



NAIROBI CITY COUNTY

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FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

NCC/FIN/DAS/116/2025

13th November, 2025

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



NAIROBI:

RE: SUBMISSION OF COUNTY REVENUE FUND FINANCIAL STATEMENTS FOR:
QUARTER 1 2025/2026

Attached please find County Revenue Fund (CRF) Annual Report and Financial statements for the Quarter ended 30th September, 2025.

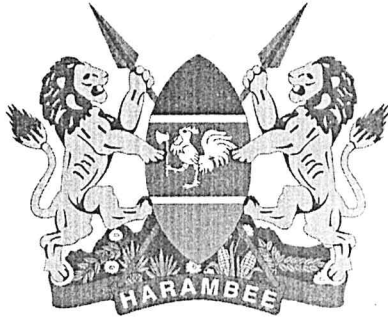
Thank you for your continued support.

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

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21/11/2025

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LET'S MAKE NAIROBI WORK



COUNTY REVENUE FUND

County Government of Nairobi City

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER, 2025

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

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

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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 the organization's financial resources.

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

County Government of Nairobi City
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2. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

| No. | Designation | Name |
|-----|--------------------------------------|---------------------|
| 1. | CECM Finance and Economic planning | Charles K. Kerich |
| 2. | C.O Finance | Asha Abdi |
| 3. | Head of County Treasury (Accounting) | Caroline Wang'ang'a |

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20xx and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|---|---------------------|
| 1. | CECM Finance and Economic Planning | Charles K. Kerich |
| 2. | Accounting Officer in charge of Finance | Asha Abdi |
| 3. | Director Accounting Services/Finance | Caroline Wang'ang'a |

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.

The Controller of budget provides oversight in the execution of budget of the county. This ensures compliance with the legal provisions and ensuring financial discipline in the execution of budget. The county submitted quarterly financial reports that gave the status of budget implementation on quarterly basis.

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Office of the Auditor General continues to offer oversight through conduct of annual audits comprising system audit and financial statements audit. The Auditor General prepares report which includes recommendations aimed at improving compliance with legal provision and ensuring service delivery.

The Senate continues to offer oversight on the County. The senate receives the Audited Annual Financial Statements of the county and through its Public Accounts committee seeks explanation on the issues raised in the report.

County Government of Nairobi City

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended September, 2025

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 Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

Other Commercial Banks

(i) Equity Bank,

Equity Centre Branch,

P.O Box 75104-00200,

Nairobi, Kenya

(ii) Credit Bank,

Waiyaki Way,

P.O Box 61064-00200,

Nairobi, Kenya.

(iii) Co-operative Bank

City Hall Branch

P.O Box 44805 - 00100

Nairobi, Kenya

County Government of Nairobi City
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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
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

3. Statement by the CECM Finance

Nairobi City County finances its functions through two main sources of revenue i.e., Equitable share and Own Source Revenue. Over the years, equitable share has been dominantly higher than Own Source Revenue despite the targets being almost equal in the approved budget. The relevance and significance of OSR to meet the enormous and ever-increasing resource requirement cannot be over emphasized. The county has therefore continuously pursued the path of strengthening the revenue mobilisation ecosystem, both legislatively, operationally and in leveraging on alternative resource raising measures.

The revenue fortunes of Nairobi City County are highly influenced by prevailing national economic conditions. Both global and Kenyan economy decelerated significantly in 2022 largely due to a slowdown in global economic activities, due to tightening of monetary policies by most economies to contain high inflation. Other macroeconomic variables that were detrimental to the county economy were high inflation rates and depreciating exchange rate. This was coupled by high unemployment and low incomes which has continued to darken the hopes of most households in the city.

The county anticipated to receive Kshs 5,213,847,658 as equitable share in quarter one. Kshs 3,428,560,853 was received during the period being 66% of the expected equitable share receipts. Own source generated receipts amounted to Kshs 1,895,545,511 being 37% of the anticipated own source revenues of Kshs 5,102,981,508. In the period under review the county withdrew from the County Revenue Fund Kshs. 5,311,946,471 with Kshs. 5,160,335,322 being transferred to the county executive to fund recurrent expenditure. The balance of Kshs 151,611,149 went to county assembly to fund also recurrent expenditure.



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CECM Finance and Economic Planning

County Government of Nairobi City

County Government of Nairobi City
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4. Management Discussion and Analysis

The equitable share received in the first quarter amounted to Kshs. 3,428,560,853 against expected equitable share of Kshs 5,213,847,658. This represented 66% of the expected equitable share. The performance of own generated receipts was 37% with Kshs 1,895,545,511 received against expected receipts Kshs 5,102,981,508. The county government has come up with various strategies geared towards enhancing own source revenues collection.

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through the appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Revenue includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County Appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial period ended September, 2025


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CEC Member – Finance and Economic Planning
County Government of Nairobi City

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

6. Statement of Management Responsibilities.

Article 207 of the Constitution, Sections 109 and 168 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare quarterly financial statements for the Fund for each period in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 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 Revenue 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 County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

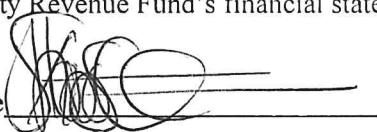
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the September, 2025, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund, which have been relied upon in the preparation of its financial statements, as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, the Accounting Officer confirms that the County Revenue Fund'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 Financial Statements

The County Revenue Fund's financial statements were approved and signed on 12th November, 2025 by.

Signature



Name Asha Abdi

Chief Officer Finance

County Government of Nairobi City

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

7. Statement of Financial Performance for the Period Ended September, 2025

| | Notes | Period ended Sep. | Comparative Period |
|---|-------|----------------------|-----------------------|
| | | Kshs. | |
| Revenue from non-exchange transactions | | | |
| Exchequer releases | 6 | 3,428,560,853 | 20,178,712,719 |
| Transfers from other government agencies | 7 | - | 404,579,053 |
| Return to CRF | 8 | 287,774 | 157,064 |
| Non-Exchange Own Source Revenue | 9 | 968,292,871 | 8,033,462,195 |
| | | | |
| Revenue from exchange transactions | | | |
| Exchange Own Source Revenue | 10 | 927,252,640 | 3,957,696,681 |
| Total Revenue | | 5,324,394,138 | 32,574,607,712 |
| | | | |
| Expenses | | | |
| Transfers to County Executive | 11 | 5,160,335,322 | 31,459,394,683 |
| Transfers to County Assembly | 12 | 151,611,149 | 1,855,712,090 |
| Total Expenses | | 5,311,946,471 | 33,315,106,773 |
| Surplus for the period | | 12,447,667 | (740,499,061) |

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Name: Asha Abdi

Chief Officer - Finance

Date: 12th November, 2025

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

Director Accounting Services

ICPAK Member No: 15768

Date: 12th November, 2025

County Government of Nairobi City

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended September, 2025

8. Statement of Financial Position as at September, 2025

| | Note | Period ended Sep. | Comparative Period |
|--|------|----------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 13 | 750,193,847 | 737,746,179 |
| Receivables from Exchange Transactions | 14 | 252,592,034 | 200,411,931 |
| Total Current Assets | | 1,002,785,881 | 938,158,110 |
| Total Assets (A) | | 1,002,785,881 | 938,158,110 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | 15 | 252,592,034 | 200,411,931 |
| Total Current Liabilities | | 252,592,034 | 200,411,931 |
| Total Liabilities (B) | | 252,592,034 | 200,411,931 |
| Net Assets(A-B) | | 750,193,847 | 737,746,179 |
| Represented by: | | | |
| Accumulated Surplus | | 750,193,847 | 737,746,179 |
| Net Assets | | 750,193,847 | 737,746,179 |

Name: Asha Abdi

Chief Officer - Finance

Date: 12th November, 2025

Name: Caroline Wang'ang'a

Director Accounting Services

ICPAK Member No: 15768

Date: 12th November, 2025

County Government of Nairobi City
County Revenue Fund
For the Period ended September, 2025

9. Statement of Changes in Net Assets for the Period ended September, 2025

| | Accumulated Surplus |
|---------------------------------|---------------------|
| 1st July 2024 Opening Balance | 1,478,245,240 |
| Surplus for the Period | (740,499,061) |
| Additions during the period | - |
| As at 30th June, 2025 | 737,746,179 |
| | |
| As at 1st July, 2025 | 737,746,179 |
| Surplus/ deficit for the Period | 12,447,667 |
| | |
| As at Sep/Dec/Mar/June 30, 20xx | 750,193,847 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

10. Statement of Cash Flows for the Period ended September, 2025

| | Notes | Period ended Sep |
|--|-------|------------------------|
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Exchequer releases | | 3,428,560,853 |
| Return to CRF | | 287,774 |
| Own Source Revenue | | 1,995,065,348 |
| Total receipts | | 5,423,913,975 |
| Payments | | |
| Transfers to County Executive (operating activities) | | (5,259,855,159) |
| Transfers to County Assembly (operating activities) | | (151,611,149) |
| Total Payments | | (5,411,466,308) |
| Net cash flows from/(used in) operating activities | | 12,447,667 |
| Net increase/(decrease) in cash & Cash Equivalent | | 12,447,667 |
| | | |
| Cash and cash equivalents at 1 July | 13 | 737,746,179 |
| Cash and cash equivalents at the end of the period | 13 | 750,193,846 |

County Government of Nairobi City
County Revenue Fund
For the Period ended September, 2025

11. Statement of Comparison of Budget Actual Amounts for the Period Ended September, 2025.

| Receipt/Payments | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Realization Difference | % of Realization |
|--|-----------------------|-------------|-----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c% |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Revenue | | | | | | |
| Exchequer releases | 20,855,390,632 | - | 20,855,390,632 | 3,428,560,853 | 17,426,829,779 | 16% |
| opening balance re-appropriated | 1,000,000,000 | - | 1,000,000,000 | 737,746,179 | 262,253,821 | 74% |
| Transfers from other government agencies | 474,010,000 | - | 474,010,000 | - | 474,010,000 | 0% |
| Other grants | 822,940,169 | - | 822,940,169 | - | 822,940,169 | 0% |
| Return to CRF | | - | | 287,774 | (287,774) | |
| Own Source Revenue | 20,411,926,033 | - | 20,411,926,033 | 1,895,545,511 | 18,516,380,522 | 9% |
| Total Revenue | 43,564,266,834 | - | 43,564,266,834 | 6,062,140,318 | 37,502,126,516 | 14% |
| | | | - | | | |
| Expenses | | | - | | | |
| Transfers to County Executive | 40,925,357,324 | | 40,925,357,324 | 5,160,335,322 | 35,765,022,002 | 13% |
| Transfers to County Assembly | 2,638,909,510 | | 2,638,909,510 | 151,611,149 | 2,487,298,361 | 6% |
| Other transfers | | | | | - | |
| Total Payments | 43,564,266,834 | - | 43,564,266,834 | 5,311,946,471 | 38,252,320,363 | 12% |
| Surplus/Deficit | - | - | - | 750,193,847 | (750,193,847) | |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

12. Notes to the Financial Statements

1. General Information

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Nairobi City County Government and is domiciled in Kenya. The Fund's principal activity is banking own generated receipts and equitable share received from the National Government.

2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Accrual-Basis IPSAS financial reporting under the Accrual-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012. The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded off to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements are prepared on accrual basis while the cash flow statement is prepared using the direct method.

These Financial Statements were authorized for issue by the Accounting officer on 12th November, 2025.

Basis of preparation

a) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

b) Revenues

Revenues include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

c) Expenses

Expenses are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025
Notes to the financial statements

3. Adoption of New and Revised Standards

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

| Standard | Effective date and impact: |
|-------------------------|---|
| IPSAS 46 Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

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 47- Revenue | <p><i>Applicable 1st January 2026</i></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 entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| IPSAS 48- Transfer Expenses | <p><i>Applicable 1st January 2026</i></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 Entity if relevant</i></p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></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> |

County Government of Nairobi City

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended September, 2025

| | |
|---|--|
| | <i>State the expected impact of the standard to the Entity if relevant.</i> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></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> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

iii) Early adoption of standards

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

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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.

ii. Revenue from exchange transactions

Own Source 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 will be made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations will be 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.

c) 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 Fund 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.

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

Notes to the financial statements
Significant Accounting Policies

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 fund'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.

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.

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

Notes to the financial statements

Significant Accounting Policies

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The 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 entity recognizes a loss allowance for such losses at each reporting date

Financial liabilities

Classification

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

d) 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

e) Events after the reporting period

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

f) Currency

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

5. 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 if any.

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

Notes to the financial statements

6. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

| Description | Period ended Sep. 2025 | Comparative Period |
|------------------------|------------------------|-----------------------|
| | Kshs. | Kshs. |
| Equitable Share (a) | 3,428,560,853 | 20,178,712,719 |
| Total (d=a+b+c) | 3,428,560,853 | 20,178,712,719 |

7. Transfers from other government agencies

| Description | Period ended Sep. 2025 | Comparative Period |
|---|------------------------|--------------------|
| | Kshs. | Kshs. |
| Road Maintenance Levy | | 120,057,803 |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health | | 24,521,250 |
| IDA - KISIP II | | 260,000,000 |
| Total | - | 404,579,053 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

8. Return to CRF from County entities

| Description | Period ended Sep. 2025 | Comparative Period |
|---|------------------------|--------------------|
| | Kshs. | Kshs. |
| Recurrent Account (<i>County Executive</i>) | 272,938 | 1,121 |
| Development Account (<i>County Executive</i>) | - | 153,262 |
| Recurrent Account (<i>County Assembly</i>) | 14,836 | 1,101 |
| Development Account (<i>County Assembly</i>) | - | 1,580 |
| Total | 287,774 | 157,064 |

9. Non-Exchange own source revenue

| Description | Period ended Sep. 2025 | Comparative Period |
|-----------------------------------|------------------------|----------------------|
| | | |
| | Kshs. | Kshs. |
| Land rate | 212,281,015 | 3,508,605,647 |
| Unified Business permits | 348,094,160 | 2,757,410,305 |
| Physical planning and development | 378,913,215 | 1,525,034,810 |
| Food Handlers Certificates | 28,511,481 | 102,029,724 |
| Others receipts | 493,000 | 140,381,709 |
| Total | 968,292,871 | 8,033,462,195 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025
Notes to the financial statements

10. Exchange Own Source Revenue

| Description | Period ended Sep. 2025 | Comparative Period |
|---------------|------------------------|----------------------|
| | Kshs. | Kshs. |
| Property rent | 128,967,592 | 828,014,981 |
| Parking fees | 408,496,588 | 2,029,894,926 |
| Market fees | 57,145,876 | 235,504,129 |
| Advertising | 200,849,755 | 663,870,714 |
| Miscellaneous | 131,792,829 | 200,411,931 |
| Total | 927,252,640 | 3,957,696,681 |

11. Transfers to County Executive

| Description | Period ended Sep. 2025 | Comparative Period |
|--|------------------------|-----------------------|
| | Kshs. | Kshs. |
| Recurrent Account | 5,160,335,322 | 27,257,644,351 |
| Development Account | | 4,172,702,082 |
| Special Purpose Account - (Danida Primary Health Care SPA) | | 29,048,250 |
| Total | 5,160,335,322 | 31,459,394,683 |

12. Transfers to County Assembly

| Description | Period ended Sep. 2025 | Comparative Period |
|---------------------|------------------------|----------------------|
| | Kshs. | Kshs. |
| Recurrent Account | 151,611,149 | 1,737,533,140 |
| Development Account | - | 118,178,950 |
| Total | 151,611,149 | 1,855,712,090 |

13. Cash and Cash equivalents

| Description | Period ended Sep. 2025 | 1st July 2024 |
|--|------------------------|--------------------|
| | Kshs. | Kshs. |
| County Exchequer Account - (CBK Account number 1000171863) | 750,193,847 | 737,746,179 |
| Total | 750,193,847 | 737,746,179 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

Notes to the financial statements

14. Receivables from Exchange Transactions

| Description | Period ended Sep. 2025 | 1st July 2024 |
|---|------------------------|--------------------|
| | Kshs | Kshs |
| Other debtors (non-exchange transactions) | 252,592,034 | 200,411,931 |
| Less: impairment allowance | | |
| Total | 252,592,034 | 200,411,931 |

15. Accounts Payable

| Description | Period ended Sep. 2025 | 1st July 2024 |
|-------------------------------|------------------------|--------------------|
| | Kshs | Kshs |
| Payables to County Executive | 252,592,034 | 200,411,931 |
| Payables to County Assembly | - | - |
| Total Accounts Payable | 252,592,034 | 200,411,931 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

Notes to the financial statements

16. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

| Name of Bank, Account No. & Currency | Amount in bank account currency* | Ex. rate (if in foreign currency) | Period ended Sep. 2025 | Comparative Period |
|---|---|--|-------------------------------|---------------------------|
| | Kshs | Kshs | Kshs | Kshs |
| Co-operative Bank Nairobi City County Revenue Account 01141232396600 | Kshs | - | 17,246,810.10 | 25,536,553 |
| Equity Bank Nairobi City County Revenue Account 1600284509139 | Kshs | - | 83,645,284.06 | 23,175,438 |
| Credit Bank NCC Operations Account 0191007000269 | Kshs | - | 151,699,940 | 151,699,940 |
| Total | | | 252,592,034 | 200,411,931 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025

17. Annexes

Annex 1: Analysis of Receipts from The National Treasury Exchequer Releases

| Period 2024 - 2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Equitable Share | 3,428,560,853 | - | - | - | 3,428,560,853 |
| DANIDA - Universal Healthcare in Devolved Units Programme | - | - | - | - | - |
| Kenya Devolution Support Programme | - | - | - | - | - |
| Total | 3,428,560,853 | - | - | - | 3,428,560,853 |

County Government of Nairobi City
County Revenue Fund
Quarterly Report and Financial Statements for the Period ended September, 2025
Annex 2. Analysis of Receipts from Own Source Revenue per Quarter

(a) Non-Exchange own source revenue

| Period 2025 - 2016 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Land rate | 212,281,015 | | | | 212,281,015 |
| Unified Business permits | 348,094,160 | | | | 348,094,160 |
| Public health service fees | 28,511,481 | | | | 28,511,481 |
| Physical planning and development | 378,913,215 | | | | 378,913,215 |
| Miscellaneous | 493,000 | | | | 493,000 |
| Total | 968,292,871 | - | - | - | 968,292,871 |

(b) Exchange own source revenue

| Period 2025 - 2016 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|--------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Property rent | 128,967,592 | | | | 128,967,592 |
| Parking fees | 408,496,588 | | | | 408,496,588 |
| Market fees | 57,145,876 | | | | 57,145,876 |
| Advertising | 200,849,755 | | | | 200,849,755 |
| Miscellaneous | 131,792,829 | | | | 131,792,829 |
| Total | 927,252,640 | - | - | - | 927,252,640 |

County Government of Nairobi City
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Annex 3: Analysis of Transfers from the County Revenue Fund

| Period 2025 - 2026 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| County Executive -Rec | 5,160,335,322 | - | - | - | 5,160,335,322 |
| County Executive -Dev | - | - | - | - | - |
| County Assembly -Rec | 151,611,149 | - | - | - | 151,611,149 |
| County Assembly -Dev | - | - | - | - | - |
| Special Purpose A/c | - | - | - | - | - |
| Total | 5,311,946,471 | - | - | - | 5,311,946,471 |