

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

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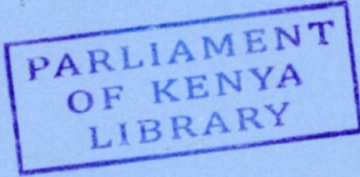
TABLED  
BY:

Hon. Naomi Wago, MP  
Deputy Majority Whip

CLERK-AT  
TABLE:

Mucho Atabo

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**AFFORDABLE HOUSING FUND**

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



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**AFFORDABLE HOUSING FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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## **1. Acronyms and Definition of Key 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
ICS	Institute of Certified Secretaries
IPSAS	International Public Sector Accounting Standards
OGW	Order of the Grand Warrior
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
TNT	The National Treasury
AHB	Affordable Housing Board
IFMAP	Integrated Fund Management Information Platform

### **B: Definition of Key Terms**

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

**Comparative Year –** Means the prior period.

**2. Key FUND Information and Management**

**(a) Background information**

The *Affordable Housing Board* is a Board established under the laws of Kenya under Section 8 of the Affordable Housing Act 2024 which is “An Act of parliament to give effect to Article 43 (1) (b) of the Constitution of Kenya 2010; to provide a framework for development and access to affordable housing and institutional housing; and for connected purposes.

The *Affordable Housing Board* is domiciled and operates within the republic of Kenya. The registered office is set out in page (v).

**(b) Principal Activities**

As stipulated in the Affordable Housing Act, 2024, the objective and purpose for which the Board is established is to provide Funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure.

The specific mandate of the Board as per the Affordable Housing Act, 2024 is to;

- i. Facilitate the provision of Funds for affordable housing and affordable housing schemes in the promotion of home ownership.
- ii. Provide low interest loans or low monthly payment home loans, where applicable for the acquisition of affordable housing units within approved affordable housing schemes.
- iii. Facilitate design, development and maintenance of affordable housing schemes in all counties.
- iv. Facilitate development of institutional housing units.
- v. Develop long term finance solutions for the development and off-take of affordable housing.
- vi. Provide Funds for maintenance of any land or building, estate or interest therein, for any of the purpose of the Fund.
- vii. Fund any other activities incidental to the furtherance of the objects of the Board, and,
- viii. Facilitate the provision of services to the projects under the management of the Board.

**Mission**

To facilitate access adequate and decent housing and prepare urban plans for sustainable development.

**Vision**

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To be a globally competitive organization in provision of adequate and decent housing in a sustainable environment and co-ordinated urban development.

**(c) Key Management**

The *Funds*'s day-to-day management is under the following Key organs:

- Board of Directors
- Chief Executive Officer
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 2024/2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1	Ag. Chief Executive Officer	SHEILA WAWERU, OGW
2	Ag. Corporate Secretary	EVA MAGETO
3	Fund Accountant	CPA SOSPETER THUKU
4	Finance Officer	ELIZABETH MOGOSI

**(e) Fiduciary Oversight Arrangements**

The following committees provide fiduciary oversight over the management and activities of the Fund;

- Audit, Risk Management, Human Resource and Administration Committee
- Parliamentary Oversight Committees
- Other oversight arrangements e.g. The National Treasury

The reports and recommendation of the above committees that are adopted by the Board are forwarded to the management for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(f) Fund Headquarters**

P.O. Box 27521-00100  
Prism Towers – 23<sup>rd</sup> Floor  
3<sup>rd</sup> Ngong Avenue  
Nairobi, Kenya

**(g) Fund Contacts**

E-mail: [info@affordablehousingboard.go.ke](mailto:info@affordablehousingboard.go.ke)  
Website: [www.affordablehousingboard.go.ke](http://www.affordablehousingboard.go.ke)

**(h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**Nairobi, Kenya**

2. **Other Banks** (*state other bankers as appropriate*)

**(i) Independent Auditors**

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

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**(j) 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.	Jeremiah Ndambuki Simu Chairperson	Mr. Simu is a Finance and Investment Expert with over 20 years' experience in investment banking around East, West and Southern Africa. He holds a Master of Science Degree in International Securities Investments and Banking and he is a member of the Institute of Certified Investment and Financial Analyst and Institute of Bankers, South Africa.
2.	Charles M. Hinga, CBS	Charles is the Principal Secretary for Housing and Urban Development. He is a Chartered Accountant (CA) and holds a Bachelor of Commerce (Accounting) Degree from Kenyatta University and Bachelor of Accounting (Honours) from the University of South Africa. His core competencies include project and structured finance, deal structuring and business development. Until the time of his appointment as PS Housing, Urban Development and Public Works, he was Group Chairman of advisory boutique with presence in South Africa and Kenya.
3.	Mary Mwiti Board Member	Mary is a Business Management and Corporate Governance professional with a Master of Science in Human Resource Management and over 20 years of progressive experience in providing high-level systems and services, leadership for administrative functions in public, private and NGO Sector. She is a member of the Institute of Human

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		Resources Management in Kenya and is currently serving as the Chief Executive Officer of the Council of Governors.
4.	Cosmas Mutava Board Member	Cosmas is a security and Finance expert with a Master's Degree in Business Administration and over 30 years' experience. He serves as a board member of the Federation of Kenya Employers and the Security Sector Board member of the Kenya Private Sector Alliance.
5.	Ernest Nadome Board Member	Ernest carries a wealth of Experience in Energy, Labour, Investments and Human Resource. He holds a Master's Degree in Labour Management Relations and currently serves as the National General Secretary of the Kenta Electrical Trades & Allied Workers Union (KETAWU) and the assistant National General Secretary of the Central Organization of Trade Unions (COTU-K). He is also a pension trustee of various retirement benefit schemes in Kenya.

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6.	Lawrence Kibet Board Member	<p>Mr. Kibet is the alternate of the PS-National Treasury in the Board. He holds a Master of Business Administration Degree with experience in General Management, Commercial and Business Strategy, Accounting and Finance Management, Corporate Governance, Capital Raising, Commercial Law Practice, Project Management and Innovation Management. He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Secretaries of Kenya (ICS), Law Society of Kenya (LSK) and Investor Relations Society (UK) and currently serves as the Director General, Public Investments and Portfolio Management at the National Treasury.</p>
7.	Sheila Waweru, OGW Ag. Chief Executive Officer	<p>Sheila Waweru, OGW is a social development practitioner and a delivery expert. She has over 18 years' experience working in the development sector, working both in the public and private sectors. She holds a Master of Science Degree in Project Management and her areas of expertise are project management, monitoring and evaluation, research and advocacy. She has worked on projects/programs in different thematic areas including housing and urban development, climate change adaptation, environmental and natural resources management and alternative</p>

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		livelihoods, agriculture and food security among others.
8.	Eva Mageto Ag. Corporate Secretary	<p>Eva is an advocate of the High Court of Kenya with over 10 years' experience in the legal sector. She is also a member of the Institute of Certified Secretaries with over 15 years' experience in offering services as a Certified Secretary.</p> <p>Her experience cuts across the private and public sector in Kenya covering legal advisory, company secretarial, governance and public policy matters. She is a member ICS as per Mwongozo code of conduct.</p>

**4. Key Management Team.**

	Management	Details
1.	<p>Sheila Waweru</p> <p>She is the acting CEO of the board. She has over 19 years' experience working both in the public and private sectors. She holds a Master of Science Degree in Project Management.</p>	<p>She is the acting CEO of the Board and the Funds Accounting Officer.</p>
2.	<p>Eva Mageto</p> <p>Eva is an advocate of the High Court of Kenya with over 10 years' experience in the legal sector. She is also a member of the Institute of Certified Secretaries with over 15 years' experience in offering services as a Certified Secretary.</p>	<p>She is the Ag. Corporate secretary for the Board</p>
3.	<p>Sospeter Thuku</p> <p>He is a member of ICPAK and holds a Bachelor of Commerce Degree. He has over 18 years' experience in accounting in the public sector</p>	<p>He undertakes accounting services for the Fund</p>

### **5. Statement by the Chairman**

The population of Kenya is over 50.6 million as of 2023 and urbanization is a very dominant trend with 29% of the population residing in urban centres. 4 million Kenyans, approximately 56% of the urban population, are living in slums and Kenya's urbanization rate of 4.4% surpasses the global average of 2.1%. Further, 34.7% of households nationally or 4.4 million households, live in poverty. Housing is a United Nations 2030 Agenda for Sustainable Development as it is recognized as one of the basic human needs besides food and clothing. It is considered as one of the most basic human rights and an essential component of the right to an adequate standard of living. Further, adequate and affordable housing is not only necessary for security and comfort, but also critical in fostering a social cohesion and development of a nation. Beyond its socio-cultural elements, housing is also a critical driver of economic development as a result of its forward and backward linkages with other economic development processes. Adequate and affordable housing leads to benefits in health, education and economic opportunities. Provision of sustainable housing to Kenyans also forms a critical delivery pillar in the Kenya Vision 2030 blueprint and it is against this backdrop that an urgent intervention was needed given the pressing dangers the proliferation of slums pose to our society juxtaposed against a complete lack of supply of affordable and decent housing. The affordable housing act was assented to on 19<sup>th</sup> March 2024 by His Excellency the President Dr. William Samoei Ruto and it was a historic moment for our nation as it effected article 43 (1) (b) of the Constitution on the right to accessible and adequate housing and to reasonable standards of sanitation for all Kenyans. It was also an important milestone towards meeting the housing and settlement key pillar of the Bottom-up Economic Transformation Agenda (BETA) which aims to turn the housing crisis into an economic opportunity through the housing value chain by increasing the supply of new houses to 250,000 per annum and percentage of affordable housing supply from 2% to 50% by 2027.

This singular defining action by His Excellency set in motion a transformative journey for Kenya where previously unserved and underserved Kenyans will finally have access to affordable home ownership in dignified schemes throughout the Republic. By the establishment of the Affordable Housing Board affordable homes will be made available to Kenyans at single digit fixed interest rates over up to 30 years which will be a game changer to addressing affordability challenges.

During the period under review the Board was able to conduct its own business following the gazettment of Directors in line with the Affordable Housing Act 2024. In addition, the Board oversaw disbursement of Kshs 63.2 bn within July 2024 – June 2025 financial year. The interim

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management team continued to be part of an interagency government team that oversaw Gazettement of the Affordable Housing Regulations, 2025 on 9th July 2025.

The Board also oversaw its oversight mandate ensuring the optimization of the investment of the Funds, namely the Affordable Housing Levy and commenced the process of transitioning ongoing projects and programs under the Affordable Housing Program. The Board allocated 1028 affordable housing units to beneficiaries in Mukuru and Homa Bay Affordable Housing Projects, the Board oversaw the operationalisation of Deposit Assistance to eligible home applicants and the reduced home deposit from 10% to 5% as per gazetted regulations. In addition, the Board also oversaw the development of the foundations of policies, operational structures and processes.

In the coming year, the Board commits to overseeing the allocation of completed projects to home applicants and to support the our implementing agencies and programs under the Act, meeting the allocation requirements towards affordable housing and associated social and physical structure, the development of the 5 year plan and institutional frameworks, structures, policies and operational procedures that will enable it responsibly realize its functions and purpose in line with its mandate.

I express my sincere appreciation to stakeholders' for the support during these very early stages of our establishment. In this regard, I would like to thank the parent Ministry of Lands, Public Works, Housing and Urban Development and the Government of Kenya for the unwavering support.

As a nascent institution, I would like to express my profound appreciation to the Directors who have had unwavering commitment to serve professionally and with dedication to ensure the foundations for the Board are solid and ready for take-off. To the interim management team, none of this would have been possible without you and I would like to express my utmost gratitude for the commitment and hard work during this critical setup phase of this organization that with your continued dedication will transform Kenya.



**Jeremiah N. Simu**

**Chairman**

**Affordable Housing Board**

## **6. Report of the Chief Executive Officer**

The Government of Kenya has a goal to deliver affordable housing on ownership terms for the Kenyan citizens with an ambition to move from 30,000 mortgages to 1,000,000 mortgages with favourable ownership terms. It aims to construct 200,000 houses every year, undertake allocation and facilitate access to houses. The Affordable Housing Program will not only bridge the annual housing gap, but will also spur economic growth in the country, especially in informal sectors. The program is more than just a policy initiative; it represents a national priority that is deeply embedded in the Government's socio-economic vision.

The Affordable Housing Board was established in March 2024 under the Affordable Housing Act, 2024 to oversee the development of affordable housing, institutional housing and associated social and physical structure in Kenya. The Board will provide Funds for the development and off-take of affordable housing and associated social and physical infrastructure, as well as facilitate affordable home financing. The Board is proud to take on the responsibility of ensuring that this vision is delivered.

The establishment of the Affordable Housing Board has introduced a new level of governance, oversight and strategic focus to the Affordable Housing Program. It is clear that we must ensure that the program is delivered with efficiency, sustainability and transparency and the Board is committed to this.

The Affordable Housing Board has had a successful year apart from a few challenges as it operationalizes. The institution was able to discharge its mandate as per the act and its allocated Mukuru and Homabay Housing Units in the year under review. This has enabled the institution to carry out its business in the year, as mandated by the Act.



**Sheila Waweru, OGW**  
**Ag. Chief Executive Officer/Administrator of the Fund**  
**Affordable Housing Board**

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**7. Statement of performance against predetermined Objectives for 2024/2025**

Section 84 (2) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of the Fund shall prepare financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the Affordable Housing Fund are to:

- Provide Funds for development of Affordable housing units
- Provide Funds for development of Institutional housing units
- Provide Funds for associated social and physical infrastructure

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**Table xx.1: Programme performance**

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
To develop 200,000 housing units in a year in Five years	To develop Affordable Housing Programme to Reduce the Housing Gap	Increased level of quality livelihoods, and reduction of slums	Houses at affordable to every citizen	No. of housing completed and ongoing Units newly Built	200,000	3611	196,389	200,000	214,057	14,057	A total of 210,446 units are ongoing that will be completed in FY 2025/26
200,000					200,000	3611	196,389	200,000	214,057	14,057	

## **8. Governance Statement**

### **a) Appointment and Removal of Affordable Housing Board members**

The members of the Affordable Housing Board provided under Section 16(3) a,b,c,d (i),(ii) and (iii),e and f of the Act. Pursuant of Section 16(5) the cabinet secretary shall ensure that not more than two-thirds of the members are not of the same gender; taking into account regional balance; consider special and marginalized groups including youth, women and persons with disability.

Section 16(6) the members of the board referred to in subsection (3), (a), (d) and (e) shall be appointed at different times so that the respective expiry dates of their terms of office shall be at different times. Removal of any member is provided in Section 19(1), the Chairperson and the members of the Board shall hold office for a term of 3 years and may eligible for reappointment to a further and final term of 3 years. Section (2), despite the provisions of subsection (1), a member of the Board may be removed from office if that person-

- a) Has been absent from 3 consecutive meeting of the Board without justifiable cause or the permission of the Chairperson;
- b) Is adjudged bankrupt or enters into a composition or arrangement with the creditors of the person;
- c) Is convicted of an offence involving dishonesty or corruption;
- d) Becomes incapable of carrying out the functions of their office either arising from an infirmity of mind or body;
- e) Violates Chapter 6 of the Constitution;
- f) Fails to disclose any interest in a matter under consideration by the Board as provided for under section 23(1)

Section 19(3), a member of the Board shall cease to be a member if that member resigns from office by a notice in writing addresses to the appointing authority.

The Board conducts its affairs and meetings as per the schedule. The Board shall meet not less than 4 times in a financial year.

### **b) Functions of the Affordable Housing Board**

As per Section 17 of the Act, the Board functions are;

- i. Co-ordinate the optimal utilization of the Fund in the implementation of programmes and projects relating to the development of affordable housing and institutional housing and associated social and physical infrastructure.

## **Affordable Housing Fund**

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

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- ii. Seek to achieve optimal efficiency and cost effectiveness in the development of affordable housing programmes and projects Funded by the Fund.
- iii. Based on a 5-year affordable housing investment programme and annual affordable housing investment programme, determine the allocation of financial resources required for the development of the affordable housing projects, institutional housing and associated social and physical infrastructure.
- iv. Manage the Fund and allocate monies in accordance with section (ii).
- v. Inspect and enforce compliance to the Act, guidelines and regulations set under the Act.
- vi. Monitor and evaluate, by means of technical, financial and performance audits, the delivery of goods, works and services Funded by the Fund.
- vii. Identify, quantify and recommend to the Cabinet Secretary such other potential sources of revenue as may be available to the Fund for the development of the affordable housing projects, institutional housing and associated social and physical infrastructure for consideration by the Cabinet Secretary to the National Treasury.
- viii. Approve the opening and closing of bank accounts of the Fund by the Administrator of the Fund.
- ix. Approve estimates of revenue and expenditure of the Fund for each financial year.

Section 24 of the Act indicates how the Board will be remunerated. The chairperson and the members of the Board shall be paid such sitting allowances or other remuneration for expenses as recommended by the Salaries and Remuneration Commission.

On conflict of interest and disclosure of interest of a member of the Board is present at a meeting of the Board or any committee of the Board at which any matter is subject of consideration and in which matter the member or the dependants of the member are directly or indirectly interested in a private capacity, the member shall as soon as practicable, after the commencement of the meeting, disclose such interest and shall not, unless the Board otherwise directs, take part in any consideration or discussion or vote on any question relating on such a matter. Disclosure of interest shall be recorded in the minutes of the meeting at which it is made. Failure to disclose such interests shall lead to the disqualification of the member from holding office as a member as per Section 23(3) of the Act. The Board had upheld high moral values on leadership and integrity as outlined in Chapter Six of the Constitution 2010.

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**9. Management Discussion and Analysis**

The management together with the Board invested excess Funds as per the Act by buying 91-Day treasury bills and was able to get a favourable investment income. The management supported in processing transfers of funds to our implementing agencies in time so as to achieve our mandate of the Board.

**10. Environmental and Sustainability Reporting**

***a) Sustainability strategy and profile***

Affordable Housing Fund exists to transform lives by ensuring Article 43(1) b of our constitution is attained i.e. Right to accessible and adequate Housing. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, to provide Funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure this effort also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

***b) Environmental performance /climate change/ mitigation of natural disasters***

Affordable Housing Fund is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The Fund has made various strides in environment performance by improving the sanitation of slums, urban areas and rural Kenya. This has been done by constructing social amenities, drainage system and connection of clean water to these ongoing projects.

***c) Employee welfare***

We invest in providing the best working environment for our employees. Affordable Housing Fund's recruitment is guided by the Employment Act, the Affordable Housing Act, 2024 and other regulations issued from time to time. In line with the law and regulations, the Fund offers equal opportunity to all while adhering to the one third gender rule and special groups. We also recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal. The board promotes a healthy lifestyle. Employees are encouraged and supported to continually build on their skills and knowledge. The Fund invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The board has ensured on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Board has also put in place

disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

**d) *Market Place Practices***

The Fund is committed to fair and ethical market practises. The procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from all over the country for purposes of uplifting them economically. Our ethical market practises ensure the Fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organizational sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

The Board has put in efforts to ensure;

- I) Responsible competition practise by encouraging fair competition and zero tolerance to corruption.
- II) Good business practise including cordial supply chain and supplier relations by honouring contracts and respecting payments practises
- III) Responsible marketing and advertisement
- IV) Product stewardship by safeguarding consumer rights and interest

**e) *Corporate Social Responsibility/Community Engagements***

The Fund and through its implementing agencies endeavours to sustain community engagements through corporate social responsibility as well as appreciating our existence through engaging local contractors and suppliers as much as possible. The community is heavily engaged through public participation in the identification and implementation of Affordable Housing Projects as well as their involvement in development or review of relevant legislation and policies.

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**11. Statement of Board's Responsibilities**

Section 84 (1) of the Public Finance Management Act, 2012 and Section 55 (1) of the Affordable Housing Act, 2024 requires the Fund Administrator to prepare financial statements in respect of that Fund, which gives a true and fair view of the state of affairs of the Fund for that year. The Fund Administrator is also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safe guarding the assets of the Fund.

The Board is responsible for the preparation and presentation of the Funds financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility mainly 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 Fund.
- 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 Fund
- v) Selecting and applying appropriate accounting policies and;
- vi) Making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Funds financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimated, in conformity with International Public Sector Accounting Standards (IPSAS) and in a manner required by the PFM Act, 2012 and the Affordable Housing Act 2024. The Board is of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as adequacy of the systems of internal financial control.

In preparing the financial statements, the Board of Directors have assessed the entity's ability to continue as a going concern.

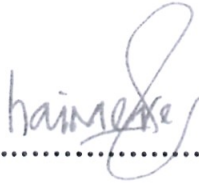
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Nothing has come to the attention of the Board of Directors to indicate that Fund will not remain a going concern for at least the next 12 months from the date of this statement

**Approval of the financial statements**

The Affordable Housing Fund financial statements were approved on 26/08/2025 2025 and signed by:



.....  
**JEREMIAH N. SIMU**

**Chairman  
Affordable Housing Board**



.....  
**SHEILA WAWERU, OGW  
Ag. Chief Executive Officer/  
Fund Administrator  
Affordable Housing Board**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON AFFORDABLE HOUSING FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Affordable Housing Fund set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229

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*Report of the Auditor-General on Affordable Housing Fund for the year ended 30 June, 2025*

of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Affordable Housing Fund at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Affordable Housing Act, 2024 and the Public Finance Management Act.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Land Ownership Status**

The statement of financial position reflects property, plant and equipment balances of Kshs.53,873,271,342 which, as disclosed Note 14 to the financial statements constitutes Work-in-progress. The amount represents the cost of construction of affordable houses and other related infrastructural development across the country. It is noted that the value of land has not been declared as the Fund has not procured any land but construct houses based on vested lands by either the National Government entities and County Governments.

The statement of financial position reflects inventories balances of Kshs.211,480,000 which, as disclosed Note 13 to the financial statements, comprises of the already completed projects for houses held for sale for the affordable housing project at Mukuru and in HomaBay County.

Further, the audit established that various ownership and land tenure arrangements were employed across Affordable Housing Programme (AHP) projects. These include parcels with registered title deeds, letters of allotment, or certificates of official land search as shown below:

<b>Land Ownership Status</b>	<b>Number of Projects</b>
Projects With Title Deeds	14
Projects with Letters of Allotment	9

<b>Land Ownership Status</b>	<b>Number of Projects</b>
Projects with a Certificate of Search	23
Projects on Community Land	2
Projects without Land Documentation	269

A number of projects were implemented on community land or land held under customary arrangements, and this may precipitate challenge on how the sectional title deeds will be processed without the original land ownership documents.

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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior year audit report, one issue was raised under the Emphasis of Matter. This includes lack of an approved operational instruments. Review of the status during audit of the Fund in 2024/2025 revealed that the matter remained unresolved.

#### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxiii which comprise of Key Fund Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Introduction, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund'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 THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **Delays in Allocation Housing Levy to County Committees**

The statement of financial position reflects accounts payables balance of Kshs.459,409,938 as disclosed in Note 23 to the financial statements. This balance relates to funds owed to County Committees which had not been remitted by the Fund since inception. This is contrary to Section 14(4)(c) of the Affordable Housing Fund Act, 2004 which states that despite the provisions of subsection (2), the Board shall allocate out of the Fund not less than point five percent (0.5%) of the monies to the County Committees for the administration of the County Committees as may be approved by the Cabinet Secretary for the time being responsible for the National Treasury.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Failure to Onboard Taxpayers with Affordable Housing Obligation**

Review of records revealed that the Affordable Housing Fund rely solely on the proceeds submitted by Kenya Revenue Authority (KRA) who in turn rely solely on what has been remitted by the institutions. The Board relies on KRA records while KRA relies on the institutional remittances. The Board does not therefore have a mechanism to know what it expects based on accurate data. Similarly, KRA does not have power through the Affordable Housing Act, 2024, to enforce compliance by employers.

Further, analysis of taxpayer data from Kenya Revenue Authority (KRA) itax in respect of Pay As You Earn (PAYE) and Housing Levy deductions revealed that six thousand, three hundred and ninety (6,390) taxpayers were found in the PAYE register but were missing in the Housing Levy records. Management explained that although the Authority is mandated to collect Affordable Housing Levy, enforcement of the levy is not within its purview.

In the circumstances, the Fund may have unrealized revenue from institutions that fail to deduct or conceal deducted amounts thus undermining the implementation of the Affordable Housing Policy.

### **2. Performance on Delivery of Affordable Houses**

The Fourth Medium Term Plan 2023-2027 “Bottom-Up Economic Transformation Agenda for Inclusive Growth”, provides that under the Housing and Settlement Pillar, 200,000 affordable housing units will be constructed annually. Out of these, 60,000 units will be financed through Government support while 140,000 units will be financed through the National Housing Development Fund. Further, it seeks to increase the number of low-cost mortgages from 30,000 to one (1) million. However, review of records on current target achievements against actual performance revealed that the Fund’s had underperformed on delivery of the affordable houses against set targets with only 3,611 units having been completed.

In the circumstances, effectiveness of the ability of the Fund to deliver to the public the target housing units could not be confirmed.

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

### **Responsibilities of the Management and 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 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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


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

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

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

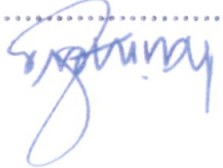


19 December, 2025

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

	Notes	2024/2025	RESTATEMENT 3 months 2023/2024(*)
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Housing Levies		-	-
<b>Total</b>		-	-
<b>Revenue from exchange transactions</b>			
Finance Income	6	4,022,051,769	671,721,763
<b>Total revenue</b>		<b>4,022,051,769</b>	<b>671,721,763</b>
<b>Less Expenses</b>			
Administration Costs	7	3,199,712,036	1,621,266
Social Subsidy	8	197,450,000	-
<b>Total expenses</b>		<b>3,397,162,036</b>	<b>188,457,768</b>
<b>Other gains/(losses)</b>		-	-
Surplus for the year		624,889,733	483,263,995
<b>Surplus for the year</b>		<b>624,889,733</b>	<b>483,263,995</b>

**Affordable Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

The Financial Statements set out on pages 1 to 9 were signed by:

 ..... JEREMIAH SIMU Chairman of the Board Date: 29/08/2025	 ..... SOSPETER THUKU Fund Accountant ICPAK M/No. 20429 Date: 29/08/2025	 ..... SHEILA WAWERU, OGW Ag. CEO/Fund Administrator Date: 29/08/2025
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**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**14 Statement of Financial Position as at 30 June 2025**

	Notes	2024/2025	RESTATEMENT OF 3 MONTHS 2023/2024(*)
		Kshs	Ksh
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	9	7,205,072,754	12,041,389,259
Receivables from Exchange Transactions	10(a)	2,282,695,369	6,663,482,625
Receivables from Non-Exchange Transactions	11	83,475,791	
Investments in Financial Assets	12	45,489,050,000	20,650,500,000
Inventories	13	211,480,000	-
<b>Total Current Assets</b>		<b>55,271,773,914</b>	<b>39,355,371,884</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	10(b)	21,471,516,212	-
Property, plant and Equipment	14	53,873,271,342	-
Intangible Assets	15	-	-
<b>Total Non- Current Assets</b>		<b>75,344,787,554</b>	<b>-</b>
<b>Total Assets (a)</b>		<b>130,616,561,468</b>	<b>39,355,371,884</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other Payables	16	459,409,938	188,457,768
Taxation	17	-	-
<b>Total Current Liabilities</b>		<b>459,409,938</b>	<b>188,457,768</b>
<b>Non-Current Liabilities</b>			
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (b)</b>		<b>459,409,938</b>	<b>188,457,768</b>
<b>Net Assets (a-b)</b>		<b>130,157,151,530</b>	<b>39,166,914,116</b>
<b>Represented by:</b>			
Reserves		-	-
Accumulated Surplus		1,108,153,728	483,263,995
Capital Fund		129,048,997,802	38,683,650,1210
<b>Net Assets</b>		<b>130,157,151,530</b>	<b>39,166,914,116</b>

**Affordable Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

The financial statements set out on pages 1 to 9 were signed by:



.....  
**SHEILA WAWERU,OGW**  
Ag. CEO/Fund  
Administrator  
Date: 29/8/2025



.....  
**SOSPETER THUKU**  
Fund Accountant  
ICPAK M/No. 20424  
Date: 29/8/2025



.....  
**JEREMIAH SIMU**  
Chairman of the Board  
Date: 29/08/2025

## 15 Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
	kshs	kshs	kshs	kshs
Fund balance As at 30 <sup>th</sup> June 2024	39,166,914,116	-	-	39,166,914,116
Adjustments	(38,683,650,121)	-	38,683,650,121	-
As at July 1, 2024	483,263,995	-	38,683,650,121	39,166,914,116
Surplus/ deficit for the period	624,889,733	-	-	624,889,733
Housing Levy in the year	-	-	73,198,337,341	73,198,337,341
Transfer of Fund Capital	-	-	17,167,010,340	17,167,010,340
As at 30 <sup>th</sup> June, 2025	1,108,153,728	-	129,048,997,802	130,157,151,530

## Note:

1. For items that are not common in the financial statements, the FUND should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. The statements of financial position and statement for financial performance (FY 2023/2024) is as restated to accommodate for change in policy in treatment of affordable housing Levy from revenue income to capital Income remitted directly to capital Fund. During the current the policy has been applied.
3. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done. A restatement of our financial statement has been done and justification is hereby elaborated as to why the Housing levy is not a revenue from a non exchange transactions. The affordable housing levies are hereby recognised as contributions from owners which has been provided by IPSAS 1 (Definitions), Contributions from owners means future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity, that establish a financial interest in the net assets/equity of the entity, which conveys entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up;

(a) Can be sold, exchanged, transferred or redeemed.

Further to IPSAS 1, in accordance to IPSASB Conceptual Framework:

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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***Ownership contributions*** are: *Inflows of resources to an entity, contributed by external parties in their capacity as owners, which establish or increase an interest in the net financial position of the entity. Where such transfers satisfy the definitions of ownership contributions they will be accounted for as such.*

*Ownership contributions may take the form of an initial injection of resources at the creation of an entity or a subsequent injection of resources...a detailed note 37 has been done in this financial statement.*

***Reclassification of Revenue*** - *Amounts previously recognized under non-exchange transactions i.e Affordable Housing Levy were reassessed and determined not to meet the recognition criteria. Accordingly, they have been excluded from revenue in the restated figures and recognized as working Capital.*

***Recognition of New Income Streams*** - *Income from the Tenant Purchase Scheme and interest on investments were identified as exchange transactions and properly classified under revenue streams in line with IPSAS requirements.*

***Adjustment of Assets*** - *Certain balances previously omitted have now been recognized, work-in-progress, and investment properties, to ensure that assets reflect the economic benefits controlled by the entity.*

***Correct Presentation of Liabilities*** - *Accounts payable and related fees have been realigned to match the reporting period and accurately reflect current obligations.*

***Compliance with IPSAS 'Substance over Form Principle'*** - *The restatement ensures that transactions are reported based on their economic substance rather than their legal form, thereby presenting a fairer view of the entity's financial performance and position.*

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

		2024/2025	Restatement of 3 months 2023/2024 (*)
	Notes	Kshs	
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfer from SDHUD		-	20,000,000,000
Receipts from KRA		79,250,473,387	12,020,167,496
Finance income -investments	12	4,017,601,114	671,721,763
<b>Total receipts</b>		<b>83,268,074,501</b>	<b>32,691,889,259</b>
<b>Payments</b>			
Transfers out of the Fund		63,265,841,006	-
<b>Total payments</b>		<b>63,265,841,006</b>	-
<b>Net cash flows from/(used in) operating activities</b>		<b>20,002,233,495</b>	<b>32,691,889,259</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(30,489,050,000)	(20,650,500,000)
Redeemed investments at Maturity		5,650,500,000	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(24,838,550,000)</b>	<b>(20,650,500,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows from financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(4,836,316,505)</b>	<b>12,041,389,259</b>
Cash and cash equivalents at 1 July 2024		12,041,389,259	-
<b>Cash and cash equivalents at 30 June 2025</b>		<b>7,205,072,754</b>	<b>12,041,389,259</b>

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

Recurrent and Development Combined

Description	A	B	C=a+b	D	E=c-d	F=d/c %
Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization	
Receipts						
Housing Levy	63,220,000,000	39,353,249,711	102,573,249,711	111,881,987,462	(9,308,737,751)	109%
Finance income	21,221,763	4,240,070,923	4,261,292,686	4,693,773,532	(432,480,846)	110%
Total receipts	63,241,221,763	43,593,320,634	106,834,542,397	116,575,760,994	(9,741,218,597)	109%
Payments						
Acquisition of Assets	62,107,302,043	764,999,962	62,872,302,005	60,066,128,970	2,806,173,035	96%
Administration costs	1,133,919,720	2,613,290,756	3,747,210,476	3,388,169,804	359,040,672	90%
Purchase of treasury bills	-	40,214,930,326	40,234,029,916	45,489,050,000	(5,255,020,084)	113%
Total Payments	63,241,221,763	43,593,221,044	106,853,542,397	108,943,348,774	(108,943,348,774)	
Surplus	-	-	-	7,632,412,220		

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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(a) **Reallocations within the year:** *The changes between the Original and the final budget is as a result of reallocations within the year. (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23.)*

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



.....  
**SHEILA WAWERU, OGW**  
Ag. CEO/Fund Administrator  
Date: 29/8/2025



.....  
**SOSPETER THUKU**  
Fund Accountant  
ICPAK M/No. 20425  
Date: 29/8/2025



.....  
**JEREMIAH SIMU**  
Chairman of the Board  
Date: 29/08/2025

## **18. Notes to the Financial Statements**

### **1. Establishment**

The Affordable Housing Fund is established by Section 8 of the Affordable Housing Act, 2024 and derives its authority and accountability from Article 13 (1) (b) of the Constitution of Kenya, 2010. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

The Fund's principal activity is to provide Funds for the design, development and maintenance of affordable housing institutional housing and associated social and physical infrastructure.

### **2. Statement of Compliance and Basis of Reporting**

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 (PSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund'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 Fund. The financial statements have been prepared in accordance with the PFM Act, 2012 the Affordable Housing Act, 2024 and International Public Sector Accounting Standards (PSAS). The accounting policies adopted have been consistently applied to all the years presented.

#### **Reporting period**

The reporting period for these financial statements is for the period ended June 30, 2025.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**Critical accounting judgements**

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *FUND* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will

probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported

**Notes to the financial statements**

**4. Adoption of New and Revised Standards**

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

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the FUND.

**Affordable Housing Fund**

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

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 45-Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul>

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Standard	Effective date and impact:
	<p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an FUND shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the FUND if relevant</i></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and</li> </ol>

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Standard	Effective date and impact:
	certainty of future cash flows from any exploration and evaluation assets recognized. <i>State the expected impact of the standard to the Entity if relevant</i>

*iii) Early adoption of standards*

The FUND did not early – adopt any new or amended standards in the financial year or *the FUND adopted the following standards early (state the standards, reason for early adoption and impact on FUND's financial statements.) the Fund came effect in march 2024 after assenting of Affordable Housing Act ,2024.*

**5. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund 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 realized 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**

Revenue from exchange transactions is guided as per IPSAS 9

**Interest income**

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

**Dividends**

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

**Rental income**

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

**Affordable Housing Fund**  
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**Notes to the Financial Statements (Continued)**

**b) Budget information**

The original budget for the Current FY 2024/2025 was approved by the National Assembly. 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

**Notes to the Financial Statements (Continued)**

original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not receive any appropriations of on the 2024 budget.

The Fund 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 under page 1 of these financial statements.

**c) Taxes**

**Current Income Tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Fund operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance, Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when

**Affordable Housing Fund**

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

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**Notes to the Financial Statements (Continued)**

the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable and the same taxation authority.

**Sales tax**

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment

**Affordable Housing Fund**

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

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**Notes to the Financial Statements (Continued)**

property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Board. 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 Board 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 Board 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.

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**a) Financial assets**

**Classification of financial assets**

The Fund 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 Funds 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 cash flows 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 the Fund has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the Fund 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.

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Notes to the Financial Statements (Continued)**

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Fund 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 Fund 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 Fund recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

**b) Financial liabilities**

**Classification**

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

**Notes to the Financial Statements (Continued)**

**f) 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 *FUND*.

**g) Provisions**

Provisions are recognized when the *FUND* 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 *FUND* 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.

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Notes to the Financial Statements (Continued)**

**h) 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 FUND 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 FUND will incur in fulfilling the present obligations represented by the liability.

**i) Contingent liabilities**

The FUND 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.

**j) Contingent assets**

The FUND 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 FUND 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.

**k) Nature and purpose of reserves**

The FUND creates and maintains reserves in terms of specific requirements. *FUND to state the reserves maintained and appropriate policies adopted.*

**l) Changes in accounting policies and estimates**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**m) Service concession arrangements**

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

**n) 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.

**o) Comparative figures**

In preparing these financial statements, the *FUND* has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an *FUND* to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

**p) Subsequent events**

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**6. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the FUND'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 FUND 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 FUND. 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 FUND.
- 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.

**Notes to the Financial Statements (Continued)**

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.

*(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**6. Finance Income**

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Interest Earned – Mukuru Housing units	3,094,942	-
Interest Earned – Homabay Housing units	1,355,713	-
Interest Income from Treasury Bills	4,017,601,114	671,721,763
<b>Total</b>	<b>4,022,051,769</b>	<b>671,721,763</b>

**7. Administration Costs**

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Administration costs by implementing agencies	1,459,830,196	-
Administration cost to the Board	1,007,898,466	1,621,266
County Government fees	365,991,687	93,418,251
KRA Agency Fees	365,991,687	93,418,251
<b>Total</b>	<b>3,199,712,036</b>	<b>188,457,768</b>

**8. Social Subsidy**

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Social subsidy -Mukuru	193,600,000	-
Social subsidy -Homabay	3,850,000	-
<b>Total</b>	<b>197,450,000</b>	<b>-</b>

**9. Cash and cash equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Investment Account - 1000742992	480,272,876	21,221,763
AIA Account - 1000743007	91,670,452	12,020,167,496
Development Account - 1000742976	6,633,129,426	-
Operation Accounts - 1000742984	-	-
<b>Total</b>	<b>7,205,072,754</b>	<b>12,041,389,259</b>

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Notes to the Financial Statements (Continued)

10. (a) Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
KENSUF Cash in Bank	253,102,381	-
Interest Earned from Housing units	4,450,655	-
Deposit for Makongeni Land	1,730,000,000	-
Deposit for IFMAP	270,000,000	-
Short term Receivable	25,142,333	-
<b>Total</b>	<b>2,282,695,369</b>	<b>-</b>

10 (b) Receivables From Non -Exchange Transactions

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Receivables	20,742,388,545	-
Receivables from sale of HomaBay units	130,258,333	-
Receivables from sale of Mukuru units	598,869,334	-
<b>Total</b>	<b>21,471,516,212</b>	<b>-</b>

10 (c) Ageing analysis for receivables from Exchange transactions

Description	2024/2025	2023/2024	
	Kshs	Kshs	%
<b>Less than 1 year</b>			
Cash Receivable KENSUF (Climate Worx)	133,249,584		100%
Cash Receivable KENSUF Projects	119,852,796		100%
Receivables	20,742,388,545		
Between 1-2 years	-	-	
Interest Earned from Housing units	4,450,655		100%
Deposit for Makongeni Land	1,730,000,000		100%
Deposit for IFMAP	270,000,000		100%
Short term Receivable	25,142,333		100%
Between 2-3 years	-	-	
Over 3 years	729,127,667	-	
	-	-	
<b>Total (a+b)</b>	<b>23,754,211,580</b>		<b>100%</b>

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**11. Receivables from Non- Exchange transactions**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
KRA cash in Transit	83,475,791	6,663,482,625
<b>Total</b>	<b>83,475,791</b>	<b>6,663,482,625</b>

**11 (b) Ageing analysis for receivables from non-Exchange transactions**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>	
	<b>Kshs</b>	<b>Kshs</b>	
			<b>%</b>
<b>Less than 1 year</b>			
KRA cash in Transit	83,475,791		100%
Between 2-3 years	-		-
Over 3 years	-		-
<b>Total</b>	<b>83,475,791</b>		<b>100%</b>

**12. Investment in Treasury Bills**

<b>Description</b>	<b>2024/2025</b>
	<b>Kshs</b>
At the beginning of the period	20,650,500,000
Purchase of investments in the period	30,489,050,000
Sale of investments during the period	(5,650,500,000)
At the end of the period 2024/2025	<b>45,489,050,000</b>

**13. Inventories**

<b>Description</b>	<b>2024/2025</b>	<b>3 Months of 2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Mukuru Houses Inventories	94,080,000	-
Homabay Houses Inventories	117,400,000	-
<b>Total</b>	<b>211,480,000</b>	<b>-</b>

*The inventories comprises of the completed houses held for sale for the completed affordable housing projects at Mukuru and Homabay.*

**Affordable Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**14. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
<b>Depreciation Rate</b>		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2025</b>	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	55,036,471,342	-	55,036,471,342
Disposals	-	-	-	-	-	-	-	(1,163,200,000)	-	(1,163,200,000)
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As At Jun 2025</b>	-	-	-	-	-	-	-	53,873,271,342	-	53,873,271,342
<b>Depreciation And Impairment</b>									-	
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As At</b>	-	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-	-	-	-	-	-
<b>Opening Bal as at 30<sup>th</sup> June 2024</b>	-	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June, 2025</b>	-	-	-	-	-	-	-	<b>53,873,271,342</b>	-	<b>53,873,271,342</b>

*The cost of land where the Affordable Housing Projects are is valued at zero, the land is in either owned by County Government or National Government. The process of transferring ownership to Affordable Housing Board is ongoing after which the acquired land will be Gazetted, valued and included in the books. The Fund has not Acquired any land.*

**Affordable Housing Fund**  
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**15. Intangible Assets**

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Intangible Asset	-	-
<b>Total</b>	-	-

**16. Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Third-party payments – administrative expenses			1,621,266	
Third-party payments – County committee	93,418,251		93,418,251	
Third-party payments – County committee	365,991,687		93,418,251	
<b>Total trade and other payables</b>	<b>459,409,938</b>		<b>188,457,768</b>	
<b>Ageing analysis: (Trade and other payables)</b>		<b>% of the Total</b>		<b>% of the Total</b>
	<b>2024/2025</b>		<b>2023/2024</b>	
Under one year	365,991,687	100%	188,457,768	100%
1-2 years	93,418,251	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>459,409,938</b>	<b>100%</b>	<b>188,457,768</b>	<b>100%</b>

**17. Taxation**

Description	2024/2025	3 Months of 2023/2024
	Kshs	Kshs
Current income tax charge	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

**Affordable Housing Fund**

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**Notes to the Financial Statements (Continued)**

**18. Housing Levy Received**

Name Of The FUND Sending The Grant/Transfer	2024/2025	3 months of 2023/24
	Kshs	
Housing levies received in the Year	73,198,337,341	18,683,650,121
<b>Total</b>	<b>73,198,337,341</b>	<b>18,683,650,121</b>

**Trade and Other Payables**

**19. Financial Risk Management**

The FUND's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The FUND'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 FUND 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 FUND's financial risk management objectives and policies are detailed below:

**i) Credit risk**

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

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

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**Notes to the Financial Statements (Continued)**

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at July 2024</b>				
Housing debtors	9,431,599	-	-	-
Cash in transit KRA	83,475,791	-	-	-
Receivable from Voluntary savings	15,710,734	-	-	-
Unutilized Funds balances from KENSUF	253,102,381	-	-	-
<b>Total</b>	<b>361,720,505</b>	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the FUND has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The FUND has significant concentration of credit risk on amounts due from debtors. The board of directors sets the FUND's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

The table below represents cash flows payable by the FUND under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
Current Provisions	-	-	-	-
Total	-	-	-	-
<b>As at 30 June 2025</b>	-	-	-	-
Current provisions	-	-	-	-
<b>Total</b>	-	-	-	-

**Notes to the Financial Statements (Continued)**

**iii) Market risk**

The FUND has put in place an internal audit function to assist it in assessing the risk faced by the FUND 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 FUND's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The FUND'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 FUND's exposure to market risks or the manner in which it manages and measures the risk.

**a) Interest rate risk**

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

**Management of interest rate risk**

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

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Financial Risk Management**

**Sensitivity analysis**

The FUND analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

**Affordable Housing Fund**  
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**Notes to the Financial Statements (Continued)**

**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 *FUND*'s market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As At 30 June 2025</b>				
<b>Financial Assets</b>				
Investments	45,489,000,000	-	-	45,489,000,000
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	<b>45,489,000,000</b>	<b>-</b>	<b>-</b>	<b>45,489,000,000</b>

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

**Affordable Housing Fund**  
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**Notes to the Financial Statements (Continued)**

**iv) Capital Risk Management**

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

	2024/2025
	Kshs
Revaluation Reserve	-
Accumulated Reserve	1,108,153,728
Capital Funds	129,048,997,802
<b>Total Funds</b>	<b>130,157,151,530</b>
Total Borrowings	-
Less: Cash And Bank Balances	<b>(7,205,072,754)</b>
Net Debt/(Excess Cash And Cash Equivalents)	<b>7,205,072,754</b>
<b>totals</b>	<b>130,157,151,530</b>

**20. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *FUND* 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 *FUND*, holding 100% of the *FUND*'s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *FUND*, both domestic and external.

**Other related parties include:**

- i) The State Department for Housing and Urban Development
- ii) County Governments
- iii) National Housing Corporation
- iv) The Kenya Slum Upgrading, Low-Cost Housing and Infrastructure Trust Fund
- v) Key management.
- vi) Board of directors.
- vii) National Social Security Fund
- viii) National Construction Authority

**Affordable Housing Fund**  
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**Notes to the Financial Statements (Continued)**

	2024/2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Water sales to govt. Agencies	-
Others (specify) e.g. interest and bank charges	-
<b>Total</b>	-
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-
Others (specify)	-
<b>Total</b>	-
<b>b) Grants /transfers from the government</b>	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
<b>Total</b>	-
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
<b>Total</b>	-
<b>d) Key management compensation</b>	
Directors' emoluments	-
Compensation to key management	-
<b>Total</b>	-

**21. Segment Information**

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

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**22. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

	2024/2025
	Kshs
<b>Contingent Assets</b>	
Insurance Reimbursements	-
Assets Arising from Determination Of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
Others (Specify)	-
<b>Total</b>	-

*(Give details)*

**Contingent Liabilities**

	2024/2025
	Kshs
<b>Contingent Liabilities</b>	-
Court Case xx against the FUND	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
<b>Total</b>	-

*(Give details)*

**23. Capital Commitments**

<b>Capital Commitments</b>	2024/2025
	Kshs
Authorised for	-
Authorised and contract	-
<b>Total</b>	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised*

**Affordable Housing Fund  
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**Notes to the Financial Statements (Continued)**

by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

**24. Program for Results (For) Disclosure**

*This disclosure note is for entities implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.*

Name of PforR: xxxxxx		Name of Financing Partners: xxx and xxx				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Subtotal						
<b>Total</b>	-	-	-	-	-	-

*Expenditure Details\* - Provide the details per your expenditure framework requirements. (Program, sub-program, and or economic Item)*

**25. Events after the Reporting Period**

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

**26. Ultimate And Holding FUND**

The FUND ultimate parent is the Government of Kenya.

**27. Currency**

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

**Affordable Housing Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Notes to the Financial Statements (Continued)**

**28. Basis of Reinstatement**

**Affordable Housing Levy treated as contribution by owners**

**I. Preamble**

The Housing Levy fund is defined by section 8 of the Affordable Housing Act; *there is established a fund to be known as the Affordable Housing fund which shall be vested in, and managed by, the board.*

Section 9 (1) There shall be paid into the fund

*(a) monies deducted or payable as the levy under this act*

Whereas there has been many funds created and funded directly or indirectly by tax payers, including transfers from the exchequer with the provision to spend the allocated funds as either recurrent or capital as per the budget: The Affordable Housing Levy fund is unprecedentedly unique in that the amounts received in the fund from the public is strictly and exclusively for the creation of long term inventories (Affordable Houses) with a long term monetization cycle.

Whereas the law does not offer the contributing public (“owners”) direct oversight over the fund for the creation of the long-term inventories, constructively the Government, on behalf of the contributing public becomes the constructive trustee owner. Indeed the Act Section 16 (1) requires the Government to create an oversight board in which is adequately represented.

**Requirement from IPSAS**

**IPSAS 1**

In line with IPSAS 1 (Definitions), **Contributions from owners** means future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity, that establish a financial interest in the net assets/equity of the entity, which:

(b) Conveys entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up;

(c) Can be sold, exchanged, transferred or redeemed.

**Notes to the Financial Statements (Continued)**

Further to IPSAS 1, **in accordance to IPSASB Conceptual Framework:**

5.33 **Ownership contributions** are: Inflows of resources to an entity, contributed by external parties in their capacity as owners, which establish or increase an interest in the net financial position of the entity.

5.35 Where such transfers satisfy the definitions of ownership contributions they will be accounted for as such.

5.37 Ownership contributions may take the form of an initial injection of resources at the creation of an entity or a subsequent injection of resources...

**IPSAS 23 - Revenue from non-exchange transactions (Taxes and transfers)**

The standard provided two alternative models of accounting for monies received by a public entity with the exception of when such monies qualify as **owners' contribution**. Paragraph 29 of IPSAS 23 *Contributions from owners do not give rise to revenue, so each type of transaction is analyzed and any contributions from owners are accounted for separately.*

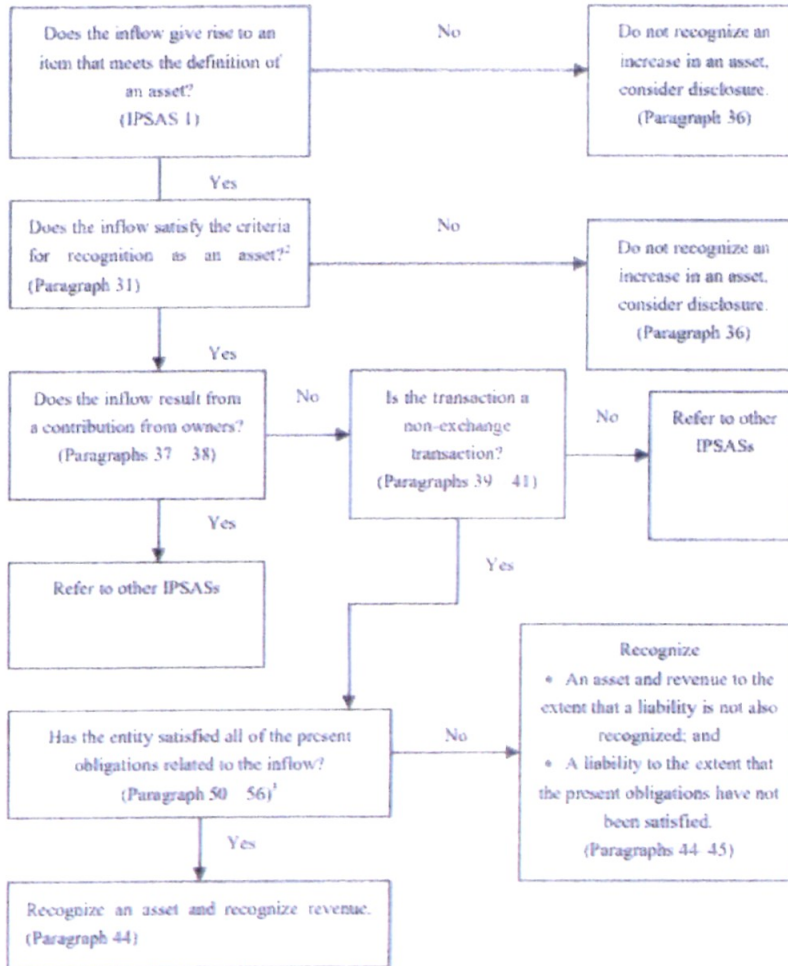
**IPSAS 23 analyses the above as follows:**

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**Notes to the Financial Statements (Continued)**

**REVENUE FROM NON-EXCHANGE TRANSACTIONS  
(TAXES AND TRANSFERS)**

**Illustration of the Initial Analysis of Inflows of Resources<sup>1</sup>**



**II. Conclusion**

In view of the above, the Affordable Housing Levy has been treated as **owners' contribution** in the financial statement of the fund and credited directly to the Housing Levy capital fund.

**Affordable Housing Fund  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**Appendix**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your FUND responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



.....  
Accounting Officer

Date 29/8/2025

**Affordable Housing Fund**  
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**Appendix II: Projects implemented by (The FUND)**

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of Funds

**Affordable Housing Fund  
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**Appendix III: Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs) 2023/2024	Additions during 2024/2025 (Kshs)	Disposals during 2024/2025 (Kshs)	Transfers in/(out) during 2024/2025	Historical Cost c/f (Kshs) Current Year
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment	-	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-	-
ICT Equipment	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	55,036,471,342	-	(1,163,200,000)	53,873,271,342
<b>Total</b>	-	<b>55,036,471,342</b>	-	<b>(1,163,200,000)</b>	<b>53,873,271,342</b>

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**Appendix IV: Transfers from Other Government Entities**

Name of the FUND/Don or Transferring the Funds	Date received as per bank statement	Nature: Recurrent/ Development/ Other	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others - must be specific		
KRA Housing levy collections				73,198,337,341					73,198,337,341

**Affordable Housing Fund  
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**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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**Appendix VII: Disaster Expenditure Reporting Template**

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