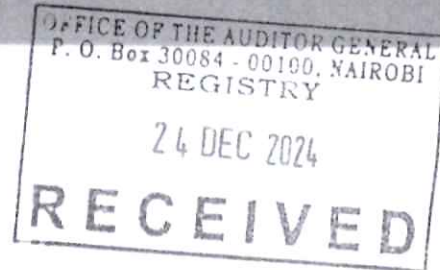
TABLED:
A. Shiwko

THE AUDITOR-GENERAL

ON

KENYA AIRPORTS AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2024**



KENYA AIRPORTS AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

Prepared in accordance with the International Financial Reporting
Standards (IFRS)

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

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I. Abbreviation and Acronyms

List of abbreviation and acronyms used in the annual report and financial statements.

IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
MD	Managing Director
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
KAA	Kenya Airports Authority
JKIA	Jomo Kenyatta International Airport
MIA	Moi International Airport
CSR	Corporate Social Responsibility
AFD	Agence Francaise De Developpement
AUC	Assets Under Construction

KENYA AIRPORTS AUTHORITY
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2. Key Entity Information

a) Background Information

Kenya Airports Authority is a body corporate in Kenya formed under the Kenya Airports Authority Act Cap 395, and is domiciled in Kenya.

b) Principal Activities

The principal activities of Kenya Airports Authority are:

- To construct, operate and maintain aerodromes and other related facilities.
- To construct or maintain aerodromes on an agency basis on the request of any Government department.
- To provide such other amenities or facilities for passengers and other persons making use of the services or the facilities provided by the Authority.
- Construct any other necessary or desirable works required for the purposes of the Authority;
- Control the construction and use of prescribed aerodromes.
- Carry on any business that may be necessary or desirable for the purposes of the Authority and act as an agent for the Government in the provision of any agreed functions.
- Acquire, construct, manufacture, maintain or repair any works, plants or apparatus necessary or desirable for the purposes of the Authority.
- Determine, impose and levy rates, charges, dues or fees for any services performed by the Authority, or for use by any person of the facilities provided by the Authority, or for the grant to any person of a license, permit or certificate.

Kenya Airports Authority Vision Statement

To be Africa's Premier Gateway to the World

Mission Statement

To provide delightful consistent and seamless travel experience

The Core Values are

- Customer Focus,
- Team Spirit,
- Integrity
- Innovation

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c) Key Entity Information (Continued)

Directors

The Directors who served the entity during the year were as follows:

1. Hon. Caleb Kositany Chairman (Appointed on 17th March 2023)
2. Mr Henry Ogoye Ag. Managing Director/CEO (Appointed on 26th August, 2023)
3. Mr. Alex Gitari Managing Director/CEO (Left on 26th August , 2023)
4. Ms. Serah Kimani Director (Appointed on 5th April, 2023)
5. Mr. George Ngugi Director (Appointed on 5th April , 2023)
6. Dr. Rebecca Lamong Director (Appointed on 5th April, 2023)
7. Eng. Walter Ogola Director (Appointed on 5th April 2023)
8. Maj. Rtd Iltasayon Neepe Director (Appointed on 5th July, 2022)

9. Mr. Mohamed Dhagar Director
Principal Secretary
Ministry of Roads and Transport
State Department for Transport
10. Dr. Chris Kiptoo Director
Principal Secretary
National Treasury

11. Dr. Raymond Omollo Director
Principal Secretary
Ministry of Interior and National Administration
State Department for Internal Security and National
Administration.

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Key Entity Information (Continued)

Alternate Directors

12. Mr Edward Wamweya	Alternate Director Principal Secretary National Treasury
13. Mr. Kodeck Makori	Alternate Director Principal Secretary Ministry of Interior and National Administration State Department for Interior and National Administration
14. Mr. Nicholas E. Bodo	Alternate Director Principal Secretary Ministry of Roads and Transport State Department for Transport
15. Mr. Isaac Odek	Representative Inspectorate of State Corporations

d) Corporation Secretary

Ms. Frida Mbugua (Joined From 1st May 2024)

Ms Margaret Munene (Acting Upto 1st May 2024)

Kenya Airports Authority Headquarters

Airport North Road
P. O. Box 19001-00501
NAIROBI

e) Registered Office

Kenya Airports Authority- Headquarters
Airport North Road
P. O. Box 19001-00501
Nairobi, KENYA

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Key Entity Information (Continued)

(f) Corporate Headquarters

Kenya Airports Authority- Headquarters
Airport North Road
P. O. Box 19001-00501
Nairobi, KENYA

(g) Corporate Contacts

Tel: +254-020-6822111/6611000/6612000
Mobile: +254 722 205 061/2/3/4/5/6/7/8
Email: talk2us@kaa.go.ke, info@kaa.go.ke
Website: www.kaa.go.ke

(h) Branch Network

i). Jomo Kenyatta International Airport

P. O. Box 19087-00501
NAIROBI
Tel: +254-020-6822111/6611000/6612000
Mobile: +254 722 205 061/2/3/4/5/6/7/8

ii) Moi International Airport

P. O. Box 93904-80115
MOMBASA
Tel: +254-041-3433211
Mobile: +254 726318515/6/7, 727417791

iii) Eldoret International Airport

P. O. Box 2323
ELDORET
Tel: +254-053-2061299/ 2063377/ 2063844
Mobile: +254 712-452170, 712-452172, 712-452174

iv) Kisumu International Airport

P. O. Box 13
KISUMU
Tel: +254- (057)2531186/2524399
Mobile: +254 728 765349/728 765360/1

v) Wilson Airport

P. O. Box 19005
NAIROBI
Tel: +254-020-501941/2/3
Mobile: +254 724256837, 724255343

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Key Entity Information (Continued)

vi) Lokichoggio Airport

P. O. Box 88
LOKICHOGIO
Tel: +254-054-32266/32441

vii). Malindi Airport

P. O. Box 67
MALINDI
Tel: + 254-042-2131201/2131931
Mobile: +254 710230386, 710261550, 738231201

Viii) Kitale Airstrip

P. O. Box 1718
KITALE
Tel: +254-054- 31017

ix) Wajir Airport

P. O. Box 512
WAJIR
Tel: + 254-046-421019/421362

x) Ukunda Airstrip

P. O. Box 139
KWALE
Tel: + 254-040-3202126/3203246

xi) Manda Airstrip

P. O. Box 167
LAMU
Tel: +254-042-633018

xii)Lodwar Airstrip

Tel + 254 708081418
LODWAR

xiii) Eldoret Airstrip

ELDORET

xiv) Isiolo Airport

Tel + 254 703482571
P.O. Box 817 - 60300
ISIOLO

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Key Entity Information (Continued)

xv) Nanyuki Airstrip
P. O. Box 1436- 10400
NANYUKI

xvi) Kabunde Airstrip
P. O Box 887
HOMABAY

xvii) Migori Airstrip
MIGORI

xviii) Garissa Airstrip
GARISSA

xix) Kakamega Airstrip
KAKAMEGA

xx) Nyaribo Airstrip
NYERI

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Key Entity Information (Continued)

(i) Corporate Bankers

i) Absa Bank Kenya Plc
Enterprise Road Branch
P. O. Box 18060-Nairobi
NAIROBI
Tel: +254 -020-530700-1

ii) Citibank N.A
Upper Hill Branch
P.O Box 30711-00100
NAIROBI
Tel: +254 -020-2754800

iii) Kenya Commercial Bank
Moi Avenue Branch
P.O. Box 48400-00100
NAIROBI
Tel: +254-020-327000

iv) National Bank of Kenya Limited
Jomo Kenyatta International Airport Branch
P. O. Box 19230-00501-GPO Nairobi, Kenya
Tel: +254-020-827286, 0710-223623

v) Standard Chartered Bank of Kenya limited
Kenyatta Avenue Branch
P.O. Box 30001-00100
NAIROBI.
Tel: +254-020-329400

vi) Equity Bank Limited
Equity Centre,
P.O Box 75104-00200
Nairobi, Kenya
Tel: +254-020-226200

vii) NCBA Bank Limited
NIC House, Masaba Road,
P.O Box 44599-00100
Nairobi, Kenya
Tel: +254-020-2888217

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Key Entity Information (Continued)

viii) Family Bank Limited
Family Bank Towers-Corporate Branch
P.O. Box 74145-00200
NAIROBI
Tel: +254 -020-318173

(j) Independent Auditors

Auditor-General
The Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084-00100
Nairobi, KENYA

(k) Principal Legal Advisers

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3. The Board of Directors



Hon. Caleb Kositany

Chairman (Appointed on 17th March 2023)
Date of Birth: 1967

Bachelor of Commerce- Inoorero University
Former Member of Parliament- Soy Constituency
Previously served as Director- Kenya Pipeline Company
Former -Board Member- Lands Tribunal Board



Mr. Henry Ogoye

Ag. Managing Director/ CEO (Appointed on 26th August 2023)
Date of Birth: 1967

Master of Business Administration Finance and MA(Economics),
Bachelor of Arts (Mathematics and Economics),
Diploma Financial Management
Chairman, Karen South Welfare Association
Director, Airports Sacco Limited



Mr. Alex Gitari

Managing Director/ CEO (left on 26th August 2023)

Master of Business Administration (Finance)
Bachelor of Commerce, Accounting Option,
Certified Public Accountant (K),
Alumnus of Harvard Business School's Advanced Management Program
Member of Institute of Certified Public Accountants of Kenya.

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The Board of Directors (Continued)



Mohamed Dhagar

**Director
Principal Secretary,
Ministry of Roads and Transport
State Department for Transport**

Date of Birth: 1985

BA, International relations USIU
Master in peace, Conflict and Development studies-
Universitat Jaume I, Spain
Wealth of experience in safety and security matters.



Dr. Raymond Omollo

**Director
Principal Secretary, Ministry of Interior and
National Administration State Department for
Internal Security and National Administration**

Date of Birth 1979

(PhD) in Applied Statistics from Maseno University,
BSC degree in Statistics and a Master's of Science in Applied
Statistics from UON
Biostatistics and Epidemiology scholarship awardee from
the University of Washington based Seattle, USA.



Dr. Chris Kiptoo (CBS)

**Director
Principal Secretary
National Treasury**

Date of Birth 1967

Doctor of Philosophy Degree (PhD) in Finance (*International
Macroeconomics Finance specialization*) from The Nairobi
University, as well as a Master of Science (Ag. Economics) and
Bachelor of Science (Ag. Economics) degree from Egerton
University. He is also an Accredited Fellow in Macroeconomic
Management Macroeconomic & Financial Management
Institute of Eastern & Southern Africa (MEFMI).

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The Board of Directors (Continued)



Mr. George Ngugi
Independent Director (Appointed on 5th April, 2023)

Date of Birth: 1975

Chair Audit Committee of the Board

Bachelor of Business (Hons) in Business Administration.
(Limkokwing University of Creative Technology, Malaysia)
MBA, University of South Wales (UK)
Managing Partner, Manpower Group Limited
Senior Associate at Niwali Consult Limited (Uganda)
Head of SME faculty and the lead trainer in the business stream
at Timeless Women of Wonder Africa (TWOW).
Member of Professional Risk Managers Independent
Assessors PRMIA, USA.



Eng. Walter Ogola

Independent Director (Appointed on 5th April 2023)

Date of Birth 1980

Chair Technical Committee of the Board

Bachelor of Science Civil Engineering -University of Nairobi
Director- Civil Infrastructure at Girder Associates Ltd
Registered Consulting Engineer, Engineers' Board of Kenya
Corporate Member, Institution of Engineers of Kenya



Ms. Serah Kimani

Independent Director (Appointed on 5th April, 2023)

Date of Birth: 1975

Chair Finance and Strategy Committee of the Board

LL.M. in International Business Law, American University in
Washington, D.C.
LL.M. in International Trade and Investment Law in Africa,
University of Pretoria, South Africa
LL.B. in Bachelor of Laws, University of Nairobi
Advocate of High Court

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The Board of Directors (Continued)



Dr. Rebecca Lamong

Independent Director (Appointed on 5th April, 2023)
Date of Birth: 1983

Chair Human Resource Committee of the Board

PhD (Gender & Development Studies),
Masters of Philosophy (Development studies)
BEd(Science)
Higher Diploma KNEC (Human Resource and
Entrepreneurship Development).
Member of Institute of Human Resource Management
Associate
Member of Kenya Institute of Management
Member of Teachers Service Commission



Maj. Rtd Iltasayon Neepe

Independent Director (Appointed on 5th July, 2022)

Date of Birth: 1972

Master's Degree in Armed Conflict and Peace Studies
(Ongoing) Degree in Business Development – Mt. Kenya
University. Diploma in Armed Conflict and Peace Studies



CPA. Edward Wamweya

Alternate Director
The National Treasury

Date of Birth: 1984

Master of Business Administration (Finance Option)
Bachelor of Commerce (Finance option)
Certified Public Accountant (K).
Certified Investment and Financial Analyst (K).
Member of ICPAK and ICIFA
Currently working for Government Investment and Public
Enterprise Department at the National Treasury.

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The Board of Directors (Continued)



Mr. Nicholas Bodo

**Alternate Director
Ministry of Roads and Transport
State Department for Transport**

Date of Birth: 1967

Bachelor of Arts degree from Osmania University, India.
Master of Business Administration (Laikipia University)
Certified Public Secretary (K)
Graduate Diploma in Aviation Management from the National University of Singapore and the Singapore Aviation Academy,
Certificate in Air Law from the Egyptian Aviation Academy.



Mr. Kodeck Makori

**Alternate Director
Ministry of Interior and National Administration
State Department for Internal Security and National Administration**

Date of Birth: 1971

Bachelor of Arts Degree Kenyatta University
MA in International Studies, University of Nairobi.



Ms Frida Mbugua

Corporation Secretary- (Joined on 1st May 2024)

Date of Birth: 1984

Masters Of Arts – International studies
Bachelor of Laws- (LLB)
High Diploma in Human Resource Management (IHRM)
Certified Public Secretary (K)
Advocate of High Court, Commissioner for Oaths, Notary Public
Member of institute of Certified Public Secretaries of Kenya.

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The Board of Directors (Continued)



Ms Margaret Munene

Ag. Corporation Secretary (Upto 1st May 2024)

Date of Birth: 1971

Master of Arts, International Studies,
Bachelor of Laws (LLB),
Bachelor of Arts (Sociology),
Certified Public Secretary (K),
Advocate of the High Court, Commissioner for Oaths, Notary
Public
Member of Institute of Certified Secretaries of Kenya

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4. Key Management Team



Mr. Henry Ogoye

Ag. Managing Director/ CEO (Appointed on 26th August 2023)

Master of Business Administration Finance and MA(Economics),
Bachelor of Arts (Mathematics and Economics),
Diploma Financial Management
Chairman, Karen South Welfare Association
Director, Airports Sacco Limited



Mr. Alex Gitari

Managing Director/ CEO (left on 26th August 2023)

Master of Business Administration (Finance)
Bachelor of Commerce, Accounting Option,
Certified Public Accountant (K),
Alumnus of Harvard Business School's Advanced Management Program
Member of Institute of Certified Public Accountants of Kenya.



CPA Dr . Mohamud M Gedi

General Manager, Finance

Doctor of Philosophy (Management and Leadership)
Executive Masters in Business Administration
Masters in Project Planning and Management
Bachelor of Commerce, Accounting Option
Certified Public Accountant (K),
Member of Institute of Certified Public Accountants of Kenya.
Member of Institute of Internal Auditors (IIA)

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Key Management Team (Continued)



Ms Frida Mbugua

Corporation Secretary- Joined on 1st May 2024

Masters Of Arts – International studies
Bachelor of Laws- (LLB)
High Diploma in Human Resource Management (IHRM)
Certified Public Secretary (K)
Advocate of High Court, Commissioner for Oaths, Notary Public
Member of institute of Certified Public Secretaries of Kenya.



CPA Kasaine Ole Pertet

General Manager, Information and Communication Technology

Master of Business Administration (Finance),
Bachelor's Degree in Mathematics,
Certified Public Accountant (K),
Member of Institute of Certified Public Accountants of Kenya



CPA Samson Kimilu

General Manager Risk Management & Internal Audit

Master of Business Administration Strategic Management and Finance
Bachelor of Science in Business Administration,
Certified Public Accountant (K),
International Airport Professional (IAP),
Member of Institute of Certified Public Accountants of Kenya
Member of Association of Airport Internal Auditors (AAIA)
Member of Institute of Internal Auditors (IIA)

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Key Management Team (Continued)



Mr. Harrison Machio
General Manager Safety and Operations

Master of Business Administration (Aviation).
BA Hons. (Political Science & Linguistics)
International Airport Professional (IAP)



Mr. Anthony Muriithi Njagi
General Manager Human Resource & Development

Master of Business Administration (Human Resource)
Bachelor of Arts,
Higher National Diploma – Human Resource.



Joseph Okumu
General Manager Security Services

Phd Student

Master of Business Administration (Aviation)

Bachelor of Arts (Hons)

International Airport Professional (IAP)

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Key Management Team (Continued)



Mr Abraham Kipruto

General Manager, Marketing and Business Development

Master in Strategic Management

Bachelor of Business Management (Banking & Finance)

Member of Kenya Institute of Management. (KIM)



Eng. Meshack Ochieng

General Manager, Projects & Engineering Services

PHD in Transportation Engineering

Master In Transportation Engineering

BSC – Civil Engineering

Consulting Engineer – Engineers Board of Kenya



Mr Vincent C Korir

General Manager, Procurement and Logistics

Master of Business Administration (Finance)

Bachelor of Science Electrical & Electronic Engineering

Professional Diploma CIPS (UK)

Member of Kenya Institute of Supplies Management (KISM)

Member Chartered Institute of Procurement & Supply (CIPS)

UK

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Key Management Team (Continued)



Mr. Matias Adasa

Ag. Head of Corporate Planning

MSc, Enterprise Development
Bed Hons. Economics, Accounting & ICT
Certificate in Intelligence Management
Certified Monitoring & Evaluation Specialist
Member of Kenya Association of Project Manager
(KAPM)



Ms Margaret Munene

Ag. Corporation Secretary (Upto 1st May 2024)

Date of Birth: 1971

Master of Arts, International Studies,
Bachelor of Laws (LLB),
Bachelor of Arts (Sociology),
Certified Public Secretary (K),
Advocate of the High Court, Commissioner for Oaths, Notary
Public
Member of Institute of Certified Secretaries of Kenya

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Key Management Team (Continued)

5. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Managing Director/ CEO	Mr Henry Ogoye
2.	Corporation Secretary- (Joined from 1 st May 2024)	Ms Frida Mbugua
2.	Ag. Corporation Secretary- (Upto 1 st May 2024)	Ms Margaret Munene
3.	Ag Head of Corporate Services	Mr. Matias Adasa
4.	General Manager, Finance	CPA. Dr . Mohamud M Gedi
5.	General Manager, Procurement and Logistics	Mr Vincent C Korir
6.	General Manager, Projects & Engineering Services	Eng. Meshack Ochieng
7.	General Manager, Marketing and Business Development	Abraham Kipruto
8.	General Manager, Security Services	Joseph Okumu
9.	General Manager Human Resource & Development	Mr Anthony Muriithi Njagi
10.	General Manager Safety and Operations	Mr. Harrison Machio
11.	General Manager Risk Management & Internal Audit	CPA. Samson Kimilu
12.	General Manager, Information and Communication Technology	CPA. Kasaine Ole Pertet
13.	Airport Manager – JKIA	Ms Selina Gor
14.	Regional Manager- Northern Region	Mr Kenneth Ngaina
15.	Regional Manager- Coast Region	Mr Abel Gogo
16.	Regional Manager- Northrift Region	Charles Kionga
17.	Regional Manager. Western Region	Peter Wafula

6. Fiduciary Oversight Arrangement

Duty of care- the fiduciary must use due diligence to obtain thorough information before making decisions that could impact the Authority.

Duty of loyalty- The fiduciary must work in the Authority's interest, not their own. This includes avoiding conflicts of interest and being transparent with the Authority.

Duty of confidentiality-The fiduciary must not use any non-public or personal information about the Authority for their own personal gain.

Duty of good faith- The fiduciary must act within the law and in the Authority's best interest.

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7. Chairman's Statement

In response to the formidable challenges presented by the enduring Covid-19 pandemic and the geopolitical tensions surrounding the USSR-Ukraine conflict, the Kenya Airports Authority (KAA) has undertaken a meticulous strategic journey that brings us to the financial year ending on June 30, 2024. It is crucial to note that despite these adversities, the global aviation industry has displayed resilience and signs of improvement. KAA's direction is intricately woven into its comprehensive KAA 2023-2027 plan, a testament to the organization's unwavering commitment to navigating the adverse impacts on both operational and financial performance. As a result of the productivity index computation by National Productivity and Competitiveness Council NPCC, the Authority achieved a score of 2.94, which equates to a productivity index of 0.94 and a project Corporate Performance score of above 100%.

Although the domestic aviation sector has made a full recovery, the international segment is steadily progressing towards regaining pre-pandemic performance by the promising year of 2025. Within the local aviation landscape, we have witnessed remarkable progress, exemplified by a substantial recovery of 116% in passenger numbers compared to pre-Covid-19 levels. This resurgence has also been marked by an 4.7% growth in aircraft movements and a 5.3% upswing in cargo movements in comparison to the previous year ending June 30, 2024. KAA has exhibited robust financial performance, with revenues soaring by an impressive 34% to Kshs. 22.9 billion. Prudent cost management practices have led to a commendable 2% reduction in expenses, totaling Kshs. 15.5 billion. These financial achievements underline our organization's resilience in the face of global challenges, as we attained a post-tax gain of Ksh. 6.5 billion.

Throughout this challenging period, KAA remained steadfast in its commitment to maintaining and enhancing its facilities and infrastructure. Notable projects have included the refurbishment of terminals IB and IC at Jomo Kenyatta International Airport (JKIA), with the primary goal of elevating customer experiences and retail offerings. We have also made significant strides in the installation of state-of-the-art security equipment, apron improvements, and the successful rehabilitation of Migori, Kakamega, and Kitale airstrips, accompanied by the commencement of operations at these key regional assets.

In our unwavering commitment to business continuity, KAA extended crucial support to airlines and concessionaires by granting waivers for aircraft parking and concession payments. We understand the pivotal role that human resources play in driving business growth, and thus, we continued to invest in staff competency development, motivation, and the creation of an enabling work environment. Employee well-being remained a paramount concern, as evidenced by our dedicated initiatives aimed at promoting mental health and general welfare.

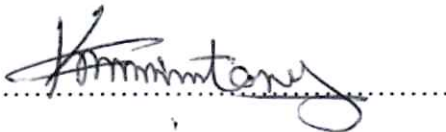
Amid these challenges and triumphs, KAA tenaciously pursued its Strategic Plan for the period 2023-2027. This comprehensive strategy underscores capacity development, service excellence, and operational resilience as its key objectives. The collaborative efforts of our stakeholders,

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Chairman's Statement (Continued).

including the Board, Management, and Staff, have proven instrumental in KAA's ability to navigate the turbulent waters of the Covid-19 pandemic and supply chain disruptions.

As we look to the future, we do so with a sense of optimism, guided by the belief that unity and determination will continue to illuminate the path toward a promising future in the aviation industry. The challenges may be enduring, but our commitment to safety, service excellence and growth remains resolute. Together, we shall soar to new heights and navigate the uncertain ahead, knowing that the challenges we face today will shape the brighter tomorrow we envision for the aviation sector. Thank you for your unwavering support and trust in our services.



Hon Caleb K. Kositany
Chairman of the Board

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8. Report of the Chief Executive Officer

In the aviation sector, the year ending June 2024 marked a significant turning point for our country. Despite formidable challenges posed by global economic uncertainties, including high inflation, rising fuel prices, supply chain disruptions, and fluctuating demand, the sector showed signs of gradual recovery and resilience. One of the key highlights during this period was the reorganization of top leadership in Finance, Procurement, Engineering, and Legal, a critical aspect of our business continuity. Passenger traffic, a crucial indicator of our industry's health, exhibited remarkable growth, reaching a total of 12.6 million passengers. This achievement was a testament to the determination and adaptability of our aviation community in the face of adversity. Additionally, the number of flights increased substantially, totaling 294.6 thousand, reflecting a positive trajectory in our sector's recovery.

The cargo business also demonstrated its resilience, with the transport of 397.7 million kilograms of cargo. This resilience was fueled by the gradual resumption of regular commercial merchandise transactions, which played a pivotal role in supporting our overall revenue and financial performance. Speaking of financial performance, our organization experienced a remarkable 34% increase in revenue during this period compared to the same period last year. This transformational growth elevated our profit/loss after tax margin from a modest Kshs. (4.2) billion to an impressive Kshs. 6.5 billion, when compared to the corresponding period under review. This was achieved through prudent cost management strategies that allowed us to effectively control expenditures despite the challenges posed by global inflation and economic pressures.

In terms of our assets and liabilities, we witnessed a substantial increase in our total asset base, which reached Kshs. 1.057 trillion. This growth was primarily attributed to the inclusion of revalued KAA land in our assets and rehabilitation of Terminal I B and C at JKIA. It is a testament to our commitment to responsible financial management and sustainable growth. Our commitment to environmental stewardship also took a significant step forward as we embarked on a four-stage journey towards achieving Airport Carbon Accreditation for zero carbon emissions. This initiative was implemented across major airports, including JKIA, MIA, Eldoret, and Kisumu International Airports, aligning our operations with global sustainability goals.

A major milestone in our sustainability efforts was the launch of a national tree-planting initiative, resulting in the planting of over 65,700 trees across Nanyuki, Kisumu, Eldoret, Homabay, Mombasa, and Nyeri. This initiative not only made significant contributions to environmental conservation but also served as a catalyst for fostering community engagement and raising awareness about the importance of climate action. Beyond this, our commitment to corporate social responsibility (CSR) has deepened, particularly in areas of community health and education. We have launched efforts to establish a year-round CSR Fund, managed by dedicated staff, marking a shift from one-off projects to

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Report of the Chief Executive Officer continues

continuous engagement. A prime example of this is our *Wings to Land* program, which will support educational initiatives in the communities we serve.

As we look ahead, the global economic landscape in 2025 remains uncertain and challenging. Key factors such as slowing global output, persistent high inflation, supply chain disruptions, and labor shortages in critical markets continue to pose significant risks. The world economy is projected to grow by only 2.6% in 2025, highlighting the need for increased resilience and adaptability within the aviation sector.

Despite these challenges, we remain committed to maintaining and expanding our operational capacity, enhancing efficiency, and upholding the highest service standards. These efforts are essential in navigating the complex economic environment and driving us toward a return to sustained business stability. As we face these evolving global dynamics, our unwavering focus on excellence will ensure that we continue to play a vital role in our nation's recovery, growth, and long-term success

.....


HENRY OGOYE

Ag. MANAGING DIRECTOR/CEO

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9. Statement of Performance against Predetermined Objectives for FY 2023/2024

Kenya Airports Authority has four (4) strategic pillars within the current Strategic Plan for the FY 2022/23 - FY 2026/27. These strategic pillars/ themes/ issues are as follows: -

Strategic Pillar 1: Business Growth

Strategic Pillar 2: Operation Excellence

Strategic Pillar 3: Environmental Stewardship

Strategic Pillar 4: Talent Management

Kenya Airports Authority developed its annual work plans based on the above 4 strategic pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and productivity index by NPCC done annually. The Authority achieved its performance targets set for the FY 23/24 period for its five strategic pillars, as indicated in the diagram below: -

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Business Growth	Process 377,000 flights, 13.1M passengers and 481M Kg of cargo	Flights and passenger numbers and cargo volumes processed in aerodromes	Traffic Development, infrastructure upgrade and Customer Experience	294,594 flights, 12.7 million passengers and 397.8 million kg of cargo: <i>Ukunda runway extension led to reduced frequency, consolidation of passenger into high capacity aircraft by airlines and delays in project completion at Lokichoggio, Angama, Lanet and Nanyuki.</i>
	Optimize revenue growth to Ksh. 21.6 billion	Aeronautical and Non-Aeronautical Revenue	Traffic Development, commercial initiatives & debt collection	Ksh. 22.9 billion
2. Operation Excellence	Attain customer	Customer Satisfaction Index	Operation Efficiency and	3.72 owing to:

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	approval rating of 4.20		Service Excellence	general maintenance concerns on equipment and building in aerodromes
	Enhance Operation Efficiency	Terminal, Airside and Landside Capacity, Safety and Security Performance and Service Standards	Network growth Capacity availability, enhanced safety and security performance and service improvement	Implemented connectivity and capacity improvement projects at JKIA, EIA, Ukunda, Malindi, Nanyuki, and a number of public airstrips
3. Environmental Stewardship	Reduce carbon emission by 1682 tons equivalent to 18% of the mapped emission amount	Green initiative Airport Carbon Accreditation	Pursue carbon neutrality realization program	Carbon Accreditation Level 3 at 80% Commenced airport solar program for airport through feasibility studies
4. Talent Management	Attain an average labor productivity index of 1.02	Annual corporate performance and Productivity index	Implement corporate performance targets for 100% performance	Attained 0.94 on corporate productivity Attained 127% on

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10. Corporate Governance Statement

The Kenya Airports Authority Board of Directors provide policy guidance on the overall well-being of the organization in meeting its legal mandate. To this end, the Board of Directors oversees the Authority's activities with respect to strategic direction, infrastructure development, operational efficiency and adherence to sound governance principles. The KAA Board of Directors is committed to implementing and adhering to good governance and best practice.

Board Membership

The Board is made up of ten members. Six of these members are independent directors, among them the Chair who is appointed by the President through a gazette notice. The independent Directors are appointed by the Cabinet Secretary in charge of Roads and Transport. The appointment is guided by reference to expertise in civil aviation, aerodromes management, operation, commerce, industry, finance or administration generally. The independent directors are appointed for a renewable term of three years or for a shorter period as may be specified in the notice. The appointments are made at different times to vary the expiry dates. Discharge is provided for under Section 6(2) of the State Corporations Act (Cap 446). The powers and duties of the Board are stipulated in Part III, Sections 8 and 10 of the Kenya Airports Authority Act,

The remaining Board members include Principal Secretaries in the State Department for Transport, National Treasury and State Department for Interior & Citizen Services, alongside the Managing Director. Substantive members from the Government as above have alternates who attend Board meetings on their behalf whenever they are unable to attend. These alternates are deemed, for all purposes and intent, to be Board members. The Corporation Secretary provides secretarial services to the Board. Other than the Managing Director, the other Board members are non-executive.

Role of the Board as per the Kenya Airports Authority Act is hereunder;

- (a) Provide by means of undertakings of the Authority, a co-ordinated system of aerodromes and facilities relating thereto;
- (b) Administer, control and manage aerodromes and any other property vested in it under this Act;
- (c) Provide, develop and maintain such services and facilities as are in its opinion necessary or desirable for the efficient operation of aircraft, excluding air navigational aids other than visual aids to navigation except with the consent of the Minister;
- (d) Provide rescue and firefighting equipment and services at aerodromes; and
- (e) Approve the establishment of private airstrips and control the operations thereof.
- (f) Construct, alter or maintain buildings at aerodromes or elsewhere;
- (g) Value land and property for the purposes of the Authority;
- (h) Purchase land or buildings;
- (i) Grant on such terms and conditions as the Authority deems fit, authority to carry on any trade or business at aerodromes; and
- (j) Carry on such activities as appear to it advantageous, necessary or desirable for or in connection with the exercise and performance of its functions

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Corporate Governance Statement (Continued)

Role of the Chairman and Other Directors

The Chairman provides overall leadership to the Board in areas of policy development and direction, maintains a harmonious working relationship with both Management and the Board, harnesses the collective skills of the Board and its Committees and those of the executive team for attainment of the corporate objectives and performance targets agreed with the Government, prompts the appointing authority to appoint Board Members in the event of a vacancy on the Board and encourages Directors to participate fully in the deliberations of the Board and its Committees.

Other responsibilities of the Chairman include ensuring that strategies are in place for constant monitoring and evaluation of the effectiveness of the Board, individual Directors, Senior Management and the entire Corporation, participation in setting of agenda for Board meetings, chairing and conducting Board meetings effectively, signing the confirmed Minutes of Board meetings, monitoring implementation of Board decisions, ensuring that new Board Members are properly inducted and that there are adequate training programs for Board Members to keep them abreast of developments in corporate governance, and signing the Performance Contract between the Government and the Authority. The Managing Director is responsible for the day-to-day operations of the Authority. Individual Directors are expected to serve the Board diligently while being faithful to performance, rule of law and to the principle of separation of powers, political neutrality, gender balance, integrity and confidentiality.

Role of the Corporation Secretary

The Corporation Secretary arranges Board meetings and attendances, prepares agendas for meetings set by the Chairman in consultation with the Managing Director and the attendant minutes, keeps Common Seal of the Board and communicates Board decisions to Management.

Board Committees, Meetings, Procedures and Emoluments

The Board holds four statutory meetings in each financial year. Meetings are held at the registered office of the Authority. A quorum for meetings requires two-thirds of the total number of Members. Members may appoint one of their own to preside over the meeting in the absence of the Chairman. Decisions are made unanimously or by majority votes of the Members present. The Chairman has a casting vote in the event of a tie of votes. The Board has five standing committees dealing with respective delegated mandates prior to submitting to the Board for consideration and approval.

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Corporate Governance Statement (Continued)

Attendance of Board meetings

Chairman

Hon. Caleb Kositany	(Appointed on 17 th March 2023)	-	18 /20
Mr. Henry Ogoye	(Appointed on 26 th August, 2023)	-	10/20
Mr. Alex Gitari	(Left on 26 th August, 2023)	-	0/ 20
Ms. Serah Kimani	(Appointed on 5 th April, 2023)	-	20/20
Mr. George Ngugi	(Appointed on 5 th April , 2023)	-	18/20
Dr. Rebecca Lamong	(Appointed on 5 th April, 2023)	-	18/20
Eng. Walter Ogola	(Appointed on 5 th April 2023)	-	13/20
Maj. Rtd Iltasayon Neepe	(Appointed on 5 th July, 2022)	-	17/20
Mr. Nicholas E. Bodo	Alternate-PS Transport	-	17/20
Ms. Eunice Kigen	Alternate- PS National Treasury	-	3/20*
Mr. Wilson Njega	Alternate- PS Interior	-	1/20*
Mr. Isaac Odek	Representative Inspectorate	-	13/20

*Ms. Eunice Kigen was replaced by Mr. Edward Wamweya as Alternate- PS National Treasury

*Mr. Wilson Njega was replaced by Mr. Kodeck Makori as Alternate- PS Interior

The Board has five standing committees detailed below with the responsibility of dealing with respective delegated mandates prior to submitting to the Board for consideration and approval.

Finance and Strategy Committee

The committee members are as follows:

1. **Ms. Serah Kimani - Chair**
2. Ms. Eunice Kigen*
3. Maj. Rtd Iltasayon Neepe
4. Managing Director

Ms Eunice Kigen was replaced by Mr. Edward Wamweya as Alternate- PS National Treasury

The responsibilities of the Finance Committee are to:

- a) Review and advise on proposals for raising of long-term capital to achieve and fund the strategic objectives of the Authority
- b) Review the financial Performance of the Authority and make appropriate recommendations to the Board.
- c) Adopt and periodically review the charges and rates levied, philosophy, strategy and principles that support the Authority's strategy.
- d) Oversee the preparation of the Financial Statements of the Authority and recommend to the board its adoption.
- e) Make recommendations to the Board on investments to be made by the Authority.

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Corporate Governance Statement (Continued)

- f) Monitor the Expenditures of the Authority.
- g) Oversee the formulation, review and implementation of the Authority's Strategic Plans, Business Plans and Annual Budgets; and
- h) Oversee the Business Development of the Authority

Committee meetings

During the year six meetings were held and attendance by the members were as follows

1. Ms. Serah Kimani	6/6
2. Ms. Eunice Kigen	1/6*
3. Maj. Rtd Iltasayon Neepe	5/6
4. Isaac Odek	2/6
5. Managing Director	3/6

*Mr Harun Sirima attended 2 meeting on behalf of Alternate - PS National Treasury

*M/s Eunice Kigen was replaced by Mr. Edward Wamweya as Alternate- PS National Treasury

Human Resources Committee

The committee members are as follows:

- 6. Ms. Rebecca Lomong - Chair**
- 7. Ms. Serah Kimani
- 8. Mr. Nicholas Bodo
- 9. Managing Director

The Human Resource Committee's responsibilities include:

- a) Reviewing the Human Resource policies and practices of the Authority.
- b) Reviewing remuneration of staff by making recommendations to the Board regarding remuneration of Staff, incentive compensation and bonuses.
- c) Adopting and periodically reviewing the remuneration philosophy, strategy and principles that support the Authority's strategy; and
- d) Making recommendations to the Board in regard to the contributions to the Authority's Pension Scheme and matters related thereto.

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Corporate Governance Statement (Continued)

Committee meetings

During the year thirty-six meetings were held and attendance by the members were as follows

1. Dr. Rebecca Lomong	- 36/36
2. Ms. Serah Kimani	-32/36
3. Mr. Nicholas Bodo	-33/36
4. Managing Director	-5/36

- George Ngugi attended 22 meeting during Adhoch meetings on staff recruitment.
- James Atinda represented alternate to PS transport in 11 of the meetings.
- The Managing Director was not required to attend Adhoch meetings on staff recruitment

Technical Committee

The committee members are as follows:

- 1. Eng. Walter Ogolla - Chair**
2. Mr. Nicholas Bodo
3. Mr. George Ngugi
4. Managing Director

The Technical Committee's responsibilities include overseeing:

- a) Major expansion projects of the Authority.
- b) The operations and engineering aspects of the Authority.
- c) Airports & airstrips management, operation and control and.
- d) Monitoring adequacy of the Authority's facilities, equipment and operations and their maintenance.

The Committee may in addition perform such other function as may be necessary for the performance of its duties and has the power to delegate its authority to subcommittees or individual members of the Committee, as it deems appropriate.

Committee meetings

During the year six meetings were held and attendance by the members were as follows

1. Eng. Walter Ogolla	-	4/6
2. Mr. Nicholas Bodo	-	6/6
3. Mr. George Ngugi	-	5/6
4. Isaac Odek	-	2/6
5. Managing Director	-	4/6

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Corporate Governance Statement (Continued)

Audit Committee

The committee members are as follows:

1. **Mr. George Ngugi - Chair**
2. Eng. Walter Ogolla
3. Dr. Rebecca Lomong
4. Ms Eunice Kigen *
5. Mr. Nicholas Bodo

*Ms Eunice Kigen was replaced by Mr. Edward Wamweya as Alternate- PS National Treasury

The Committee assists the Board in fulfilling its oversight responsibilities in respect of: -

- a) Evaluating the integrity of the Authority's financial reporting process and financial statements.
- b) Reviewing and making recommendations to the Board of Directors in respect to Corporate Governance Policies and Practices of the Authority
- c) Developing and recommending to the Board Corporate Governance Principles applicable to the Authority.
- d) Compliance with legal and regulatory requirements applicable to the operations of the Authority.
- e) Assisting the Board in enhancing internal controls in order to improve efficiency, transparency and accountability.
- f) Reviewing audit issues raised by both internal and external auditors.
- g) Resolving Public Accounts and Public Investment Committees recommendations.
- h) Reviewing the systems established to ensure sound Public Financial Management and Internal Controls as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- i) Initiating special audit/investigations on any allegations concerns and complaints regarding corruption, lack of accountability and transparency and
- j) Evaluating adequacy of the Authority's procedures with regard to issues relating to risk management, control and governance.

Committee meetings

During the year six meetings were held and attendance by the members were as follows

- | | |
|-----------------------|------|
| 1. Mr. George Ngugi | 6/6 |
| 2. Eng. Walter Ogolla | 3/6 |
| 3. Dr. Rebecca Lomong | 6/6 |
| 4. Ms Eunice Kigen | 2/6* |
| 5. Mr. Nicholas Bodo | 5/6 |
| 6. Mr. Isaac Odek | 4/6 |

Ms Eunice Kigen was replaced by Mr. Edward Wamweya as Alternate- PS National Treasury

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Corporate Governance Statement (Continued)

Security Committee

The committee members are as follows:

1. Maj. Rtd Iltasayon Neepe **Chair**
2. Dr. Rebecca Lomong
3. Managing Director

The responsibilities of the Security Committee are to:

- a) Review the security policies and practices of the Authority
- b) Assess security risks posed to the Authority and make recommendations to the Board
- c) Continually assess operational requirements of the Authority to ensure smooth running of all security related functions
- d) Review Management's reports on security, safety and operations and make requisite recommendations to the Board
- e) Assure compliance with regulatory requirements through regular security, safety and operations reports, indicators, trends and recommend corrective measures
- f) Make regular recommendations to the Board to strategically support the Authority's operations
- g) Review findings from external audits by regulatory bodies and make appropriate recommendations to the Board
- h) Receive and review reports from management regarding major security, operational and safety projects
- i) Aviation security service provision
- j) Undertake such other activities as may be referred to it from time to time by the Board

Committee meetings

During the year one meeting was held and attendance by the members was as follows

1. Maj. Rtd Iltasayon Neepe	1/1
2. Dr. Rebecca Lomong	1/1
3. Managing Director	1/1
4. Mr. Isaac Odek	1/1

Induction and Training

All new directors receive a full induction as part of onboarding. In addition, detailed presentations are made by management to apprise directors of operations of the Authority.

Board members also undergo regular training and education to enable them to fulfil their responsibilities. The Board annual work plan includes training schedules for directors on the basis

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Corporate Governance Statement (Continued)

of one local and one international program on the Authority's key mandate. During the financial year under review, the Directors engaged in trainings on Airport Master plans, Governance and leadership development. A joint Board and Management retreat was also held on development of the Corporate Strategic Plan 2023 – 2027

Conflict of Interest

The Board Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any Director's knowledge. Directors are required to give advance notice of any conflict issues to the Chairman or Corporation Secretary. Declaration of a conflict of interest is also a standard agenda item which is addressed at the onset of each Board and committee meeting. Conflicts of interest during the year have been recorded in conflict of interest register,

Governance Audit

The Board undertook Governance Audit in compliance with the Mwongozo, Code of Governance for State Corporation. The Governance Audit was conducted by Ms. Helen Mungania under the Kenya School of Law. As at the date of this Annual report, the audit had been concluded. The opinion of the independent governance auditor will be presented to the Board and other relevant Government agencies.

Board Charter

The Board Charter is critical to the Authority's governance framework and conduct of board business. The charter offers guidance on matters including but not limited to the following: • The separation of the roles, functions, responsibilities and powers of the Board and its individual members and the roles of the various board committees. The Charter is implemented alongside other laws and regulations that govern the Authority.

Ethics and Conduct

The Authority entrenches ethical decision making and leadership to promote corporate social responsibility, fair business practices, sustainability and the triple bottom line that focuses on the society, the environment and profitability. The Board has implemented a Code of Ethics and Conduct which binds Directors and Employees and is subscribed to by all members of the organization. The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms.

Board Remuneration

The Directors remuneration are as per the guidelines issued by the Salaries and Remuneration Commission. The remuneration comprises sitting allowance for members while the chairman receives sitting allowance and Honoria.

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Corporate Governance Statement (Continued)

Board and Member Performances

During the reporting period board evaluation was conducted under the guidance of the State Corporations Advisory Committee. Performance improvement matrix shall be developed to ensure closure of any areas of concern.

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II. Management Discussion and Analysis

a) Operational performance

In the year ending June 2024, global economic recovery remained tepid, weighed down by persistently high inflation, tightening monetary policies, and intensifying geopolitical tensions. These headwinds contributed to a protracted period of sluggish growth as structural macroeconomic imbalances persisted, and the adverse impacts of climate change became increasingly pronounced. The Kenyan economy, deeply integrated into global supply chains and financial markets, was not immune to these dynamics and faced compounded pressures due to localized political uncertainties.

Despite the challenging macroeconomic environment, the Authority demonstrated resilience, with operational performance steadily rebounding, albeit at a moderated pace. For the year ending June 2024, total passenger traffic across Kenyan airports increased by 13.6%, reaching 12.6 million, up from 11.1 million in the previous fiscal year. Aircraft movements followed a similar trajectory, rising by 4.7% to 294.6 thousand. Cargo throughput expanded by 5.3%, reaching 397.8 thousand tons, driven by robust global e-commerce activity and the gradual stabilization of international trade flows.

The uptick in passenger and aircraft movements was primarily underpinned by increased scheduled flight operations as airlines responded to recovering demand by expanding frequencies. Additionally, domestic aviation benefited from heightened activity in training operations at key aerodromes such as Wilson, Migori, Kakamega, Homabay, Garissa, Mandera, Malindi, and Ukunda, further contributing to the positive movement statistics.

Looking forward, the trajectory of Kenya's aviation sector will be closely aligned with broader global economic and geopolitical developments. The sector's recovery will be significantly influenced by how swiftly international supply chain disruptions—exacerbated by the Russia-Ukraine conflict—are resolved, alongside the stabilization of energy and commodity prices. Furthermore, the accelerating impacts of climate change will likely continue to present both risks and opportunities for the industry. Domestically, prudent management of the country's fiscal and economic policies will be critical in fostering a more conducive environment for aviation demand, as improving household income levels and business activity will drive sustained growth in air travel and logistics services.

As such, Kenya's aviation sector remains at a pivotal juncture, with its future recovery and growth heavily dependent on navigating both domestic economic reforms and broader global aviation trends, which are themselves subject to significant geopolitical and environmental shifts.

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Management Discussion and Analysis (Continued)

b) Financial performance

For the period ending 30th June 2024, the Authority recorded a pre-tax profit of Kshs 7.4 billion against the budgeted pre-tax profit of Kshs 5.8 billion, unfavorable budget variance of 30% (Kshs 1.7 billion). In comparison with similar period in 2022/2023, it recorded an increase of 301% (Kshs. 11.2 billion) from a pre-tax loss of Kshs. 3.7 billion.

The total assets increased significantly from Kshs. 1.054 billion in June 2023 to Kshs 1,057 billion in June 2024. The increase was mainly due incorporation of valuation of biological assets (trees) of Kshs 1.45 billion.

c) Risk Management Framework and Policy Statement

Kenya Airports Authority is exposed to a wide range of risks which affects the achievement of our vision. To mitigate on this, the Authority has come up with an enterprise risk management policy & framework. The purpose of the risk management policy is to ensure that the Authority pursues risk management in a structured manner.

The strategic imperative of the risk management framework is to develop risk management as a core capability that assists the Board and management determine the risk appetite and tolerance to risk and communicate the same throughout the Authority. The key risks are as follows:

- **Contingent Liabilities Risk:** The Authority may face financial challenges arising from emerging and crystallizing project claims and contingent liabilities.
- **Environmental and Climate Change Risk:** Unusual heavy rains resulting to flooding at passenger and freight terminals, aircraft pavements and landside, unstable soils within Coastal region and particularly airport pavements. Rising water levels at Indian Ocean and Lake Victoria may affect airport operations.
- **Operational Risks:** Serious safety and security incidents that could arise from incidences of terrorism attacks, fires, bird strikes and aircraft accidents, power failure amongst other serious aviation events resulting to significant operational and financial losses.
- **Cybersecurity and data security:** Threats and vulnerabilities which may compromise the Authority's networks, computers, programs and data resulting to attacks, damage or unauthorized access to the Authority's network and data storage.
- **Human Capital, Talent Management and Retention:** Failure to attract and retain competent personnel, increased percentage of ageing work force without succession management plan and industrial action by employees.
- **Competition:** Lack of timely expansion to effectively compete with currently expanding regional airports. These include Addis Ababa's Bole International Airport, Kigali International Airport, Bugesera International Airport, Julius Nyerere International Airport and new Entebbe International Airport.
- **Infrastructure risk:** Ageing infrastructure, equipment and facilities affecting smooth operations and good customer experience.
- **Compliance and Changes in Law and Regulations risk:** This may be due to non-compliance with emerging and existing laws and regulations and violation to internal policies, including not able to meet our contractual obligations as they fall due.

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Management Discussion and Analysis (Continued)

- **Revenue Diversification:** The Authority's revenues are mainly aviation driven with minimal diversification to non-aviation.
- **Financial risk:** Credit risk that may arise due to high non-performing debts from operators particularly the national carrier holding more than 53% of the Authority's debts and liquidity risk should the Authority fail to meet both short-term and long-term obligations.
- **Project Risks:** Failure to deliver project benefits on time, within budget and expected quality.

Material Arrears in Statutory obligation

There are no material arrears in statutory obligations.

Financial obligations-

No material arrears in financial obligation.

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12. Environmental and Sustainability Reporting

The Kenya Airports Authority (KAA) recognizes the critical importance of environmental sustainability in its operations and decision-making processes. The top management, especially the accounting officer, should make it a priority to refer to sustainable efforts within the organization. This involves not only complying with environmental regulations but also proactively pursuing initiatives to reduce the environmental impact of airport operations. KAA can implement measures such as energy-efficient lighting, waste reduction and recycling programs, and the adoption of green technologies to minimize its carbon footprint and ecological footprint.

i) Sustainability strategy and profile

It's evident that KAA management has keenly focused on certain aspects to promote sustainability within the organization: - **Environmental Sustainability:** Top management at KAA has demonstrated a strong commitment to environmental sustainability. They have implemented various initiatives aimed at reducing the environmental impact of airport operations. This includes energy-efficient lighting, waste reduction programs, and investments in green technologies. By prioritizing these efforts, KAA not only complies with environmental regulations but also actively contributes to reducing its carbon footprint, which is crucial for a greener aviation industry. - **Regulatory Compliance:** - KAA's top management has been attentive to changes in political and regulatory landscapes. They have closely monitored and adapted to evolving environmental regulations and policies. This proactive approach ensures that KAA remains compliant with local and international environmental standards, reducing the organization's exposure to potential legal and reputational risks; and **Benchmarking Against Best Practices:** The top management of KAA has shown a willingness to benchmark the authority against international best practices in sustainability. By learning from leading airports globally, they aim to identify opportunities for improvement and innovation. This commitment to staying up-to-date with global sustainability trends ensures that KAA can maintain operational excellence while reducing its environmental impact.

Furthermore, referencing international best practices in environmental sustainability is paramount for KAA's long-term success. Learning from the experiences of leading international airports can provide valuable insights into effective strategies for reducing

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Environmental and Sustainability Reporting (Continued)

environmental impact while maintaining operational excellence. Sharing best practices with other airports globally can also help KAA contribute to the international aviation

community's efforts to combat climate change and promote responsible environmental stewardship. By doing so, KAA can position itself as a leader in environmental sustainability within the aviation industry, attracting environmentally-conscious partners and travelers while fulfilling its commitment to a greener and more sustainable future.

ii) Environmental Performance

As an industry that contributes significantly to the growth of the global economy, it is imperative that the aviation sector implements environmental measures to sustain its economic and social development.

The Authority is cognizant of the impact of its activities on the environment and understands that responsible environmental stewardship is crucial in order to remain attractive for business while maintaining environmental sustainability. We demonstrate our environmental stewardship through continuous improvement of our environmental performance, efficient use of resources, reduction of carbon footprint, ecosystem protection, pollution prevention, and compliance with legal and regulatory requirements. This commitment is anchored in our Environmental and Sustainability Policy.

According to the Intergovernmental Panel on Climate Change (IPCC), aviation is responsible for between 2% and 3% of total current global human-induced carbon emissions, with airports accounting for approximately 2% of total global share. These are expected to increase if the key players in the sector do not take drastic measures to reduce their carbon footprint. We aim to become carbon-neutral (Level 3+) by 2030 and have embarked on an ambitious journey through the implementation of the Airport Carbon Accreditation (ACA) Program by the Airport Council International. A brief of the program is as below%;

In the year 2021, we attained Level 1 of ACA for Jomo Kenyatta International Airport (JKIA), Moi International Airport (MIA), Kisumu International Airport (KIA) and Eldoret International Airport (EIA) and our total mapped Scope 1 & 2 (emissions derived from the usage of fuel and electricity) was 9,314t CO₂e for the base year (2018);

In August 2023, we upgraded and attained Level 2 of Airport Carbon Accreditation for JKIA, MIA, KIA and EIA. Based on the verified data for ACA Level 2 our average emissions stood at 8,565t CO₂e for preceding years (2018, 2019 & 2021). This follows our spirited effort of reducing emissions by among others use of LEDs, use of solar lights and commissioning of solar farm at MIA. As a result of the realized reduction, we have set an absolute carbon reduction target of 20% (equivalent to 1,862.8t CO₂e) for the 4 international airports by 2030 relative to base year emissions. As part of our strategy for carbon footprint reduction, we intend to implement additional solar projects, fully adopt LED lighting, electrifying ground support equipment, charge to electric vehicles, and influence aviation stakeholders towards decarbonizing their activities and operations within airport boundaries;

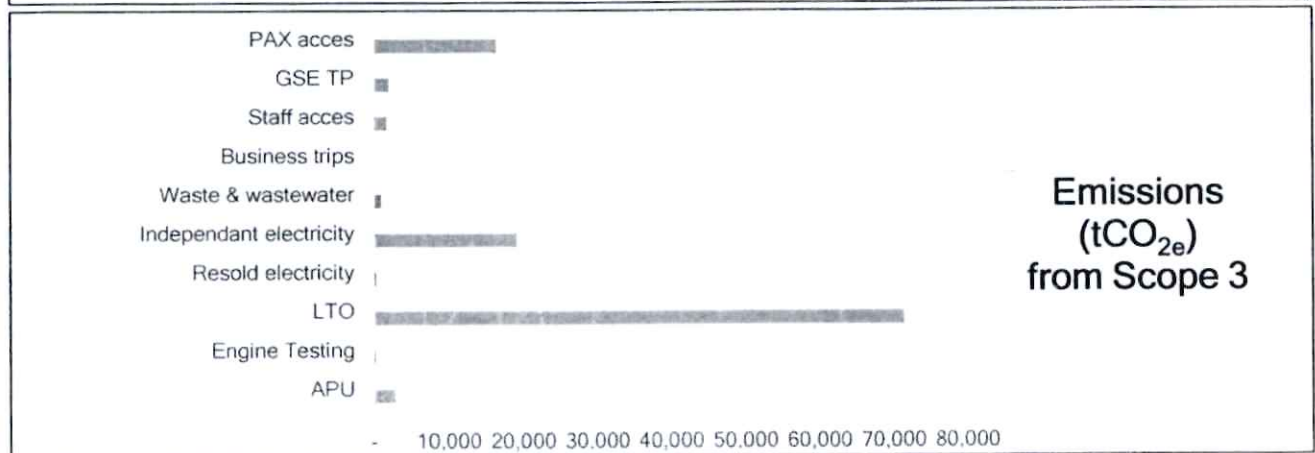
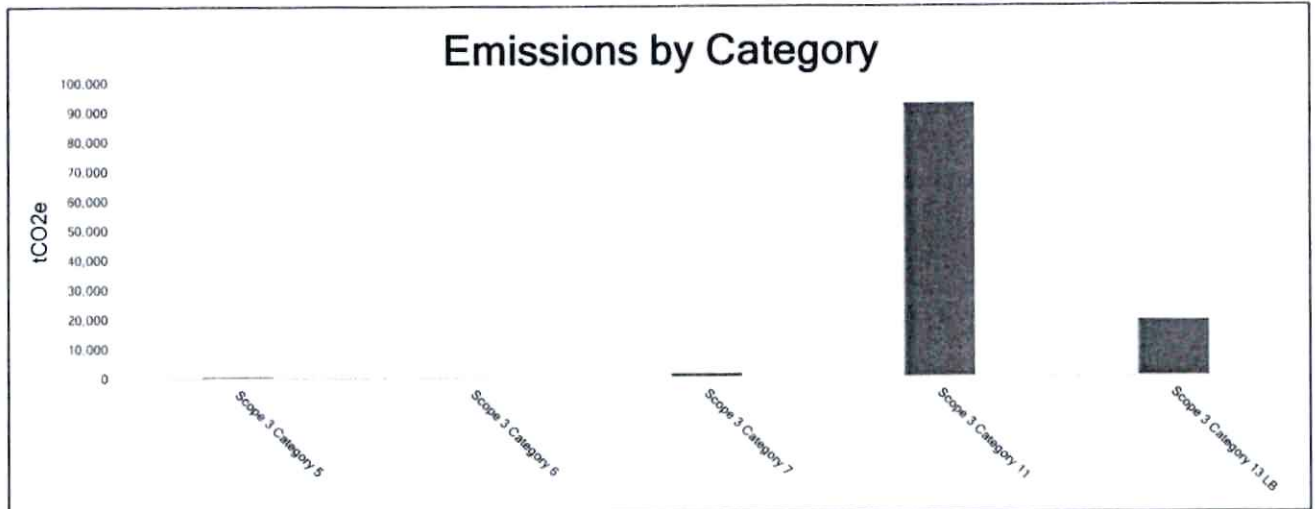
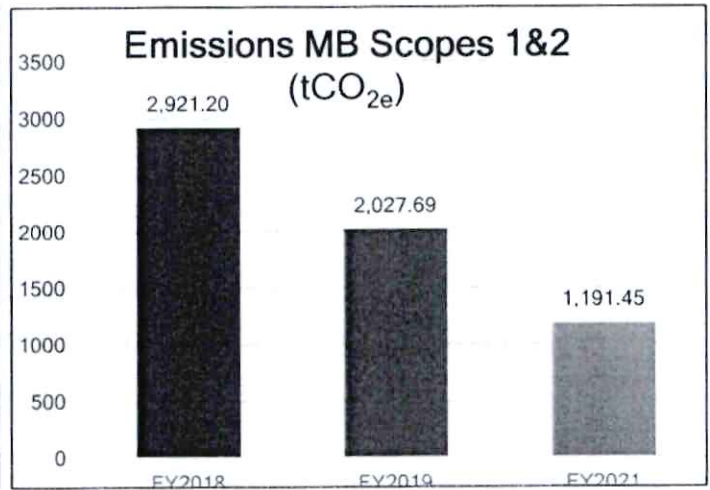
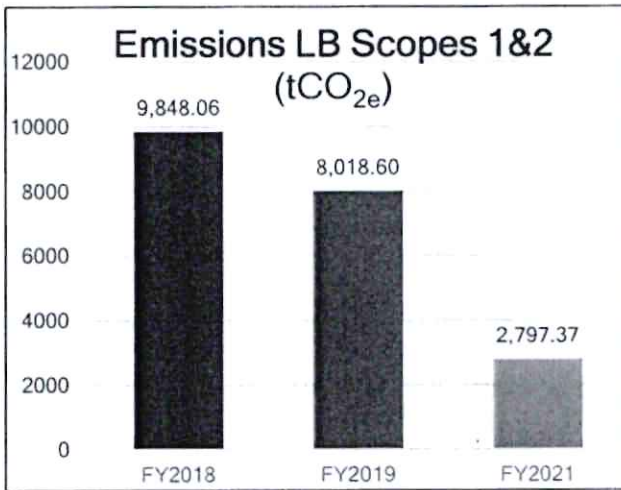
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Environmental and Sustainability Reporting (Continued)

In 2024, According to the Location Based approach, KAA has been able to meet the ACA 3 requirement of reducing its carbon emissions from Scopes 1 and 2 in 2021 compared with the average for 2019 & 2018.

- NBO: 68,69% Carbon reduction
- MBA: 51,86% Carbon reduction
- KIS: 1,07% Carbon reduction
- EDL: 8,08% Carbon reduction

Graphic presentation for JKIA only;



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Environmental and Sustainability Reporting (Continued)

KAA is in the process of implementing ISO 14001:2015 Environmental Management Systems (EMS) and ISO 45001:2018 Occupational Health and Safety Management Systems (OHSMS). This will enable us to improve our environmental and occupational health and safety performance as well as sustain continual improvement;

KAA is a signatory of the United for Wildlife (UFW) Transport Taskforce Buckingham Palace Declaration which is a landmark agreement committing organizations to take steps to shut down the routes exploited by wildlife traffickers. We have deployed security strategies at our aerodrome facilities that enable detection through (screening of passengers and cargo), confiscation and arrest of traffickers in collaboration with other security agencies.

Through afforestation projects, we aim to offset our carbon footprint through carbon sequestration. The projects enhance our environment and play a vital role in ecological restoration and air quality regulation. KAA undertook a major afforestation project at Eldoret International Airport covering about 600 acres with 280,000 eucalyptus trees. Other afforestation projects have been undertaken at Eldoret Airstrip and Kitale Airstrip. We plan to extend this project to other aerodromes;

Current waste management practices in our operations entail responsible production, and disposal of products in a closed, circular system by engaging a NEMA registered recycling company that ensures reuse and recovery of resources as much as possible in order to minimize air, land and water pollution;

Noise from airports not only affect workers but also the surrounding communities and we have continuously endeavoured to adopt measures to mitigate the effect of noise through noise mapping and the development of noise monitoring plans; and

In our quest to achieve and maintain industry best practices, KAA endeavours to remain compliant to national and international rules, regulations, requirements and procedures set by both national and international regulators.

We continuously strive to be compliant with these requirements by obtaining requisite permits and licenses from statutory bodies as well as enforcing environmental standards.

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Environmental and Sustainability Reporting (Continued)

iii). Employee welfare

Gender ratio; The Authority, implements two third gender rule during recruitment process,

Stakeholder engagements is done depending on the issue at hand i.e. training in airport operations, road safety etc

Efforts in improving skills and managing careers

The Authority gives staff will to develop their skills time off for evening

The Authority corroborates with partners i.e. South Korea for mentorship programs

The Authority also nominates staff for regulatory trainings i.e. ICAO programs

The Authority fully pays for staff in various Professions i.e. IHRM and ICPAK to attend conferences and seminars

The Authority gives unpaid/leave of absence for self-sponsored employees

The Authority also sponsors Management development courses

Appraisal and reward systems

The Authority has institutionalized performance Management system as key to staff appraisal every annual cycle. Reward/reprimand is subjected during promotional interviews, responsibility profiling and disciplinary processes.

Compliance with Occupational Safety and Health Act, 2007

The Authority has registered all workplaces except Mandera Airstrip which is underway

Safety and health committee have been institutionalized in all workplaces and staff trained on duties and responsibilities as per the Act.

General Guidelines (Abstract) on OSHA has been displayed in all Workplaces and all employees sensitized

Occupational Safety and Health workplace inspection and generation of minutes done on Quarterly basis from all registered workplaces.

Incidents/accidents reports done through Doshmiss portal.

OSH Policy statement has been approved by the KAA Board of Directors and is in process of sensitization and framing.

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Environmental and Sustainability Reporting (Continued)

iii) Market place practices

a) Responsible completion practices, Marketing and Advertisement, Product Stewardship

With the rapid development of aviation industry, ethics and social responsibility has also become an important factor in determining the success of KAA's Marketing and Business Development activities. Business ethics in the Aviation Industry is associated with the concept of honesty, loyalty, justice, fairness, equality and professionalism in all Product Development and Marketing activities. Stakeholders' engagement in a key pillar in KAA's Strategic Plan 23-27 and KAA will endeavour to excel in the same.

b) Responsible supply chain and supplier relations

The authority achieves these through the following;

1. Communicating regularly with the suppliers to ensure they are aware of the organization's expectations, needs, and feedback. Also creating confidence that The organization listens to the suppliers' concerns, suggestions, complaints and always trying to resolve them in a timely and respectful manner.
2. The department has also automated procurement processes to ease and provide friendly business environment.
3. The organization pays suppliers on time and avoids late payments, disputes, or deductions that could harm the suppliers' cash flow and reputation where the supplier has met its obligations satisfactorily.
4. Providing adequate lead times for the suppliers to fulfill the orders and deliver the products or services. The department will also utilize the automated process to also informs the suppliers of any changes in demand, specifications, or schedules on a timely manner.
5. The organization can also improve on effective communications and timely returns to the suppliers the products or services that are defective, damaged, or not as ordered, and provides valid reasons and evidence for the returns.
6. Creating transparency via technology by using online platforms, tools, or systems to share information, data, and documents with the suppliers. The department also intends to implement online invoicing which will allows the suppliers to access and monitor their performance, orders, payments, and feedback through the SRM-SAP platforms.
7. In addition to normal telephone communication, the Authority has enhanced communication by providing two email addresses namely tenders@kaa.go.ke and vendorsupport@kaa.go.ke which enables both bidders and suppliers to communicate to the Authority both within and outside working hours. Thereafter, responses are provided through the same emails. This is a cost effective and flexible mode of communication.

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Environmental and Sustainability Reporting (Continued)

v) Corporate Social Responsibility

Corporate Social Responsibility/Community Engagements

Kenya Airports Authority CSR Policy document clearly stipulates areas of our engagement with society's social, environment and economic concerns and needs as follows:

- Education
- Environment and sustainability
- Health & Wellness
- Staff engagement in CSR programs

The above tenets guided the Authority's Corporate Social Responsibility activities and donations for the year 2023/20234, which greatly improved our corporate image and enhanced our relationship with communities around our stations.

Through our Corporate Social Responsibility strategy, KAA demonstrated a commitment to behaving ethically in all our business transactions, by contributing to the economic development and improving the quality of life of its workforce and their families as well as the community and society at large.

The CSR committee considers both ad-hoc requests and donations from all airports and airstrips for maximum community impact.

During the year 2023/2024 KAA opened up on all forms of donations including both ad hoc as well as planned medical camps, which forms part of the Government agenda on healthcare. In this financial year we managed to hold two medical camps in Kirinyaga County and Kilifi County. We also supported a few institutions in cash donations as attached below.

Institution	Location	Nature of the Request/Event	Amount
1. Osiri Mixed Secondary School	Nyatike- Migori	Assistance to complete school Admin block	Kshs 500,000
2. Gospel Centres International Church	Utawala Nairobi	Youth Awareness campaign & Worship Concert	Kshs 400,000
3. Bundacho Primary School	Kilifi	Water system and storage	Kshs 300,000
4. Better Living Empowerment program	Ruaraka Nairobi	Youth Program in need of Camera and Mics	Kshs 145,000

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5. Kayole South Secondary School	Embakasi	Equip School library	Kshs 200,000
6. St. Teresa's Gekano Gilrs Sec	Nyamira	School fees for needy Girls	Kshs 500,000
7. MCA Ngara ward	Nairobi	Youth support initiative	Kshs 200,000
8. Kibuku Market	Embu County	Ablution block	Kshs 500,000
9. Dr. Krapf Memorial School	Kilifi	Water storage facilities	Kshs 200,000
10. Kirinyaga Medical Camp	Kirinyaga	Community Medical camp	Kshs 5,500,000
11. Tree Planting	Migori	Presidential Directive	Kshs 2,700,000
12. Kilifi Medical Camp	Kilifi	Community Medical Camp	Kshs 7,500,000
13. Total			Kshs 18,645,000

Our CSR budget has remained slightly lower than it was before the pandemic. This is so because of the slow recovery that the aviation industry has had after the Covid pandemic.

We however anticipate that the Authority shall continue to support some of the requests and engage in more projects and activities in the 2024/25 financial year. We shall continue to adopt our devolution model to create maximum social and business impact across all communities surrounding all our airports and airstrips.

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

13. Report of Directors

The Directors submit their report together with unaudited financial statements for the year ended 30 June 2024, which disclose the state of affairs of the corporation.

i) Principal Activities

The principal activities of Kenya Airports Authority are:

- To construct, operate and maintain aerodromes and other related facilities;
- To construct or maintain aerodromes on an agency basis on the request of any Government department;
- To provide such other amenities or facilities for passengers and other persons making use of the services or the facilities provided by the Authority
- Construct any other necessary or desirable works required for the purposes of the Authority;
- Control the construction and use of prescribed aerodromes;
- Carry on any business that may be necessary or desirable for the purposes of the Authority and act as an agent for the Government in the provision of any agreed functions;
- Acquire, construct, manufacture, maintain or repair any works, plants or apparatus necessary or desirable for the purposes of the Authority;
- Determine, impose and levy rates, charges, dues or fees for any services performed by the Authority, or for use by any person of the facilities provided by the Authority, or for the grant to any person of a license, permit or certificate.

ii) Results

The net profit for the year of Kshs. 6.49 billion (**2023: Net loss of Kshs 4.20 billion**) has been added to retained earnings.

iii) Directors

The Directors who served during the year and to the date of this report are set out on pages xi-xvi.

iv) Auditors

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

By order of the Board


.....

Name: Ms Frida Mbugua

Corporation Secretary/ Secretary to the Board

Date: 27th SEPTEMBER 2024.....

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

14. Statement of Directors' Responsibilities

In accordance to the Kenya State Corporations Act Cap 446, the Directors are required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Authority keeps proper accounting records, which disclose with reasonable accuracy, the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

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

The Directors responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and the State Corporations Act Cap 446.

The Directors are of the opinion that the Authority financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

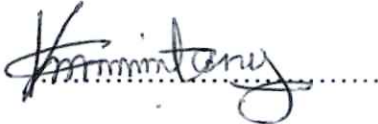
Nothing has come to the attention of the Directors to indicate that the entity will not remain a going concern for at least the next twelve months from the date of this statement.

KENYA AIRPORTS AUTHORITY
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FOR THE YEAR ENDED 30TH JUNE 2024

Statement of Directors' Responsibilities (Continued)

Approval of the financial statements

The Kenya Airports Authority financial statements were approved by the Board on 27TH SEPTEMBER 2024 and signed on its behalf by:



Hon. Caleb Kositany
Chairman of the Board



Henry Ogoye
Accounting Officer

REPUBLIC OF KENYA

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



HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA AIRPORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Airports Authority set out on pages 1 to 62, which comprise of the statement of financial position as at 30 June, 2024 and the statement of profit or loss and other comprehensive income, statement of changes

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Airports Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Airports Authority Act, Cap.395 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Collect Aeronautical Revenue

The statement of profit or loss and other comprehensive income reflects an operating revenue balance of Kshs.21,936,646,000 which, as disclosed in Note 37(a) to the financial statements includes an amount of Kshs.16,680,111,000 in respect of aeronautical revenue comprising of airport passenger service charge (APSC), landing and parking fees, airbridge charges and fuel uplift. However, it was noted that the Authority was not collecting income from the operators within the airstrips across the country despite the airstrips being active on domestic flights.

Further, a summary of the passengers, landing and parking of aircrafts in the airstrips was not provided for audit and no explanation was given why the Authority did not collect aeronautical revenues from the airstrips.

In the circumstances, the accuracy and completeness of aeronautical revenue of Kshs.16,680,111,000 could not be confirmed.

2. Understatement of Non-Aeronautical Revenue

The statement of profit or loss and other comprehensive income reflects an operating revenue balance of Kshs.21,936,646,000 which, as disclosed in Note 37(a) to the financial statements includes an amount of Kshs.5,250,535,000 in respect of non-aeronautical revenue. The non-aeronautical revenue comprises rentals, concessions, security passes income and other non-aeronautical revenue.

However, review of the non-aeronautical revenue customer accounts revealed that an amount of Kshs.1,304,103,000 was collected as rental income. As previously reported, sampled spot check and physical verification at Jomo Kenyatta International Airport revealed that a private company was occupying a total area estimated at 8,343 square feet (sq. ft.) but the actual physical ground area occupied by the company (club) was larger than estimated size resulting to unbilled amounts.

Further, Management did not provide satisfactory explanation why it offered rental facility at a very low rate of Kshs.6 per sq. ft against the Government the land rates valuation for the other concessionaires which ranged from Kshs.20 per sq. ft to Kshs.122 per sq. ft per

annum at the market rate. The Authority is therefore losing between Kshs.904,162 and Kshs.7,491,628.

In the circumstances, the rental income of Kshs.1,304,103,000 has been grossly understated.

3. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,030,172,588,000 as at 30 June, 2024 which as disclosed in Note 41 to the financial statements includes balances of Kshs.900,763,000 and Kshs.985,646,386,000 in respect of freehold and leasehold land respectively. However, an examination of the land balances and the supporting records revealed the following unsatisfactory observations:

3.1. Unsupported Land Acquisition

The capital work in progress (Assets Under Construction – AUC) balance of Kshs.985,646,386,000 includes an amount of Kshs.538,179,827 as previously reported, transferred to the National Land Commission being the value of land for compensation to landowners and illegal settlers within Malindi Airport which the Authority had intention to compulsorily acquire. However, although the land has been fenced by the Authority, no ownership documents were provided for audit. Records showing details of beneficiaries of the acquired land such as the names, national identification numbers, size/acreage of land acquired, valuation and the corresponding payments were not provided to support land compensation.

Further, the capital work in progress balance includes an amount of Kshs.478,552,539 being payment for consultancy services for the design of T1, B, C, D, and Kshs.32,323,533 being payment for consultancy services for Moi International Airport. However, as previously reported there has been no significant progress in the realization of the projects and the certainty of actualization of the project is in doubt. This casts doubt on the recognition of the costs as assets as per IAS 16 since it is not certain if it is probable that future economic benefits associated with the item will flow to the entity.

In addition, ownership documents for a freehold parcel of land in Kisumu with a book value of Kshs.190,763,189 and another leasehold parcel in Embakasi with a book value of Kshs.20,000,000 and logbooks for fourteen (14) vehicles were not provided for audit review.

3.2. Parcels of Land in Dispute

Verification of records revealed that various parcels of land owned by the Authority continue to be disputed. The properties include the following:

- i) Land parcels in Nairobi - Embakasi measuring 0.867 acres and valued at Kshs.4,335,000 part of which has been illegally excised and allocated to a third party. The matter is pending at the Court of Appeal for determination.
- ii) Two parcels of land at Jomo Kenyatta International Airport are occupied by a third party and the matter is pending at the Court of Appeal for determination.

- iii) An undetermined size of land at Wilson Airport occupied by a third party whose matter is at the High Court awaiting determination.
- iv) Leasehold for a parcel of land measuring 0.8925 ha at Malindi Airport which was irregularly allocated to a church organisation, and another lease for a parcel of land measuring 0.0549 ha allocated to a petroleum company. Both matters are at the National Land Commission for advisories.
- v) Eighty-five (85) parcels of land at eight (8) airstrips whose details and nature of the disputes have not been disclosed.
- vi) Leasehold land allocated to the Kenya Pipeline Company by the Government. The property is registered in the name of the Authority and was supposed to be transferred to the Company. Management did not explain the reason for the failure to transfer the title. The land holds critical, strategic and high-value infrastructure that serves the Country at Jomo Kenyatta International Airport.

In the circumstances, the accuracy and ownership of the property, plant and equipment balance of Kshs.1,030,172,588,000 could not be confirmed.

4. Misclassification of Court Award Balance

The statement of financial position reflects a balance of Kshs.16,076,348,000 in respect of trade and other receivables which as disclosed in Note 44(a) to the financial statements is net of gross trade and other receivables balance of Kshs.26,256,390 which includes trade debtors balance of Kshs.20,699,274,000.

However, the trade debtors balance includes a one-time vendor balance of Kshs.482,425,930 which constitutes a Court award balance of Kshs.435,678,363. The amount was paid through a Garnishee Order absolute although the Authority made an appeal and was granted a stay of execution (after complying with Garnish Order) pending the delivery of the ruling. Management has disclosed this transaction as a receivable. It is not clear why the expenditure was classified as a receivable.

In the circumstances, the fair value of the account receivable balance of Kshs.20,699,274,000 could not be confirmed.

5. Long Outstanding Trade and Other Receivables

The statement of financial position reflects a balance of Kshs.16,076,348,000 in respect of trade and other receivables which as disclosed in Note 44(a) to the financial statements is net of gross trade and other receivables balance of Kshs.26,256,390 which includes trade receivables of Kshs.20,699,274,000. However, review of trade receivables customer accounts provided for audit revealed that Kshs.11,767,750,139 or 57% of the trade receivables had been outstanding for more than 270 days. Management did not demonstrate any efforts to recover the old debts.

No.	Account Details	Outstanding Balance (Kshs,)
1	Kenya Airways Debt	7,517,100,624
2	African Cargo Handling Limited	1,443,992,472
3	Kenya Airfreight Handling Limited	302,541,645
4	Kenya Revenue Authority (KRA)	5,152,814,411
5	Other Three Airlines	3,771,317,836
6	Freight Handling Firm	128,757,203
7	One-time Customers' Account	25,650,509
8	Commercial Bank	78,790,000

In the circumstances, the fair value and recoverability of the trade and other receivables balance could not be confirmed.

6. Long Outstanding Bank Reconciliation Items

The statement of financial position and as disclosed in Note 46(a) to the financial statement reflects a cash and cash equivalents balance of Kshs.4,845,696,000. Included in the balance are amounts of Kshs.116,671,316 being long outstanding receipts and payments in the bank not in cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4,845,696,000 could not be confirmed.

7. Unsupported Long-Term Loans

The statement of financial position and as disclosed in Note 49 to the financial statements reflects long term loans balance of Kshs.10,459,006,000 which comprised of World Bank and Agence Francaise De Development (AFD) loans of Kshs.1,747,061,000 and Kshs.10,408,554,000 net of Kshs.1,696,609 being repayment for the year. Review of the loan documents revealed that an amount of USD 5,000,000 (Kshs.450,044,000) in respect of the loan for the Kenya Aviation Modernization Project (KAMP) was received from the World Bank to facilitate the preparation of a proposed project designed to improve security, safety and service provision at Jomo Kenyatta International Airport to meet international standards and enhance public oversight capabilities for the aviation sector in the recipient territory. However, there was no evidence to show that this loan has been repaid and the loan balance was not included in the loan repayment schedule.

Further, the loan repayment schedule showing repayment period, principle and interest components to be paid every year and correspondence with The National Treasury and the World Bank showing the period over which loan repayments should cover were not provided.

In the circumstances, the accuracy, completeness and regularity of the long term loan balance of Kshs.10,459,006,000 could not be confirmed.

8. Unreconciled Balance with Kenya Civil Aviation Authority

The statement of financial position and as disclosed in Note 48 to the financial statements reflects trade and payables balance of Kshs.6,071,677,000. Included in trade and other

payables balance is Kshs.4,810,385,000 in respect of trade payable which includes a balance of Kshs.932,633,589 due to the Kenya Civil Aviation Authority (KCAA). However, the KCAA record indicated receivables balance of Kshs.34,672,796 from Kenya Airports Authority as at 30 June 2024 resulting in an unexplained variance of Kshs.897,960,793. In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.6,071,677,000 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.23,617,943,000 and Kshs.23,037,060,000, respectively resulting in an under-funding of Kshs.580,883,000 or 2% of the budget. However, the Authority spent an amount of Kshs.16,515,785,000 against actual receipts of Kshs.23,037,060,000 resulting in under-utilization of Kshs.6,521,275,000 or 28% of the total receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

2. Contingent Liabilities

As disclosed in Note 56 to the financial statements, the Authority had contingent liabilities totaling to Kshs.21.89 billion arising from pending cases in court, tax assessments and disputed pending contracts' claims. Although the liabilities have not crystalized to warrant recognition in the financial statements by way of provisions, the financial impact on the Authority would be significant if the outcomes are not favorable.

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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues were not resolved.

Other Information

The Management is responsible for the other information set out on pages iii to li which comprises of Key Entity Information and Management, The Board of Directors, Key Management Team, Fiduciary Management, Fiduciary Oversight Arrangement, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental And Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority'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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Non-Compliance with the One-Third Basic Salary Rule

Review of the Authority's payroll revealed that seventy-five (75) employees were earning salaries below the recommended one-third of their basic salary. This was in the month of June, 2024. This was contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of all deductions that may be made by an employer from the wages of the employee at any one time shall not exceed two-thirds of such wages.

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

2. Irregular Provisions for Staff Leave Allowance

The statement of financial position reflects provisions for liabilities and charges balance of Kshs.2,536,430,000 which includes provisions for staff leave allowance balance of Kshs.27,395,000 as disclosed in Note 50 to the financial statements. However, audit review of the supporting records revealed that the provisions for the staff leave allowance

were a result of employees who never proceeded on leave and thus the leave allowances were provisioned contrary to Section G.12 of the Kenya Airports Authority's Human Resource Manual, 2011 which states that leave allowance will be automatically forfeited if leave is not taken on the applicable calendar year. The policy requires that where leave allowance has been paid and the employee has not proceeded on leave, the same will be recovered, and the employee may be subject to a disciplinary process.

In the circumstances, Management was in breach of the Authority's Human Resource Manual.

3. Non-Compliance with the Executive Order

During the year under review, the Authority's leave records revealed that eighteen (18) officers had carried forward more than the designated fifteen days of unspent leave days. This was contrary to Executive order reference number /CAB/2/1 dated 27 September, 2023 on annual leave which states that there shall be no more carryover of more than the designated fifteen days unspent leave days into a new leave year. Authorized officers must secure compliance with this requirement and ensure the same in the next annual leave plan instrument.

In the circumstances, Management was in breach of the Executive Order.

4. Non-Adherence to the Minimum Recruitment Criteria

Review of the files on the recruitment process for the position of Manager, Airport Operations revealed that one of the evaluation criteria that was to be met by the applicants for this position was management training lasting not less than two weeks from a reputable institution. However, the successful candidate for the position, had not attended a management course and the same was indicated in the final report of the shortlisted candidates by the Board. In addition, the final report by the Board on the shortlisted candidates revealed that there were other candidates who had attended the relevant course and thus met the criteria.

Further, review of the files on the recruitment process for the position of Manager Birds and Wildlife Control revealed that one of the evaluation criteria to be met by the applicants for this position was a Statistical and Geographical Information System training. However, the successful candidate had not undertaken the required training and the same was indicated in the final report of the shortlisted candidates by the Board. In addition, the final report compiled by the Board on the shortlisted candidates revealed that there were other candidates who had attended the relevant course.

In the circumstances, the Board was in breach of the advertisement's key qualifications and experience. No explanation was given why the two candidates were shortlisted without meeting the minimum qualifications.

5. Failure to Update Mandatory Documents of the Board Members

Review of the personal files of Board members revealed that the appointment letters and personal data forms were missing in most of the Board members' files.

Further, the Board members had not declared their areas of residence nor provided log books to support mileage claims. This was contrary to Section 1.1.13 of the Mwongozo Code of Governance for State Corporations which states that members appointed shall signify their acceptance by signing the declaration in their appointment letters. Part C and Sections 2 and 3 of the Executive Order reference number OP/CAB.9/1A dated 11 March, 2020 states that Board members in particular, may be reimbursed actual mileage at prevailing AA rates when they use a personal car. Such mileage claims shall only be reimbursed against authenticated and registered car log books whose ownership is either the member, the members' spouse, or a company in which the member's shareholdings is not less than 50%+ 1 share. Reimbursements of mileage claim is capped at 1800 cc engine capacity of a vehicle.

In the circumstances, Management was in breach of the Mwongozo Code of Governance for State Corporations.

6. Stalled and Delayed Project Implementation

6.1. Runway Rehabilitation Phase II at Lokichoggio Airport

The Authority awarded a contract for the runway rehabilitation at Lokichoggio Airport to a company at a contract sum of Kshs.281,041,000. The contract commencement date and original expected contract completion date were 25 November, 2020 and 24 November, 2021 respectively. The original contract period was 12 months and revised to 17.5 months. The project completion date was later revised to 9 May, 2022.

The scope of the works comprised top-soil stripping, excavation of the existing runway, laying of hard fill material on the runway, earthworks to the runway, sub-base, base layers in cement stabilized gravel and AC layer on runway pavement. However, the contractor deserted the site on 6 March, 2022 without informing the Project Manager or client when the work was at 34.5% of completion.

Delayed completion of the project may result in cost escalation, contract disputes, and negative impacts on service delivery to the public and value for money could not be confirmed.

6.2. Rehabilitation of Kapenguria Airstrip

The Authority awarded a contract for the rehabilitation of Kapenguria Airstrip to a company at a contract sum of Kshs.28,407,840. The contract commencement date and the expected contract completion date was 16 August, 2022 and 15 May, 2023 respectively for a period of nine (9) months and a defects notification period of six (6) months.

The scope of the works comprised site clearing and topsoil stripping, relocation of services including overhead power lines, earthworks for pavement, processing the existing runway, laying of a 150mm thick of gravel, culvert and drainage works, erecting an airside fence and gates, access road and landside parking. However, the contractor was issued with a notice of delay in mobilization and a Notice of Termination. The contract was terminated on grounds of non-performance by the contractor and the Employer had written to the Insurance to recall the performance bond.

In the circumstances, the delayed implementation of the project may result in cost escalation, contract disputes, and negative impacts on service delivery to the public.

6.3. Rehabilitation of Tseikuru Airstrip (Phase II)

The Authority awarded a contract for the rehabilitation of Tseikuru Airstrip to a company at a contract sum of Kshs. 77,443,582. The scope of the works comprised site clearing and topsoil stripping, runway, taxiway and Apron earthworks to details, laying of pavement structural layers, culvert and drainage work construction of new runway concrete markings and painting with appropriate colours, installation of new windsock, preliminary items for mobilization, among others and construction of new gate house and gate, washrooms, new chain-link fence and drilling and installation of a new borehole.

However, the works had not started yet a notification of intention to enter into a contract was issued on 13 July, 2022 although the contract could not be executed due to outstanding land matters that are yet to be resolved. Parts of the runway (Rwy 06-24) are within the road reserve (Class C Road) from Tseikuru town to Usweni and storm water from the road caused flooding on the runway.

Delayed implementation of the project may result to costs escalation, contract disputes, and negative impacts on service delivery

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

Basis for Conclusion

1. Non-Compliance with the Acting Capacity Guidelines and Procedures

Review of the Authority's staff records revealed that the Authority's Acting Managing Director was appointed on 26 August, 2023 and had therefore been acting for more than six months. This was contrary to Section C.14 (1) of the Public Service Commission Human Resource Policies and Procedures manual which states that when an officer is eligible for appointment to a higher post and is called upon to act in that post pending

advertisement of the post, he is eligible for payment of acting allowance at the rate of twenty percent (20%) of his substantive basic salary for not more than six (6) months.

In the circumstances, the effectiveness of internal controls in human resources management could not be confirmed.

2. Non-Compliance with the Defined Basic Salary Structure

Review of the letters of appointment and payroll for various General Managers revealed that all the recently recruited General Managers entered the organization on Job Grade S9. However, the letters of appointment have different basic salaries despite being on the same salary grade contrary to the Kenya Airports Authority salary structure.

In the circumstances, internal controls in the management of salary structure could not be confirmed.

3. Weakness in the Management of Concession Agreements

The statement of profit or loss and other comprehensive income and as disclosed in Note 37(a) to the financial statements reflects an amount of Kshs.21,936,646,000 in respect of operating revenue which includes Kshs.3,805,720,000 in respect of concession income which further includes cargo concessions income of Kshs.188,759,915. However, the following anomalies were noted.

3.1. Cargo Concession Revenue

The cargo handling agents declare the quantities of the cargo they handle to Kenya Revenue Authority (KRA) who in turn remits amounts received to the Kenya Airports Authority. The Authority recognizes the amounts received from KRA without any way authenticating the quantity of the cargo handled as the Authority does not have access rights to information pertaining the cargo processed and handled by the agents and the amount remitted to KRA by the cargo handling agents. This implies that the Authority does not have any control of the revenue and the amounts remitted by KRA cannot be verified by KAA.

Further, it was noted that the current cargo chargeable rate of Kshs.250 per airway bill is low and not based on the gross weight of cargo handled but the units of parcels. The proposed but not approved minimum concession rate of Kshs.0.50 per kilogram would have resulted in a revenue increase of Kshs.10,119,257 from the stated amount of Kshs.188,759,915 to Kshs.198,879,172 based on the 397,758,343 freight Kilograms handled during the year under review.

3.2. Contracted Car Park Revenue Collection System

The collection of the car park income at JKIA was outsourced to Kenya Airports Parking Services (KAPS). The concessionaire (KAPS) installed, operated and maintained an automated car parking management system. The concessionaire pays the Authority a concession fee at the rate of 82% of parking revenue collections, subject to a Minimum Annual Guarantee (MAG) of Kshs 250,000,000. However, the following weaknesses were noted in the management and control of car park revenue collections by KAPS:

- (i) The Authority bills the car park fees based on the Concessionaire's (KAPS) report and not Electronic Point of Sale (EPOS) reports despite being a contract requirement that the ePOS be integrated into the KAPS. The Authority solely relies on the report from KAPS for billing purposes. No data verification and reconciliation is undertaken to ensure the accuracy of the information declared by the concessionaire.
- (ii) A comparison of reports from EPOS and the KAPS system reports showed an unexplained variance of Kshs. 71,094,144 for the twelve (12) months period.
- (iii) The KAPS and EPOS systems could not produce a report with the details of the motor vehicles that entered the airport, time spent and the amount chargeable.
- (iv) Review of the system data showed that there was a deficiency in integration between the Authority's EPOS and KAPS whereby data was partially transmitted to the Authority's EPOS from KAPS.
- (v) There is no documented way by which the concessionaire declares monthly collection to ensure there is full disclosure of revenues from the airport.
- (vi) The Authority does not have sufficient and accurate data from EPOS to compute the correct monthly revenue in order to bill monthly as stipulated in the contract and as such the Authority relied on sales data provided by KAPS, which is not verifiable.

3.3. Ineffective Integration of Electronic Point of Sale System

Note 37(a) to the financial statements reflects total non-aeronautical revenue of Kshs.5,256,535,000. Included in this amount is income from concessions totalling Kshs.3,799,774,000 or 72% of total non-aeronautical revenue. However, the Authority had not integrated the EPOS to their main ERP Systems Application Product (SAP) for seamless operation as was required in the contract's scope of works. While management had explained for the integration to happen licenses from both SAP & firms were required during the period under review, Management had not been able to secure these licenses. However, at the time of audit, the Authority had been able to sign a contract to provide the required license for SAP from an Authorized SAP Partner in a Joint Venture with a Consulting firm vide contract dated 8 November, 2024. License from the firm is yet to be secured.

In the circumstances, the existence of an effective mechanism to ensure internal control and management of concession agreements could not be confirmed.

4. Weakness in Stock Management

The statement of financial position and as disclosed in Note 43 to the financial statements reflects an inventory balance of Kshs.200,830,000 which is net of Kshs.8,958,000 in respect of provision for obsolete stock. However, included in the provision amount is the stock of electrical items valued at Kshs.2,385,350 issued to JKIA, WAP / KIA outside the system after being declared obsolete at the Head quarters. According to an internal memo dated 25 September, 2020, the entries were to be reversed from obsolete to issuance in

the financial year 2020/2021. However, the items were still included in the list of obsolete items as at 30 June 2024.

In the circumstances, the existence of effective internal control measures on stock management could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

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

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

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

Board of Directors is responsible for overseeing the Authority'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

31 December, 2024

**14. STATEMENT OF PROFIT or LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
PERIOD ENDED 30TH JUNE 2024**

		2023-2024	2022-2023
REVENUES	Notes	Kshs' 000	Kshs' 000
Operating Revenue	37(a)	21,936,646	15,941,021
Gain (/Loss) on Assets Disposal	37(b)	6,525	(7,306)
Other Income	38(a)	221,980	185,950
Amortisation Income	38(b)	696,136	900,882
TOTAL REVENUES		22,861,286	17,020,546
OPERATING EXPENSES			
Administrative Expenses	40(a) (iii)	(11,527,388)	(9,107,552)
Establishment Expenses	40(b)	(3,947,437)	(9,474,376)
Other Expenses	40(c)	(46,826)	(29,074)
TOTAL OPERATING EXPENSES		(15,521,652)	(18,611,003)
OPERATING PROFIT (LOSS)		7,339,634	(1,590,457)
Financial Income (Loss)	38 (c)	868,661	(1,386,890)
Financial Costs	39	(758,282)	(734,756)
PROFIT (LOSS) BEFORE TAXATION		7,450,013	(3,712,102)
TAX (EXPENSE)/INCOME	51	(957,256)	(492,213)
 PROFIT (LOSS) AFTER TAXATION		 6,492,757	 (4,204,315)

The notes on pages 8 to 41 form an integral part of these financial statements


15. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2024

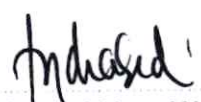
		2023-2024	2022-2023
	Notes	Kshs' 000	Kshs' 000
ASSETS & LIABILITIES:-			
Non-Current Assets			
Property, Plant and Equipment	41	1,030,172,588	1,029,642,388
Intangible Assets	42	49,138	16,312
Total Non-Current assets		1,030,221,726	1,029,658,699
Current Assets			
Inventories	43	200,830	120,763
Trade and Other Receivables	44(a)	16,076,348	11,757,140
Balances held in Reserve Accounts	45	3,167,983	2,970,254
Cash and Cash Equivalents	46(a)	4,845,696	6,970,488
Airstrips Fund Cash Balance	46(b)	2,312,407	2,360,574
Total Current assets		26,603,264	24,179,219
TOTAL ASSETS		1,056,824,990	1,053,837,919
EQUITY AND LIABILITIES			
Capital and Reserves			
Government Grant		15,626,746	16,259,916
Revaluation Reserve		982,853,756	981,408,540
Retained Earnings		33,441,688	28,887,717
Other comprehensive Income		52,793	-
Capital and Reserves		1,031,974,983	1,026,556,173
Non- Current liabilities			
Airstrip Fund	47	2,312,407	2,360,574
Long Term Loans	49	10,459,006	13,250,548
Deferred Tax Liability	52	1,773,877	1,751,356
Total Non-Current Liabilities		14,545,290	17,362,478
Current Liabilities			
Trade and Other Payables	48	6,071,677	6,272,207
Current Portion of Long Term Loan	49(b) & (c)	1,696,609	1,422,338
Provisions for Liabilities and Charges	50	2,536,430	2,224,721
Total Current Liabilities		10,304,716	9,919,266
TOTAL EQUITY AND LIABILITIES		1,056,824,990	1,053,837,919


The notes on pages 8 to 41 form an integral part of these financial statements. The financial statements on pages 1 to 4 were approved by the Board on

27TH SEPTEMBER

2024 and were signed on its behalf by:


Mr. Henry Ogoye
Ag. Managing Director/ CEO


CPA Dr. Mohamud M Gedi
General Manager Finance
ICPAK No: 24505


Hon. Caleb Kositany
Chairman of the Board

16. STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2024

	Government Grants	Revaluation Surplus	Retained Earnings	Other Comprehensive income	Total
	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000
At 30th June 2022	16,780,395	989,839	33,091,914	2,497	50,864,646
Re-instatements			-		-
Adjustment for Dep. eliminated on disposal-					
Adjustment for amortisation on recapitalization-					
As at 30 June 2022	16,780,395	989,839	33,091,914	2,497	50,864,646
Amortization income for the year	(900,882)				(900,882)
Airstrip Funds	167,636				167,636
USA TSA- Donated assets	212,766				212,766
Revaluation of Assets- land		980,418,701			980,418,701
Adjustment for prior year expenses			28,233		28,233
Consumption of Other comprehensive income*				(2,497)	(2,497)
Reversal of dividend provision			256,886		256,886
Dividend Payment			(285,000)		(285,000)
Profit for the year			(4,204,315)		(4,204,315)
At 30th June 2023	16,259,916	981,408,540	28,887,717	-	1,026,556,173
Amortization income for the year	(696,136)				(696,136)
Airstrip Funds	62,967				62,967
Other comprehensive income*				52,793	52,793
Revaluation of Assets- Biological Assets		1,445,216			1,445,216
provision for Dividend 2023/2024			(650,000)		(650,000)
Prior year Tax Adjustments after Audit			(1,698,236)		(1,698,236)
Adjustment for prior year Revenues			427,195		427,195
Adjustment for prior year expenses			(17,745)		(17,745)
	15,626,747	982,853,756	26,948,930	52,793	1,025,482,226
Gain for the year	-	-	6,492,757	-	6,492,757
At 30th June, 2024	15,626,747	982,853,756	33,441,688	52,793	1,031,974,983

* Other comprehensive income is insurance compensation for repair of fire vehicle that is in progress, the fund is held to enable consumption on completion of vehicle repair.

The notes on pages 8 to 41 are an integral part of these financial statements

17. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2024

	Notes	2023-2024 Kshs.'000	2022-2023 Kshs.'000
Operating activities			
Cash generated from/ (used in) operations	53(a)	2,157,466	5,868,414
Interest received	38 (c)	266,309	226,780
Taxation paid		(928,859)	(542,602)
Net Cash generated from/ (used in) operating activities		1,494,916	5,552,593
Investing Activities			
Cash from Investing activities			
Purchase of Property, Plant and Equipment	41	(1,722,734)	(1,281,778)
Additions Intangible Assets	42	(44,157)	-
AUC transferred to operating expenses		12,214	-
Net Cash generated from/ (used in) investing activities		(1,754,677)	(1,281,778)
Financing activities			
Cash flow from Financing activities			
Repayment of World Bank loan	49(a)	(206,505)	(206,505)
Repayment of AFD loan	49(c)	(1,490,104)	(1,215,832)
Proceeds from long term borrowing from AFD Loan	49(c)	-	1,044,700
Proceeds from Airstrips Fund	47	421,350	293,170
Disbursement of Airstrips fund	47	(406,550)	(238,742)
Provisions Utilised during the year	50	(421,472)	(330,599)
Dividend Payment		-	(285,000)
Other comprehensive income		52,793	(2,497)
Net Cash generated from/ (used in) financing activities		(2,050,488)	(941,305)
Net Decrease (Increase) in cash and cash equivalents		(2,310,250)	3,329,509
Cash & cash equivalents at 1st July 2023		12,301,316	9,209,670
Effects of exchange rate changes		335,020	(237,863)
Cash and cash equivalents at 30th June 2024	53 (c)	10,326,086	12,301,316

KENYA AIRPORTS AUTHORITY ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30,2024

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2024

	Original budget	Adjustments	Rationalised Final budget	Actual on comparable basis	Performance difference	% of utilization
	2023-2024		2023-2024	2023-2024	2023-2024	
Revenue	Kshs "000"		Kshs "000"	Kshs "000"	Kshs "000"	
Aeronautical Revenues	13,108,757	4,258,120	17,366,876.81	16,680,111	(686,766)	96%
Non Aeronautical Revenue	5,489,607	378,389	5,867,996.14	5,216,157	(651,839)	89%
Other Revenues	271,070	112,000	383,070.29	1,140,791.97	757,722	298%
Total Revenues	18,869,434	4,748,509	23,617,943	23,037,060	(580,883)	98%
Expenses						
Staff Costs	8,164,731	(452,144)	7,712,587.04	6,771,347	941,240	88%
Depreciation & Amortiza	2,780,482	-	2,780,481.74	2,590,195	190,287	93%
Repairs & Maintenance	1,889,403	62,763	1,952,165.80	1,357,243	594,923	70%
Purchase of stores	472,055	8,412	480,466.96	291,659	188,808	61%
Administration Expenses	2,886,531	391,026	3,277,557.47	2,857,876	419,681	87%
Interest On loans	603,964	122,940	726,904.26	758,282	(31,378)	104%
	16,797,165	132,998	16,930,163	14,626,601	2,303,562	86%
forex (Gain)/loss	133,000	-	133,000.00	(602,352)	735,352	-453%
Corporation tax	-	800,000	800,000.00	928,859	(128,859)	116%
Provision for bad debts				1,431,302	(1,431,302)	
Provision for absolute stock				(1,903)	1,903	
VAT Expense				139,804	(139,804)	
Gain on disposal				(6,525)	6,525	
Total Expenses	16,930,165	932,998	17,863,163	16,515,785	1,474,333	92%
Operating Profit/ (Loss)	1,939,269	3,815,511	5,754,780	6,521,275	(766,495)	113%
Capital Expenditure	4,412,172,000	800,000	4,512,172	1,722,734	2,789,438	38%

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19. Notes to the Financial statements

1. General Information

Kenya Airports Authority is established by and derives its authority and accountability from Kenya Airports Authority Act Cap 395. The entity is wholly owned by the Government of Kenya and is domicile in Kenya. The entity principal activity is to develop, maintain, operate, improve and regulate all aerodromes and other related facilities in Kenya.

For the Kenyan Companies Act reporting purposes, in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

2. Statement of Compliance & Basis of Preparation

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and the International Financial Reporting Standards (IFRSs). The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Authority's accounting policies.

Where necessary the comparative figures for the previous financial year 2022/2023 have been stated in the financial statements to conform to changes in presentation.

The financial statements were approved by the Board of Directors on 27th September 2024.

The accounting policies applied in the preparation of these financial statements are set out below. The Authority adopted all the new and revised IFRS as adopted by the PSASB and IASB that are relevant to its operations and are effective for accounting periods beginning on 1st January 2024.

The financial statements are prepared and presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Authority and all values are rounded to the nearest thousand (Kshs '000). The financial statements are prepared on historical cost basis except for the recognition at fair value of financial instruments, impaired assets at their estimated recoverable amounts and actuarially determined assets at their present value.

a. Going concern

Based on the financial performance of the Authority and the risk management policies, the Board is of the opinion that the Authority is well placed to continue business in the foreseeable future. The financial report is therefore prepared on the going concern basis,

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Notes to the Financial statements (Continued)

which contemplates the continuity of normal business activities, the realization of assets and the settlement of liabilities in the ordinary course of business.

The principle accounting policies adopted in the preparation of these financial statements are set out below:

3. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except for land and buildings, which have been measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving more judgement or complexity, or where assumptions and estimates are significant to the financial statements.

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Notes to the Financial Statements Continued

4. Application of New and Revised International Financial Reporting Standards (IFRS)

- i. *New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.*

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

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<p>Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)</p>	<p>The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.</p>	<p>The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.</p>
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(The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements)

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Notes to the Financial Statements (Continued)

Application of New and Revised International Financial Reporting Standards (IFRS)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).

iii. Early adoption of standards

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

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Notes to the Financial Statements (Continued)

5. Depreciation and impairment of property, plant and equipment

a) Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the costs of ongoing but incomplete works on buildings and other civil works and installations. Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

	Rate
Freehold Land	Nil
Leasehold Land	Nil
Pavements (Runways, aprons, taxiways and roads)	4.0%
Permanent buildings	2.5%
Emergency Service Vehicles	10.0%
Other Motor vehicles	25.0%
Electrical -Mechanical Equipment	5.0%
Other Machinery	10.0%
Office Equipment, Furniture and Fixtures	20.0%
Computer and accessories	33.0%

Depreciation of these assets, on the same basis of other property assets commences when the assets are ready for intended use.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

b) Change in accounting policy- depreciation on Leasehold land

Due to change in accounting policy, leasehold land will no longer be amortised over the lease period with effect from financial year 2023. The financial effects of the change therefore is that the annual amortization cost of 76 million will not no longer be recorded.

6. Intangible assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognized at cost, and subsequently carried at cost less accumulated amortization

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Notes to the Financial statements (Continued)

and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Authority are recognized as intangible assets. Amortization is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life using an annual rate of 33.3%.

7. Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of computer software of three years. All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

8. Investment property

Buildings, or part of a building (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation, and which are not occupied by the entity, are classified as investment property under non-current assets.

Investment property is carried at fair value, representing open market value determined periodically by independent external values. Changes in fair values are included in profit or loss in the income statement.

9. Finance and operating leases

Leases which confer substantially all the risks and rewards of ownership to the *entity* are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, and the asset is subsequently accounted for in accordance with the accounting policy applicable to that asset

All other leases are treated as operating leases and the leased assets are recognized in the statement of financial position to the extent of prepaid lease rentals at the end of the year. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

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Notes to the Financial Statements (Continued)

10. Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at fair value through profit or loss.

11. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises purchase price, import duties, transportation and handling charges, and is determined on the moving average price method.

12. Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

13. Taxation

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the reporting date. Current income tax relating to items recognized directly in equity, in which case it is also recognized directly in equity.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Recognized and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognized amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Notes to the Financial Statements (Continued)

14. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

15. Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost

using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the

16. Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the *entity* or not, less any payments made to the suppliers

period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

17. Retirement benefit obligations

Defined Benefit Scheme

The Authority operates a defined benefit scheme for all its employees, funded by contribution from employees. The scheme defines the benefits an employee will receive on retirement. The

assets of the scheme are held in a separate trustee administered scheme. The Authority's contributions are charged to the profit and loss account in the year to which they relate.

The Authority changed to Defined Contribution scheme from Defined Benefit scheme with effect from 1/7/2011 in accordance with the Treasury Circular No. 18/2010 dated

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Notes to the Financial Statements (Continued)

24th November 2010 based on the directive of this circular. Currently, Defined Benefit Scheme is in deficit hence cannot be wound-up until it is in surplus. Therefore, the Authority has two (2) Schemes in place, the Defined Benefit Scheme although closed for new membership and Defined Contribution Scheme.

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Authority's obligation under the scheme is limited to specific contributions legislated from time to time

18. Provision for Staff leave pay

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an employment cost accrual. A provision is made for the estimated liability for annual leave at reporting date.

19. Exchange Rate Difference

Transactions during the year are converted into Kenya shilling at exchange rates ruling at the transaction dates. Monetary assets and liabilities, which are expressed in foreign currencies, are translated into Kenya shillings at exchange rates ruling at the balance sheet date. Revenue and Expense items in other currencies are translated into Kenya Shillings using the rate ruling at the transaction date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

20. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

21. Provision for liabilities and charges

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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22. Biological Assets

The Biological assets comprise of trees that were planted at Eldoret International Airport and Eldoret Airstrip in the year 2006. The assets were valued by the Ministry of lands and are included in the financial statements.

23. Comparative figures

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

24. 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, 2024

25. Related Party Policy

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Jointly controlled entities are also considered as related parties. The companies transact business with parties that are related by virtue of common directorship and/or ownership and jointly controlled entities.

The Authority's related parties include:

- Key Management and Directors are in charge of decision making for the Authority
- National Government: The Authority receives Grants and Funds to carry out projects.
- Ministry of Roads and Transport- State Department for Transport
The Ministry has a representative the Board of Directors.
- Kenya Civil Aviation Authority and Tourism Promotion Fund who receive a share of Airport Passenger Service charge as per APSC act.

26. Significant judgments and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Kenya Airports Authority, the directors make certain judgments and estimates that may affect the carrying values of assets and

liabilities in the next financial period. Such judgments and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

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Notes to the Financial Statements (Continued)

27. Going Concern: The financial statements have been prepared on a going concern basis on the belief that the Authority shall continue operations in the near future.

28. Impairment Losses: At each year end, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash generating unit to which the asset belongs.

29. Intangible assets, vehicles and equipment: Critical estimates are made by the management in determining the useful life for intangible assets, vehicles and equipment.

Contingent liabilities: The management evaluates the status of any exposures to contingent liabilities on a regular basis to assess the probability of the Authority incurring related liabilities and the same is disclosed as a note in the financial statements. Provisions are only made in the financial statements where, based on the management's evaluation, a present obligation has been established.

30. Revaluation reserve: The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. Further the Authority revalued Land during and biological assets (Trees) during the year 2021 and the revaluation surplus is included as indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

31. Retained earnings: The retained earnings represent amounts available for distribution to the *entity's* shareholders. Undistributed retained earnings are utilised to finance the *entity's* business activities.

32. Financial Instruments

Classification: The Authority classifies its financial instruments into the following categories:

Loans and receivables, which comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and exclude assets which the

entity intends to sell immediately or in the near term or those which the entity upon initial recognition designates as at fair value through profit or loss or as available for sale financial assets.

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Notes to the Financial Statements (Continued)

Financial liabilities: which comprise all financial liabilities except financial liabilities at fair value through profit or loss.

33. Risk management objectives and policies

Financial risk management

i) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Authority.

The credit risk exposures are classified in three categories;

- Fully performing
- Past due
- Impaired

i) Credit risk on Fixed, Call and Reserves with banking institutions is managed by dealing with institutions with good credit ratings. Credit risk on concessions,

ii) Tenancies and similar business transactions is mitigated through requirement for performance guarantees issued by financial institutions with good credit ratings.

Credit Risk

Credit risk on Trade Receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors.

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Notes to the Financial Statements (Continued)

Credit is managed by setting the credit limit and credit period for each customer. The maximum exposure of the Authority to credit risk as at the balance sheet date is as follows:

	Fully Performing Kshs'000	Past due but not Impaired Kshs'000	Past due and Impaired Kshs'000	Total Kshs'000
30th June 2024				
Trade receivables	10,596,801		10,101,252	20,698,054
Other receivables	5,238,734		78,790	5,317,524
Fixed Deposits, Call Deposits & Treasury Bills	5,205,311			5,205,311
Reserve Account	3,167,983			3,167,983
Cash at bank	1,952,792			1,952,792
Gross Financial Assets	26,161,621	-	10,180,042	36,341,663
30th June 2023				
Trade receivables	6,512,431		8,669,950	15,182,381
Other receivables	3,645,894		78,790	3,724,684
Fixed Deposits, Call Deposits & Treasury Bills	5,994,731			5,994,731
Reserve Account	2,970,254			2,970,254
Cash at bank	3,336,331			3,336,331
Gross Financial Assets	22,459,641	-	8,748,740	31,208,381

Past due and Impaired

As at 30th June	2024	2023
	Kshs'000	Kshs'000
Bad Debts	10,101,252	8,669,644
Term Deposits-Prudential Bank	78,790	78,790
Other Receivables	-	306
	<u>10,180,042</u>	<u>8,748,740</u>

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Notes to the Financial Statements (Continued)

34. Risk management objectives and policies (Continued)

i) Credit Risk (Continued)

An impairment provision of Kshs 10.18 Billion (**2023: Kshs. 8.75 Billion**) is held against the impaired receivables. The Authority does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivables.

ii) Liquidity risk

Liquidity risk is the risk that the Kenya Airports Authority will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Authority's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Authority manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below summarizes the maturity analysis for financial liabilities to their remaining contractual maturities at the reporting date.

	Within 12 months Kshs'000	Over 12 months Kshs'000	Total
Year ended 30th June 2024			
Trade payables	4,877,982		4,877,982
Other payables		1,198,421	1,198,421
Interest bearing Loans	1,696,609	10,459,006	12,155,615
Total	6,574,591	11,657,427	18,232,018
Year ended 30th June 2023			
Trade payables	4,940,227		4,940,227
Other payables		1,331,980	1,331,980
Interest bearing Loans	1,422,338	13,250,548	14,672,886
Total	6,362,565	14,582,528	20,945,093

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Notes to the Financial Statements (Continued)

35. Risk management objectives and policies (Continued)

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk.

Interest rate risk: The Authority is exposed to cash flow interest risk on its variable rate borrowings because of changes in market interest rates. The Authority manages this exposure by maintaining a high interest cover ratio, which is the extent to which profits are available to service borrowing costs. If the interest rates on the Authority's borrowings at the year-end were to increase/decrease by 1% percentage points, with all other factors remaining constant, the post-tax profit would be lower/higher by Kshs. 7.58 Million (2023: Kshs. 7.35 Million) respectively.

Price Risk: The Authority does not hold investment that would be subject to price risks: hence this risk is not relevant.

Foreign currency sensitivity risk: The Authority has foreign currency denominated bank accounts and it also transacts in foreign currency. The Authority receives US\$ denominated receipts as part of its revenue. These receipts are banked in dollar denominated bank accounts. The Authority mitigates against foreign exchange risks: By negotiating contracts based on the available currency (Dollar/KES). Secondly loans are negotiated and maintained in dollar equivalent to hedge against foreign exchange risk fluctuations.

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The carrying amounts of the Authority's foreign currency denominated monetary assets at the balance sheet date are as follows:

	KSHS ' 000	KSHS ' 000
As at	30th June 2024	30th June 2023
Financial Assets		
Bank and cash balances	3,937,544	4,931,213
Term deposits	697,537	2,622,448
Trade receivables	13,984,335	12,190,760
Sub Total	18,619,416	19,744,421
Financial liabilities		
Trade payables	628,123	780,263
Long Term Loans	10,408,554	12,719,319
Sub Total	11,036,676	13,499,582
Net exposure	7,582,740	6,244,838

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Notes to the Financial Statements (Continued)

36. Capital Risk Management

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

	2023/2024	2022-2023
	Kshs '000	Kshs '000
Revaluation reserve	982,853,756	981,408,540
Retained earnings	29,815,843	27,288,902
Capital reserve	15,626,747	16,259,916
Other comprehensive Income	52,793	-
Total funds	1,028,349,139	1,024,957,358
Total borrowings	12,155,615	14,672,886
Less: cash and bank balances	(10,326,086)	(12,301,316)
Net debt/(excess cash and cash equivalents)	1,829,529	2,371,570
Gearing	0.18%	0.23%

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
Revenues	Kshs' 000	Kshs.'000
37(a) Operating Revenue		
Aeronautical Revenue		
Airport Passenger Service Charge Fund	10,893,475	7,883,351
Landing and Parking	5,084,557	3,926,973
Airbridge Charges	356,756	267,167
Fuel Uplift	328,344	288,493
Other Aeronautical Revenue	16,979	12,579
Total Aeronautical Revenue	16,680,111	12,378,563
Non Aeronautical Revenue		
Rentals	1,304,103	982,884
Concessions	3,805,720	2,504,250
Security Passes Income	146,179	75,074
Other Non aeronautical revenue	532	250
Total Non Aeronautical Revenue	5,256,535	3,562,458
Total Operating Revenue	21,936,646	15,941,021
37(b) Gain (/Loss) on Assets Disposal		
Gain/(loss) on assets disposal	6,525	(7,306)
38 (a) Other Income		
Interest on Staff Loans	1,511	1,864
Fines and Penalties	2,843	1,896
Utility Recoveries	180,193	169,109
Other Income	37,434	13,081
	221,980	185,950
38 (b) Amortization Income		
Amortization Income	696,136	900,882
	696,136	900,882
38 (c) Financial Income (Loss)		
Investment Income	186,629	214,381
Bank Interest	79,680	12,399
Exchange gain (loss) on Forex	602,352	(1,613,669)
	868,661	(1,386,890)
39 Financial Costs		
Interest Expense	758,282	734,756
	758,282	734,756

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
Profit/(loss) before tax expenses/income	Kshs' 000	Kshs.'000
40 (a) Administrative Expenses		
i) Staff Costs -Note 40 (d)	6,771,347	5,530,399
ii) Other Administrative expenses		
Electricity and Water	946,927	811,343
Communication services and supplies	38,998	84,637
Transportation, Travelling and Subsistence	91,612	107,137
Advertising, Printing, Stationery and Photocopying	58,704	74,739
Marketing and Promotion Expenses	125,059	84,460
Staff Training Tuition and Subsistence	129,206	111,337
Insurance costs	178,362	150,405
Bank charges	3,159	3,621
KRA Commission	225,844	132,690
Legal Fees	68,549	154,050
Consultancy Fees	161,902	18,011
Stores consumed	273,745	260,841
Cleaning Services	374,992	290,466
Environmental Preservation	115,606	98,137
VAT Expense	139,804	190,134
Provision for bad debts	1,431,302	751,078
Provision for Obsolete Stocks	(1,903)	-
Other Operating Expenses	394,173	254,068
	4,756,041	3,577,153
iii) Administrative Expenses	11,527,388	9,107,552
40(b) Establishment Expenses		
Repairs and Maintenance	1,357,243	1,080,145
Depreciation of property, plant and Equipment	2,578,864	3,032,017
Intangible Assets	11,331	32,830
Settlement cost on Greenfield Terminal-Write off		4,658,498
Other related costs Greenfield Terminal -Write off		670,886
	3,947,437	9,474,376
40(c) Other Expenses		
Directors' Expenses	44,826	25,596
Audit Fees	2,000	3,478
	46,826	29,074

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
40 (d) Staff Costs	Kshs' 000	Kshs.'000
Salaries and Wages	4,709,364	3,836,206
Staff Allowances	583,679	500,454
Medical Expenses	476,592	441,861
Contractual Staff (One month & above)	169,231	119,593
Housing Levy Contribution	52,164	
Pension Fund Costs	521,975	369,893
NSSF Company Contribution	38,851	16,354
Group Life Insurance Costs	74,192	57,987
Group Personal Accident (GPA)	20,922	27,742
Other Staff Costs	124,376	160,309
	6,771,347	5,530,399

NOTES TO THE FINANCIAL STATEMENTS (Continued)								
41	Property, Plant & Equipment							
	2023	Freehold land Kshs.'000	Biological Assets (Trees) Kshs.'000	Leasehold land Kshs.'000	Capital Work in Progress Kshs.'000	Pavements and Buildings Kshs.'000	Plant, Machinery, & Motor Vehicles, Kshs.'000	Office Equip. Furniture and Fittings Kshs.'000
COST OR VALUATION								
At July 1, 2022	309,263		7,593,345	11,143,484	35,989,273	18,053,408	3,001,079	76,089,850
Additions				1,171,760		239,315	83,470	1,494,545
Transfers				(7,166,425)	6,208,956	868,583	88,886	-
Reclassification to Provisions								-
Transfer from AUC				(12,002)				(12,002)
Transfer to Intangible assets from AUC								980,418,701
Revaluations	591,500		979,827,201					-
Capitalised from acquisition								-
Transfer to Operating expenses								-
Transfer to Intangible assets from acquisition				(670,886)				(670,886)
Write off - Greenfield Costs						(81,732)	(18,816)	(100,548)
Disposal								-
At June 30, 2023	900,763		987,420,546	4,465,930	42,198,229	19,079,574	3,154,618	1,057,219,659
DEPRECIATION								
At July 1, 2022			1,774,159	-	13,358,286	6,698,302	2,803,858	24,634,603
Charge for the year					1,912,638	981,744	137,635	3,032,017
Eliminated on disposal								-
Revaluation								-
Post capitalisation								-
Eliminated on retirement						(70,532)	(18,816)	(89,348)
Eliminated on disposal								-
At June 30, 2023			1,774,159	-	15,270,924	7,609,513	2,922,677	27,577,271
NET BOOK VALUE								
At June 30, 2023	900,763		985,646,386	4,465,930	26,927,306	11,470,061	231,942	1,029,642,388
2024								
COST OR VALUATION								
At July 1, 2023	900,763		987,420,546	4,465,930	42,198,229	19,079,574	3,154,618	1,057,219,659
Additions				1,089,762	251,117,06	190,087	191,768	1,722,734
Transfers				(2,600,578)	2,108,682	340,346	151,549	(0)
Reclassification to Provisions								-
Transfer from AUC								-
Transfer to Intangible assets from AUC								1,445,216
Valuations		1,445,216						-
Capitalised from acquisition								(12,214)
Transfer to Operating expenses				(12,214)				(44,157)
Transfer to Intangible assets from acquisition				(44,157)				-
Write off - Greenfield Costs								-
Disposal						(79,084)	(26,589)	(105,673)
At June 30, 2024	900,763	1,445,216	987,420,546	2,898,743	44,558,029	19,530,924	3,471,347	1,060,225,575
DEPRECIATION								
At July 1, 2023			1,774,159	-	15,270,924	7,609,513	2,922,677	27,577,281
Charge for the year					1,480,402	984,855	113,607	2,578,864
Eliminated on disposal						(77,325)	(25,833)	(103,158)
At June 30, 2024			1,774,159	-	16,751,326	8,517,044	3,010,450	30,052,979
NET BOOK VALUE								
At June 30, 2024	900,763	1,445,216	985,646,386	2,898,743	27,806,702	11,013,880	460,897	1,030,172,588
At June 30, 2023					2,144,457	1,774,988	2,725,135	6,644,580
At June 30, 2024					2,177,368	1,769,784	2,806,930	6,754,083

During the year the value of trees (biological assets) was capitalized using the Ministry of Land and Physical Planning, valuation report at Kshs 1.445 Billion. There was an increase of Kshs 204,127 Million from the Revaluation of Pavements & Buildings. The Authority retained the existing policy of maintaining the pavements & buildings at cost-based capitalization. Revalued Leasehold Land Kshs 986,545 Million has been adopted in the balance sheet with no amortization as per policy. In 2011/2012, assets under the classes of motor vehicles, machinery and equipment, office equipment, furniture, and fittings were valued by Chapter Property Ltd, which are registered valuers. A loss on Revaluation due to impairment of Kshs 796,509,710 was w/off to the reserves. Assets of Kshs 6,754,083 had been fully depreciated as of the close of the year. These assets are however still in use by the Authority. Capital works in progress related to JKIA T1BCD consultancy, Lanet Airstrip construction, Ukunda Runway Rehab, Lamu Apron Rehab, Ongoing Malindi Land Acquisition Cost paid to NLC, JKIA T2BC water ingress, Renovation of state pavilion and Various Airstrips ongoing works etc.

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
42 Intangible Assets		
Cost		
At 1st July	1,500,203	1,488,201
Transfers from AUC	-	12,002
Additions during the year	44,157	-
At end of the year	<u>1,544,360</u>	<u>1,500,203</u>
Amortisation		
At 1st July	1,483,892	1,451,062
Charge for the year	11,331	32,830
At end of the year	<u>1,495,222</u>	<u>1,483,892</u>
Net book amount		
At end of the year	<u>49,138</u>	<u>16,312</u>

Intangible assets comprise costs incurred on acquisition of computer software. Amortisation is calculated on a straight line basis over estimated useful life not exceeding three years. Intangible Assets of Kes 1.48 Billion have been fully amortised but are still in use.

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
43 Inventories		
Inventories comprises:-		
Hardware	18,649	7,786
Electrical, Electronics & Electro-Mechanical	41,521	12,487
Stationery & Office Supplies	76,844	40,282
Petrol, Oil and Lubricants	19,125	4,520
Motor Vehicles Spares	869	805
Environment & Cleaning Materials	463	558
Fire & rescue spares	43,358	54,325
Inventory-Obsolete Stocks	8,958	10,862
	209,788	131,625
Less provision for obsolete stock	(8,958)	(10,862)
	200,830	120,763

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises purchase price, import duties, transportation and handling charges, and is determined on the moving average price method.

Notes to the Financial Statements (continued)

	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
44(a) Trade and Other Receivables		
Trade receivables	20,699,274	15,182,381
Term Deposit	78,790	78,790
Prepayments - Others	1,455,512	1,468,760
Staff receivables	154,587	138,251
Other Taxes Prepaid	2,939,368	3,632,259
Prepaid Corporation Tax	928,859	5,441
Gross trade and other receivables	26,256,390	20,505,880
Provision for bad and doubtful receivables - Note 44 (b)	(10,101,252)	(8,669,644)
Investment Provisions -Note 44 (c)	(78,790)	(78,790)
Provision for other unrecoverable receivables	-	(306)
Total provisions	(10,180,042)	(8,748,740)
Net trade and other receivables	16,076,348	11,757,140
44(b) Bad Debts Provision (Specific)		
As at July 1	8,669,644	7,918,566
Additions	1,431,302	751,078
As at June 30	10,100,946	8,669,644
Trade receivables are recognised and carried at original invoice amount less specific provisions for uncollectable debts.		
44 (c) Term Deposits		
As at July 1	78,790	78,790
As at June 30	78,790	78,790

Notes to the Financial Statements (Continued)

	2023-2024	2022-2023
45 Balances held in Reserve Accounts	Kshs' 000	Kshs.'000
Barclays Bank Paris-AFD Loan Reserve Account	3,099,619	2,889,247
ABSA Kenya-AFD Loan Debt Service A/C	68,363	81,007
	<u>3,167,983</u>	<u>2,970,254</u>

These are cash balances held in both Barclays Bank (Paris) and ABSA Bank (Kenya) under special security arrangements with Agence Francaise De Developpement in respect of servicing of the long term loan for Jomo Kenyatta International Airport rehabilitation, and Moi International Airport pavements and Expansion projects. These funds are not available for day to day operations of the Authority.

46(a) Cash and Cash Equivalents

Cash in hand and at bank	1,635,391	3,205,570
Call Deposits	370,272	243,632
Fixed Deposits	2,840,033	3,521,286
	<u>4,845,696</u>	<u>6,970,488</u>

46(b) Airstrips Fund Cash Balance

Cash at bank	317,401	130,761
Treasury Bills	1,995,006	2,229,813
	<u>2,312,407</u>	<u>2,360,574</u>

47 Airstrip Fund

As at beginning of the year	2,360,574	2,473,782
Received during the year	221,500	96,000
Interest earned	199,850	197,170
Total Receipts	<u>421,350</u>	<u>293,170</u>
Airport disbursements (GOK grants)	(62,967)	(167,636)
Airstrip disbursements	(406,550)	(238,742)
As at end of the year	<u>2,312,407</u>	<u>2,360,574</u>

Notes to the Financial Statements (Continued)

48 Trade and Other Payables	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
Trade Payables	4,810,385	4,714,703
Security Deposits	384,932	316,947
Tax Liability	21,006	6,622
Retention payable	813,489	1,015,034
Staff Creditors	41,865	218,903
	6,071,677	6,272,207
49 Long Term Loans		
World Bank Loan -Note 49(a)	1,747,061	1,953,566
AFD Loan -Note 49(c)	10,408,554	12,719,319
	12,155,615	14,672,886
Due within one year	1,696,609	1,422,338
Due after one year	10,459,006	13,250,548

Notes to the Financial Statements (Continued)

	2023-2024	2022-2023
49(a) World Bank Loan		
	Kshs' 000	Kshs.'000
Balance b/f	1,953,566	2,160,072
Repayments during the year	(206,505)	(206,505)
Total loan outstanding	1,747,061	1,953,566
less: Amounts due in the year	(206,505)	(206,505)
Balance c/f	1,540,556	1,747,061

49(b) Analysis of World Bank loan per project

Northern Corridor Transport Improvement Project	1,187,732	1,385,037
Kenya Transport Sector Support Projects	109,284	118,484
Kenya Aviation Modernization Project	450,044	450,044
	1,747,061	1,953,566
less: Amounts due during the year	(206,505)	(206,505)
	1,540,556	1,747,061

The Northern Corridor Transport Improvement loan is denominated in Kenya Shillings with a duration of 23 years from 2004, a grace period of 8 years and 5% interest rate per annum.

The Kenya Transport Sector Support Project loan is denominated in Kenya shillings with a duration of 23 years from 2011, a grace period of 8 years and interest rate of 5% per annum

Kenya Aviation Modernisation Project: This was an advance given by the World Bank to finance consultancy services for rehabilitation of existing passenger terminal facilities at JKIA (unit 1B, C, and D buildings), Nairobi.

49(c) Agence Francaise De Developpement (AFD) Loan

Balance as at 1st July	12,719,319	10,817,006
Amount Received	-	1,044,700
Exchange (Gain)/Loss	(820,662)	2,073,446
Loan Repayment	(1,490,104)	(1,215,832)
	10,408,554	12,719,319
less: Amount due during the year	(1,490,104)	(1,215,832)
Balance c/f	8,918,450	11,503,487

Agence Francaise De Developpement were co-financiers in the construction of Terminal 1A and a multi-storey car park which were part of the expansion and upgrade of facilities project at Jomo Kenyatta International Airport. These have been completed. The related USD 90 million principal loan has a duration of 20 years from 2011, a grace period of 5 years and interest rate at libor plus 2.75% per annum. Agence Francaise De Developpement also funded the rehabilitation of Moi International Airport airside. The related USD 66 million principal loan has a duration of 20 years from 2014 with a grace period of 5 years and interest rate at Libor plus 3.78% per annum.

Notes to the Financial Statements (Continued)

50 Provision for liabilities and charges

	Dividend Kshs.'000	Leave Pay Kshs.'000	Others Kshs.'000 Note	Total Kshs.'000
At 1st July 2023	-	30,330	2,194,392	2,224,722
At end of year	-	30,330	2,194,392	2,224,722
Less: current portion	-	-	-	-
Non current portion	-	30,330	2,194,392	2,224,722
At 1st July 2023	-	30,330	2,194,392	2,224,722
Net increase charged to profit and loss	650,000	-	83,180	733,180
Utilized during the year	-	(2,935)	(418,537)	(421,472)
At 30th June, 2024	650,000	27,395	1,859,035	2,536,430

Notes to the Financial Statements (Continued)

51 Tax expense/ income Tax	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
Balance Sheet		
Balance b/wd	(606,817)	1,064,466
Charge for the year	934,735	(1,128,681)
Paid during the year	(928,859)	(542,602)
Balance c/wd	(600,941)	(606,817)
Profit and Loss account		
Current Tax at 30% on the taxable profit for the year	934,735	(1,128,681)
Deferred Taxation charge/(credit) (note 52)	22,521	1,620,894
Tax Expense/Income	957,256	492,213

The income tax based on accounting profit before taxation differs from the theoretical amount that is computed using the applicable tax rate as follows:

Accounting profit before taxation	7,450,013	(3,712,102)
Tax applicable rate of 30%	2,235,004	(1,113,631)
Tax effects of:		
Net (revenue)/expense not deductible for tax purposes	(1,517,731)	(838,861)
(Reversing)/originating temporary differences	22,521	1,620,894
	739,794	(331,597)

Notes to the Financial Statements (Continued)

52 Deferred Tax Liability

Deferred income tax is calculated using the income tax rate of 30%
 The movement on the deferred income tax account is as follows:-

		2023-2024	2022-2023
		Kshs' 000	Kshs.'000
Balance at the beginning of the year	(1,751,355,784.28)	(1,751,356)	(130,461)
Charged/(credited) to Profit or Loss		(22,521)	(1,620,894)
At end of year		<u>(1,773,877)</u>	<u>(1,751,356)</u>

Notes to the Financial Statements Continued)

53 Notes to the Statement of Cashflows

53(a Reconciliation of operating profit/ (loss) to cash generated from /(used in) operations

	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
Operating profit before tax	7,450,013	(3,712,102)
Depreciation and Amortization Expense	2,590,195	3,064,847
Amortization Income	(696,136)	(900,882)
Gain /(Loss) on Disposal of property, plant and equipment	(6,525)	7,306
Net Exchange loss/ (gain) on Forex	(1,564,147)	2,385,181
Interest received	(266,309)	(226,780)
Material Inventory (loss) & Price Difference	83,988	(196)
Provisions	83,180	338,483
Provisions for bad debts	1,431,302	751,078
Greenfield Terminal- ACEG -Write off	-	4,658,498
Greenfield Terminal- related costs -Write off	-	670,886
Operating profit/(loss) before working capital changes	9,105,561	7,036,320
(Increase)/decrease in inventories	(80,066)	(15,410)
(Increase)/decrease in trade and other receivables	(6,685,245)	(2,387,852)
Increase/(decrease) Trade payables and accruals	(182,785)	1,235,356
	(6,948,096)	(1,167,905)
	2,157,466	5,868,414
Cash generated from/(used in) operations		

53(b Analysis of changes in loans

Balance at beginning of the year	14,672,886	12,977,078
Receipts during the year	-	1,044,700
Exchange(Gain)/Loss	(820,662)	2,073,446
Repayments during the year	(1,696,609)	(1,422,338)
Balance at end of the year	12,155,615	14,672,886

53(c Analysis of cash and cash equivalents

Balances held in Reserve Accounts	3,167,983	2,970,254
Short term deposits - KAA Fund	3,210,305	3,764,918
Cash at hand and bank - KAA funds	1,635,391	3,205,570
Treasury Bills - Airstrip fund	1,995,006	2,229,813
Cash at hand and bank - Airstrip Fund	317,401	130,761
Balance at end of the year	10,326,086	12,301,316

NOTES TO THE FINANCIAL STATEMENTS (Continued)

54 **Related Party Disclosures**

Transactions between the Authority and its related parties are as stated below:

	2023-2024	2022-2023
	Kshs' 000	Kshs.'000
a) Directors Expenses		
Remuneration	640	990
Other Expenses	44,187	24,606
	44,826	25,596
b) Key Management Compensations		
Salary	92,649	89,764
Other Benefits	29,485	28,746
	122,134	118,511
c) Ministry of Transport, Infrastructure, Housing, Urban development and Public works		
Grants disbursed through the Ministry of Transport , Infrastructure, Housing, Urban development and Public works		
Airstrip Funds	221,500	96,000
d) Kenya Civil Aviation Authority (KCAA) & Special Tourism Promotion Fund (STPF)		
Amount paid to KCAA	3,925,043	3,299,891
Amount paid to Special Tourism Promotion Fund	3,272,039	2,015,256
Total Paid	7,197,082	5,315,147
	2023-2024	2022-2023
e) National Intelligence Services		
Amount Paid	10,000	112,895
f) Ministry Of Defence		
Amount Paid	411,394	-

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Notes to the Financial Statements (Continued)

55. Commitments

	2023-2024	2022-2023
	Kshs 000	kshs 000
Letters of Credit	95,626	-

56. Contingent liabilities (Kshs 21.89 billion)

A. Pending cases in court and tax assessment

These are pending court cases involving KAA and other third parties & tax assessment claims by Kenya Revenue Authority (KRA). The amounts claimed by the petitioners are estimated at **Kshs. 21.89 billion**. The following are summaries of the main cases: -

(i) KRA has submitted a tax assessment claim of Kshs. 4,219,186,112 for financial years 2014 to 2016. The Authority has objected to this tax assessment on the grounds that Air Passenger Service Charge (APSC) is a statutory charge collected by KRA and remitted to KAA and is therefore not subject to tax. KRA has informed that they have sort for calendar of mediation meetings from the Attorney General’s Office for all matters withdrawn by the State Agencies. The Attorney General requested both KAA and KRA to send their submissions for mediation.

(ii) Mitu Bell and 2 Others vs KAA. The High Court ruled in the plaintiffs' favour and held that KAA had illegally evicted the plaintiffs and demolished their houses and further that the Authority should acquire alternative land for the displaced people. The Authority successfully appealed the High Court decision and the High Court judgement was set aside. The plaintiffs have made an application before the Supreme Court seeking to challenge the court of Appeal's decision. The plaintiff’s claim for compensation is Kshs. 7,665,500,000.

(iii) KAA/JKIA/CS/752 VOL. 1(12) Relief & Mission Logistics Vs KAA. The plaintiff is seeking to be paid Kshs. 719,712,373.28 as compensation for termination of contract for concession agreement for passenger transfer services at JKIA on 15th May, 2015. The Arbitral Award of Ksh 150,871,247 plus interest was issued on 4th February 2021, total award plus interest was Kshs 210,559,382 as at 30th June 2024. The Attorney General’s legal advisory was issued on 3rd May, 2021 advising the Authority to set aside the award. The Authority has filed an application at the High Court to challenge the award and seeking to set aside the same.

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(iv) Baseline Architects Ltd & 3 others vs KAA. An arbitral award of Kshs. 404,870,293 was given against the Authority in 2013. The Authority has filed an appeal seeking to set aside the arbitral award.

(v) Roder Hts: The contractor is claiming Euro- 1,381,514 (Kshs.191,845,145) for unpaid certificate, extension of time, demurrage charges and interest on delayed payments. The arbitration proceedings are yet to commence.

vi) CATIC: The Contractor has lodged claims amounting to Kshs 2,317,561,362 million relating to works done on JKIA's apron stands, arrival and departure terminals (T1A) and interest thereon.

vii) Sogea Satom/Razel BEC JV: The Contractor has lodged claims amounting to Kshs 250,934,804 million relating to works done on Rehabilitation of Airside Pavements and Airfield Ground Lighting at MIA.

viii) Machiri Ltd: The Contractor is claiming Kshs. 378,042,425 Being balance of court award that has been subjected to garnishee proceeding, the award was Kshs 812,047,278 53. The contractor had claimed Kshs 388,210,697 being interest on late payments of interim certificates and deducted retention amounts; the claim also included accelerated cost, extension of time and unpaid certificates.

B. Disputed pending contracts' claims

- i. Sino Hydro Corporation Kshs. 1,532,491,071 relates to the runway capacity and ILS upgrade and rehabilitation of aircraft pavement works at JKIA demanded by the contractor for the work done and disputed taxes.
- ii. China Overseas Engineering Group Co. Ltd- Claim of Kshs 388,087,164 for final account which is disputed by the Authority as the consultant and the contractor did not agree on the measurements.
- iii. Doch company Ltd : The claim of 955,275,371 is anchored in a dispute involving the refurbishment of Nanyuki Airstrip. The contractor seeks a declaration that the termination of contract was unlawful, null and void with no legal effect and an injunction restraining the Authority from continuing with or carrying out any civil works at the airstrip. The arbitration was concluded and award ready as advised by the arbitrator on 18/02/2022. However, the award is yet to be released to the parties due to outstanding arbitrator's fees. The Authority is unable to pay the same due to lack of certain documents to be supplied by the arbitrator i.e. tax invoice, tax compliance certificate, PIN Certificate and Certificate of Incorporation.

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57. Currency

The financial statements are presented in Kenya Shillings Thousands.

58. Staff levels

The number of persons employed by the Authority as at 30th June 2024 was 2,044 (2022/2023 – 1,845).

59. The closing rate of exchange as at 30th June, 2024 was Kshs.129.5270 per 1 USD

Additional Information

Five year Financial and Statistical Records

	2019/2020 (*Restated)	2020/2021	2021/2022	2022/2023	2023-2024
Aeronautical Revenue	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000
Landing and Parking	2,903,830	2,375,671	3,268,587	3,926,973	5,084,557
Airbridge Charges	162,941	132,965	212,613	267,167	356,756
Fuel Uplift	261,354	193,505	251,572	288,493	328,344
Other Aeronautical Revenue	6,430	3,549	9,745	12,579	16,979
Rentals	1,019,531	876,281	961,938	982,884	1,304,103
Concessions	1,761,239	1,195,172	1,908,310	2,504,250	3,805,720
Other Non aeronautical revenue	89,337	261,897	86,682	75,323	146,711
Airport Passenger Service Charge	5,868,102	2,194,152	5,517,493	7,883,351	10,893,475
Total Operating Revenue	12,072,765	7,233,193	12,216,940	15,941,021	21,936,646
Other Revenue					
Other income	348,426	182,552	170,679	178,644	228,505
Amotisation income	840,753	974,239	900,715	900,882	696,136
Financial Income	318,124	52,318	(247,548)	(1,386,890)	868,661
	13,580,068	8,442,302	13,040,785	15,633,656	23,729,947
Financial Costs	490,389	440,660	651,287	734,756	758,282
Staff Costs	5,681,244	4,649,295	4,805,090	5,530,399	6,771,347
Other Administrative expenses	2,707,823	7,733,356	3,042,560	3,577,153	4,756,041
Repairs and Maintenance Expenses	860,263	753,275	776,831	1,080,145	1,357,243
Depreciation and Amortization Expenses	2,914,251	2,821,172	2,763,189	3,064,847	2,590,195
Othe Costs	41,051	9,329	19,917	5,358,459	46,826
	12,695,020	16,407,086	12,058,875	19,345,758	16,279,934
Profit Before Tax	885,047	(7,964,784)	981,911	(3,712,102)	7,450,013
Taxation	(595,719)	1,291,777	(938,583)	(492,213)	(957,256)
Profit After Tax	289,328	(6,673,007)	43,328	(4,204,315)	6,492,757

Additional Information (Continued)

Five year Financial Performance

	2018/2019	2020 (*Restated)	2020/2021	2021/2022	2022/2023	2023-2024
ASSETS & LIABILITIES:-						
Non-Current Assets						
Property, Plant and Equipment	49,207,591	49,194,863	52,420,326	51,455,247	1,029,642,388	1,030,172,588
Intangible Assets	199,276	156,371	111,916	37,139	16,312	49,138
Operating Lease	-	-	-	-	-	-
Total Non-Current assets	49,406,867	49,351,234	52,532,242	51,492,386	1,029,658,699	1,030,221,726
Current Assets						
Inventories	107,655	102,146	90,954	105,353	120,763	200,830
Trade and Other Receivables	16,334,627	16,222,417	12,497,039	12,493,254	10,158,325	16,076,348
Reserve Account	2,521,401	2,528,263	728,038	289,838	2,970,254	3,167,983
Cash and Cash Equivalents	15,006,891	7,452,617	4,778,236	6,446,050	6,970,488	4,845,696
Airstrips Fund Cash Balance	2,062,287	2,794,578	2,193,600	2,473,782	2,360,574	2,312,407
Deferred Tax Asset	17,489	226,237	156,385	-	-	-
Total Current assets	36,050,351	29,326,258	20,444,252	21,808,278	22,580,404	26,603,264
TOTAL ASSETS	85,457,217	78,677,492	72,976,495	73,300,664	1,052,239,103	1,056,824,990
EQUITY AND LIABILITIES						
Capital and Reserves						
Government Grant	17,800,388	17,642,284	17,399,655	16,780,395	16,259,916	15,626,746
Revaluation Reserve	989,839	989,839	989,839	989,839	981,408,540	982,853,756
Retained Earnings	46,299,910	38,930,051	33,044,685	33,091,914	27,288,902	33,441,688
Other comprehensive Income	-	-	2,497	-	-	52,793
Capital and Reserves	65,090,138	57,562,175	51,434,180	50,864,646	1,024,957,358	1,031,974,983
Non-Current liabilities						
Airstrip Fund	2,062,287	2,794,578	2,193,600	2,473,782	2,360,574	2,312,407
Long Term Loans	9,141,867	10,166,716	12,034,359	11,923,240	13,250,548	10,459,006
Deferred Tax Liability	-	-	-	130,461	1,751,356	1,773,877
Total Non-Current Liabilities	11,204,154	12,961,294	14,227,959	14,527,483	17,362,478	14,545,290
Current Liabilities						
Trade and Other Payables	6,480,985	5,044,394	3,521,657	4,394,290	6,272,207	6,071,677
Current Portion of Long Term Loan	811,660	974,065	1,024,307	1,053,837	1,422,338	1,696,609
Provisions for Liabilities and Charges	1,870,278	2,135,564	2,768,392	2,460,408	2,224,721	2,536,430
Total Current Liabilities	9,162,924	8,154,022	7,314,356	7,908,535	9,919,266	10,304,716
TOTAL EQUITY AND LIABILITIES	85,457,216	78,677,491	72,976,494	73,300,664	1,052,239,102	1,056,824,990

KSHS'000

Additional Information (Continued)

Aircraft (No.)

Airport/Airstrip	2019/2020	2020/2021	2021/2022	2022/2023	2023-2024
Jomo Kenyatta Int. Airport	91,968	57,905	86,119	99,279	109,885
Moi Int. Airport	21,628	15,875	23,946	26,956	28,127
Eldoret Int. Airport	6,888	5,852	7,604	6,328	6,314
Wilson Airport	72,938	65,512	86,641	88,599	87,670
Kisumu Int. Airport	8,046	6,640	11,998	10,924	11,124
Malindi Airport	9,083	7,641	12,237	14,722	15,230
Lokichoggio Airport	1,269	971	1,255	813	375
Wajir Airport	10,432	4,024	3,715	6,577	7,328
Manda Airstrip	4,083	3,355	4,998	3,768	3,421
Ukunda Airstrip	7,519	4,885	9,059	9,000	9,272
Isiolo Airport	526	272	271	388	318
Other Airstrips**	12,082	7,829	11,382	14,091	15,530
Total	246,462	180,761	259,225	281,445	294,594

Passengers (No.)

Airport/Airstrip	2019/2020	2020/2021	2021/2022	2022/2023	2023-2024
Jomo Kenyatta Int. Airport	6,187,601	2,563,491	5,398,201	7,395,105	8,629,261
Moi Int. Airport	1,176,239	646,498	1,193,545	1,482,047	1,663,196
Eldoret Int. Airport	204,362	164,142	273,212	265,743	292,869
Wilson Airport	577,922	383,953	753,264	778,555	760,634
Kisumu Int. Airport	358,184	298,189	543,685	538,545	560,690
Malindi Airport	128,547	133,308	242,690	230,481	227,975
Lokichoggio Airport	2,901	898	1,339	997	645
Wajir Airport	112,981	51,296	65,906	60,873	63,953
Manda Airstrip	74,795	61,724	104,435	95,029	93,656
Ukunda Airstrip	128,198	126,683	242,344	197,476	226,101
Isiolo Airport	922	541	784	1,125	1,222
Other Airstrips**	86,772	43,072	73,541	101,820	142,090
Total	9,039,424	4,473,795	8,892,946	11,147,796	12,662,292

Freight (Kgs)

Airport/Airstrip	2019/2020	2020/2021	2021/2022	2022/2023	2023-2024
Jomo Kenyatta Int. Airport	335,989,918	342,728,719	366,154,468	367,229,796	391,791,491
Moi Int. Airport	1,478,439	1,475,494	2,675,182	2,151,347	4,249,008
Eldoret Int. Airport	13,128,281	12,879,372	11,237,071	8,296,158	1,645,994
Wilson Airport	87,892	-	-	83,428	28,029
Kisumu Int. Airport	-	-	1,522	-	5,000
Lokichoggio Airport	-	-	76,333	99,610	-
Isiolo Airport	700	15,325	12,401	-	-
Total	350,685,230	357,098,910	380,156,977	377,860,339	397,758,343

** Kitale, Lodwar, Eldoret, Kabunde, Kakamega, Nanyuki & Migori

**KENYA AIRPORTS AUTHORITY ANNUAL REPORTS AND FINANCIAL TATEMENTS FOR THE YEAR
ENDED JUNE 30,2024**

Additional Information (continued)

Detailed analysis of the cash and cash equivalents					
CASH & CASH EQUIVALENTS					
			BANK BALANCE	ADJUSTMENTS	CASH BOOK
			30th June 2024	30th June 2024	BALANCE
					30th June 2024
RESERVE ACCOUNTS					
			Kshs.	Kshs.	Kshs.
Name of the Bank	Bank Account No	Currency			
BBK RES Current (USD) Main A/C-0500000340	0500000340	USD	1,556,914,540	-	1,556,914,540
ABSA KENYA(USD) Main A/C -2021464654	2021464654	USD	436,467,120	-	436,467,120
ABSA D/SERVICE Current (USD) Main A/C-2021464751	2021464751	USD	87,173	-	87,173
ABSA RES Current (USD) Main MIA A/C-2032129067	2032129067	USD	67,897,951	-	67,897,951
ABSA D/SERVICE Current(\$)/MIA Main A/C-2032129091	2032129091	USD	306,294	-	306,294
ABSA Current(\$)/Main MIA A/C-2032129156 OPERATIONAL	2032129156	USD	71,981	-	71,981
BB PARIS RESERVE USD (MIA)-0050000342	0500000342	USD	1,106,237,641	-	1,106,237,641
TOTAL			3,167,982,700	-	3,167,982,700
CASH IN HAND & AT BANK					
ABSA KENYA	2022988088	KES	248,710,086	-	248,710,086
NATIONAL BANK OF KENYA	01003058234200	KES	57,310,160	(481,444)	56,828,716
NATIONAL BANK OF KENYA	02003058234700	USD	32,407,659	364,164	32,771,824
KENYA COMMERCIAL BANK	1108348521	KES	304,430,647	(1,109,206)	303,321,442
KENYA COMMERCIAL BANK	1128430460	USD	725,226,521	1,105,285	726,331,806
CITIBANK	300090001	KES	105,627,983	9,634,555	115,262,538
CITIBANK	300090012	USD	11,926,748	-	11,926,748
CITIBANK - JKIA	300090613	KES	16,910,029	-	16,910,029
CITIBANK - MIA	300090621	KES	1,002,500	-	1,002,500
ABSA KENYA	2029771084	USD	119,154,822	-	119,154,822
EQUITY BANK	1480262341391	KES	891,465	-	891,465
EQUITY BANK	1480262341788	USD	2,256,336	-	2,256,336
CASH IN HAND		KES	22,745	-	22,745
			1,625,877,702	9,513,355	1,635,391,058
CALL DEPOSIT					
HF COMPANY OF KENYA	CALL	KES	370,272,097	-	370,272,097
			370,272,097	-	370,272,097
FIXED DEPOSITS					
HF COMPANY OF KENYA	MORTGAGE	KES	639,103,708	-	639,103,708
KENYA COMMERCIAL BANK	Fixed Deposit	USD	697,537,445	-	697,537,445
EQUITY BANK	Fixed Deposit	USD	849,976,413	-	849,976,413
FAMILY BANK	Fixed Deposit	USD	653,415,142	-	653,415,142
TOTAL			2,840,032,708	-	2,840,032,708
AIRSTRIP					
FAMILY BANK	068000008283	KES	98,938	-	98,938
STANDARD CHARTERD BANK	0104098894801	KES	210,818,883	106,483,460	317,302,343
CENTRAL BANK OF KENYA - TREASURY BILLS	Treasury Bills	KES	1,995,006,100	-	1,995,006,100
			2,205,923,921	106,483,460	2,312,407,381

APPENDIX 1: Implementation status of Auditor-General prior year recommendations

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
1	Operating Revenue	<p>1. Aeronautical revenue at Nanyuki</p> <p>The Authority is in process of compiling data and billing is expected to be done by November 2024</p> <p>2. Nyaribo Airstrip</p> <p>The Authority is in process of compiling data and billing is expected to be done by November 2024</p> <p>3. Private operator's rentals</p> <p>Currently the businesses operating in Nanyuki Airstrip are Barney's restaurant and Northern nomad curio shop. The Authority is in process of concluding negotiations on rental income to enable formalization of contractual arrangement with a view of billing the two concessionaires</p>	<p>1. Not Addressed</p> <p>2. Not Addressed</p> <p>3. Partially Addressed</p>	<p>November 2024</p> <p>November 2024</p> <p>December 2024</p>
2	Understatement of Rental Income on Non – Aeronautical Revenue	<p>JKIA Resort Club (Mwenje Resort)</p> <p>The commercial terms during on boarding of the tenant only factored in the build-up area.</p> <p>a renewal process was initiated in 2020. Subsequently a space verification was done which reviewed the commercial spaces to included even the open areas. The Authority formed a team to negotiate with the tenant and the process is yet to be finalized.</p> <p>Bluebird Aviation</p> <p>Management has taken note and has commenced on an exercise to establish the circumstances surrounding the change of rates from Kshs. 20 per sq. ft per annum to Kshs.6 per sq ft and take corrective action.</p>	<p>Not Addressed</p> <p>Not Addressed</p>	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
3.1	Cargo Concession Revenue	<p>The Authority is in process of integrating into Integrated Customs Management System (ICMS) which has visibility of all cargo airlifted from JKIA which will assist in verification of the quantity of the cargo.</p> <p>The Authority sought approval on the proposed rates from the State department for Transport as matter of procedure in reviewing a Concession order. We still await Cabinet Secretary's Approval of the Concession Order to operationalize the new progressive charge rates.</p>	Not Addressed	
3.2	Unbilled Facilitation Concession	<p>A restricted tender was done for Meet and Assist targeting participants of the last tender that was terminated after an appeal from one of the bidders</p> <p>The tender was responsive and awarded to Ms. Willies Protocol and TAV</p> <p>One of the unsuccessful bidders however appealed to PPRA and this delayed the process. PPRA ruled in the favor of KAA</p> <p>The same bidder went to court on the same matter. They have since withdrawn the case. The court has since ruled in KAAs favor and licence agreements have been prepared for both Willies Protocol and TAV awaiting execution</p>	Partially addressed	Ongoing
3.3	Unsupported Manual Car Park Revenue Collection	<p>The Authority is in process of automating carpark collection at KIA. .</p> <p>For EIA and MLD, the automation process have been hampered by court case. The Authority has enhanced internal controls to ensure all car entries are charged and cash collected is banked.</p>	Partially addressed	
3.4	Unsupported Contracted Car Park Revenue Collection System	<p>The Authority wrote to the concessionaire to address the shortcomings highlighted above. We await their response with a view of determining the way forward. However, the</p>	Not addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		contract is due for review of their performance in 2024/2025		
4.0	Unsupported Administrative Expenses	The documents for procurement process for the legal services were provided, they show the scope and terms and conditions for engagement.	Addressed	Done
5.0	Establishment Expenses: Write – Off of Advance Payments on Greenfield Terminal Project	1.The Authority still await the consent Arbitral Award issued thereto under Article 33 of the ICC Arbitration Rules from ICC, we will share the same upon receipt 2.The Cabinet Memorandum CAB (23)215 on the Final Settlement Agreement submitted jointly by Cabinet Secretary for the National Treasury and Economic Planning and the Attorney General referred to by Secretary to the Cabinet was not part of documents provided to the Authority by the Solicitor General.	Not addressed Not addressed	Done Not under jurisdiction of the Authority
6.1	Kenya Airways Debt	The Authority is pursuing the debts through negotiation with the support from the Parent Ministry and National Treasury. The customer has provided a payment plan which we intend to ensure is adhered to.	Partially addressed	Ongoing
6.2	Receivables from Kenya Revenue Authority	This debt mainly constitutes of APSC revenue owed to KRA majorly by two airlines, Kenya Airways (KQ) and Fly 540, accrued in our books after reconciling the same. The Authority is pursuing the KQ debt with the assistance of the Parent Ministry. KRA as the mandated collecting agent, is also pursuing the recovery of all APSC debt.	Not addressed	Ongoing
6.3	African Cargo Handling Limited	This is a Kenya Airways subsidiary company. The Authority is also pursuing the debt through negotiation with the support from the Parent Ministry and National Treasury. The customer has provided a payment plan which is being monitored.	Partially addressed	Ongoing

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
6.4	Unremitted Car Parking Revenue	From July 2023, the concessionaire has paid KES 111,052,375 that relate to June 2023 debt. The balance is disputed and we issued credit notes to offset the same in the current financial year.	Addressed	Done
6.5	Staff Receivables	The Job evaluation debt has been recovered from staff arrears already paid. The remaining balance is made up of operational staff debts under procedural recovery that include outstanding staff car loans, advances and motor vehicle insurance recoverable.	Partially Addressed and continuous recovery of other loans outstanding.	ongoing
6.6	5.1 Term Deposits	This matter was presented to Public Investment Committee (PIC) and discussed to conclusion in 8 th PIC report.	Not Addressed	
6.7	Unconfirmed One Time Customer Account Balances	Management is currently undertaking a reconciliation of these accounts as part of the business recovery exercise.	Not Addressed	Ongoing
7.0	Inventories not Disposed off	The obsolete items of Kshs. 1,903,201 were destroyed during fire at JKIA and were compensated by insurance. The value will be accordingly removed from our books of accounts during the FY 2023/24.	Addressed	Done
8.1	Unsupported Land Acquisition	Malindi Airport The National Land Commission pursuant to the Land Act (No. 6 of 2012), Part VIII vide Gazette Notice No. 339 dated 13 th January, 2017 gave notice to acquire parcels of land for expansion of Malindi Airport. The Gazette Notice No. 339 dated 13 th January, 2017 indicates the affected parcels of land and the area to be acquired. The Authority is currently awaiting for valuation report from NLC for additional properties owners	Not addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		who have written letters seeking compensation for their land.		
8.2	Land Without Ownership Documents	<p>1-3.29 acres located at Nairobi - Embakasi Village- Kenya Airports Authority Police Station The value of the land as determined by the Government valuer in 17th June 2019 has been included in the financial statements for the year ended 2019/2020. The Authority has not surrendered the land and title documents to National Police Service and remains the registered proprietor of the Land. The Authority's Board of Directors at its meeting held on 30th October, 2020 approved issuance of a Lease to the National Police Service as per the Authority's policy on Leases, Licenses and Concessions.</p> <p>2-Land for the expansion of Kisumu International Airport 2.The requisite documents were availed to the auditor for verification. The matter was closed in the 24th PIC report.</p> <p>3-two title deeds for the Kisumu International Airport The matter was discussed and closed in the 24th PIC report</p>	<p>Not addressed</p> <p>2.Addressed</p> <p>3. Addressed</p>	
8.3	Omitted Biological Assets	The Biological Assets (Trees) have been included in Financial statements for FY 2023/2024	Addressed	Done
8.4	Misstatement of Capital Work in Progress	<p>1.Consultancy services for design of TI B, C & D Kshs 478,552,539</p> <p>The Authority is in the process of expanding TI B, C & D through the construction of an infill to increase capacity.</p>	1. Addressed.	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>The design submitted by the consultant are therefore relevant and the related cost does not qualify for expensing.</p> <p>2.Consultancy services on construction and improvement of water supply and sewerage disposal at JKIA, MIA and KIA- Kshs 32,323,533</p> <p>The designs are valid and will be applicable during implementation of water reticulation and sewerage disposal. The Authority is sourcing for funds to continue with the implementation phase.</p> <p>3.Amount Transferred to National Land Commission (NLC) to pay squatters occupying land neighboring Malindi Airport</p> <p>The National Land Commission pursuant to the Land Act (No. 6 of 2012), Part VIII vide Gazette Notice No. 339 dated 13th January, 2017 gave notice to acquire parcels of land for expansion of Malindi Airport. The Gazette Notice No. 339 dated 13th January, 2017 indicates the affected parcels of land and the area to be acquired.</p>	<p>2. Not addressed</p> <p>3.Not addressed</p>	Ongoing
9.1	Nairobi – Embakasi	A follow -up letter to National Land Commission dated dated 9 th June, 2020 has been done and we await their reply. A reminder has been sent following subsequent meetings on 1 st April 2021 and 20 th May 2021 with NLC on the same. . The last reminder letter to NLC dated 28 th April 2023 on all encroachment and irregular allocation of titles. A further reminder has been done 19 th April 2024	Not Addressed	Ongoing
9.2	Jomo Kenyatta International Airport	The parcels of land (LR. No. 14231) in the name of Uungani Settlement Self Help Group and; LR No. 13512 in the name of Mlolongo Brothers Association) are within JKIA land (LR.21919) and have been included in KAA books.	Addressed	Done

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>The Commissioner of Lands by way of a letter dated 30th December, 2005 confirmed that the alleged letters of allotment are not genuine.</p> <p>The Authority challenged the alleged allotment. In the Court's Judgement delivered on 12th April, 2021, the Defendant's Counterclaim seeking amongst others, the sum of Kshs. 20 billion, was dismissed.</p>		
9.3	Wilson Airport	<p>On receipt of the ruling abovementioned, the Plaintiffs failed to prosecute the matter and when the Authority applied to have the matter dismissed for want of prosecution, the Plaintiffs instead withdrew the case.</p> <p>The NLC in its response dated 29th January 2018 only addressed three (3) matters excluding the suit parcel.</p> <p>The Authority has written to NLC following up on the status of the revocation in light of its application for renewal of term</p>	Not Addressed	Ongoing
9.4	Malindi Airport	<p>The Authority intends to expand the Airport through land acquisition and invited NLC to undertake the process. The Authority awaits the advice from the NLC on the matter and a reminder was sent on 28th November 2023 on all encroachment and irregular allocation of titles. A further reminder has been done on 19th April 2024 .</p>	Not Addressed	Ongoing
9.5	Non-Disclosure of land - Airports, Airstrips and Staff Quarters	<p>The Authority on 5th September, 2013 wrote to NLC seeking guidance on the lodging of caveats with respect to individual parcels within airport land that had been allocated to third parties.</p> <p>Subsequently, NLC commenced the review of the JKIA title and issued a report which was published through gazette notice dated 15th February, 2019. NLC further visited Wilson and Mombasa Airports to address similar problems. However, before the process was concluded,</p>	Not Addressed	Ongoing

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		the Commission's constitutional powers for review lapsed.		
9.6	Land Allocated/Leased to Kenya Pipeline Company	<p>The Authority Board directed for issue of a lease for the portions at Jomo Kenyatta International Airport (JKIA) and Moi International Airport (MIA) for a period of thirty (30) years at market rate in line with its Policy on Leases, Licenses and Concessions.</p> <p>The Authority is in process to close out on the commercial terms (NOA) with KPC.</p>	Partially Addressed	Ongoing
10.0	Non-Compliance with IAS 16 on Property, Plant and Equipment and IAS 8 on Accounting Policies, Changes in Accounting Estimates and Errors	<p>The Authority has endeavoured to comply with the International Financial Reporting Standards on the accuracy of Property , plant and equipment, the statement of changes in equity and the operating results as reported in the financial statements as explained .</p> <p>Correspondences with the Public Sector Accounting Standards Board and the National Treasury demonstrate deliberate effort to ensure compliance.</p>	Addressed	
11.0	Unsupported Long-term Loans	<p>This was an advance given for consultancy. The only document available is an Advance Agreement for preparation of proposed Kenya Aviation Modernization Project preparation, advance No. V0440.</p> <p>Management is following up with The National Treasury to confirm whether the amount disbursed was a loan or a grant to the Authority.</p>	Not Addressed	Ongoing
12.0	Balance Due to Kenya Civil Aviation Authority	<p>Amounts payable to KCAA are determined after a detailed reconciliation of APSC receipts. The balance on account of KCAA is what the Authority has evidence as payable to them being their share of APSC relating to Q4 of 2023.</p>	Addressed	Done

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
	Contingent Liabilities	<p>The Authority has taken the following measures to mitigate against crystallization of the above contingent liabilities.</p> <ul style="list-style-type: none"> a) Negotiations and mediation for an amicable settlement. b) Engagement of reputable external counsel to assist c) Regular monitoring and follow up of the matters d) Land Matters- the involvement of National Land Commission and other agencies in land issues have reduced the land matters 	Not Addressed	Ongoing
1	Delayed Construction of Terminal IA Concrete Apron at Jomo Kenyatta International Airport	<p>Contractor has been issued with Notices of slow progress and non-performance and the Authority guided by the provisions of the Contract issued a Notice to terminate on 22nd February 2022.</p> <p>Termination proceedings have already commenced including a planned final joint measurement between the contractor's representative and KAA. The outstanding works will be re-tendered once the closure and discharge of the current contractor is finalized.</p>	Not Addressed	Ongoing
2	Unsatisfactory Workmanship on Waterproofing and Heating, Ventilation and Air Conditioning (HVAC) at Terminal IB & C at Jomo Kenyatta International Airport	<p>After the assessment of the roof there were several options in respect of remedial measures to be undertaken. Due to budgetary constraints a short term solution was settled on to protect the works that had already been undertaken with the intention of undertaking a long-term solution when implementing the next phase of the project (Infill project) where the solution entailed undertaking a floor on top of the roof and cover with iron sheets.</p> <p>At the completion of the project most of the leakages have been stopped save for minor leakages at the end joints. It was then decided to settle these leakages once and for all. The floor that was to be undertaken into infill project to be undertaken immediately. This is now being</p>	Addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		implemented under a different contract to the same contractor.		
3	Stalled Construction of VIP Lounge at Nyaribo Airstrip in Nyeri	<p>The VIP lounge was designed for government use and for processing charter passengers and enhance VIP customer/user experience. The revised extension of time of 34 weeks expired on 22nd March 2022 and currently the contractor is not in site.</p> <p>The Authority is pursuing mutual winding up of the project. The works stalled due to liquidity challenges from the contractor and the Authority. The Authority is awaiting the contract to submit the final account as per contract for verification and concurrency. The Authority intends to re-tender the outstanding works under the procurement provisions once the winding up and discharge of the current contractor M/s Ongata Works Ltd is completed.</p> <p>There have been incidences of vandalism on sections of the perimeter fence, this has been noted and the Authority intends to have the entire airstrip land fenced once there is availability</p>	Not Addressed	
4	Delayed Rehabilitation Works for Nanyuki Civil Airstrip	<p>The works have generally been done to drawings and specifications albeit the delays noted. We have continuously issued the contractor with communication on slow progress notices and their continuous absence from site.</p> <p>The delays have been mainly occasioned by issues between the Contractor and the bank in terms of financing. KAA has taken an active role in terms of engaging the Contractor and the bank.</p> <p>The pending works are capital intensive milestones which require more resources. It is anticipated that once the issue between the Contractor and bank is resolved, it will</p>	Partially Addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>take about 4 months to complete the pending works based on the application for extension of time by the Contractor.</p>		
5	<p>Delayed Construction of Cargo Processing Facility at Isiolo International Airport</p>	<p>Construction period ended on 14th April 2022 and a notification to charge penalties issued as per contract Clause 27 of Section IV of the Appendix to the Conditions of Contract at (Liquidated Damages) Kshs 50,000 per day subject to a maximum of 10% of the Contract Sum.</p> <p>The project team carried out an inspection on 28th July, 2022 and the Authority has already surcharged the Contractor liquidated damages up to 10% of the Contract sum for the delays in completion of works. The works stalled due to liquidity challenges from the contractor although the Authority intends to re-tender the outstanding works under the procurement provisions once the winding up and discharge of the current contractor M/s Reliance City Housing Company Ltd is completed.</p>	<p>Not Addressed</p>	
6	<p>Delayed Fencing of Malindi Airport – Phase I</p>	<p>The National Land Commission pursuant to the Land Act (No. 6 of 2012), Part VIII vide Gazette Notice No. 339 dated 13th January, 2017 gave notice to acquire parcels of land for expansion of Malindi Airport. The Gazette Notice No. 339 dated 13th January, 2017 attached indicates the affected parcels of land and the area to be acquired.</p> <p>The Authority remitted Kenya Shillings Four Hundred Million Thirty-One Thousand Seven Hundred Fifty One and Sixty Cents (Ksh. 418,431,751.60/=) to the Commission as compensation for improvements by the Projected Affected Persons (PAPs).</p> <p>The valuation was limited to the improvements and the registered proprietors of the affected parcels of land were not compensated for the land. The Commission under</p>	<p>Not Addressed</p>	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>Section 120 & 121 of the Land Act confirmed payment and issued ninety (90) days' notice to the squatters to vacate the land and hand over possession at the expiry of the notice</p> <p>The Authority vide letter KAA/5/19/6 Vol. 3(3) dated 6th September, 2022 requested the Commission to carry out the valuation of the subjected parcels of land and finalize the land acquisition process. (Letter KAA/5/19/6 Vol. 3(3) dated 6th September, 2022).</p> <p>The Commission will review the grants with respect to the parcels of land and determine the registered proprietors as per the attached letter National Land Commission letter 21st February, 2024 and KAA's letter Ref. KAA/8/15/1 2 Vol. dated 6th March, 2024. The exercise is therefore work in progress.</p>		
7	<p>Delayed and Poor Workmanship on the Alterations to Stem Rainwater Ingress into Passenger Terminal Building at Kisumu International Airport (KIA)</p>	<p>The Authority issued a Notice of Default on 4th March 2022 after the Contractor had failed to action the works as per instructions and within the extended time. By the end of the 14 days' notice period, the project remained incomplete.</p> <p>A 2nd Notice of Default letter sent on the 25th May 2022 giving them 14 days to comply and finalize the works.</p> <p>The Authority has since commenced the Termination of the contract since the Contractor has caused a fundamental breach to the contract and persistent delays.</p> <p>In September 2022, the Authority wrote to the Attorney General seeking legal advisory opinion and clearance to terminate the subject Contract to facilitate commencement of another procurement process</p>	Not Addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		The Authority intends to re-tender the outstanding works under the procurement provisions once the winding up and discharge of the current contractor M/s Facelift Enterprises Limited is completed.		
8	Delayed Construction of Aircraft Pavements at Lanet Airstrip - Phase I	<p>A meeting was convened by the National Government Development – Regional Implementation coordination and Management committee (NGD-RICMC) on 5th March 2024 at the Nakuru County Commissioner office chaired by the CC to deliberate on the status of the project. The committee urged the contractor to resume works and the Authority to communicate the determination of the pending VOP to the Contractor. (copy of the letter dated 28th February 2024 and Ref: SR.ADM.15/6/6/1B VOL.IV/32)</p> <p>The Authority has not granted extension of time No. 4 as it lacks merit, which the Contractor has disputed and this matter has been referred to Arbitration by the contractor. The Arbitration process has not commenced</p>	Not Addressed	
9	Proposed Construction of Passenger Terminal Building at Lanet Airstrip - Phase IB	<p>Slow progress of the works by the contractor that have led to project delays.</p> <p>The Authority issued Default and termination notices to the contractor due to non-performance. Termination proceeding have already commenced</p> <p>The outstanding works will be re-tendered once the closure and discharge of the current contractor is finalised.</p>	Not Addressed	
10	Poor Workmanship of Pavements Rehabilitation Works at Kakamega Airstrip	<p>Kakamega airstrip was planned for rehabilitation following signs of distress and in 2014, the Authority sought the services of MTRD to carry out filed investigations which recommended adoption of the flexible structure.</p> <p>The Contractor implemented the Contracted design however the thin layer of asphalt concrete has showed defects during the defects liability period.</p>	Partially Addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>Before the expiry of DLP, an inspection was done and instruction issued to the Contractor to correct the defects and inspection for the same was carried out on 15th March 2024 where progressive corrective action has been initiated. The final completion certificate will be issued once finalised.</p> <p>Funds to increase the Asphalt Concrete thickness to 100mm to address the future cracks will be in the proposed budget.</p>		
11	<p>Proposed Rehabilitation and Expansion of Angama (Olkurruk) Airstrip – Phase I</p>	<p>Reconstruction works were planned for a period of 12 months and after slow progress of works and nonperformance of Contractual Obligations by the Contractor and issuance of many reminders and notices, The Employer guided by the provisions of the Contract issued a Notice to terminate on 11th October 2023.</p> <p>a).Upon receipt of the notice prior to the expiry of the 14 days' Notice he moved to court and sued the Authority.</p> <p>b)'The matter came up for hearing and the honorable court referred the matter to arbitration.</p> <p>c).Arbitration proceedings have since commenced with the preliminary meeting held on 8th March 2024.</p>	<p>Not Addressed</p>	
12	<p>Poor Workmanship on Pavements Rehabilitation at Moi International Airport (MIA) - Mombasa</p>	<p>Following termination of Contract by the Contractor, KAA initiated a process to procure a Contractor to complete all components of works that remain incomplete including ground and slope stabilization and the rainwater harvesting system. To this end, KAA has finalized tender documents including bid documents, specifications and drawings in readiness for tender as soon as the revised budget of 2023/24 is approved. This is a multiyear project</p>	<p>Not Addressed</p>	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		<p>and has also been included in the proposed 2024/25 FY budget.</p> <p>The above tender will address the sinkholes, unstable grounds and slopes in the area under the scope of the project. The tanks shall also be completed, equipped for water treatment and reticulation before testing and commissioning.</p>		
13	<p>Stalled Refurbishment of the Freight Terminal Building at Moi International Airport – Mombasa</p>	<p>Slow progress of the works by the contractor have led to The Contractor took possession of site on 13th January 2020. Shortly after, COVID-19 outbreak was announced, affecting progress. Two extensions of time were awarded, moving the new completion date to 20th November 2021. The Contractor applied for a further extension of time after November 2021 which was declined.</p> <p>However, the Contractor failed to proceed diligently with the works and was subsequently issued with a Notice of Default for fundamental breach. the Contractor's main challenge is financial after the Interim Payment Certificate 2 was paid to Kenya Revenue Authority (KRA) following communication from KRA on 25th July 2022. On 21st September 2022, KRA requested KAA to facilitate remittance of Kshs 3,494,164 from the Contractor's account, hence the remittance of IPC 2.</p> <p>Having failed to improve the works were mutually terminated on 10th June 2024. The Authority will procure another contractor to complete the works</p>	<p>Not Addressed</p>	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
14	Delayed Construction of Perimeter Wall at Moi International Airport	As noted in the audit, the remaining areas at the airport had not been completed due to encroachment and protracted land disputes by the community. The Authority will engage NLC to have this matter resolved to enable the Authority contract and have this portion of land fenced.	Not Addressed	
15	I. Delayed Construction of Security Fence at Ukunda Airstrip	The remaining areas at the airstrip had not been completed due to encroachment and protracted land disputes by the community. The community had filed a matter of land ownership at the Environment and Land Court of Kwale. To unlock the stalemate, NLC initiated tripartite negotiations with the community to settle the matter out of Court. However, the community declined. To safeguard the Authority against litigation and claims, and through an agreement with the Contractor, the project was closed and Contractor released pending resolving of the ownership and encroachment matter. The Court on 31st March 2023 issued a determination on the matter in favour of KAA. It is on the basis of the above determination that the encroachment issue is now a security matter that is being addressed accordingly.	Not Addressed	
16	Irregular Payment of Acting Allowance for a Period of More than Six Months	The Board and Management had initiated the recruitment process for positions in acting capacity, however the State Corporation Advisory Committee (SCAC) advised that the recruitment be put on hold awaiting finalization of the Human Resource Instruments. In addition, there was a freeze on recruitment by government and in view of this management sought an exceptional approval from the Head of Public service to recruit.	Partially Addressed	

S/no	OAG Observation 2022-2023	Management Response	Addressed / Not Addressed	Timelines
		Subsequently Fifteen (15) positions have since been substantively filled out of the 35 positions that were held in acting capacity for the year under review.		
1	Kenya Airports Authority Malware / Cyber Attack	<p>The Authority has added an additional level of secure backup by implementing a Cloud Backup Solution on the AWS cloud platform. To boost recovery from a cyber incident the Authority will implement a Cyber Recovery Solution based on Offline Air Gapped Disk within the financial period 2024/25.</p> <p>The Authority is in the process of reviving the Secondary Data Center, emergency restoration works have been carried out. A new maintenance agreement will be procured within the next financial period 2024/25.</p>	Partially addressed	2024/2025
2.1	Ineffective Integration of ePOS System	The Authority is in the process of procuring a maintenance contract with a view of harmonizing the maintenance of the two EPOS systems from Eastr Solutions Ltd and from Compulynx Ltd.	Not Addressed	2024/2025

APPENDIX II-PROJECTS UPDATE – JUNE 2024

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progress
1)	Proposed Fabrication And Installation Works To Prevent Rain Water Ingress In Terminals IA, B, C, E & The State Pavilion At Jomo Kenyatta International Airport	Commencement Date: 19 th March, 2024	Kshs. 316,954,865.24	Advance Payment Paid: Kshs. 63,390,973.00	Rationalized Budget Provision FY 2023-2024: Kshs. 147M Budget Provision FY 2024-2025: Kshs. 240M	CAA	% Completion 40%
2)	Rehabilitation of Apron Pavements at JKIA.	27 th November, 2019	Kshs. 265,950,358	Amount percent % Certified to Date: Kshs. 147,596,947.76	Budget Provision FY 2019-2020: Kshs. 500M	CAA	% Completion 80%
3)	Replacement of 11KV Technical Ring Switchgear and low voltage boards at SSM, cargo, HQ and technical ring electrical substations at JKIA.	24 th January, 2019	Contract Price: Kshs. 199,979,023.30	Amount & percent Certified to Date: Kshs. 174,796,034.22	Budget Provision FY 2019-2020: Kshs. 200M	CAA	% Completion 98%
4)	Replacement of the two (2No) old 1400 KVA Blackstone Generators at M-Station with two new 2MVA generators at JKIA.	27 th January, 2020	Kshs. 147,960,078.00	Kshs. 110,365,764.00	Budget Provision FY 2019-2020: Kshs. 150M	CAA	% Completion 95%
5)	Completion of works for installation of (2No.) 2MVA standby generators & associated works at JKIA.	13 th October, 2023	Kshs. 47,821,533.77	Amount & percent Certified to Date: Kshs. 22m	Budget Provision FY 2023-2024: Kshs. 50M	CAA	% Completion 98%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progress
6)	Direct Procurement for Supply & Replacement of Taxiway Lighting Fittings and Damaged Signage at JKIA.	03 rd April, 2023	€ 956,559.42	Amount & percent Certified to Date: € 187,427.92 (Advance Payment).	Budget Provision FY 2019-2020: Kshs. 140M	CAA	% Completion 40%
7)	Trenching of Fibre Route and Associated Civil Works at JKIA.	02 nd June, 2023	Kshs. 7,258,440.16	Amount & percent Certified to Date: Nil	Budget Provision FY 2023-2024: Kshs. 10M	CAA	% Completion 95% Time lapse is 95%
8)	Contract for Consultancy Services of Gap Analysis & Implementation of; Integrated EBS Management System ISO: 14001:2015, ISO: 4500:2018 at JKIA & MIA & Airport Carbon Accreditation Level 2 at JKIA MIA, KIA and EIA.	17 th August, 2022	Kshs. 17,963,107.85	Amount Paid: Nil	Budget Provision FY 2022-2023: Kshs. 17,963,107.85	AfDB & CAA	% Completion 70%
9)	Proposed Musa gate Access Road and Civil Works at JKIA.	8th November 2022	Kshs. 32,991,885.28	Amount & percent Certified to Date: Kshs. 21,253,664.55	Budget Provision FY 2021-2022: Kshs. 30M	CAA	% Completion 99%
10)	Pavements Rehabilitation at MIA.	28 th May 2018	Kshs. 7.008B	Works Contract: Contract Price: Kshs. 7.008B Amount & percent Certified to Date:	Budget Provision FY 2019-2020: Kshs. 7B	AfD/KAA	% Completion 91.7%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progress
				<p>Kshs. 5,411,498,398.31 including VAT (Excluding advance payment of Kshs. 700M).</p> <p>KShs 27,696,564.07 with respect to DB Decision No. 2 (Financing Charges Component);</p> <p>EUR 167,683.89 plus KShs 18,489,745.6 with respect to DB Decision No. 7; and KShs 13,716,295.41 and EUR 123,640.51 with respect to DB Decision No. 8.</p> <p>KShs 6,006,667.78 for DB Decision No. 4.</p>			
11)	Proposed Refurbishment of the Freight Terminal Building at MIA.	13 th January 2020	Kshs. 18,420,325.00	Amount & percent Certified to Date: Kshs. 12,704,550.01	Budget Provision FY 2020-2021: Kshs. 20M	KA	% Completion 68%
12)	Proposed construction of Crisis/Emergency Operations Centre at MIA.	13 th May 2022	Kshs. 13,995,131.66	Amount & percent Certified to Date: Nil	Budget Provision FY 2020-2021: Kshs. 15M	KA	% Completion 0%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progress
13)	Proposed Construction of Security Watch Towers Lot 2 at MIA.	10 th November 2020	Kshs. 3,040,249.80	Amount & percent Certified to Date: Nil	Budget Provision FY 2020-2021: Kshs. 3M	KAA	% Completion 20%
14)	Proposed Alterations to Stem Rainwater Ingress into Passenger Terminal Building at KIA.	07 th November 2019	Kshs. 15,699,840.20	Amount & percent Certified to Date: Kshs. 9,474,712.36	Budget Provision FY 2019-2020: Kshs. 15M	KAA	% Completion 85%
15)	Maintenance & Repair of Airfield Ground Lighting (AGL) Control Panel Equipment at KIA.	19 th October, 2022	€ 38,420.21	Amount & Percent Certified to Date: € 7,373.27 - Advance payment which is 20% of contract sum	Budget Provision: € 30,000	KAA	% Completion 0%
16)	Replacement of AGL Cables and Accessories at EIA.	16 th May, 2023	Works Contract: Contract Price: US\$ 720,993.64 and Kshs. 64,983,524.81/	Amount & percent Certified to Date: US\$ 132,754.44 Kshs. 11,965,220.44 - Advance payment. US\$ 387,940.35 Kshs. 18,842,850.71	Budget Provision FY 2022-2023: Kshs. 150M	KAA	% Completion 95%
17)	Proposed Refurbishment of VIP Lounge at Malindi Airport.	26 th January, 2020	Kshs. 3,987,940.00	Amount and percent Certified to date: Kshs. 2,216,849.20	Budget provision Kshs. 20M	KAA	% Completion 96%
18)	Proposed Rehabilitation Works to prevent rainwater ingress at Malindi Airport:	20 th September 2023	Kshs. 9,437,420.46	Amount and percent Certified to date: Kshs. 1,836,098.34	Budget provision Kshs. 20M	KAA	% Completion 70%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progr
19)	Fencing of acquired land Kwa-chocha at Malindi Airport.	27 th January, 2022	Kshs. 28,868,123.08	Amount and percent Certified to date: Kshs. 25,041,990.14	Budget provision Kshs. 28,868,123.08	KAA	% Completior 97%
20)	15KVA Centralized UPS & AVR at Malindi Airport.	13 th May 2022	Kshs. 3,997,920.00	Amount and percent Certified to date: Kshs. 2,122,800	Budget provision Kshs. 4M	KAA	% Completior 100%
21)	Proposed Construction of Cargo Processing Facility at Isiolo International Airport.	Commencement date: 7 th January 2021- Building & Civil Works. 14 th October 2021- Associated Electrical & Mechanical works	Contract Price: Kshs. 20,983,495.50 - Building & Civil Works. Kshs. 3,349,119 - Associated Electrical & Mechanical works.	Amount and percent Certified to Date: Kshs. 15,843,915.68	Budget Provision 2021-2022: Kshs. 25M	GOK	% Completior 93% - Building & 65% - Associate Mechanical wor
22)	Construction of Aircraft Pavements at Lanet Airstrip Phase I.	23 rd February, 2021	Contract Price: Kshs. 406,761,591.97 Revised Contract Sum: Kshs. 455,020,173.08	Amount and percent Certified to date: Kshs. 321,659,784.00	Budget provision Kshs. 400M	GOK	% Completior 81%
23)	Proposed Construction of Passenger Terminal Building at Lanet Airstrip	01 st April, 2022	Kshs. 99,551,486	Amount and percent Certified to date Kshs. 17,737,952.00	Budget provision 2021-2022 Kshs. 100M	GOK	% Completior 34%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progress
	Phase I(b).						
24)	Proposed Rehabilitation of Nanyuki Civil Airstrip.	04 th July, 2020	KShs. 329,853,680.94	Amount and percent Certified to Date: Kshs. 189,772,476.93	Budget provision 2020-2021 Kshs. 350M	GOK	% Completion 81%
25)	Reconstruction of Taxiway and Apron at Manda Airport.	5 th April 2021	Original: Kshs. 121,726,189 Revised: Kshs. 129,726,189.00	Amount and percent Certified to date Kshs. 107,141,742.71	Budget provision 2022-2023 Kshs. 100M	GOK	% Completion 80% - Works
26)	Proposed 200m Runway and Apron Extension at Ukunda Airstrip.	9 th September, 2022	Kshs. 173,702,292.96	Amount and percent Certified to date: Kshs 91,198,840.29	Budget provision Kshs. 185M	Tourism Promotion Fund	% Completion 71% Turn pad @100% complete Runway Extension 100% complete Operational. Runway Strip 95% completed. Apron & Taxi Excavation @80% Engineer's office KCAA Tower 100% complete
27)	Proposed VIP Lounge at Nyaribo Airstrip at Nyeri.	8 th October 2020	Kshs. 39,920,629.12	Amount and percent Certified to date	Budget provision Kshs. 40M	GOK	% Completion 89%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progr
				Kshs. 24,460,792.48			
28)	Rehabilitation of Bute Airstrip at Wajir.	15 th November 2022	Contract Price: Kshs. 42,800,081.35 Contract Variation: Kshs. 10,524,687.71 Revised: Kshs. 53,324,769.06	Amount and percent Certified to date Kshs. 31,462,408.84	Budget provision 2022-2023 Kshs. 50M	GOK	% Completi Physical Progress BoQ) 81.5%. Physical Progress BoQ) 42.4%.
29)	Rehabilitation of Kapenguria Airstrip.	16 th August 2022	Kshs. 28,407,840.30	Amount and percent Certified to date: NIL	Budget provision Kshs. 33M	GOK	% Completi 5%
30)	Rehabilitation of Tseikuru Airstrip (Phase II).	Commencement Date: TBA	Contract Price: Kshs. 77,443,582.79	Amount and percent Certified to date: NIL	Budget provision 2022-2023 Kshs. 85M	GOK	% Completi 0%
31)	Rehabilitation of Marsabit Airstrip.	26 th July 2022	Contract Price: Kshs. 61,257,506.20	Amount and percent Certified to date Kshs. 59,773,535.60	Budget provision 2022-2023 Kshs. 70M	GOK	% Completi 97.85%
32)	Proposed Rehabilitation and Expansion of Angama	17 th December 2021	Contract Price:	Amount and percent Certified to date	Budget provision 2022-2023	GOK	% Completi 32.7%

Ref	Name of Project	Commencement Date	Project cost	Total expenditure to date	Budget	Source of funds	Progr
	(Olkurruk) Airstrip (Phase I).		Kshs. 243,933,563.51	Kshs. 41,704,491.86	Kshs. 250M		
33)	Runway rehabilitation Phase II at Lokichoggio Airport:	25 th November, 2020	Kshs. 281.041M	Amount and percent Certified to date Kshs. 79,394,198.23	Budget provision 2021-2022 Kshs. 280M	GOK	% Completior 34.5%
34)	HVAC project at Lodwar Airstrip.	28 th December 2023	Kshs. 6,764,064.20	Amount and percent Certified to date: NIL	Budget provision 2023-2024 Kshs. 7M to be factored in the revised budget.	CAA	% Completior 0%