



NAIROBI CITY COUNTY

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FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

NCC/FIN/DAS/110/2025



13th November, 2025

The Clerk
County Assembly
Nairobi City County
P.O. Box 45844 -00100
NAIROBI

RE: **SUBMISSION OF QUARTER 1 REPORTS AND FINANCIAL STATEMENTS**
FY 2025/2026

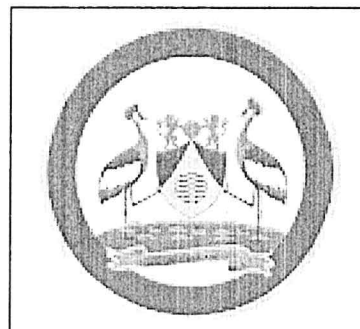
The above subject refers,

Enclosed please find the Quarter 1 Reports and Financial Statements for Nairobi City County Executive for the period ended 30th September 2025.

Thank you for your continued support.

CHARLES K. KERICH
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING AFFAIRS

LET'S MAKE **NAIROBI** WORK



COUNTY GOVERNMENT OF NAIROBI CITY

QUARTERLY REPORT

FOR THE PERIOD ENDED 30th SEPTEMBER

2025

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

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County Government of Nairobi City
Quarterly Report and Financial Statements
for the Period ended 30th September 2025

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County Government of Nairobi City
Quarterly Report and Financial Statements
for the Period ended 30th September 2025

1. Acronyms and Definition of Key Terms

A. Acronyms

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

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.

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

2. Key Entity Information and Management

a) Background information.

The County is constituted as per the Constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1.	Finance and Economic Planning	<ol style="list-style-type: none">1. Developing and implementing financial and economic policies in the County.2. Preparing the annual budget for the county and coordinating the preparation of estimates of revenue and expenditure of the county government.3. Coordinating development planning and implementation4. Mobilizing resources for funding the budgetary requirements of the county government and putting in place measures to raise revenue and resources.
2.	Innovation and Digital Economy	<ul style="list-style-type: none">- Formulating and reviewing County ICT Infrastructure strategy and policy and monitor its implementation;- Coordinate Nairobi County Start Up Stakeholder engagement;- Developing and managing strategic systems including shared services and infrastructure, data, information security, data centres and electronic services of the County;

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

No.	Department	Major Responsibility
		<ul style="list-style-type: none"> - Develop and enforce strategic ICT security initiatives within County including oversight of incident response.
3.	Talents, Skills Development and Care	<ul style="list-style-type: none"> - Development Pre- Primary Education. - Early Childhood Development. - Sports promotion and development - Talents Identification and Development - Social policy - Promote socioeconomic empowerment and community development programmes
4.	Mobility and Works	<ul style="list-style-type: none"> - To design and operate traffic management system (TMS) to enhance efficient flow of both vehicles and pedestrians - Liaison with National and other agencies in the planning and designing of transport systems within the county - To develop and maintain public transport infrastructure;

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

No.	Department	Major Responsibility
		<ul style="list-style-type: none">- To design, develop and maintain institutional facilities to enhance service delivery;- To coordinate energy and lighting infrastructure in the County
5.	Built Environment and Urban Planning	<ol style="list-style-type: none">1. County land and infrastructure surveying2. County valuation services3. Land administration and property management4. Land registration5. County urban development planning and Urban design6. County urban development control7. Housing development. Urban Renewal
6.	Boroughs Administration and Personnel	<ol style="list-style-type: none">1.The development of policies and plans;2.Service delivery;3.Developmental activities to empower the community;

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

No.	Department	Major Responsibility
		4, Human Resources Management
7.	Business and Hustler Opportunities	<p>1. Promote Micro, Small and Medium Enterprises (MSMEs)</p> <p>2. Provide business counselling, advisory and consultancy services.</p> <p>3. Ensure fair trading practices within the County</p> <p>1. Trade development and Regulation</p> <p>2. Markets Management</p> <p>3. Markets Infrastructure Development</p> <p>4. Promotion of co-operative societies</p>
8.	Green Nairobi (Environment, Water, Food and Agriculture	<p>1. Water and Sanitation Solid waste Management</p> <p>2. Crop, Livestock and fisheries development and management</p> <p>3. Water pollution control.</p>

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

No.	Department	Major Responsibility
9.	Health Wellness and Nutrition	<p>1.County health facilities and infrastructure administration</p> <p>2.Health policy formulation and regulation</p> <p>3.Preventive and Promotive Health Services</p> <p>4.Medical services</p> <p>5.Provide Nutrition Services in the community and Health facilities</p> <p>School Feeding Program</p>
10.	Inclusivity, Public Participation and Customer Service	<p>1.Public participation and citizen engagement</p> <p>2.Cultural activities, public entertainment and public amenities.</p> <p>3.Development and implementation of county tourism Development plans, programmes and projects</p> <p>4.Gender mainstreaming</p> <p>Promote and manage programmes for children, women and persons living with disabilities.</p>

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

No.	Department	Major Responsibility

b) Key Management team

The *County Executive's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Office of the Governor	H.E Sakaja Johnson
2.	Office of the Deputy Governor	H.E. Njoroge Muchiri
3.	Finance and Economic Planning Affairs.	Mr. Charles K. Kerich
4.	Innovation and Digital Economy	Mr. Michael Gumo
5.	Talents, Skills Development and Care	Mr. Brian Mulama
6.	Mobility and Works	Mr. Ibrahim Auma Nyangoya
7.	Built Environment and Urban Planning	Mr. Patrick Mbogo
8.	Boroughs Administration and Personnel	Mr. Stephen Gathuita Mwangi
9.	Business and Hustler Opportunities	Dr. Anastasia Mutethya Nyalita
10.	Green Nairobi (Environment, Water, Food and Agriculture)	Ms. Maureen Njeri
11.	Health Wellness and Nutrition	Ms. Suzanne Silantoi
12.	Inclusivity, Public Participation and Customer Service	Ms. Rosemary Kariuki
13.	County Attorney	Ms. Christine Ireri

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th Sep2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM - Finance and Economic Planning Affairs	Mr. Charles K. Kerich
2.	Accounting Officer - Environment	Mr. Geoffrey Omatoke Mosiria
3.	Accounting Officer - Water and Sewerage	Mr. Oscar Omoke Ocholla
4.	Accounting Officer - Mobility	Dr. Michael Waikenda
5.	Accounting Officer - Works	Mr. George Kimutai Tirop
6.	Accounting Officer - Finance	Ms. Asha Abdi
7.	Accounting Officer - Revenue Administration	Mr. Tirus Wainaina Njoroge

County Government of Nairobi City**Quarterly Report and Financial Statements for the Period ended 30th September 2025**

No.	Designation	Name
8.	Accounting Officer - Business and Hustler Opportunities	Mr. Geoffrey Akumali Atiel
9.	Accounting Officer - Cooperatives	Mr. Geoffrey Mutiso Musembi
10.	Acting Accounting Officer - ICT Infrastructure	Mr. Tirus Wainaina Njoroge
11.	Accounting Officer - Digital Economy and Startups	Mr. David Oyolo Sande
12.	Accounting Officer - Smart Nairobi	Mr. Wilson Njoroge Gakuya
13.	Accounting Officer - Lands	Ms. Cecilia Wangari Koigu
14.	Accounting Officer- Urban Development and Planning	Mr. Patrick Analo Akiyaga
15.	Accounting Officer - Housing and Urban Renewal	Ms. Lydia Mathia
16.	Accounting Officer - City Culture, Arts and Tourism	Mr. Clement Rapundo Sijenyi
17.	Accounting Officer - Gender and Inclusivity	Ms. Maryan Dubow Dahir
18.	Accounting Officer - ECD and Vocational Training	Mr. Ahmed Mohammed Abdi
19.	Accounting Officer - Youth, Talent and Sports	Mr. Oscar Mufunga Igaida
20.	Accounting Officer - Social Services	Mr. Boniface Nyamu
21.	Accounting Officer - Public Service	Ms. Janet Omollo Opiata
22.	Accounting Officer - Health Facilities	Mr. Hiram Otieno Nyakach
23.	Accounting Officer - Public Health	Mr. Tom Michira Nyakaba
24.	Accounting Officer - Medical Services	Ms. Irene Njeri Muchoki
25.	Accounting Officer - Office of the Governor	Ms. Priscilla Muthoni Mahinda
26.	Accounting Officer - Security and Compliance	Mr. Tony Michael Kimani
27.	Accounting Officer - Disaster Management and Coordination	Mr. Bramwell Wesangula Simiyu
28.	Accounting Officer - Public Engagement, Citizen Engagement and Customer Service	Ms. Zipporah Njeri Mwangi
29.	Accounting Officer - Economic Planning	Mr. John Murungi Lintari
30.	Accounting Officer - Boroughs and Sub County Administration	Mr. Bernard Muia
31.	Accounting Officer - Markets and Trade	Ms. Jane Wangui
32.	Accounting Officer - Food Agriculture and Natural Resources	Ms. Gladwell Cheruiyot
33.	Accounting Officer - Wellness Nutrition and School Feeding	Ms. Amina Mohammed
34.	Accounting Officer – Internal audit and Risk management	Mr. Francis Njoroge Ndungu
35.	Accounting Officer – Legal Affairs	Mr. Wasonga S. Ogolla

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

d) Fiduciary Oversight Arrangements

The Nairobi City County Assembly Budget and Appropriations Committee and Public Accounts Committee provide oversight on County Financial Management. The Budget and Appropriations committee oversees and monitors budget preparation and implementation while the Public Accounts Committee reviews all reports of the Auditor-general in matters related to the management of finances. The County has an established audit committee which strengthens the independence and the processes around internal auditing

e) County Executive Headquarters

P.O. Box 30075 00100,
City Hall Building,
City Hall Way,
NAIROBI, KENYA

f) County Executive Contacts

Telephone: (254) 20 224281, (254) 20 2216151
E-mail: info@nairobi.go.ke
Website: www.nairobi.go.ke

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Other Commercial Banks
 - (i) Equity Bank,
Equity Centre Branch
P.O Box 75104-00200,
NAIROBI, KENYA
 - (ii) National Bank,
Kenyatta Avenue Branch,
P.O Box 30645 -00100,

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

NAIROBI, KENYA.

(iii) Kenya Commercial Bank

Moi Avenue Branch

P.O Box 30081 – 00100

NAIROBI, KENYA

(iv) Co-operative Bank

City Hall Branch

P.O Box 44805 - 00100

NAIROBI, KENYA

h) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

j) County Attorney

P.O. Box 30075 00100,

City Hall Building,

City Hall Way,

NAIROBI, KENYA

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

3. Foreword by CECM Finance and Economic Planning

The financial statements have been prepared pursuant to sections 163,164 and 165 of the PFM Act, 2012, a requirement that the county has consistently obliged to since the onset of devolution. The Reports and Financial Statements for the year have been prepared in accordance with Transitional IPSAS accrual basis as recommended by the Public Sector Accounting Standards Board. These financial statements are for the 3 months period ended 30th September 2025. Other than being a conformation to regulatory requirements, these statements provide the county an opportunity for self-assessment in all financial matters, as a process of learning and continuous improvement in management of public resources.

The constitution 2010, through part two of the fourth schedule, allocated fourteen functions and powers to be delivered by the counties, as affirmed by article 186 (1). These functions are;

1. Agriculture, including; Crop and animal husbandry; Livestock sale yards; County abattoirs; Plant and animal disease control; and Fisheries.
2. County health services, including, in particular; County health facilities and pharmacies; Ambulance services; Promotion of primary health care; Licensing and control of undertakings that sell food to the public; Veterinary services (excluding regulation of the profession); Cemeteries, funeral parlours and crematoria; and Refuse removal, refuse dumps and solid waste disposal.
3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising.
4. Cultural activities, public entertainment and public amenities, including; Betting, casinos and other forms of gambling; Racing; Liquor licensing; Cinemas; Video shows and hiring; Libraries; Museums; Sports and cultural activities and facilities; and County parks, beaches and recreation facilities.
5. County transport, including; County roads; Street lighting; Traffic and parking; Public Road transport; and Ferries and harbors, (excluding the regulation of international and national shipping and matters related thereto)
6. Animal control and welfare, including; Licensing of dogs; and Facilities for the accommodation, care and burial of animals.
7. Trade development and regulations, including; Markets; Trade licences (excluding regulation of professions); Fair trading practices; Local tourism; and Cooperative societies.
8. County planning and development, including; Statistics; Land survey and mapping; Boundaries and fencing; Housing; and Electricity and gas reticulation and energy regulation.
9. Pre-primary education, village polytechnics, home craft centres and childcare facilities.
10. Implementation of specific national government policies on natural resources and environmental conservation, including; Soil and water conservation; and Forestry.
11. County public works and services, including; Storm water management systems in built-up areas; and, Water and sanitation services.

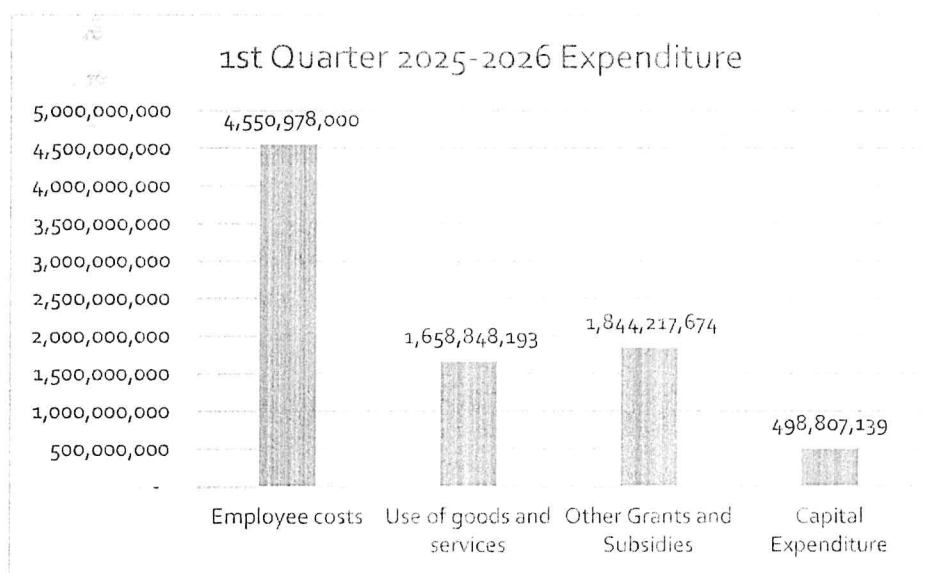
County Government of Nairobi City
Quarterly Report and Financial Statements for the Period ended 30th September 2025

12. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

For delivery of these functions within Nairobi County, various structures exist, with clearly defined roles. Nairobi City County Government is a product of devolution which was introduced by Article 6 and 174 of the constitution, and therefore a government exists as per article 176 (1), with both the County Assembly and the County Executive in existence. For efficient delivery of the functions, the county government has existing functional structures as guided by different legislation.

The county remains committed, and continuously pursues the fulfilment of the fiscal responsibility principles as espoused in section 107 of the PFM Act and its attendant regulations.

On the expenditure side, the county committed a total recurrent expenditure of Kshs 8,054,043,867 comprising of Compensation of employees Kshs 4,550,978,000, Use of goods and services Kshs 1,658,848,193 and other grants and transfers Kshs 1,844,217,674. Capital expenditure was Kshs 498,807,139. Analysis of the expenditure is shown in the chart below.



County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

The statements directly correlate with the government's development agenda, which saw cognizable milestones in improved provision of health and nutritional services, improved access to education, improvement in roads infrastructure, improved environment and reduced pollution, improved access to extension services and improved response to disaster. Notable flagship projects/programmes that gained momentum in the period under review includes; the school feeding programme through construction of kitchens and supplementation of food; expansion of health facilities and improved number and capacity of health personnel; Provision of conducive trading spaces by construction of new markets and rehabilitation of existing ones; timely provision of bursaries to needy students to retain them in learning institutions; Improved management of solid waste by improved capacity of waste collection and transportation; Improved environment through tree planting, river cleaning and improvement enforcement towards reduction of air and noise pollution; improved food safety through inspection and training; and reaching more farmers through extension services.

In the medium term, the county will continue its pursuit towards making Nairobi a city of order, dignity, hope and opportunities for all. Continuation and completion of ongoing programmes will be prioritized in the short term, and a long-term vision for sustainable development and prosperity in the county will be developed. A total budget of Kshs.44,620,889,340 billion has been allocated towards this objective in the financial year 2025/2026, comprised of Kshs. 31,203,189,119 billion for recurrent expenditure and Kshs.13,417,700,321 billion for development. Being the capital city of Kenya, and given the high and ever-growing population, the resources required for adequate service provision remain too huge for the county to meet. We therefore continuously pursue strategies to improve our own source revenues, and also leverage on alternative sources of financing to ensure the development targets are achieved.



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CECM Finance and Economic Planning

Nairobi City County Government

County Government of Nairobi City

Quarterly Report and Financial Statements for the Period ended 30th September 2025

4. Statement of Management Responsibilities

Section 166 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the County Treasury shall prepare financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the period ended 30th September, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county government; (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 county government; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The CEC member for Finance and Economic planning accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for Finance and Economic Planning is of the opinion that the County Government's financial statements gives a true and fair view of the state of the County Government's transactions during the period ended 30th September, 2025, and of its financial position as at that date.

The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for Finance and Economic planning confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the quarter were used for the eligible purposes for which they were intended and were properly accounted for. Further, the CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the quarterly report

County Government of Nairobi City
Quarterly Report and Financial Statements for the Period ended 30th September 2025

The County *entity's* financial statements were approved and signed by the CECM for Finance and Economic planning on 31st October 2025.



.....
Charles K. Kerich

CECM – Finance and Economic Planning

1

County Government of Nairobi City
Report and Financial Statements
for the Period ended 30th September 2025.

5. Statement of Financial Performance for the Period Ended 30th September 2025

Description	Notes	Period ended 30th June 2025	Period ended 30th September 2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from CRF	5	5,158,461,956	4,678,306,054
Total revenue		5,158,461,956	4,678,306,054
Expenses			
Employee costs	6	4,550,978,000	2,462,209,677
Use of goods and services	7	1,658,848,193	341,530,720
Transfers to other Government Entities	8	-	434,801,441
Other Grants and Subsidies	9	1,844,217,674	-
Total expenses		8,054,043,867	3,238,541,838
Surplus/Deficit for the year		(2,895,581,911)	1,439,764,216

The financial statements set out on pages 1 to 47 were signed by:



Name: Asha Abdi
Chief Officer, Finance



Name: Caroline Wang'ang'a
Head of County Treasury
(Accounting)
ICPAK M/No 15768

County Government of Nairobi City
Report and Financial Statements for the Period ended 30st September, 2025.

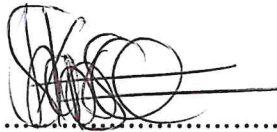
6, Statement of Financial Position as at 30th September 2025

Description	Notes	Period ended 30th September 2025	Opening Statement 1 st July 2025	Audited Statement Period ended 30th September 2025
		Kshs	Kshs	Kshs
Assets				
Current Assets				
Cash and Cash equivalents	10	2,114,709,752	532,260,277	532,260,277
Receivables from Non-Exchange Transactions	11	16,036,700	16,036,700	16,036,700
Total Current Assets		2,130,746,452	548,296,977	548,296,977
Non-Current Assets				
Property, Plant and Equipment	12	6,967,049,975	6,468,242,836	6,468,242,836
Total Non- Current Assets		6,967,049,975	6,468,242,836	6,468,242,836
Total Assets (A)		9,097,796,427	7,016,539,812	7,016,539,812
Liabilities				
Current Liabilities				
Trade and Other Payables	13	92,217,579,328	87,240,740,803	87,240,740,803
Total Current Liabilities		92,217,579,328	87,240,740,803	87,240,740,803
Non-Current Liabilities				
Total Non- Current Liabilities		-	-	-
Total Liabilities (B)		92,217,579,328	87,240,740,803	87,240,740,803
Net Assets (A-B)		(83,119,782,901)	(80,224,200,990)	(80,224,200,990)
Represented by:				
Accumulated Surplus		(83,119,782,901)	(80,224,200,990)	(80,224,200,990)
Capital Fund		-	-	-
Net Assets		(83,119,782,901)	(80,224,200,990)	(80,224,200,990)

County Government of Nairobi City

Report and Financial Statements for the Period ended 30st September, 2025.

The financial statements set out on pages 1 to 47 were signed by:



.....
Name: Asha Abdi

Chief Officer, Finance



.....
Name: Caroline Wang'ang'a

Head of County Treasury (Accounting)

ICPAK M/No 15768

County Government of Nairobi City
Quarterly Report and Financial Statements
for the Period ended 30th September 2025.

7 Statement of Changes in Net Assets for the Period Ended 30th September 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	888,892,308			888,892,308
Adjustments: (to recognize assets and liabilities)	(118,794,238,631)			(118,794,238,631)
As at July 1, 2024	(117,905,346,323)	-		(117,905,346,323)
Surplus/ deficit for the period	(6,045,267,061)			(6,045,267,061)
Returns to CRF				-
Additions during the period	43,726,412,394	-		43,726,412,394
Other changes (specify)		-	-	-
As at 30th June, 2025	(80,224,200,990)	-	-	(80,224,200,990)
Adjustments:				-
Recognition of assets				-
Recognition of liabilities				-
As at 1 st July 2025				-
As at July 1, 2025	(80,224,200,990)			(80,224,200,990)
Surplus/ deficit for the period	(2,895,581,911)			(2,895,581,911)
Returns to CRF (Previous Year)				-
Revaluation Reserves				-
As at 30th September, 2025	(83,119,782,901)			(83,119,782,901)

County Government of Nairobi City
Quarterly Report and Financial Statements
for the Period ended 30th September 2025.

8, Statement of Cash Flows for the Period ended 30th September 2025

Description	Notes	Period ended 30th September 2025	Comparative Period 30th June 2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from CRF		5,158,461,956	4,682,976,859
Total receipts		5,158,461,956	4,682,976,859
Payments			
Employee costs		3,108,738,796	2,462,209,677
Use of goods and services		467,273,684	341,530,720
Transfers to other Government Entities		-	434,801,441
Total payments		3,576,012,480	3,238,541,838
Net cash flows from/ (used in) operating activities	14	1,582,449,476	1,444,435,021
Cash flows from investing activities			
Purchase of PPE		-	-
Net cash flows from/ (used in) investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		1,582,449,476	1,444,435,021
Cash and cash equivalents as at Period Start	10	532,260,277	1,441,968,898
Cash and cash equivalents as at Period End	10	2,114,709,752	2,886,403,920

County Government of Nairobi City
Quarterly Report and Financial Statements
for the Period ended 30th September 2025.

9, Statement of Comparison of Budget and Actual Amounts for the Period Ended 30th September 2025

A) Recurrent and Development budgets Combined

Revenue/expense item	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference	% of utilization
	A	B	C=(a+b)	D	E=(c-d)	F=d/c *100
Revenues						
Opening balance (Non-refundable special purpose accounts)	1,000,000,000	-	1,000,000,000	532,260,277	467,739,723	53
Transfers from CRF	41,984,889,339	-	41,984,889,339	5,158,461,956	36,826,427,383	12
Total revenues	42,984,889,339	-	42,984,889,339	5,690,722,233	37,294,167,106	13
Expenses						-
Employee costs	16,595,479,703	-	16,595,479,703	3,108,738,796	13,486,740,907	19
Use of goods and services	10,411,174,430	-	10,411,174,430	467,273,684	9,943,900,746	4
Transfers to other Government Entities	1,154,450,750	-	1,154,450,750	-	1,154,450,750	-
Other Grants and Subsidies	71,000,000	-	71,000,000	-	71,000,000	-
Finance costs	1,196,705,000	-	1,196,705,000	-	1,196,705,000	-
Social Benefits	712,323,849	-	712,323,849	-	712,323,849	-
Total	30,141,133,732	-	30,141,133,732	3,576,012,480	26,565,121,252	12
Capital items						
Acquisition of PPE	11,440,846,098	-	11,440,846,098	-	11,440,846,098	-
Total expenses	11,440,846,098	-	11,440,846,098	-	11,440,846,098	-
Total Expenses	41,581,979,830	-	41,581,979,830	3,576,012,480	38,005,967,350	9
Surplus/ deficit	1,402,909,509	-	1,402,909,509	2,114,709,752		

10, Notes to the Financial Statements

1. General Information

County Government of Nairobi City is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are provision of services to the residents of Nairobi County.

2. Statement of Compliance and Basis of Preparation

Statement of Compliance

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

Guiding note during the transition period:

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

These financial statements were authorised for issue by the accounting officer on 30 September 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. These financial statements have been prepared 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, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Notes to the financial statements
Significant Accounting Policies

Reporting period

The reporting period for this Quarterly report is for the period ended 30th September 2025.

Critical accounting judgments

IPSAS requires accounting judgments 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 to the entity 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.

The *entity* pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *entity* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *entity* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *entity's* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Notes to the financial statements
Significant Accounting Policies**Climate change obligations**

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. Entity's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii. Revenue from exchange transactions

Interest income

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

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.

b) Budget information

The original budget for FY 2025/2026 was approved by the County Assembly on 27th June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the financial statements

Significant Accounting Policies

Budget information (continued)

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 cash flows has been presented under section xxx of these financial statements.

c) 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 property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an *xx*-year period. 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.

d) Property, plant and equipment

Recognition and Measurement

The Entity's Property, Plant, and Equipment (PPE) are tangible items held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used for more than one reporting period.

An item of PPE is recognized as an asset if, and only if:

- It's **probable** that the future economic benefits or service potential associated with the item will flow to the ministry.
- The cost or fair value of the item can be measured **reliably**.

Items acquired through non-exchange transactions (e.g., donations) are measured at their **deemed cost**, which is the fair value at the date of acquisition. For all other acquisitions, initial measurement is at **cost**, which includes all expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The entity has adopted the **Historical cost model** for the subsequent measurement of its PPE. Under this model, after initial recognition, an asset is carried at its cost less any accumulated depreciation and accumulated impairment losses.

Depreciation and Impairment

The entity applies the **straight-line method** of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of derecognition. The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation rates.

PPE Item	Depreciation Rate
Land	
Buildings	2-10%
Motor vehicles	10-16.67%
Infrastructure assets	2-20%
Furniture and fittings	12.5%
Computers & ICT Equipment	33.3%
Heritage Assets	x%
Work in progress (WIP)	
Service concession assets	

Impairment The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized immediately in the statement of financial performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial performance.

e) Right-of-Use (ROU) Assets

A right-of-use asset represents the entity's right to use an underlying leased asset over the lease term. At the commencement date of a lease, the entity recognises a right-of-use asset and a lease liability, except for short-term leases and leases of low-value assets as allowed under IPSAS 45.

Recognition

The entity recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- The amount of the initial lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred; and
- An estimate of the costs to be incurred in dismantling and removing the underlying asset or restoring the site.

Measurement

Right-of-use assets are initially measured at cost. After initial recognition, right-of-use assets are measured using the cost model, where the asset is carried at: Cost less accumulated depreciation, and Any accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Depreciation of right-of-use assets is charged to expenditure in accordance with the entity's depreciation policy applicable to owned assets of the same class. Right-of-use assets are assessed for impairment in accordance with IPSAS 21 – Impairment of Non-Cash-Generating Assets or IPSAS 26 – Impairment of Cash-Generating Assets, as applicable.

f) Lease Liability

The lease liability is measured at the present value of lease payments that are not paid at that date. The lease payments have been discounted using the interest rate implicit in the lease, and the rate can be readily determined. If the rate cannot be readily determined, the entity uses the incremental borrowing rate.

Subsequently, the lease liability is measured at amortized cost using the effective interest method and reduced by lease payments. Interest expense is recognized in the statement of financial performance.

g) Tangible Natural Resources

The entity recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the entity; the entity controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the entity discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

h) Intangible assets

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

i) Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets or disposal groups are classified as held for sale when their carrying amount is expected to be recovered through sale rather than continued use. They are measured at the lower of carrying amount and fair value less costs to sell and have been presented separately in the Statement of Financial Position. Depreciation has ceased for the assets classified as held for sale.

The assets classified as held for sale have met the following required criteria: management has made a commitment to sell, the asset is actively being marketed for sale at a reasonable price, the sale will be completed within one year of the classification date, an active program to find a buyer has been initiated, and there are no significant changes to the plan that might impact the sale.

Discontinued operations are the major components that have been disposed of or are held for sale. Their results have been presented separately in the Statement of Financial Performance.

j) Research and development costs

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

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

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

Significant Accounting Policies

k) Financial instruments

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

i. Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the financial statements
Significant Accounting Policies**Subsequent measurement**

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

Amortized cost

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

Fair value through net assets/ equity

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

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 entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Notes to the financial statements
Significant Accounting Policies**Impairment**

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

ii) financial liabilities**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

1) 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 *Entity*.

m) Provisions

Provisions are recognized when the Entity 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 Entity 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.

n) 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 needs of society as a whole. The MDA recognises a social benefit as an expense for the social benefits 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 MDA will incur in fulfilling the present obligations represented by the liability.

o)Contingent liabilities

The Entity 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.

p) Contingent assets

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

q) Nature and purpose of reserves

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

r) Changes in accounting policies and estimates

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

s) Employee benefits

Retirement benefit plans

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

t) Foreign currency transactions

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

u) Borrowing costs

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

v) Related parties

The Entity regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise *the Governor, Deputy governor, County Secretary, County Executive Committee Members, Chief Officers and Directors.*

w) Service concession arrangements.

The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

x) 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.

y) Biological Assets

All biological assets (including those acquired biological assets through a non-exchange transaction) are measured at fair value less costs to sell unless fair value cannot be measured reliably. Agricultural produce is measured at fair value at the point of harvest less costs to sell.

Any change in the fair value of biological assets during a period is reported in surplus or deficit

z) Comparative figures

In preparing these financial statements, the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity 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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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 Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing

circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

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 Entity.
- 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 xx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the financial statements (continued)

5. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	<i>Total transfers for Period ended 30th September 2025 Kshs</i>	<i>Period ended 30th September 2024 Kshs</i>
Recurrent	5,158,461,956	-	5,158,461,956	4,678,306,054
Development	-	-	-	-
Special purpose transfers	-	-	-	-
Total	5,158,461,956	-	5,158,461,956	4,678,306,054

6. Employee Costs

Description	<i>Period ended 30th September 2025 Kshs</i>	<i>Period ended 30th September 2024 Kshs</i>
Basic salaries of permanent employees	2,079,625,851	2,462,209,677
Personal allowances – part of salary	1,840,822,770	-
Employer contributions to compulsory national health insurance schemes	383,968,295	-
Personal Allowances provided in Kind	26,561,084	-
Government Pension and Retirement Benefits	220,000,000	-
Employee costs	4,550,978,000	2,462,209,677

7. Use of Goods and Services

Description	<i>Period ended 30th September 2025</i>	<i>Period ended 30th September 2024</i>
	Kshs	Kshs
Utilities, supplies and services	42,000,000	-
Domestic travel and subsistence	312,643,900	60,034,525
Foreign travel and subsistence	57,272,960	-
Printing, advertising, and information supplies & services	774,000	-
Rentals of produced assets	32,277,000	-
Training expenses	29,505,695	-
Hospitality supplies and services	56,647,080	3,075,000
Insurance costs	500,000,000	-
Specialized materials and services	48,805,345	-
Other operating expenses	444,692,782	1,595,805
Office and general supplies and services	1,100,000	-
Fuel Oil and Lubricants	-	50,384,620
Others Expenses	133,129,431	226,440,770
Total	1,658,848,193	341,530,720

8. Transfer to other Government entities

Description	<i>Period ended 30th September 2025</i>	<i>Period ended 30th September 2024</i>
	Kshs	Kshs
Transfers to other County Government entities		434,801,441
Total	-	434,801,441

9. Other Grants and Subsidies

Description	Period ended 30th September 2025	Period ended 30th September 2024
	Kshs	Kshs
Scholarships and other educational benefits	857,900,000	-
Emergency relief and refugee assistance	485,194,674	-
Subsidies to Non-Financial Public Enterprises Total	71,000,000	-
Current Grants to Government Agencies and other Levels of Government Total	127,300,000	-
Other Current Transfers, Grants and Subsidies	11,664,500	-
Civil Contingency Reserves Total	291,158,500	-
Total Grants and Subsidies	1,844,217,674	-

10. Cash and Cash Equivalents

Description	Period ended 30th September 2025	Opening Statement 1 st July 2025	Period ended 30th June 2025
	Kshs	Kshs	Kshs
Central Bank of Kenya-Recurrent A/C No: 1000171502	1,779,730,153	1,070,985	1,070,985
Central Bank of Kenya-Development A/C No: 1000171413	-	-	-
Central Bank of Kenya-Special Purpose A/C No: 1000339179	-	-	-
Central Bank of Kenya-KRB RMLF A/C No: 1000248106	-	171,863,580	171,863,580
Central Bank of Kenya-Ward Development Fund A/C No: 1000309741	-	-	-
Central Bank of Kenya-Youth Poly PRJ Grant A/C No: 1000367431	-	314,192	314,192
Central Bank of Kenya-10TH GOK/UNFPA CP A/C No: 1000744038	-	5,955,500	5,955,500
Central Bank of Kenya-Kenya Devolution Support Programme A/C No: 1000458777	-	3,615,409	3,615,409
Central Bank of Kenya-Primary Health Care A/C No: 1000624019	3,900,000	-	-

Central Bank of Kenya-Deposits and Retentions A/C No: 1000690178	169,825	18,530,837	18,530,837
Central Bank of Kenya-Health Care Services A/C No: 1000369124	-	-	-
Central Bank of Kenya-Nairobi County Emergency Fund Acc 1000746912	-	-	-
Central Bank of Kenya Nairobi County Community Health Prom Acc 1000744049	-	-	-
Central Bank of Kenya Nairobi County Second Devol Sup Pro acc 1000763418	-	-	-
Central Bank of Kenya-Kenya Urban Support Programme A/C No: 1000398582	-	-	-
Cooperative Bank-Bursary Fund A/C No: 01141232396613	62,093	62,093	62,093
Cooperative Bank-Free Education Current Account A/C No: 01139232396601	6,586	6,586	6,586
Cooperative Bank SPA- Commercial A/C for ASDSP II Program A/C No: 01141232396614	-	-	-
Cooperative Bank - University of Maryland Health Services 01141232396611	-	-	-
Cooperative Bank-Salary A/C No: 01692232396600	3,110,817	3,110,817	3,110,817
Cooperative Bank-Waithaka Technical A/C No: 01141232396600	-	-	-
Cooperative Bank- Nairobi City County- Kenya Informal Settlements Improvement Project (KISIP) ac 01141232396622	301,792,186	301,792,186	301,792,186
Cooperative Bank-NCC-Centre for Disease Control A/c No 01141232396620	-	-	-
Cooperative Bank-Waithaka Vocational Training Centre A/C No: 01139232396600	-	-	-
Kenya Commercial Bank-Trust fund A/C No: 1149229667	25,938,092	25,938,092	25,938,092
Total	2,114,709,752	532,260,277	532,260,277

11. Receivables from Non Exchange Transactions

Description	Period ended 30th September 2025	<i>Opening Statement</i> <i>1st July 2025</i>	<i>Audited</i> <i>30th June</i> <i>2025</i>
	Kshs	Kshs	Kshs
Other debtors (non-exchange transactions)	16,036,700	16,036,700	16,036,700
Less: impairment allowance	-	-	-
Total receivables from non-exchange transactions	16,036,700	16,036,700	16,036,700

Notes to the financial statements (continued)
12. 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
Depreciation Rate		2-10%	10-16.67%	2-20%	12.50%	33.30%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2025		1,097,150,026	987,757,126	3,407,606,227	532,413,791	228,325,330	-	214,990,336		6,468,242,836
Additions		131,133,654	3,774,200	363,899,285	-	-	-	-	-	498,807,139
As At 30th September 2025	-	1,228,283,680	991,531,326	3,771,505,512	532,413,791	228,325,330	-	214,990,336	-	6,967,049,975
Depreciation And Impairment										
Depreciation	-	-	-	-	-	-	-	-	-	-
As At 30th September 2025	-	-	-	-	-	-	-	-	-	-
Net Book Values										
Opening Bal as at 1st July 2024										-
As At 30th September, 2025	-	1,228,283,680	991,531,326	3,771,505,512	532,413,791	228,325,330	-	214,990,336	-	6,967,049,975

Notes to the Financial Statements (Continued)

13. Trade and Other Payables

Description	Period ended 30th September 2025	<i>Opening Statement</i> <i>1st July 2025</i>	<i>Audited Period</i> <i>Ended</i> <i>1st July 2024</i>
	Kshs	Kshs	Kshs
Trade payables	37,734,423,913	34,698,631,731	34,698,631,731
Employee payables	46,819,467,484	45,377,228,281	45,377,228,281
PPE	7,663,687,930	7,164,880,791	7,164,880,791
Total trade and other payables	92,217,579,328	87,240,740,803	87,240,740,803

14. Cash Generated from Operations

	Period ended 30th September 2025
	Kshs
Surplus for the year before tax	(2,895,581,911)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	4,478,031,386
Increase in payments received in advance	-
Net cash flow from operating activities	1,582,449,476

15. Events after the Reporting Period

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

16. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

17. Currency

The financial statements are presented in Kenya Shillings (Kshs).

1. Appendices

Appendix I: Statement of Financial Performance for Each Quarter

Description	Notes	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative**
		Kshs	Kshs	Kshs	Kshs	Kshs
Revenue from non-exchange transactions						
Transfers from CRF	5	5,158,461,956				5,158,461,956
Total revenue		5,158,461,956				5,158,461,956
						-
Expenses						-
Employee costs	6	4,550,978,000				4,550,978,000
Use of goods and services	7	1,658,848,193				1,658,848,193
Transfers to other Government Entities	8	-				-
Other Grants and Subsidies	9	1,844,217,674				1,844,217,674
Total expenses		8,054,043,867				8,054,043,867
						-
Surplus/Deficit for the year		(2,895,581,911)				(2,895,581,911)