GOVERNMENT OF NAIROBI CITY COUNTY

Papers laid on the table of the Assembly on 3rd November 2026. by majority leader JR 3rd Nov 2026

THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(FIFTH SESSION)

NCCA APPROVED 03 NOV 2026 Sign..... HON. SPEAKER

NCCA/TJ/PL/2026(101) 3RD NOVEMBER, 2026

PAPER LAID

SUBJECT: 1st Quarter Report

Pursuant to the provisions of Standing Order 236A, I beg to lay the following Paper on the Table of the Assembly, today **Tuesday, 3rd November, 2026**

— **QUARTER 1 REPORTS AND FINANCIAL STATEMENTS FOR THE NAIROBI CITY COUNTY EXECUTIVE FOR THE PERIOD ENDED 30TH SEPTEMBER, 2026**

(The Leader of Majority Party)

Copies to:
The Speaker
The Clerk
Hansard Editor
Hansard Reporters
The Press

NAIROBI CITY COUNTY

www.nairobi.go.ke

FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

NAIROBI CITY COUNTY ASSEMBLY
CLERK
30 OCT 2026
RECEIVED
P.O. Box 45844 - 00100, NAIROBI

NCC/FIN/DAS/100/2026

28th October, 2026

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

PCA L,S&D
Prepare for tabling
DLS
31/11/2026

RE: SUBMISSION OF QUARTER 1 REPORTS AND FINANCIAL STATEMENTS FY 2026/2027

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, 2026.

Thank you for your continued support.

IBRAHIM NYANGOYA AUMA
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING AFFAIRS

Kindly note & Table
With the
Committee

(11) DLS.
Kindly Prepare for
Tabling and Committal o-
Tue 03/11/26.
02/11/26.

County Government of Nairobi City

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER

2026

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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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms.

Comparative Year- *Means the prior period.*

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

2. Who we are

a) Background information.

The County Executive is constituted as per article 176 of the Constitution of Kenya 2010. It is headed by the 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	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 implementation 4. 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	- 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; - Develop and enforce strategic ICT security initiatives within County including oversight of incident response.
3.	Talents, Skills Development and Care	- 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	- 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; - 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	1. County land and infrastructure surveying 2. County valuation services 3. Land administration and property management 4. Land registration 5. County urban development planning and Urban design 6. County urban development control 7. Housing development. 8. Urban Renewal
6.	Boroughs Administration and Personnel	1. The development of policies and plans; 2. Service delivery; 3. Developmental activities to empower the community; 4. Human Resources Management
7.	Business and Hustler Opportunities	1. Promote Micro, Small and Medium Enterprises (MSMEs) 2. Provide business counselling, advisory and consultancy services.

		3. Ensure fair trading practices within the County 1. Trade development and Regulation 2. Markets Management 3. Markets Infrastructure Development 4. Promotion of co-operative societies
8.	Green Nairobi (Environment, Water, Food and Agriculture	1. Water and Sanitation Solid Waste Management 2. Crop, Livestock and fisheries development and management 3. Water pollution control.
9.	Health Wellness and Nutrition	1.County health facilities and infrastructure administration 2.Health policy formulation and regulation
		3.Preventive and Promotive Health Services 4.Medical services 5.Provide Nutrition Services in the community and Health facilities School Feeding Program
10.	Inclusivity, Public Participation and Customer Service	1. Public participation and citizen engagement 2. Cultural activities, public entertainment and public amenities. 3. Development and implementation of county tourism Development plans, programmes and projects 4. Gender mainstreaming 5. Promote and manage programmes for children, women and persons living with disabilities.

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. Ibrahim Nyangoya Auma
4.	Innovation and Digital Economy	Mr. Michael Gumo
5.	Talents, Skills Development and Care	Mr. Brian Mulama
6.	Mobility and Works	Mr. Charles K. Kerich
7.	Built Environment	Mr. Patrick Mbogo

	and Urban Planning	
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	Mr. Boniface Waweru

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th September, 2026 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM - Finance and Economic Planning Affairs	Mr. Ibrahim Nyangoya Auma
2.	Accounting Officer - Environment	Mr. Hibrahim Otieno Nyakach
3.	Accounting Officer - Water and Sewerage	Mr. Oscar Omoke Ocholla
4.	Ag. Accounting Officer - Mobility	Dr. Machel Waikenda
5.	Ag. Accounting Officer - Works	Eng. Bob Ariemba
6.	Accounting Officer - Finance	Ms. Asha Abdi
7.	Accounting Officer - Revenue Administration	Mr. Tirus Wainaina Njoroge
8.	Accounting Officer - Business and Hustler Opportunities	Ms. Lydia Mathia
9.	Accounting Officer - Cooperatives	Mr. Geoffrey Mutiso Musembi
10.	Acting Accounting Officer - ICT Infrastructure	Ms. Cecilia Wangari Koigu
11.	Accounting Officer - Digital Economy and Startups	Mr. Wilson Njoroge Gakuya
12.	Accounting Officer - Smart Nairobi	Mr. Clement Rapundo Sijenyi
13.	Accounting Officer - Lands	Dr. Machel Waikenda
14.	Accounting Officer- Urban Development and Planning	Mr. Dominic Mutegi
15.	Accounting Officer - Housing and Urban Renewal	Mr. Godfrey Akumali Atiel
16.	Accounting Officer - City Culture, Arts and Tourism	Ms. Zipporah Njeri Mwangi

17.	Accounting Officer - Gender and Inclusivity	Dr. Irene Njeri Muchoki
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. Tony Michael Kimani
21.	Accounting Officer - Public Service	Ms. Janet Omollo Opiata
22.	Accounting Officer - Medical Facilities	Mr. David Oyolo
23.	Accounting Officer - Public Health	Mr. Tom Michira Nyakaba
24.	Accounting Officer - Medical Services	Ms. Maryam Dubow Dahir
25.	Accounting Officer - Office of the Governor	Ms. Priscilla Muthoni Mahinda
26.	Ag. Accounting Officer - Security and Compliance	Ms. Eva Wangechi Wariuku
27.	Accounting Officer - Disaster Management and Coordination	Mr. Bramwell Wesangula Simiyu
28.	Accounting Officer - Citizen Engagement and Customer Service	Ms. Geofrey Omatoke Mosiria
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

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,
   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) Entity 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

3. Governance Statement

Nairobi City County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

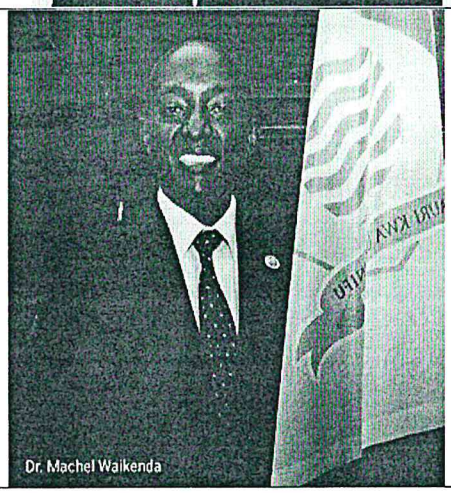
The County is made up of a County Assembly, County Executive and the County Public Service Board. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

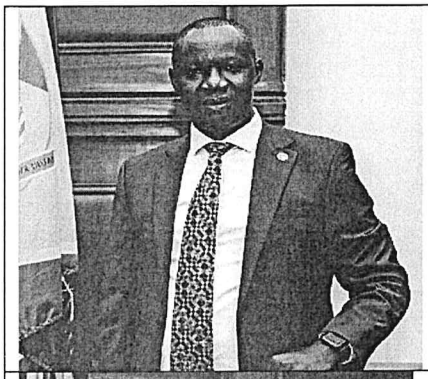
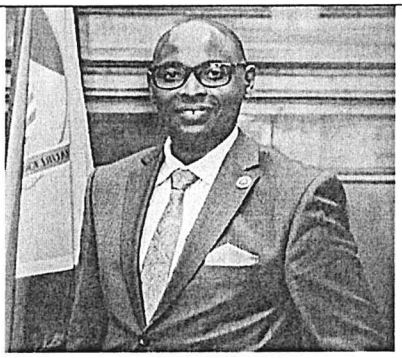
The County Executive

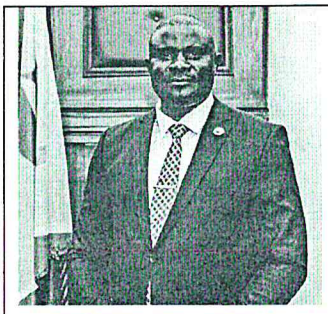
Nairobi City County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and three number of County Government Entities. The County Executive is structured in terms of sectors, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

The Cabinet is comprised of the Governor as the Chairperson deputised by the Deputy Governor, Ten County Executive Committee Members, County Attorney and the County Secretary who acts as the secretary to the Cabinet. Below are photos of the Cabinet Membership;

	H.E. Sakaja Arthur Johnson Governor Nairobi City County
	H.E. James Njoroge Muchiri Deputy Governor Nairobi City County
	Dr. Machel Waikenda County Secretary

	Mr. Ibrahim Nyangoya Auma CECM – Finance and Economic Planning Affairs		Ms. Suzanne Silantoi CECM – Health, Wellness and Nutrition
	Ms. Maureen Njeri CECM – Green Nairobi (Environment, Water, Food and Agriculture)		Dr. Anastasia Mutethya Nyalita CECM – Business and Hustler Opportunities
	Ms. Rosemary Kariuki CECM – Inclusivity, Public Participation and Customer Service		Charles K. Kerich CECM – Mobility and Works
	Mr. Stephen Gathuita Mwangi CECM – Boroughs Administration and Personnel		Mr. Patrick Mbogo CECM – Built Environment and Urban Planning

	Mr. Brian Mulama CECM – Talents, Skills and Care		Mr. Michael M. Gumo CECM – Innovation and Digital Economy
	Mr. Boniface Waweru Acting County Attorney		

The County while dealing with its stakeholders is guided by the following laws; County Government Act 2012, Nairobi City County Public Participation Act 2015, Nairobi City County Community and Neighbourhood Associations Engagement Act 2016, Public Service Values and Principles Act 2015 and Draft Policy on Public Participation 2018(National Government)

The County Executive Safeguards against unethical conduct and corruption. The County Executive has implemented Chapter 6 of Constitution of Kenya 2010 on Leadership and Integrity code. The County Executive has developed Specific County Leadership and Integrity code which has been signed by the Governor, Deputy Governor and County Executive Committee Members. The County Chief Officers and Directors have signed the NCC Staff Code of conduct and Ethics. Corruption Prevention Committees have been put in place in all County Sectors. The County has appointed and trained County Integrity assurance officers. On the institutional arrangement/structure on corruption eradication Investigation unit deals with investigation while Efficiency, Monitoring and Evaluation unit deals with ethics, accountability and transparency. The County has digitized County Revenue collection to minimize human interference with collection.

The County Executive engages with sectoral committees which oversights county sectors. The executive also honours invitations by County Public Accounts Committee and Senate's County Public

Accounts and Investments Committee where Audit reports on financial Statements are deliberated and the county provides responses to queries in the reports.

The County Internal Audit department undertakes periodic assessments on the effectiveness of internal controls and an audit report prepared at the end of the exercise. The sectors update risks in the specific registers and control measures put in place.

The County has an audit committee which was appointed as per the guidelines of Public Sector Accounting Standards board. The audit committee has a charter which was formulated in 2018.

Nairobi city county government has an operational audit committee which was established through gazette notice number 751 dated 24th July 2023.

The committee is composed of the following members:

S/NO	NAME	POSITION
1.	Dr. Nancy Oundo Dalla	Chairperson
2.	CPA David Keter	Member
3.	CPA Noor Mohammed	Member
4.	Trizer Andisi Miroya	Member
5.	CPA Patrick Wanjohi	County Treasury Representative
6.	CPA, CS Francis Njoroge	Secretary Audit Committee

The committee has an approved audit committee charter and internal audit charter respectively. During the period under review, the audit committee held eight meetings which comprised the mandatory quarterly meetings, special meetings and meetings with internal auditors.

The County Executive in its operations is guided first by the provisions of Constitution of Kenya 2010. Other laws and regulations that are observed in day-to-day operations of the county include Public Finance Management Act, 2012, Public Finance Management regulations (County Governments), 2015, County Governments Act, No.17 of 2012, Intergovernmental Relations Act, No. 2 of 2012, Urban Areas and Cities Act, No. 13 of 2011, Intergovernmental Relations Act, No. 2 of 2012, Public Procurement and Asset Disposal Act, No.33 of 2015, Public Procurement And Asset Disposal Regulations, 2020 among other laws and regulations.

4. Financial Performance Overview

1st Quarter 2026-2027 Financial and Operational Performance Report

i. Revenue

Revenue Analysis

Nature of Transfer	**Amount recognized to Statement of financial performance.**
	Kshs
Recurrent	6,181,454,777
Development	876,067,010
Receivable from CRF	197,100,511
Total	**7,254,622,298**

ii. Expenditure

Expenditure Analysis

Expenses	
Employee costs	4,600,562,202
Use of goods and services	990,923,765
Other Grants and Subsidies	233,490,000
Total expenses	**5,824,975,967**

iii. Revenue and Expenditure per Budget Estimates

Revenue/expense item	Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs
Revenues			
Opening balance (Non-refundable special purpose accounts)		445,480,728	(445,480,728)
Transfers from CRF	44,345,443,763	7,190,102,718	37,155,341,045
Total revenues	**44,345,443,763**	**7,635,583,446**	**36,709,860,317**
Expenses			
Employee costs	16,515,494,562	5,441,393,016	11,074,101,546
Use of goods and services	13,037,445,148	990,923,765	12,046,521,383
Other Grants and Subsidies	1,001,946,535	233,490,000	768,456,535
Social Benefits	279,689,154	-	279,689,154
Total	**30,834,575,399**	**6,665,806,781**	**24,168,768,618**
Capital items			
Acquisition of PPE	13,510,868,364	-	13,510,868,364
Total expenses Development	**13,510,868,364**	-	**13,510,868,364**
Total Expenses	**44,345,443,763**	**6,665,806,781**	**37,679,636,982**

iv. Assets of the Entity

Nairobi City County Government has over seven hundred parcels of land with building improvements, water works and wayleaves situated in the Counties of Nairobi City, Murangá, Nyandarua and Kiambu.

The process of valuing these assets is ongoing and the total values of these assets will be included in the financial statements of the next financial year 2026/2027.

v. Liabilities of the entity

Summary of Current Liabilities and Non-current Liabilities

Description	Period ended 30th Sep 2026
	Kshs
Trade payables	37,560,109,745
Employee payables	2,332,045,949
Third-party payments	43,522,789,200
Property Plant and Equipment	8,251,200,859
Total trade and other payables	**91,666,145,753**

vi. Key Projects and Investment Decisions

The budgeted projects are in various stages of procurement.

vii. Risk Analysis and Statutory Compliance

The County has a Risk Management Policy and risk register developed in 2015. However, the policy has not been reviewed to reflect changes in the County's internal and external operating environment, while the risk register is not consistently updated and applied across departments and County entities. Staff awareness and institutional capacity in risk management also remain limited. Management has recognized these gaps and is initiating the review of the Risk Management Policy and framework, updating departmental and consolidated risk registers, establishing appropriate risk governance structures, training staff and integrating risk management into planning, budgeting, performance management and operational decision-making.

viii. Operations review

The county is in the process of implementing the approved budget for the financial year. The programs are being implemented according to workplan subject to availability of funds.

5. 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, 2026. 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 Accrual 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, 2026, and of its financial position as at that date.

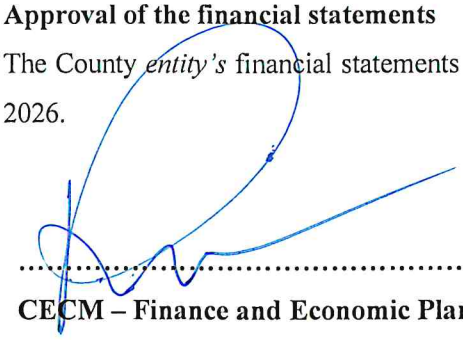
The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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, 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 financial statements

The County *entity's* financial statements were approved and signed by the CECM for Finance on 28th October 2026.



.....

CECM – Finance and Economic Planning

6. Statement of Financial Performance for the Period Ended 30th September 2026

Description	Notes	Period ended 30th Sep 2026	Period ended 30th Sep 2025
		Kshs	Kshs
Revenue from non-exchange transactions			
Unconditional Transfers from CRF	5	7,254,622,298	5,158,461,956
Total revenue		**7,254,622,298**	**5,158,461,956**
Expenses			
Employee costs	6	4,600,562,202	4,550,978,000
Use of goods and services	7	990,923,765	1,658,848,193
Other Grants and Subsidies	8	233,490,000	1,844,217,674
Total expenses		**5,824,975,967**	**8,054,043,867**
Surplus/Deficit for the year		**1,429,646,332**	**(2,895,581,911)**

The Financial Statements set out on pages 1 to 50 were signed by:

.....

Name: Dr. Asha Abdi

Chief Officer Finance

.....

Name: Caroline Wang'ang'a

Head of County Treasury (Accounting)
ICPAK M/No. 15768

7. Statement of Financial Position as at 30th September 2026

Description	Notes	*Period ended 30th Sep 2026*	*Period ended 30th June 2026*
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	969,776,665	445,480,728
Receivables from Non-Exchange Transactions	10	289,371,151	224,851,571
Inventories	11	328,826,909	328,826,909
Total Current Assets		**1,587,974,725**	**999,159,208**
Non-Current Assets			
Property, Plant and Equipment	12	9,935,413,649	9,711,153,345
Total Non- Current Assets		**9,935,413,649**	**9,711,153,345**
Total Assets (A)		**11,523,388,374**	**10,710,312,552**
Liabilities			
Current Liabilities			
Trade and Other Payables	13	91,666,145,753	92,282,716,263
Refundable Deposits and prepayments	14	17,292,537	17,292,537
		91,683,438,290	**92,300,008,800**
Total Non- Current Liabilities		-	-
Total Liabilities (B)		**91,683,438,290**	**92,300,008,800**
Net Assets (A-B)		**(80,160,049,916)**	**(81,589,696,248)**
Represented by:			
Reserves		-	-
Accumulated Surplus		(80,160,049,916)	(81,589,696,248)
Capital Fund		-	-
Net Assets		**(80,160,049,916)**	**(81,589,696,248)**

The financial statements set out on pages 1 to 50 were signed by:

.....

Name: Dr. Asha Abdi

Chief Officer Finance

.....

Name: Caroline Wang'ang'a

Head of County Treasury (Accounting)
ICPAK M/No. 15768

8. Statement of Changes in Net Assets for the Period Ended 30th September 2026

Description	Accumulated Surplus	Reserves	Capital Fund	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June, 2026	(81,589,696,248)	-	-	(81,589,696,248)
Prior year adjustment	-	-	-	-
As at July 1, 2025	(81,589,696,248)	-	-	(81,589,696,248)
Surplus/ deficit for the period	1,429,646,332			1,429,646,332
As at 30th Sep, 2026	(80,160,049,916)	-	-	(80,160,049,916)

9. Statement of Cash Flows for the Period ended 30th September 2026

Description	Notes	Period ended 30th Sep 2026	Period ended 30th Sep 2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from CRF		7,190,102,718	5,158,461,956
Total receipts		**7,190,102,718**	**5,158,461,956**
Payments			
Employee costs		5,441,393,016	3,108,738,796
Use of goods and services		990,923,765	467,273,684
Other Grants and Subsidies		233,490,000	-
Total payments		**6,665,806,781**	**3,576,012,480**
Net cash flows from/(used in) operating activities	15	**524,295,937**	**1,582,449,476**
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		**524,295,937**	**1,582,449,476**
Cash and cash equivalents as at Period Start	9	445,480,728	532,260,277
Cash and cash equivalents as at Period End	9	**969,776,665**	**2,114,709,752**

10. Statement of Comparison of Budget and Actual Amounts for the Period Ended 30th September 2026

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)	-	-	-	445,480,728	(445,480,728)	-
Transfers from CRF	44,345,443,763	-	44,345,443,763	7,190,102,718	37,155,341,045	16
Total revenues	**44,345,443,763**	-	44,345,443,763	**7,635,583,446**	**36,709,860,317**	**17**
			-			
Expenses			-			
Employee costs	16,515,494,562		16,515,494,562	5,441,393,016	11,074,101,546	33
Use of goods and services	13,037,445,148		13,037,445,148	990,923,765	12,046,521,383	8
Other Grants and Subsidies	1,001,946,535		1,001,946,535	233,490,000	768,456,535	23
Social Benefits	279,689,154		279,689,154	-	279,689,154	-
Total	**30,834,575,399**	-	**30,834,575,399**	**6,665,806,781**	**24,168,768,618**	**22**
Capital items			-			
Acquisition of PPE	13,510,868,364		13,510,868,364	-	13,510,868,364	-
Total expenses Development	**13,510,868,364**	-	**13,510,868,364**	-	**13,510,868,364**	-
Total Expenses	**44,345,443,763**	-	44,345,443,763	**6,665,806,781**	**37,679,636,982**	**15**
Surplus/ deficit	-	-	-	**969,776,665**		

Reconciliation table

	Operating	Financing	Investing	total
Actual amounts on comparable basis presented in the budget and actual comparative statement	**969,776,665**	-	-	**969,776,665**
Basis difference	-	-	-	-
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Classification differences	-	-	-	-
Actual in the statement of cashflows	**969,776,665**	-	-	**969,776,665**

The entity financial statements were approved on 28th October 2026 and signed by:

.....

Name: Dr. Asha Abdi

Chief Officer Finance

.....

Name: Caroline Wang'ang'a

Head of County Treasury (Accounting)
ICPAK M/No. 15768

(a) Statement of Comparison of Budget and Actual amounts: Recurrent

Receipts/Payments 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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)	-	-	-	445,480,728	-	-
Receipts						
Transfers from the CRF	31,041,810,634		31,041,810,634	6,500,000,000	24,541,810,634	21
Total Receipts	**31,041,810,634**	-	**31,041,810,634**	**6,945,480,728**	**24,541,810,634**	**22**
Payments						
Compensation of employees	16,515,494,562	-	16,515,494,562	5,441,393,016	11,074,101,546	33
Use of goods and services	13,037,445,148	-	13,037,445,148	990,923,765	12,046,521,383	8
Other grants and transfers	1,001,946,535	-	1,001,946,535	233,490,000	768,456,535	23
Total	**30,554,886,245**	-	**30,554,886,245**	**6,665,806,781**	**23,889,079,464**	**22**
Surplus	**486,924,389**	-	**486,924,389**	**279,673,947**		

(b)Statement of Comparison of Budget and Actual amounts: Development

Receipts/Payments 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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	13,303,633,129	-	13,303,633,129	690,102,718	12,613,530,411	5
Total Receipts	**13,303,633,129**	-	**13,303,633,129**	**690,102,718**	**12,613,530,411**	**5**
Payments						
Acquisition of PPE	13,510,868,364	-	13,510,868,364	-	13,510,868,364	-
Total	**13,510,868,364**	-	**13,510,868,364**	-	**13,510,868,364**	-
Surplus	**(207,235,235)**	-	**(207,235,235)**	**690,102,718**		

Budget Execution by Programmes and Sub-Programmes for FY 2026/2027

	Programme	Sub-Programme	Original Budget 2026-2027	Adjustments	Final budget	Actual on comparable basis	Budget Utilization difference
			Kshs	Kshs	Kshs	Kshs	Kshs
5311000000 COUNTY PUBLIC SERVICE BOARD	0718005310 General Administrative Services	Headquarters	179,384,266	0	179,384,266	15,704,796	163,679,470
	5311000000 COUNTY PUBLIC SERVICE BOARD		**179,384,266**	**0**	**179,384,266**	**15,704,796**	**163,679,470**
5314000000 FINANCE AND ECONOMIC PLANNING	0718005310 General Administrative Services	Headquarters	758,969,707	0	758,969,707	149,494,979	609,474,728
		Accounting	93,818,213	0	93,818,213	4,370,000	89,448,213
		Budget & Expenditure	177,915,103	0	177,915,103	9,187,000	168,728,103
	0701005310 Public Financial Management	Revenue	1,177,999,289	0	1,177,999,289	310,081,671	867,917,618
		Procurement	194,665,163	0	194,665,163	38,293,712	156,371,451
		Economic Planning	396,267,290	0	396,267,290	0	396,267,290
		Asset Management	387,985,881	0	387,985,881	1,350,000	386,635,881
	0731005310 P31: Economic Policy, Formulation and Budget Management	County Budget and Economic Forum	9,500,000	0	9,500,000	0	9,500,000
		Debt Management Headquarters	1,487,500,000	0	1,487,500,000	174,677,486	1,312,822,514
		Public Private Partnership	54,150,000	0	54,150,000	0	54,150,000
	5314000000 FINANCE & ECONOMIC PLANNING		**4,738,770,646**	**0**	**4,738,770,646**	**687,454,848**	**4,051,315,798**
5320000000 PUBLIC SERVICE MANAGEMENT	0729005310 P29: Public Service Transformation	Human Resource Management	36,652,588	0	36,652,588	1,350,000	35,302,588
		Human Resource Development	56,430,034	0	56,430,034	0	56,430,034
		Employee Retention	132,735,974	0	132,735,974	0	132,735,974
		Employee Compensation & Benefits	2,660,422,414	0	2,660,422,414	854,021,190	1,806,401,224
	0718005310 General Administrative Services	PSM Administration	287,479,888	0	287,479,888	80,719,471	206,760,417
		Kenya Devolution Support Program	6,500,000	0	6,500,000	0	6,500,000
	5320000000 PUBLIC SERVICE MANAGEMENT		**3,180,220,898**	**0**	**3,180,220,898**	**936,090,661**	**2,244,130,237**
5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	0106005310 P.6 General Administration Planning and Support Services	Headquarters	133,476,112	0	133,476,112	38,186,601	95,289,511
	0119005310 P.19 Urban Agriculture Promotion & Regulation	Agriculture Headquarters	5,818,082	0	5,818,082	0	5,818,082
	0116005310 P.10: Animal Health, Safety and Quality Assurance	Livestock Headquarters	4,359,759	0	4,359,759	0	4,359,759
		Veterinary Headquarters	26,926,418	0	26,926,418	0	26,926,418
		Fisheries Headquarters	3,624,505	0	3,624,505	0	3,624,505

		Food Systems	3,943,627	0	3,943,627	0	3,943,627
	0117005310 P.11: Afforestation	Forestry Headquarters	7,467,077	0	7,467,077	0	7,467,077
	0118005310 P.18: Food Systems and Surveillance	Agricultural Development Support Project	3,858,481	0	3,858,481	0	3,858,481
		Agriculture Committees	209,409,372	0	209,409,372	0	209,409,372
	5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY		**398,883,433**	**0**	**398,883,433**	**38,186,601**	**360,696,832**
5323000000 ENVIROMENT, WATER, ENERGY & NATURAL RESOURCES	1001005310 P1 General Administration & Support Services	Headquarters	2,148,621,727	0	2,148,621,727	589,741,861	1,558,879,866
	5323000300 Solid waste management	Parks & Open Spaces Section	137,917,118	0	137,917,118	0	137,917,118
	5323000200 Parks & Open Spaces Section	Solid Waste Management	2,756,595,825	0	2,756,595,825	220,068,160	2,536,527,666
	5323000400 Environmental Monitoring Compliance & Enforcement	Environmental Monitoring Compliance & Enforcement	27,888,790	0	27,888,790	0	27,888,790
	5323000800 Climate change and air quality	Water Department	165,632,041	0	165,632,041	0	165,632,041
	1004005310 P4 Water Resources Management	Climate change and air quality	116,902,500	0	116,902,500	0	116,902,500
	5323000000 ENVIROMENT, WATER, ENERGY & NATURAL RESOURCES		**5,353,558,001**	**0**	**5,353,558,001**	**809,810,021**	**4,543,747,980**
5325000000 WARD DEVELOPMENT PROGRAMMES	0214005310 P8: Ward Development	Ward Development Programmes Headquarters	2,315,846,236	0	2,315,846,236	0	2,315,846,236
	5325000000 WARD DEVELOPMENT PROGRAMMES		**2,315,846,236**	**0**	**2,315,846,236**	**0**	**2,315,846,236**
5326000000: EMERGENCY FUND	0718005310 General Administrative Services	Emergency Fund Headquarters	200,000,000	0	200,000,000	0	200,000,000
	5326000000: EMERGENCY FUND		**200,000,000**	**0**	**200,000,000**	**0**	**200,000,000**
5329000000; BOROUGHS AND PUBLIC ADMINISTRATION	0718005310 General Administrative Services	Office Of County Secretary Headquarters	695,401,283	0	695,401,283	57,578,605	637,822,678
		Records Management	4,394,656	0	4,394,656	0	4,394,656
	0723005310 P 23 Performance Management and Public Service Delivery	Research Policy & Development	35,369,757	0	35,369,757	0	35,369,757
		County Executive	159,899,783	0	159,899,783	49,851,817	110,047,966
		Reforms and Performance Contracting	9,652,325	0	9,652,325	0	9,652,325
		Monitoring & Evaluation	8,999,861	0	8,999,861	2,000,000	6,999,861
		Executive Management Office	101,288,901	0	101,288,901	6,000,000	95,288,901
		Executive Communication	95,032,500	0	95,032,500	550,000	94,482,500
		Inter Governmental Relations Headquarters	35,762,750	0	35,762,750	0	35,762,750
		Training Innovation & Development	4,213,250	0	4,213,250	0	4,213,250
		CEC Secretariat	18,669,901	0	18,669,901	0	18,669,901

	0732005310 P32 Coordination of executive services	Donor Coordination and Stakeholders Engagement	80,211,250	0	80,211,250	0	80,211,250
	0733005310 P33 Coordination of boroughs and devolved units	Boroughs, Sub County Administration	822,962,278	0	822,962,278	117,998,860	704,963,418
	0724005310 P 24 Security and Safety Management	Security and Compliance Headquarters	2,029,464,263	0	2,029,464,263	608,258,192	1,421,206,071
		Investigation Department	52,640,590	0	52,640,590	11,815,703	40,824,887
	0726005310 P.26 Disaster Management & Coordination	Disaster Mgt & Coordination Headquarters	274,874,118	0	274,874,118	80,708,793	194,165,325
		Fire fighting and rescue	230,076,988	0	230,076,988	0	230,076,988
		Ambulance Services	6,882,636	0	6,882,636	0	6,882,636
		Disaster Risk Reduction	25,089,259	0	25,089,259	0	25,089,259
	0734005310 P34 Internal Audit	Audit	78,652,676	0	78,652,676	13,159,246	65,493,430
		KSDP II	35,700,000	0	35,700,000	0	35,700,000
	5329000000; BOROUGHS AND PUBLIC ADMINISTRATION		**4,805,239,025**	**0**	**4,805,239,025**	**947,921,216**	**3,857,317,809**
5330000000 COUNTY ATTORNEY	0725005310 P 25 management of legal affairs		409,368,662	0	409,368,662	56,387,993	352,980,669
	5330000000 COUNTY ATTORNEY		**409,368,662**	**0**	**409,368,662**	**56,387,993**	**352,980,669**
5331000000 INNOVATION AND DIGITAL ECONOMY	0215005310 P15 General Administration Planning and Support Services	ICT Headquarters	127,050,406	0	127,050,406	32,036,430	95,013,976
	0217005310 P17 Digital Economy and Start-Ups	Digital Economy	63,087,000	0	63,087,000	0	63,087,000
		E-Learning Headquarters	1,900,000	0	1,900,000	0	1,900,000
	0218005310 P18 Smart Nairobi	Start ups	7,315,000	0	7,315,000	0	7,315,000
		Smart Nairobi	6,468,926	0	6,468,926	0	6,468,926
	0314005310 P14: ICT Infrastructure Connectivity	Infrastructure	159,076,319	0	159,076,319	0	159,076,319
	5331000000 INNOVATION AND DIGITAL ECONOMY		**364,897,651**	**0**	**364,897,651**	**32,036,430**	**332,861,221**
5332000000; HEALTH, WELNESS AND NUTRITION	0405005310 P5 Public Health	HIV/AIDS prevention and control unit	6,457,350	0	6,457,350	0	6,457,350
		TB control unit	4,670,000	0	4,670,000	0	4,670,000
		Malaria control & Other Communicable Diseases unit	5,859,200	0	5,859,200	0	5,859,200
		Environmental Public Health	24,457,850	0	24,457,850	0	24,457,850
		Health policy and Regulations	52,171,950	0	52,171,950	1,350,000	50,821,950
		Coroner Services	92,215,446	0	92,215,446	0	92,215,446
		Nairobi County Public Health Emergency Response	73,429,700	0	73,429,700	0	73,429,700

		Health centers & dispensaries	751,629,317	0	751,629,317	0	751,629,317
		Health Commodities	400,000,000	0	400,000,000	0	400,000,000
		Health Management Information System	34,530,000	0	34,530,000	0	34,530,000
		Primary Health Care	12,977,050	0	12,977,050	0	12,977,050
		Reproductive Health, Maternal Health (RMNCAH)	14,550,000	0	14,550,000	0	14,550,000
		Clinical Services	16,655,293	0	16,655,293	0	16,655,293
		Non-communicable diseases	16,000,650	0	16,000,650	0	16,000,650
		Health Research	4,100,000	0	4,100,000	0	4,100,000
		Nutrition Program Promotion	4,100,000	0	4,100,000	0	4,100,000
		Wellness	4,742,500	0	4,742,500	0	4,742,500
		School Feeding	908,293,336	0	908,293,336	208,517,050	699,776,286
	0404005310 General administration, planning and support services	Health, Wellness & Nutrition Headquarters	6,620,880,292	0	6,620,880,292	1,974,394,969	4,646,485,323
	0406005310 P6 Health Facilities	Kayole 2 Sub County Hospital	30,187,136	0	30,187,136	0	30,187,136
		Njiru Hospital	25,109,190	0	25,109,190	0	25,109,190
		Mathare North Hospital	37,206,447	0	37,206,447	0	37,206,447
		Westlands Hospital	39,940,000	0	39,940,000	0	39,940,000
		Kianda 42 Hospital	19,933,904	0	19,933,904	0	19,933,904
		Langata Sub County Hospital	12,546,800	0	12,546,800	0	12,546,800
	0407005310 P7 medical services	Makadara Hospital	38,295,415	0	38,295,415	0	38,295,415
	0408005310 P8 Wellness and Nutrition	Bahati Hospital	18,205,037	0	18,205,037	0	18,205,037
		Tasia Kwa Ndege Hospital	41,247,775	0	41,247,775	0	41,247,775
		Njenga Hospital	26,849,882	0	26,849,882	0	26,849,882
		Health Facility Administration	254,460,000	0	254,460,000	0	254,460,000
	5332000000 HEALTH, WELNESS AND NUTRITION		**11,383,069,421**	**0**	**11,383,069,421**	**2,184,262,019**	**9,198,807,402**
533300000 BUILT ENVIROMENT & URBAN PLANNING	0718005310 General Administrative Services	Built Environment and Planning Headquarters	394,932,822	0	394,932,822	120,621,328	274,311,494
	0121005310 P21 Urban Development & Planning	Urban Planning Compliance & Enforcement	80,457,744	0	80,457,744	0	80,457,744
		Urban Policy & Research	88,294,744	0	88,294,744	0	88,294,744
		Urban Development Management	7,386,250	0	7,386,250	0	7,386,250

	0122005310 P22 Land management and Property Management	Land Survey, GIS and Mapping	85,934,628	0	85,934,628	0	85,934,628
		Valuation and Property Management	9,701,875	0	9,701,875	0	9,701,875
	0123005310 P23 Housing Development and Building Services	Urban Renewal and Housing Hq	697,425,128	0	697,425,128	0	697,425,128
		Building Services Department	5,447,924	0	5,447,924	0	5,447,924
	533300000 BUILT ENVIROMENT & URBAN PLANNING		**1,369,581,115**	**0**	**1,369,581,115**	**120,621,328**	**1,248,959,787**
5334000000; MOBILITY AND WORKS	0216005310 P16:General Administration, Planning and Support Services	Mobility and Works Headquarters	1,967,451,844	0	1,967,451,844	133,064,520	1,834,387,324
	0219005310 P19 Works	Roads	58,470,603	0	58,470,603	131,807,803	(73,337,200)
		Electrical	545,874,562	0	545,874,562	0	545,874,562
		Building Works	42,861,125	0	42,861,125	0	42,861,125
	0220005310 P20 Mobility	Transport	613,574,317	0	613,574,317	0	613,574,317
		Garage/Transportation	440,443,800	0	440,443,800	100,000,000	340,443,800
	5334000000; MOBILITY AND WORKS		**3,668,676,251**	**0**	**3,668,676,251**	**364,872,323**	**3,303,803,928**
5335000000 TALENT SKILLS DEVT & CARE	0508005310 General administration, planning and support services	Education Headquarters	1,659,010,321	0	1,659,010,321	238,103,417	1,420,906,904
	0509005310 P9 Education services	Early Childhood Development Centers	341,812,164	0	341,812,164	0	341,812,164
		Vocational Training	118,226,316	0	118,226,316	0	118,226,316
	0902005310 2.1 Social Services	Social Services Headquarters	77,224,335	0	77,224,335	18,421,410	58,802,925
		Community Development	11,028,124	0	11,028,124	0	11,028,124
		Community Development	13,910,518	0	13,910,518	0	13,910,518
		Children Services	71,915,507	0	71,915,507	0	71,915,507
		Control of Drugs and Pornography	1,974,001	0	1,974,001	0	1,974,001
	0903005310 P3 Youth, Talent & Sports	Youth, Talent & Sport	91,438,804	0	91,438,804	28,241,743	63,197,061
		Youth Affairs	16,037,426	0	16,037,426	0	16,037,426
		Recreation Services	158,727,085	0	158,727,085	0	158,727,085
		Sports	1,036,453,418	0	1,036,453,418	0	1,036,453,418
		Library Services	111,211,369	0	111,211,369	0	111,211,369
	5335000000 TALENT SKILLS DEVT & CARE		**3,708,969,388**	**0**	**3,708,969,388**	**284,766,570**	**3,424,202,818**
5336000000; BUSINESS & HUSTLER OPPORTUNITIES	0302005310 P2:General Administration Planning and Support Services	Business & Hustler Opportunities Headquarters	462,943,859	0	462,943,859	135,064,022	327,879,837
	0310005310 P.10 Co-operative Development and Audit Services	Co-operative Development	35,580,534	0	35,580,534	0	35,580,534

		Co-operative Audit	5,022,829	0	5,022,829	0	5,022,829
	0312005310 P.12 Trade development and Market Services	Markets Department headquarters	509,628,703	0	509,628,703	2,000,000	507,628,703
		Weights & Measures Services	31,669,211	0	31,669,211	45,640	31,623,571
	0313005310 P.13 Licensing and Fair Trade Practices	Trade Licensing	9,405,000	0	9,405,000	3,500,000	5,905,000
		Trade Development Department	17,198,812	0	17,198,812	3,300,000	13,898,812
	0316005310 P16 Business & hustler opportunities	Micro, Small and Medium Enterprises Development	219,754,000	0	219,754,000	3,450,000	216,304,000
		Betting & Gaming Department	135,179,000	0	135,179,000	0	135,179,000
	5336000000; BUSINESS & HUSTLER OPPORTUNITIES		**1,426,381,948**	**0**	**1,426,381,948**	**147,359,662**	**1,279,022,286**
	0904005310 P4 Public Participation, Citizen Engagement & Customer Service	Inclusivity Public participation & Citizen Engagement Headquarters	154,008,442	0	154,008,442	35,222,311	118,786,131
		Public Communications	89,875,750	0	89,875,750	0	89,875,750
		Public participation & Citizen Engagement	13,703,750	0	13,703,750	0	13,703,750
		Customer Care Services	8,383,750	0	8,383,750	0	8,383,750
	0907005310 P7 Gender and Inclusivity	Gender Mainstreaming & PLDWD	21,826,250	0	21,826,250	0	21,826,250
	0905005310 P5 City Culture Arts & Tourism	City Culture and Art	126,851,900	0	126,851,900	5,050,000	121,801,900
		Tourism Development	12,862,715	0	12,862,715	0	12,862,715
	5337 000000;INCLUSIVITY PUBLIC PARTICIPATION,& CITIZEN ENGAGEMENT		**427,512,557**	**0**	**427,512,557**	**40,272,311**	**387,240,246**
5338000000; NAIROBI REVENUE AUTHORITY	0735005310 P35 Nairobi Revenue Authority		415,084,265	0	415,084,265	60,000	415,024,265
	5338000000; NAIROBI REVENUE AUTHORITY		**415,084,265**	**0**	**415,084,265**	**60,000**	**415,024,265**
TOTAL COUNTY EXECUTIVE			**44,345,443,763**	**0**	**44,345,443,763**	**6,665,806,781**	**37,679,636,982**

11. 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 service provision.

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 3rd/ year's financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

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.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid, or the fair value of the consideration given to acquire them at the time of acquisition, plus directly attributable transaction costs. Liabilities are recorded at the amount of consideration received to assume the obligation, less transaction costs incurred when the liability was assumed.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Entity uses market-to-observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Entity using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Fair values are categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The Entity's accounting policy is to recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. This policy is consistently applied to transfers into and out of each level.

a) Use of Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

Reporting period

The reporting period for these financial statements is for the period ended 30th September 2026.

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

The Entity recognizes revenue in accordance with IPSAS 47, *Revenue*. Every revenue transaction is classified at inception into one of two categories, determined solely by whether the transaction arises from a binding arrangement. An arrangement is binding where it is enforceable through legal or equivalent means and confers rights and obligations that are enforceable for two or more of the parties, each party's rights and obligations being interdependent and inseparable; the Entity assesses the substance of the arrangement rather than its legal form. Revenue is measured at the amount of consideration received or receivable to which the Entity expects to be entitled, being the increase in net assets arising from the transaction.

Recognition and Measurement

i) Revenue from transactions without Binding Arrangements

Revenue from transactions without binding arrangements is recognised when the entity controls an asset arising from the transaction, it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Taxes

Taxes are a transaction without binding arrangement because the taxpayer transfers resources to the government, but the government is not required to transfer distinct goods or services to the taxpayer in return. The entity recognizes revenues from taxes when the taxable event occurs, and there is control over the asset, provided it is probable that the economic benefits or service potential will flow to the entity and the asset's fair value can be measured reliably.

Levies, fines and penalties

The entity recognizes revenues from levies, fines and penalties when the legal or statutory event occurs, establishing the entity's control over the asset, provided it is probable that the economic benefits or service potential will flow to the entity and the asset's fair value can be measured reliably.

Unconditional Transfers from other government entities

Revenue is recognized when the entity obtains control over the asset, provided it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the asset can be measured reliably. Control over the asset is established when the entity receives an enforceable legal right to the transfer, provided no enforceable compliance obligations or return conditions exist.

Licences and Permits

Revenue from licences and permits whereby the arrangement gives a statutory right to perform an activity is classified as arising from transactions without binding arrangements. This revenue is recognized when the permit or licence is issued and fee becomes legally binding.

ii) Revenue from transactions with Binding Arrangements

Revenue with binding arrangements is recognised by applying the five-step model as below:

1) Identification of the binding arrangement which is a contract or enforceable agreement with another party that creates enforceable rights and obligations.

2) Identification of the compliance obligations. These may be distinct goods, services, or public service outcomes promised to the recipient.

3) Determination of the transaction price

4) Allocation of transaction price to compliance obligations to each distinct performance obligation.

5) Recognition of revenue when compliance obligations are satisfied by the entity. This may be over time or at a point in time.

3. Adoption of New and Revised Standards

i) ***New and amended standards and interpretations in issue effective in the year ended 30 June 2026.***

Standard	Effective date and impact:
IPSAS 43 Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance, and cash flows of an Entity. The new standard requires entities to recognize, measure, and present information on right-of-use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale are to be measured at the lower of carrying amount and fair value, less costs to sell, and the depreciation of such assets to cease. Assets that meet the criteria to be classified as held for sale are to be presented separately in the statement of financial position, and the results of discontinued operations are to be presented separately in the statement of financial performance.
IPSAS 45- Property, Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 provides additional guidance on heritage assets, infrastructure assets, and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45; heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance, and illustrative examples. The standard has clarified existing principles, e.g., valuation of land over or under the infrastructure assets, under-maintenance of assets, and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: 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;

Standard	Effective date and impact:
	iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures. The standard also introduces a public sector-specific measurement basis called the current operational value.

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	***Applicable 1st January 2026*** 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 MDA 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.
IPSAS 48-Transfer Expenses	***Applicable 1st January 2026*** 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.
IPSAS 49-Retirement Benefit Plans	***Applicable 1st January 2026*** 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.
IPSAS 50: Exploration For & Evaluation of	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:

Standard	Effective date and impact:
Mineral Resources	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.
IPSAS 51: Tangible Natural Resources Held for Conservation	***Applicable 1st January 2028*** The objective of this standard is to establish the principles that an entity shall apply to report relevant information to users of financial statements about the nature, amounts, timing, and uncertainties arising from tangible natural resources held for conservation. A tangible natural resource held for conservation is a naturally occurring tangible asset that is managed to prevent its degradation.
IPSASB SRS 1: Climate Related Disclosures	***Applicable 1st January 2028*** This standard provides principles for an entity to address climate-related risks and opportunities arising from an entity's activities and operations. The standard provides disclosures on governance, strategy, risk management, and metrics and targets.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

b) Budget information

The original budget for FY 2026/2027 was approved by the County Assembly. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial 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-binding arrangement is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured at fair value with gains and losses recognised through surplus or deficit. 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. This includes infrastructure and Heritage assets held for cultural, environmental, or historical significance.

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.

After initial recognition, the entity measures each class of Property, Plant, and Equipment using either the Historical Cost Model and or the Current Value Model.

Under the cost model, assets are carried at cost less accumulated depreciation and any accumulated impairment losses.

Under the current value model, an item of PPE is carried at its current value being its Current Operational Value or Fair Value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Impairment

The entity applies the reducing balance 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%
Motor vehicles	10%
Infrastructure assets	2%
Furniture and fittings	12.5%
Computers & ICT Equipment	33.3%

PPE Item	Depreciation Rate
Land	-
Heritage Assets	Where applicable, based on useful life
Work in progress (WIP)	Not depreciated until available for use
Service concession assets	Based on the asset's estimated useful life and pattern of consumption

Impairment

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

An item of property, plant, and equipment is derecognized 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 recognized in the statement of financial performance. Compensation from third parties for items of PPE that were impaired, lost or given up shall be included in surplus or deficit when compensation becomes receivable.

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 recognizes 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.

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 recognizes a right-of-use asset and a lease liability, except for short-term leases and leases of low-value assets as allowed under IPSAS 43.

Recognition
The entity recognizes 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, the entity measures the right-of-use asset applying a cost model, being cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability, unless:

- the right-of-use asset relates to a class of property, plant, and equipment to which the entity applies the current value model under IPSAS 4, in which case the entity may elect to apply that current value model to all right-of-use assets in that class,
- the right-of-use asset meets the definition of investment property, in which case it is measured at fair value in accordance with the entity's policy under IPSAS 16.

Right-of-use assets measured under the cost model are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term, unless the lease transfers ownership of the underlying asset to entity, or the cost of the right-of-use asset reflects that the entity will exercise a purchase option, in which case the right-of-use asset is depreciated over the useful life of the underlying asset. Right-of-use assets are assessed for impairment in accordance with the entity's impairment policies under IPSAS 21 and IPSAS 26.

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. (*Where neither the interest rate implicit in the lease nor the lessee's incremental borrowing rate is readily available, the entity use the prevailing Central Bank of Kenya (CBK) rate as at the commencement date of the lease as the discount rate for measuring the lease liability.)*

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 Held for Conservation.

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-binding arrangements, 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 a binding arrangement shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

h) Heritage Assets

Heritage assets are assets with cultural, environmental, historical, artistic, scientific, technological, geophysical, or natural significance that are intended to be held indefinitely

for the benefit of present and future generations. The entity recognizes heritage assets in accordance with IPSAS 45 – Heritage Assets.

Heritage assets controlled by the entity include:

(i) Historical buildings, monuments, and structures;

(ii) Artifacts, museum collections, artworks, and archaeological finds; and

(iii) Heritage infrastructure such as historic bridges.

Heritage assets are measured using the cost model or, where fair value can be reliably determined, the current value model. Where historical cost information is unavailable or cannot be obtained at a cost commensurate with the benefits to users of the financial statements, heritage assets are measured at deemed cost (fair value at the date of initial recognition). Certain heritage assets that are difficult to value or whose value cannot be reliably determined are disclosed.

Heritage assets with indefinitely long useful lives, principally land and artifacts/collections, are not depreciated, as their value is not consumed over time and they are preserved in perpetuity. Heritage assets with finite useful lives, principally heritage buildings and heritage infrastructure are depreciated on a straight-line basis over their estimated useful lives.

Useful lives and residual values are reviewed at each reporting date. All heritage assets are assessed at each reporting date for impairment in accordance with applicable IPSAS standards. Impairment losses are recognized in surplus or deficit, except to the extent that impairment reverses a revaluation surplus previously credited to net assets/equity.

The determination of whether an asset meets the definition of a heritage asset involves judgment. Management considers the cultural, historical, and environmental significance of assets, as well as whether they are subject to legal preservation orders or international conventions.

Impairment assessments require estimates of the recoverable service amount of heritage assets, which involve judgments about the condition, preservation plans, and future economic benefits or service potential of individual assets or groups of assets.

i) Transfer Expenses

Transfer expenses are expenses arising from transactions in which the Entity transfers resources, such as cash, goods, services, or other assets, to another party, the transfer recipient, without directly receiving approximately equal value in exchange. The Entity classifies transfer expense into one of two categories:

- **Transfer expenses with compliance obligations** that arise from enforceable agreements (agreements with legal or equivalent enforceability) that contain distinct compliance obligations requiring the transfer recipient to deliver goods, services, or capital assets to third parties or specified beneficiaries.
- **Transfer expenses without compliance obligations**, which, by contrast, arise from arrangements that lack enforceable rights and obligations altogether, or from

arrangements in which the transfer recipient, through a party to an agreement, has no distinct compliance obligation to satisfy.

Recognition and Measurement

Where a transfer expense carries compliance obligations, the Entity recognizes a transfer right asset whenever it transfers cash or non-cash resources before the recipient satisfies its compliance obligations. This asset is expensed in the Statement of Financial Performance as, or when, the recipient satisfies those obligations under the binding arrangement, for instance, on delivery of goods or services to beneficiaries or on completion of an agreed milestone. Where the recipient satisfies its compliance obligation, or the conditions attaching to it, before the Entity has paid cash, the Entity recognizes a transfer obligation liability to the extent of that satisfaction, reflecting its present obligation to transfer resources under the arrangement.

For transfer expenses without compliance obligations, the Entity recognizes the full expense in the Statement of Financial Performance once two conditions are met: it has a present obligation to transfer resources, arising from a past event, law, regulation, or public announcement that creates a valid expectation on the part of the recipient, and an outflow of economic resources is both probable and reliably measurable. Where cash is paid in advance of the eligibility criteria or conditions specified in the relevant law or regulation being met, the Entity recognizes a prepayment asset instead, which is carried until those criteria are satisfied and the expense can be recognized.

The transfer expense is measured at the carrying amount of the transferred resources. For cash transfer, the measurements will be the amount of cash transferred.

Derecognition and Impairment

The Entity assesses transfer right assets for impairment at each reporting date. Where the transfer recipient is unable, or unlikely, to satisfy its performance obligations, the Entity reduces the carrying amount of the transfer right asset accordingly and recognizes the resulting impairment loss in surplus or deficit.

When the transferred resources are derecognized, an entity should apply the derecognition guidance from other standards that are applicable to the assets that have been transferred

a) 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. Presentation of the non-current assets and discontinued assets has been done separately in the

financial statements. Any proceeds from the sale of non-current assets held for sale have been presented separately.

b) Intangible assets

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

c) Biological Assets

The entity recognizes biological assets when it controls the assets, it is probable that future economic benefits associated with the assets will flow to the entity, and the fair value or cost of the assets can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

d) 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.

e) 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.

f) 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.

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.

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

g) 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.*

h) 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.

i) 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.

j) 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.

k) 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.

l) 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).*

m) 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.

n) Employee benefits

The Entity recognizes employee benefits in accordance with IPSAS 39 – Employee Benefits. Employee benefits are classified into short-term employee benefits, post-employment benefits, other long-term employee benefits, and termination benefits.

Short-term employee benefits such as salaries, wages, allowances, bonuses, and compensated absences are recognized as expenses when employees render the related services. Unpaid amounts at the reporting date are recognized as liabilities and measured at the undiscounted amount expected to be paid.

Post-employment benefits are classified as defined contribution or defined benefit plans.

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 period 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 triennially on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions, on a proportional basis, to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Other long-term employee benefits, including long-service awards and long-term compensated absences, are recognized as liabilities based on the present value of the obligation where material and accounted for in accordance with IPSAS 39.

Termination benefits are recognized as a liability and expense at the earlier of when the Entity can no longer withdraw the offer of the benefits or when related restructuring costs are recognized.

The Entity discloses material employee benefit expenses and liabilities, including defined benefit obligations, actuarial assumptions, and termination benefits, where applicable.

o) 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.

p) 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.

q) 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 and Chief Officers, Directors and senior managers.*

r) 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.

s) 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.

t) 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

u) 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.

x) Subsequent events

There have been no events subsequent to the financial year-end that have had a significant impact on the financial statements for the year ended September 30, 2026.

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. 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.

5. Unconditional Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for the Period Ended 30th September 2026	Total transfers for the Period Ended 30th June 2026
	Kshs	Kshs	Kshs	Kshs
Recurrent	6,181,454,777	-	6,181,454,777	5,158,461,956
Development	876,067,010	-	876,067,010	-
Receivable from CRF	197,100,511	-	197,100,511	-
Total	**7,254,622,298**	-	**7,254,622,298**	**5,158,461,956**

6. Employee Costs

Description	*Period ended 30th Sep 2026*	*Period ended 30th Sep 2025*
	Kshs	**Kshs**
Basic salaries of permanent employees	2,225,635,682	2,079,625,851
Basic wages of temporary employees	28,868,050	-
Personal allowances – part of salary	1,877,397,090	1,840,822,770
Pension and other social security contributions	447,972,634	603,968,295
Other personnel costs	20,688,746	26,561,084
Employee costs	**4,600,562,202**	**4,550,978,000**

7. Use of Goods and Services

Description	***Period ended 30th Sep 2026***	***Period ended 30th Sep 2025***
	Kshs	**Kshs**
Utilities, supplies and services	100,000,000	42,000,000
Domestic travel and subsistence	100,444,678	312,643,900
Foreign travel and subsistence	74,484,157	57,272,960
Printing, advertising, and information supplies & services	396,000	774,000
Rentals of produced assets	-	32,277,000
Training expenses	8,402,000	29,505,695
Hospitality supplies and services	6,332,060	56,647,080
Insurance costs	115,000,000	500,000,000
Specialized materials and services	-	48,805,345
Other operating expenses *including bank Charges*	288,186,617	444,692,782
Office and general supplies and services	-	1,100,000
Fuel Oil and Lubricants	99,999,999	-
Routine maintenance – other assets	108,964,554	-
Other Expenses	-	133,129,431
Other creditors	88,713,700	-
Total	**990,923,765**	**1,658,848,193**

8. Other Grants and Subsidies

Description	***Period ended 30th Sep 2026***	***Period ended 30th Sep 2025***
	Kshs	**Kshs**
Scholarships and other educational benefits	198,700,000	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	34,790,000	291,158,500
Total Grants and Subsidies	**233,490,000**	**1,844,217,674**

9. Cash and Cash Equivalents

Description	**Period ended 30th Sep 2026**	***Period ended 30th June 2026***
	Kshs	**Kshs**
Recurrent Account	395,148,227	2,277
Development Account	44,740,000	6,947
Deposits Account	17,292,537	17,292,537
Special Purpose Accounts	122,907,264	2,849,461
Other operating commercial accounts (*Specify*)	389,688,638	425,329,506
Total	**969,776,665**	**445,480,728**

(a) Detailed Analysis of the Cash and Cash Equivalents

		Period ended 30th Sep 2026	***Period ended 30th June 2026***
Financial Institution	**Account number**	**Kshs**	**Kshs**
Recurrent Accounts			
Central Bank of Kenya-Nairobi County Recurrent	1000****02	395,148,227	2,277
Development Accounts			
Central Bank of Kenya-Nairobi County Development	1000****13	44,740,000	6,947
Deposits Accounts			
Central Bank of Kenya-Nairobi City County Deposits	1000****78	17,292,537	17,292,537
Special Purpose Accounts			
Central Bank of Kenya-Nairobi City County Special Purpose	1000****79	-	-
Central Bank of Kenya- Road Main. Levy Fund-Nairobi County	1000****06	121,925,939	1,868,136
Central Bank of Kenya-Nairobi City County Ward Development Fund	1000****41	-	-
Central Bank of Kenya-Nairobi County Youth Poly PRJ Grant	1000****31	314,192	314,192

Central Bank of Kenya-Nairobi County 10TH GOK/UNFPA CP	1000****38	-	-
Central Bank of Kenya-Kenya Devolution Support Programme	1000****77	667,133	667,133
Central Bank of Kenya-Primary Health Care	1000****19	-	-
Central Bank of Kenya-Nairobi County Health Care Services	1000****24	-	-
Central Bank of Kenya-Nairobi County Emergency Fund	1000****12	-	-
Central Bank of Kenya - Nairobi County Community Health Prom	1000****49	-	-
Central Bank of Kenya-Nairobi County Kenya Urban Support Programme	1000****82	-	-
CBK Special Programs Total		**122,907,264**	**2,849,461**
Cooperative Bank-Bursary Fund	01141232****13	56,408	67,933
Cooperative Bank-Free Education Current Account A/C No:	01139232****01	5,139	5,139
Cooperative Bank SPA-Commercial A/C for ASDSP II Program	01141232****14	-	-
Cooperative Bank-Salary	01692232****00	-	610,817
Cooperative Bank- Nairobi City County- Kenya Informal Settlements Improvement Project (KISIP)	01141232****22	353,117,508	376,726,799
Cooperative Bank-Nairobi Metropolitan service -KES	01141232****20	6,948,668	6,948,668
Cooperative Bank-Waithaka Vocational Training Centre	01139232****00	51,908	118,414
Cooperative Bank-Nairobi County-Staff Car Loan and Mortgage Scheme	01102323****01	244,306	244,306
Cooperative Bank Nairobi County Health 10TH GOK UNFPA CP Account	01102323****07	5,573,346	7,356
Cooperative Bank-Nairobi City County Imprest Operations	01102323****06	3,539,530	3,539,530
Kenya Commercial Bank-Trust fund	1149****67	-	-
Cooperative Bank-Nairobi City County Aggregation and Industrial Parks	01102323****02	-	-

Cooperative Bank-Nairobi City County Health Scientific Conference	01102323****08	1,418,084	1,631,077
Cooperative Bank-Nairobi City County Sports Fund a/c	01102323****09	385,210	744,060
Cooperative Bank-Nairobi City County ECD Big Win Grant 01102323966010 KES	01102323****10	413,963	13,773,494
Cooperative Bank-Nairobi City County ECD Big Win Grant a/c USD	01102323****11	316	1,188
Cooperative Bank-Nairobi Emergency Operation Centre	01102323****12	629,152	629,152
Cooperative Bank-Nairobi City County Governor's Christmas Tree	01102323****18	835	835
Cooperative Bank-Nairobi City County Nairobi City Festival	01102323****19	220	220
Cooperative Bank-Nairobi City County School Feeding Programme	01102323****23	1	-
Cooperative Bank-Nairobi City County School Funeral home	01102323****04	16,440,539	15,043,129
Credit Bank-Nairobi City County ECDE	0191007****85	-	-
Sidian Bank-Nairobi City County University of Maryland account	01003710****06	4,590	4,590
Sidian Bank-Nairobi City County UNFPA account	01003710****62	2,910	2,910
Sidian Bank-Nairobi City County Imprest Operations account	01003710****32	4,073	172,590
Sidian Bank-Nairobi City County Executive Bursary Account	01003710****82	264,112	4,469,478
Sidian Bank-Nairobi Festival sponsorship funds	01003710****46	583,230	583,230
Sidian Bank-Nairobi City County Centre for Disease Control Account	01003710****16	4,590	4,590
Other operating commercial accounts Total		**389,688,638**	**425,329,506**
Cash on Hand		-	-
Total		**969,776,665**	**445,480,728**

10. Receivables from Transactions without Binding Arrangements

Description	Period ended 30th Sep 2026	*Period ended 30th June 2026*
	Kshs	Kshs
Other debtors (non-exchange transactions)	289,371,151	224,851,571
Less: impairment allowance	-	-
Total receivables from non- exchange transactions	**289,371,151**	**224,851,571**

11. Inventories

Description	Period ended 30th Sep 2026	Period ended 30th June 2026
	Kshs	Kshs
Spare parts	42,879,620	42,879,620
Goods held for distribution	285,947,289	285,947,289
Less: allowance for impairment	-	-
Total	**328,826,909**	**328,826,909**

12. Property, Plant, and Equipment

Current FY 2026/2027

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Specialised plant, equipment and machinery	Work in progress	Service concession assets	Total
Depreciation Rate		2%	10%	2%	12.50%	33.30%	10%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2026	-	1,424,775,571	937,580,492	5,334,873,680	448,109,228	110,734,783	455,239,434	446,687,825	-	9,711,153,345
Additions	-	-	-	224,260,304	-	-	-	-	-	224,260,304
As At 30th Jun 2026	-	1,424,775,571	937,580,492	5,559,133,984	448,109,228	110,734,783	455,239,434	446,687,825	-	9,935,413,649
Depreciation And Impairment										
Depreciation	-	-	-	-	-	-	-	-	-	-
As At 30th Sep 2026	-	-	-	-	-	-	-	-	-	-
Net Book Values										
Opening Bal as at 1st July 2026	-	1,424,775,571	937,580,492	5,334,873,680	448,109,228	110,734,783	455,239,434	446,687,825	-	9,711,153,345
As At 30th Sep, 2026	-	1,424,775,571	937,580,492	5,559,133,984	448,109,228	110,734,783	455,239,434	446,687,825	-	9,935,413,649

Previous FY 2025/2026

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Specialised plant, equipment and machinery	Work in progress	Total
Depreciation Rate		**2%**	**10%**	**2%**	**12.50%**	**33.30%**	**10%**		
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Opening Bal as 1st July 2025	-	**1,075,207,026**	**758,423,566**	**3,064,956,423**	**369,220,490**	**166,019,165**	**164,935,967**	**214,990,336**	**5,813,752,973**
Additions	-	371,072,686	254,999,282	2,331,216,386	125,041,300	-	306,797,064	231,697,489	**3,620,824,207**
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Jun 2026	-	**1,446,279,712**	**1,013,422,848**	**5,396,172,808**	**494,261,790**	**166,019,165**	**471,733,031**	**446,687,825**	**9,434,577,179**
Depreciation And Impairment									
Depreciation	-	21,504,141	75,842,357	61,299,128	46,152,561	55,284,382	16,493,597	-	**276,576,166**
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2026	-	**21,504,141**	**75,842,357**	**61,299,128**	**46,152,561**	**55,284,382**	**16,493,597**	-	**276,576,166**
Net Book Values									
Opening Bal as at 1st July 2025	-	**1,075,207,026**	**758,423,566**	**3,064,956,423**	**369,220,490**	**166,019,165**	**164,935,967**	**214,990,336**	**5,813,752,973**
As At 30th June, 2026	-	**1,424,775,571**	**937,580,492**	**5,334,873,680**	**448,109,228**	**110,734,783**	**455,239,434**	**446,687,825**	**9,711,153,345**

Notes to the Financial Statements (Continued)

Valuation

Land and buildings/ Equipment (be specific) will be valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

13. Trade and Other Payables

Description	Period ended 30th Sep 2026	*Period ended 30th Jun 2026*
	Kshs	Kshs
Trade payables	37,560,109,745	37,560,109,745
Employee payables	2,332,045,949	2,332,045,949
Third-party payments	43,522,789,200	44,363,620,014
Property Plant and Equipment	8,251,200,859	8,026,940,555
Total trade and other payables	**91,666,145,753**	**92,282,716,263**

14. Refundable Deposits and Prepayments

Description	Period ended 30th Sep 2026	*Opening Statement Period ended 30th Jun 2026*
	Kshs	Kshs
Central Bank of Kenya-Deposits and Retentions A/C No: 1000690178	17,292,537	17,292,537
Kenya Commercial Bank-Trust fund A/C No: 1149229667	-	-
Total deposits	**17,292,537**	**17,292,537**

15. Cash Generated from Operations

	Period ended 30th Sep 2026
	Kshs
Surplus for the year before tax	1,429,646,332
Adjusted for:	
Depreciation	-
Working capital adjustments	
Increase in receivables	(64,519,580)
Increase in payables	(840,830,814)
Net cash flow from operating activities	**524,295,937**

Notes to the financial statements (continued)

16. Contingent Assets and Contingent Liabilities

Contingent Liabilities

	Insert Current FY	*Insert Co*
	Period ended 30th June 2026	**Period ended 30th June 2025**
Contingent Liabilities	**Kshs**	**Kshs**
Court Cases against the Entity	643,415,958	11,970,049,570
Total	643,415,958	11,970,049,570

Notes to the financial statements (continued)

17. Events after the Reporting Period

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

18. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

19. Currency

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

12. 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						
Unconditional Transfers from CRF	5	7,254,622,298	-	-	-	7,254,622,298
Total revenue		**7,254,622,298**	-	-	-	**7,254,622,298**
Expenses						
Employee costs	6	4,600,562,202	-	-	-	4,600,562,202
Use of goods and services	7	990,923,765	-	-	-	990,923,765
Other Grants and Subsidies	8	233,490,000	-	-	-	233,490,000
Total expenses		**5,824,975,967**	-	-	-	**5,824,975,967**
Surplus/Deficit for the year		**1,429,646,332**	-	-	-	**1,429,646,332**

Appendix II: Transfers from Other Government Entities

Name of the Entity Transferring the funds					Where Recorded/recognized			
	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Period
County Revenue Fund	Jul-Sep 2026	Recurrent	6,181,454,777	6,181,454,777	-	-	-	6,181,454,777
County Revenue Fund	Jul-Sep 2026	Development	876,067,010	876,067,010	-	-	-	876,067,010
County Revenue Fund	Jul-Sep 2026	Receivable	-	-	-	197,100,511	-	197,100,511
		Total	**7,057,521,787**	**7,057,521,787**	-	**197,100,511**	-	**7,254,622,298**