

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT DATE: 19 JUN 2025 DAY: Thursday

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THE AUDITOR-GENERAL

ON

**NAIROBI INTERNATIONAL FINANCIAL
CENTRE AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



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NAIROBI INTERNATIONAL
FINANCIAL CENTRE

(Nairobi International Financial Centre Authority)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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Nairobi International Financial Centre Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Authority Information and Management

(a) Background information

The Nairobi International Financial Centre (NIFC) is a new business environment established to make it easier and more attractive to invest and conduct financial services and related activities in Kenya. The NIFC was created by the NIFC Act of 2017. The NIFC is managed by the NIFC Authority (the Authority), a state corporation under the National Treasury. The NIFC was officially opened in July 2022 and is a flagship initiative under the economic pillar of the Kenya Vision 2030.

(b) Principal Activities

The objectives of the Authority are to—

- a) Establish and maintain an efficient operating framework to attract and retain firms.
- b) Develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be NIFC firms; and
- c) Review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

(c) Key Management

The Authority's oversight and day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	1) Vincent Rague Chairperson 2) James Irungu Mwangi Director 3) Janice Kotut Sang Director 4) Carole Wainaina Director 5) Jonathan Swai Director

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No.	Designation	Name
		6) Samuel Kiptorus Director (National Treasury)
		7) Dinah Mboje Director (Attorney General)
		8) Symon Chehelgo Director (International Trade)
2.	Chief Executive Officer	9) Oscar Njuguna (Acting)
3.	Financial Sector Development Directorate	10) Jedidah Ndungu (Acting)
4.	Corporation Secretary	11) Nelson Magunga (Acting)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. CEO	Oscar Njuguna
2.	Ag. Director, Financial Sector Development	Jedida Ndungu
3.	Ag. Corporation Secretary	Nelson Magunga
4.	Ag. Finance Officer	Frederick Olang

(Include positions regarded as top management in your organisation as per your organisational structure).

(e) Headquarters

10th Floor
P.O Box 30007-00100
Treasury Building
Harambee Avenue,
Nairobi, KENYA

(f) Contacts

Tel. +254 793 000 555
Email: info@nifc.ke

(g) Bankers

1. KCB Bank (Kenya) Ltd
NAIROBI, KENYA



(h) Independent Auditor



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

(i) Principal Legal Adviser



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

3. The Board of Directors


Ref	Directors	Details
1.	 <p data-bbox="320 904 730 992">Vincent Rague Chairperson, Board of Directors</p>	<p data-bbox="831 412 1461 792">Vincent Rague is the co-founder of Nairobi-based private equity company Catalyst Principal Partners, chair of Financial Sector Deepening Africa (FSDA) and of Jambo jet Aviation, the low-cost airline and subsidiary of Kenya Airways. He is also a board member of UAP Old Mutual Kenya and MTN Group.</p> <p data-bbox="831 819 1461 1025">Vincent has worked in a variety of senior positions at the World Bank and was the International Financial Corporation’s (IFC) first regional director to South Africa.</p> <p data-bbox="831 1052 1461 1200">Prior to this, Vincent worked at the Central Bank of Kenya, with Citibank in Athens and National Westminster Bank in London.</p>
2.	 <p data-bbox="320 1666 608 1753">James Irungu Mwangi Director</p>	<p data-bbox="831 1234 1461 1615">James is the executive director of global strategy and advisory firm Dalberg Group, a non-executive director of Old Mutual Group and of One Acre Fund, a non-profit organization that supplies smallholder farmers in East Africa with asset-based financing and agriculture training services to reduce hunger and poverty.</p> <p data-bbox="831 1641 1461 1729">Prior to Dalberg, James worked at McKinsey & Company.</p> <p data-bbox="831 1756 1461 1962">James is a 2009 Archbishop Tutu Leadership Fellow of the African Leadership Institute and has served on the Institute’s board. He is also a 2013 Young Global Leader of the World Economic</p>

		<p>Forum (WEF) and currently serves on the Program Advisory Committee of the Clinton Global Initiative.</p>
<p>3.</p>	 <p>Janice Kotut Sang Director</p>	<p>Janice Kotut-Sang is a founding member of Sustainable Links, which aims to mobilise capital towards Climate solutions with a gender lens and sits on the Investment Committee of the Africa Local Currency Bond Fund.</p> <p>Janice was previously Managing Director, PIDG Infr solutions, which was set up as a GuarantCo initiative to be a pathfinder, arranger and collaborator aimed at mainstreaming local currency finance for infrastructure projects in frontier markets.</p> <p>She also brings with her banking experience with Standard Chartered where she worked in Asia, UK and in Kenya. Janice has a LLB from Warwick University and a LLM from King’s College London and an Executive MBA with the Said Business School, Oxford University.</p>
<p>4.</p>	 <p>Carole Wainaina Director</p>	<p>Carole is the chief operating officer of Africa50, a new investment fund set up by the African Development Bank (AFDB) to focus on high-impact national and regional infrastructure projects, mainly in the energy and transport sectors.</p> <p>Before joining Africa50, Carole served as the assistant secretary general for human resources at the UN, leading transformational initiatives for the Secretary General and member states.</p>

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		<p>Prior to this, she worked at Coca-Cola in several senior roles, including chief of staff to the chairman and president of the Coca-Cola Africa Foundation.</p>
5.	 <p>Jonathan Swai Director</p>	<p>Jonathan has extensive experience in international financial market infrastructure organisations. He worked as a senior vice president at Hong Kong Exchanges and Clearing (HKEX) where he helped establish and grow OTC Clear. Before this, Jonathan worked at the London Clearing House (LCH), a subsidiary of the London Stock Exchange Group (LSEG) in a range of business development roles. Jonathan started his career with Citibank in the UK and in Europe.</p> <p>Currently, Jonathan chairs the Derivatives Market Oversight Committee of the Nairobi Securities Exchange (NSE).</p>
6.	 <p>Samuel Kiptorus Director/Alternate Cabinet Secretary National Treasury and Planning</p>	<p>Samuel is the Director - Intergovernmental Fiscal Relations Department in the National Treasury and alternate to Director General Budget, Financial and Economic Affairs and head of county budget and financial transfers Division. An economist and career public servant with thirty (30) years experience in dealing with: Intergovernmental fiscal relations, Economic Planning and Strategic management, Policy, Statistics, Budgeting, Project design, implementation, monitoring and evaluation</p>

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		across . Worked in all the three arms of government.
7.	Dinah Mboje Director/Alternate Attorney General	<p>Dinah is a Senior Lawyer and State Counsel in the Office of the Attorney General for the Republic of Kenya. She holds an LLB and an LLM is a dynamic, creative and highly resourceful Advocate with experience and knowledge of the workings of Government (at both National and County levels), International Law, Public and Private Law.</p> <p>Dinah was a key member of the team that successfully developed and drafted the Public Procurement and Asset Disposal Regulations. She reviewed and advised on procurement contracts for infrastructure projects valued at KES 5 billion [USD 45 million] and above.</p>
8.	 <p>Symon Chehelgo Director/Alternate Cabinet Secretary International Trade</p>	<p>Symon is an assistant director in the State Department of Trade at the Ministry of Industrialisation, Trade and Enterprise Development, a department he has worked in for the last 26 years. Symon leads Kenya’s negotiations with the US around the African Growth and Opportunity Act (AGOA) – legislation that provides eligible sub-Saharan African countries with duty-free access to the US.</p> <p>Symon holds a masters’ degree from the University of Antwerp in International Business, Trade and Commerce.</p>

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<p>9.</p>	 <p>Oscar Njuguna Ag. Chief Executive Officer (Ex-officio with no right to vote)</p>	<p>Oscar is a UK qualified lawyer with 25 years of international experience in financial services, policy and regulation. After studying and qualifying as a solicitor in the UK, Oscar worked in the banking, insurance, and financial regulatory sectors in London for 14 years. Following that he spent 9 years working at the Qatar Financial Centre, before moving to Kenya at the end of 2017 to support the development of the financial sector.</p>
<p>10.</p>	<p>Nelson Magunga Ag. Corporation Secretary</p>	<p>Nelson is a Qualified Advocate and is in the process of becoming a member of the ICS. He has attended the Board Induction Programme delivered by SCAC.</p>

4. Key Management Team

	Management	Details
1.	 Oscar Njuguna Ag. CEO	Responsible for the day-to-day management of the Authority
2.	Jedidah Ndungu Head Financial Sector Development	Responsible for leading the strategy and financial sector development directorate
3.	Nelson Magunga Ag. Corporation Secretary	Responsible for corporation secretary matters
4.	Frederick Olang Ag. Finance Officer	Responsible for finance and accounting matters

5. Chairman's Statement

It is with great pleasure that I present the annual statement for the Nairobi International Financial Centre Authority for the period of 1 June 2022 to 31 July 2023. This report outlines the significant progress made in developing the strategic plan for the Centre and operationalizing the Authority.

Building Blocks

The journey to transform Nairobi into a global financial hub commenced with the development of Kenya Vision 2030 in 2008. A significant leap was taken in 2017 with the enactment of the NIFC Act, laying the legislative foundation for the Centre.

The next key milestone was achieved in July 2020 when the Board of Directors of the Authority was appointed, and subsequently, in February 2021, the formalization of the organization's staffing structure, including the appointment of an Acting CEO, set the stage for effective operationalization. This paved the way for the formulation of the NIFC three-year strategic plan, developed in collaboration with McKinsey, drawing on their extensive experience in establishing financial centres globally. A significant boost to our international standing was the signing of a Memorandum of Understanding with the City of London (CityUK), aimed at kickstarting collaboration between both centres. The NIFC General Regulations 2021 were also finalised and enacted, providing a robust framework for the NIFC frameworks. The value proposition of the NIFC was also carefully crafted, with initial tax incentives for NIFC firms being incorporated into the Finance Act of 2022. In July 2022, a historic moment was marked as the NIFC officially opened its doors, and initiating the onboarding process of NIFC firms, starting with Prudential Plc, which chose the centre as its Africa Headquarters.

Specific Achievements

Building upon the foundation set in the previous year, our efforts during this financial year resulted in significant achievements.

- Strengthening our commitment to the manufacturing sector, we advanced the MOU with the Kenya Association of Manufacturers to support increased financing and investment into manufacturing.
- In collaboration with the Nairobi Securities Exchange and AirCarbon Exchange, we intensified efforts to attract green finance and support carbon trading, aligning with global sustainability

goals. This builds upon the MOU signed between the three institutions and sets the stage for transparent carbon exchanges within the NIFC.

- A major highlight has been the support provided to Prudential, facilitating its growth within the NIFC. Starting with a small team, Prudential has now expanded to over 40 staff, showcasing the success of our efforts in fostering a conducive business environment.
- Extensive collaboration with key stakeholders, such as the Capital Markets Authority, illustrated our dedication to supporting the growth of the financial sector, including the implementation of the capital markets master plan.
- Finally, in a strategic move to enhance our competitive position, we submitted new tax proposals to the National Treasury for consideration.

The future

The opening of the NIFC in July 2022 represents a significant stride towards positioning Kenya as a global financial hub. We have successfully laid the foundation, and our journey has just begun. We look forward to building on these accomplishments, fostering collaboration, attracting global investments, and creating an ecosystem that propels Nairobi into the forefront of the international financial landscape.

This would not have been possible without the support of key international partners that have stood by us steadfastly and supported us on this journey, including the Governments of the United Kingdom (through FSD Africa and FSD Kenya), United States, Switzerland, and Qatar, as well as the UNDP Financial Centres for Sustainability.

As we embark on the path ahead, I extend my gratitude to the Board of Directors, dedicated team at the Nairobi International Financial Centre Authority, our partners, stakeholders, and the broader community for their unwavering support. Together, we are shaping the future of finance in Kenya and beyond.

Thank you.



Chairman of the Board of Directors
Nairobi International Financial Centre Authority

6. Report of the Chief Executive Officer

I am delighted to present the annual report of the Nairobi International Financial Centre Authority for the financial year spanning 1 June 2022 to 31 July 2023. This period has been marked by significant milestones and focused efforts in realizing our mission to position Nairobi as a global financial hub.

Key achievements

The most important achievement during the financial year was the official opening of the NIFC on 4 July 2022. Following this key milestone, efforts during the year consisted mainly of focusing on trying to attract firms and investors into the NIFC, whilst at the same time building the value proposition of the NIFC.

In order to be competitive as a regional and global financial Centre, more incentives are needed to attract finance and investment through the NIFC. Section 6 of the Nairobi International Financial Centre (NIFC) Act, 2017 requires the NIFC Authority to develop and recommend strategies and incentives to attract firms and financing to Kenya. In this regard the NIFC proposed targeted incentives during the year for the National Treasury to consider.

Separately, engagement and consultation with key stakeholders was undertaken to understand their challenges and propose solutions, including with:

- a) numerous private equities, venture capital and impact investors (including East Africa Venture Capital Association) to see how to support their investments in Kenya;
- b) innovators and fintech including blockchain developers, start-ups, policymakers like the Kenya National Innovation Agency, to see how to support the start-up ecosystem.
- c) financial infrastructure institutions like credit rating agencies (including Augusto & Co) and the Nairobi Securities Exchange to see how to support the development of the financial infrastructure.
- d) firms in the climate finance and carbon credit development sector like Air Carbon Exchange, to see how to help develop the carbon markets in Kenya

During the year the Authority worked closely with the Directorate of Immigration to process the various work permits and dependency passes required to enable NIFC firms to employ and retain the best talent.

The NIFC is a member of the UNDP Financial Centres for Sustainability, a collective of 40 international financial centres working together to achieve the Sustainable Development Goals and the Paris Agreement. The various centres will provide access to institutions that are interested in investing in Kenya. During the year the Authority started working with UNDP to develop an initiative where the NIFC supports the development of well-structured bankable/investable projects, and then matches those projects with finance that is interested in those projects.

In the area of Fintech, the Authority worked closely with the CityUK to research and prepare a report to support Kenyan fintech. The report identified ways in which Kenyan FinTech firms can access finance and investment allowing them to easily establish themselves and grow. The report also looked at the funding challenges faced by Kenyan FinTech's and outlined some potential mitigants to these challenges.

Operationally, this financial year was the first time that the Authority was in control of the monies from the annual budget allocation from the National Treasury. Prior to this the budget was under the oversight of the National Treasury. That annual budget allocation to the Authority has remained more or less the same since 2017 at around KES 40 million. This amount was fine initially, but more is needed in order to carry out the required tasks, employ staff, and have the necessary tools including office space to discharge its responsibilities.

Acknowledgments

To the Board of Directors for providing the vision and guidance that led to the successful opening of the NIFC. To the invaluable support of key partners, both local and international.

Finally, to the dedicated team at the Nairobi International Financial Centre Authority, who have worked tirelessly and selflessly, to achieve the goals. Without them, none of this would be possible.

Despite these successes, we recognize that much more work lies ahead to fully realize our goals and cement the NIFC's position as a financial centre.

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Thank you.



Oscar Njuguna
Ag. Chief Executive Officer

7. Corporate Governance Statement

The Board is committed to ensuring the Authority complies with the principles of corporate governance as enshrined in the Constitution of Kenya 2010, the State Corporations Act, Cap 446, the Nairobi International Financial Centre Act 2017, and the Mwongozo Code of Conduct for State Corporations. Hence the operations of the Authority were conducted in compliance with the following principles of Corporate Governance: Transparency and disclosure, accountability, risk management, internal controls, ethical leadership, and good corporate citizenship.

Roles and functions of the Board

In accordance with The NIFC Act 2017 the board has the following roles and responsibilities:

- a. Lay down the general policies and plans for the Authority in accordance with international best practices.
- b. Prepare the annual budget of the Authority for the purpose of funding the administrative activities of the Centre.
- c. Administer the assets and funds of the Authority in such a manner and for such purposes as shall promote the best interests of the Authority.
- d. Receive grants, donations, or any other moneys on behalf of the Authority and make legitimate disbursements therefrom.
- e. open such banking accounts for the funds of the Authority as may be necessary.
- f. Ensure the Authority is always run-in accordance with this Act and best international practices; and
- g. Perform any other function necessary to achieve the objectives of the Authority.

8. Management Discussion and Analysis

I. Financial Performance

The Financial Performance of the Authority for the twelve months ended 30th June 2022 is presented herewith in line with the requirements of the NIFC Act, the Public Audit Act, and the International Public Sector Accounting Standards.

a) Revenue

The Authority's received a total revenue Kshs. 36.9 million from the exchequer against an approved budget allocation of Kshs.40.3 million resulting to variance of Kshs. 3.4 million in the financial year under review. The Authority in addition anticipated to collect Kshs. 4.3 million fees, this however, never materialized due to the absence of any incentives put in place.

b) Expenditure

The total expenditure of the Authority for 2022-2023 FY stood at Kshs. 38.5 million compared to approved budget of Kshs. 44.6 million. The Authority had an over expenditure against the revenue received/earned of Kshs. 1.6 million. This was financed from the cash balances of Kshs. 3.4 million from the inherited bank account.

c) Cash Flow Statement

The cash and cash equivalent for 2022-2023 FY stood at Kshs. 2.5 million as at the end of financial year.

d) Surplus/deficit

In the 2022-2023 financial year the Authority had a deficit of Kshs. 1.6 million.

9. Environmental and sustainability reporting

Sustainability, and green finance in particular, is a key component of the NIFC's strategic priorities and value proposition. The NIFC Authority recognizes the importance of fostering growth in the sector and is committed to driving green finance initiatives that align with global sustainability goals, while fostering economic growth and development for Kenya. Below are some of our key efforts in this domain:

Pipeline Builder Initiative.

In collaboration with the United Nations Development Programme (UNDP) and Building Bridges, the NIFC is developing a Pipeline Builder mechanism to link overseas investors to Sustainable Development Goal (SDG)-related projects in Kenya. Operated under an intermediary model, this mechanism will identify projects that meet a set sustainability-related threshold and connect them to financing from investors within the Financial Centers for Sustainability (FC4S) network. This initiative aims to support progressive Kenyan business and provide a step forward in bridging the funding gap for impactful, sustainable projects.

Engagement with the Financial Centers for Sustainability (FC4S).

As a proud member of FC4S, the NIFC is dedicated to promoting environmental and social sustainability within Kenya's financial ecosystem. FC4S is global network of financial centers dedicated to accelerating the transition to green and sustainable finance. Through its membership, the NIFC has access to a global network of financial centers to facilitate knowledge-sharing, international collaboration and capacity building. FC4S also enables member nations to benchmark their commitments to sustainability through periodic surveys and data collection, ensuring measurable progress in the transition towards a greener economy throughout their local financial sectors.

Alignment with Government Sustainability Goals.

The NIFC is actively supporting government-led sustainability initiatives as outlined in our 2024/2025 performance contract. A notable commitment includes the planting of at least 300 trees to contribute to Kenya's broader environmental conservation efforts.

Establishing a Carbon Exchange.

In 2022, the NIFC signed a Memorandum of Understanding (MoU) with the Nairobi Securities Exchange (NSE) and Air Carbon Exchange (ACX) to establish Kenya's first carbon exchange. To promote the success of this initiative, the NIFC secured a tax incentive providing a preferential corporate income tax rate of 15% for firms owning or operating carbon or emissions trading exchanges in Kenya. Discussions to operationalize this exchange are ongoing between the NSE and ACX. The NIFC has also had engagements with other global carbon exchanges to discuss best practices, share information and consider establishing an exchange in Kenya.

Promoting Green Finance.

As a priority sector, the NIFC continues to engage with key players in the green finance space, including Compassionate Carbon, South Pole, various UN organizations and more. Beyond these partnerships, the NIFC actively submits tax proposals to the National Treasury aimed at fostering a conducive environment for green finance and incentivizing sustainable financial activity in Kenya. The NIFC also participates in policy-development initiatives within the green and sustainability sectors, such as contributing and providing comments on the Carbon Markets Regulations and other green finance policies.

Through these initiatives, the NIFC is not only contributing to global sustainability objectives but also positioning Kenya as a leading hub for green finance in Africa. We remain committed to advancing a sustainable future for generations to come.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the Authority are:

- a) Establish and maintain an efficient operating framework to attract and retain firms
- b) Develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be NIFC firms; and
- c) Review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

ii) Results

The results of the Authority for the year ended June 30, 2023, are set out on page 1 to 29

iii) Directors

The members of the Board of Directors who served during the year are shown on page v-vi. During the year no director retired/ resigned and no new director was appointed during the year.

iv) Auditors

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

By Order of the Board



.....

Name

Corporation Secretary/Secretary to the Board

11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 24 of the Nairobi International Financial Centre Act 2017, require the Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors 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 (period) ended on June 30, 2023. 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; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept 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 Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the the State Corporations Act 2012, and the Nairobi International Financial Centre Act 2017. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2023, and of the Authority's financial position as at that date. The Directors further confirms 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 Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on _____ 2023 and signed on its behalf by:



.....
Name: Michael Kamiru
Chairperson of the Board



.....
Name Oscar Njuguna
Accounting Officer

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON NAIROBI INTERNATIONAL FINANCIAL CENTRE AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nairobi International Financial Centre Authority set out on pages 1 to 30 which comprise of the statement of financial

position as at 30 June, 2023 and the statement of financial performance, 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 Nairobi International Financial Centre Authority as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Nairobi International Financial Centre Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.2,503,396 in respect of cash and cash equivalents which, as disclosed in Note 14 to the financial statements, comprises of Kshs.2,353,551 and Kshs.149,845 being bank balance and cash on hand respectively. However, bank reconciliation statement and board of survey report were not provided to support the balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,503,396 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.6,938,425 in respect of property, plant and equipment which, as disclosed in Note 16 to the financial statements, includes Kshs.5,704,013 in respect of motor vehicle. However, although Management indicated that the motor vehicle logbook is under The National Treasury, the same was not provided for audit review. Further, the Authority did not maintain an asset register in the year under review.

In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.6,938,425 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi International Financial Centre 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounts of Kshs.44,630,000 and Kshs.38,084,576 resulting in under-funding of Kshs.6,545,424 or 15% of the budget. Similarly, the statement reflects actual expenditure of Kshs.38,945,995 against approved budget of Kshs.44,630,000 resulting to under-performance of Kshs.5,684,005 or 13% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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 Information

The Directors are is responsible for the other information set out on page v to xxv which comprise of Key Authority Information and Management, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, 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, 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

The Authority's financial statements for the year ended 30 June, 2023 were submitted to the Auditor-General for audit on 4 April, 2024 contrary to Section 68(2) of Public Finance Management Act, 2012 and Section 47(1) of the Public Audit Act, 2015 which require a public entity to submit annual financial statements for audit within three (3) months after the end of the financial year to which the accounts relate, in this case 30 September, 2023.

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

2. Lack of Value for Money on Hire of Motor Vehicles

The statement of financial performance reflects an amount of Kshs.3,871,426 on use of goods and services as disclosed in Note 12 to the financial statements. Included in the expenditure is Kshs.735,000 paid to a vendor for hire of three motor vehicles (Prados). The three vehicles were hired for seven (7) days at a rate of Kshs.35,000 per vehicle, per day. However, a written contract between the Authority and the vendor was not provided for audit review. In addition, there was no evidence that a market survey was undertaken to collaborate the daily rate of Kshs.35,000.

In the circumstances, value for money on the expenditure of Kshs.735,000 on hire of motor vehicles could not be confirmed.

3. Non-Compliance with the Public Procurement and Asset Disposal Act, 2015 on Allocation of Procurement Opportunities to Vulnerable Groups

During the year under review, the Authority had a total procurement budget of Kshs.16,136,364. However, out of this budget, only Kshs.3,550,000 or 22% was allocated to enterprises owned by women, youth, persons with disabilities and other disadvantaged groups contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 149 of the Public Procurement and Asset Disposal Regulations, 2020, which require public procuring entities to allocate at least thirty percent (30%) of procurement opportunities to enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the 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, the Management is responsible for assessing the Authority's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Authority or to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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

27 December, 2024

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13. Statement of Financial Performance for the year ended 30 June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Revenue from Non-Exchange	6	38,084,576	-
Total revenue		38,084,576	-
Expenses			
Personnel Emoluments	7	25,578,023	-
Board Expenses	8	2,935,400	-
Depreciation and Amortization Expense	9	2,001,425	-
Repairs and Maintenance	10	8,300	-
Insurances and Medical	11	-	-
Used of Goods and services	12	3,871,426	-
Administrative expenses	13	4,551,421	-
Total expenses		38,945,995	-
Net Surplus /deficit for the year		(861,419)	-

The notes set out on pages 5 to 30 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 3 were signed on behalf of the Board of Directors by:



.....
Name:
Accounting Officer

Date



.....
Name:
Head of Finance
ICPAK M/No:

Date



.....
Name:
Chairman of the Board

Date

**Comparative year means prior year/ previous period*

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15 Statement of Financial Position as at 30 June 2023

	Note	2022-2023	2021-2022
Assets		Kshs	Kshs
Current assets			
Cash and cash equivalents	14	2,503,396	-
Receivables from Non-Exchange Transactions	15	1,172,300	-
Total Current Assets		3,675,696	-
Non-current assets			
Property, plant, and equipment	16	6,938,425	-
Total non - current assets		6,938,425	-
Total assets		10,614,121	-
Liabilities			
Current liabilities			
Creditors	17	450,374	-
Total current liabilities		450,374	-
Net Assets		10,163,748	-
Equity			
Capital Fund	18	9,123,830	-
Accumulated surplus	19	1,039,918	-
Total net assets		10,163,748	-
Total net assets and liabilities		10,614,121	-

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



.....

Name

Accounting Officer

Date



.....

Name

Head of Finance

ICPAK Member Number:

Date



.....

Name

Chairman of the Board

Date

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16 Statement of Changes in Equity as at 30 June 2023

Description	Retained earnings	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs
As at July 1, 2022		11,025,166.98	11,025,167.00
Surplus/ deficit for the year	- 861,419.38	-	- 861,419.38
Transfer of depreciation/amortisation from capital fund to retained earnings	1,901,337.50	-1,901,337.50	-
As at June 30, 2023	1,039,918.12	9,123,829.50	10,163,747.62

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17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants		36,912,276	-
Other income		-	-
Total receipts		36,912,276	-
Payments			
Personnel Emoluments		25,578,023	-
Board Expenses		2,935,400	-
Repairs and Maintenance		8,300	-
Insurances and Medical		-	-
Used of Goods and services		3,871,426	-
Administrative expenses		4,551,421	-
Total payments		36,944,570	-
Net cash flows from/(used in) operating activities		- 32,294	-
Working Capital Activities			
Increase/Decrease in Creditors		450,374	-
Increase/Decrease in Debtors		-	-
Net cash flows from/(used in) Working Capital activities		450,374	-
Cash flows from investing activities			-
Purchase of PPE and Intangible assets		- 1,334,500	-
Proceeds from sale of PPE		-	-
Net cash flows from/(used in) investing activities		- 1,334,500	-
			-
Cash flows from financing activities			-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
			-
Net increase/(decrease) in cash & Cash equivalents		- 916,421	
Cash and cash equivalents at 1 July	29	3,419,817	
Cash and cash equivalents at 30 June	29	2,503,396	3,419,817

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original Budget	Actual on comparable basis	Performance difference	%Var	Notes
	2022-2023	2022-2023	2022-2023		
	Kshs	Kshs	Kshs		
Government grant	40,360,000	36,912,276	(3,447,724)	-9%	i
Licensing Fee	4,270,000	1,172,300	(3,097,700)	-73%	ii
Total Trading Income	44,630,000	38,084,576	(6,545,424)		
Expense					
Personnel Emoluments	20,861,374	25,578,023	(4,716,649)	-23%	iii
Board Expenses	7,577,375	2,935,400	4,641,975	61%	iv
Depreciation and Amortization Expense	-	2,001,425	(2,001,425)	-100%	v
Repairs and Maintenance	400,000	8,300	391,700	98%	vi
Insurances and Medical	4,081,875	-	4,081,875	100%	vii
Used of Goods and services	3,361,376	3,871,426	(510,050)	-15%	viii
Administrative expenses	4,400,000	4,551,421	(151,421)	-3%	ix
Contracted Services	3,948,000	-	3,948,000	100%	x
Total Expenses	44,630,000	38,945,995	5,684,005		
Surplus Fund after 90%	-	(861,419)	861,419		

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

19. Notes to the Financial Statements

1. General Information

Nairobi International Financial Centre Authority is established by and derives its authority and accountability from Nairobi International Financial Centre Act 2017. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activities are —

- a) establish and maintain an efficient operating framework to attract and retain firms
- b) develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be Nairobi International Financial Centre firms; and
- c) review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

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Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Authority's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Authority's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Notes to the Financial Statements (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The Authority will consider adoption of standards once acquisition of office space is concluded in the next financial year.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard may not have an impact on the Authority since the Authority is at its formative stage.</p>

- iii. *Early adoption of standards*

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Authority recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Interest income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in these financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Property, plant, and equipment

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

d) Leases

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Intangible assets

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

f) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

h) Inventories

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

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

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

or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Authority*.

i) Provisions

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

j) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The *Authority* recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the *Authority* will incur in fulfilling the present obligations represented by the liability.

k) Contingent liabilities

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

l) Contingent assets

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

The *Authority* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Authority* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Authority* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

t) 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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) 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, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Revenue from Non-Exchange Transactions

	2022-2023	2021-2022
	Kshs	Kshs
Government grant	36,912,276	
Licensing Fee	1,172,300	
Total	38,084,576	-

7. Personnel Emolument

	2022-2023	2021-2022
	Kshs	Kshs
Personnel Cost	25,578,023	
Pension contributions		
Total	25,578,023	-

8. Board Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	960,000	
Sitting Allowance	772,000	
Board Training Expenses	648,000	
Travel Expenses	555,400	
Board Medical Expenses		
Total	2,935,400	-

9. Depreciation and Amortization Expense

	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	2,001,425	
Total	2,001,425	-

10. Repairs and Maintenance

	2022-2023	2021-2022

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	Kshs	Kshs
Computers and Other Office Equipment	8,300	
Total	8,300	-

11. Insurances and Medical

	2022-2023	2021-2022
	Kshs	Kshs
Medical Insurance		
Assets and Equipment's Insurance		
GPA insurance		
Motor vehicle insurance		
Total finance costs	-	-

12. Used of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Other expenditures	3,871,426	
Total finance costs	3,871,426	-

13. Administrative expenses

	2022-2023	2021-2022
	Kshs	Kshs
Travel & Accommodation Local Travel	1,076,730	
Travel & Accommodation Foreign Travel		
Water and Sewerage		
Electricity		
Motor Vehicle Operations		
Office Stationery, Printing Etc		
General Office Supplies	1,609,594	
Communication Costs	330,069	
Hospitality and Office Refreshments	65,210	
Telephone, Mobile and Internet Services	154,474	
Rental Expenses		

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Postage Courier		
Newspapers and Periodicals		
Advertisement, Promotions and Publicity		
Seminars, Conference, Workshops	467,520	
Bank Charges & Commissions	27,624	
Recruitment Costs		
Staff Welfare		
PRU	820,200	
Total General Expenses	4,551,421	-

14. Cash and Cash Equivalents

	2022-2023	2021-2022
	Kshs	Kshs
KCB Current Account	2,353,551	
Cash in Hand	149,845	
Total	2,503,396	-

15. Trade Debtors from Exchange Transactions

	2022-2023	2021-2022
	Kshs	Kshs
Sundry Debtors	1,172,300	
Prepayable		
Staff outstanding Imprest		
Provision for doubtful debt		
Total	1,172,300	-

16. (a) Property, plant, and equipment

	Motor Vehicles	Computers	Total
	Kshs	Kshs	Kshs
At 1st July 2022	7,605,350	-	7,605,350
Additions		1,334,500	1,334,500
Disposals			-

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Transfers/ adjustments			-
At 30th June 2023	7,605,350	1,334,500	8,939,850
			-
Depreciation and impairment			-
At 1st July 2022	-	-	-
Depreciation	1,901,338	100,088	2,001,425
Disposals	-	-	-
Transfers/ adjustments	-	-	-
At 30th June 2023	1,901,338	100,088	2,001,425
Net book values			-
At 30th June 2023	5,704,013	1,234,413	6,938,425

16(b) Property, Plant and Equipment at Cost

If the assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles	7,605,350	1,901,338	5,704,013
Computers And Related Equipment	1,334,500	100,088	1,234,413
Office Equipment, Furniture, And Fittings	-	-	-
Total	8,939,850	2,001,425	6,938,425

17. Creditors

	2022-2023	2021-2022
	Kshs	Kshs
Creditors	450,374	
Total	450,374	-

18. Capital Fund

	2022-2023	2021-2022
	Kshs	Kshs
Inherited Bank Balance	3,419,817	
Capital Fund	7,605,350	
Transfer of depreciation/amortisation from capital fund to retained earnings	- 1,901,338	
Total	9,123,829	-

19. Accumulated Surplus

	2022-2023	2021-2022
	Kshs	Kshs
Transfer of depreciation/amortisation from capital fund to retained earnings	1,901,338	
Net Profit	- 861,419	
Total	1,039,918	

Notes to the Financial Statements (Continued)

20. Financial Risk Management

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

i) Credit risk

The Authority doesn't have exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering its financial position, experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium, and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iii) Market risk

The Authority is yet to put in place an internal audit function. Internal Audit would assist in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market

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risk rests with the Audit and Risk Management Committee. The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Authority's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Authority may have transactional currency exposures in future as operations continue. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Authority will manage foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the Authority's financial condition may be adversely affected because of changes in interest rate levels. The Authority's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The Authority currently do not have bank deposits which would suffer interest rate risk.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

21. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest.

Other related parties include:

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties		
a) Grants /transfers from the government		
Grants from national govt	36,912,276	
Total	36,912,276	
b) Key management compensation		
Directors' emoluments	1,444,000	
Compensation to key management	23,493,005	

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Description	2022-2023	2021-2022
	Kshs	Kshs
Total	24,937,005	

22. Events after the Reporting Period

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

23. Ultimate And Holding Entity

The Authority is a State Corporation/ or a Semi- Autonomous Government Agency under the National Treasury and Planning. Its ultimate parent is the Government of Kenya.

24. Currency

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