EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Contents

Glossary of Terms

AWF:	Africa Water Facility
AFDB:	African Development Bank
BAS:	Baro - Akobo - Sobat Project
CIWA:	Cooperation in International Waters in Africa
EN:	Eastern Nile
ENCOM:	Eastern Nile Council of Ministers
ENSAP:	Eastern Nile Subsidiary Action Program
ENTRO:	Eastern Nile Technical Regional Office
GIZ :	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IDEN:	Integrated Development of Eastern Nile
NCCR:	Nile Cooperation for Climate Resilience Project
NBI:	Nile Basin Initiative
NBTF:	Nile Basin Trust Fund
NELSAP CU:	Nile Equatorial Lakes Subsidiary Action Program Coordination Unit
Nile SEC :	Nile Basin Secretariat
RCRP:	Regional Climate Resilience Program

General information

Officials and Professional Advisors

Management

Teshome Atnafie	Acting Executive Director and Senior Regional Project Coordinator/Head Water Resources Development Unit
El Sadig Goda	Regional Finance and Administration Head

Principal place of business

The Eastern Nile Technical Regional Office (ENTRO)
P.O. Box 27173 – 1000
Dessie road
Addis Ababa, Ethiopia

Banks

Commercial Bank of Ethiopia
P O Box 255
Addis Ababa, Ethiopia

Auditors

A.A. Bromhead Certified Audit Firm and
UK Registered Auditor
P.O. Box 709
Addis Ababa, Ethiopia

1 ENTRO MANAGEMENT REPORT

1.1 Background

The Nile Basin Initiative (NBI) is a transitional cooperative mechanism of ten riparian countries to realise a jointly articulated Shared Vision: "To achieve sustainable socio-economic development through the equitable utilisation and benefit from the common Nile Basin water resources". NBI provides the only all-inclusive regional platform for multi-stakeholder dialogue, information sharing as well as joint management and development of water and related resources in the Nile Basin, Currently Burundi, DR Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, and Uganda are members of the initiative. Eritrea participates as an observer.

The Nile Basin Initiative (NBI), is organised on the principle of subsidiarity, has been operating from 3 centres (Nile-SEC in Entebbe, Uganda; ENTRO in Addis Ababa, Ethiopia; and NELSAP-CU in Kigali, Rwanda) and provides the only platform for basin-wide dialogue, information sharing, and joint planning on the cooperative management and development of the Nile Basin water resources.

Guided by the mandate in the 1999 Strategic Action Program Guidelines, NELSAP – CU and ENTRO operate at a sub-basin level, and are charged with facilitating water resources development, including investment projects in agriculture, environmental, energy and river basin management, as well as gathering data and conducting analysis on issues unique to the sub-basins i.e., flood and drought.

The Eastern Nile Subsidiary Action Program (ENSAP) of the NBI was launched by Egypt, Ethiopia, and the Sudan (with South Sudan joining in 2012) to initiate concrete joint investments and action on the ground in the Eastern Nile sub-basin in the areas of power generation and interconnection, irrigation and drainage, flood preparedness and early warning, watershed management, development of planning models and joint multipurpose programs. ENSAP is governed by the Eastern Nile Council of Ministers (ENCOM) assisted by ENSAP Team (ENSAPT); and implemented by the Eastern Nile Technical Regional Office (ENTRO), based in Addis Ababa, Ethiopia. ENSAP receives its funding from the Eastern Nile countries and from a range of bilateral and multilateral development partners.

The main tasks of ENTRO include:
1. Support for ENSAP Management.
2. Secretariat support to ENSAP and ENCOM.
3. Liaison with donors and partners; and
4. Management and coordination of Integrated Development of Eastern Nile (IDEN).

Eastern Nile Subsidiary Action Program (ENSAP) is an investment program under the Basin Initiative. The Eastern Nile Council of Ministers (ENCOM) representing Egypt, Ethiopia, South Sudan, and Sudan leads the program. ENSAP seeks, as objectives, to achieve joint action on the ground of poverty alleviation, economic growth, and reversal of environmental degradation.

The first ENSAP project is the Integrated Development of Eastern Nile (IDEN) project and initiates a regional, integrated, multipurpose program through a first set of investment, which confers tangible, win-win gains and demonstrates joint action between the Eastern Nile countries.

Preparation of ENSAP investment project is funded through grants from the World Bank, African Development Bank, and the Governments of Canada, France, Norway, the Netherlands, German Agency for International Cooperation or (GIZ), and Japan. ENTRO has its own operational budget, financed by the member Governments and through various aid programs.

Brief descriptions of ENTRO's major on-going projects are as follows:

1 ENTRO MANAGEMENT REPORT (continued)

1.2 Project Objectives

1.2.1 Nile Cooperation for Climate Resilient Project (NCCR)

- The objective of the project is to facilitate cooperative water resource management and development in the Nile Basin.
- Advancing Nile Basin-wide Cooperation and Analysis which provides support to the NBI in basin-wide core functions of facilitating cooperation and water resources management. This part is implemented by Nile-SEC.
- Promotion of Sustainable Development and Planning in the Nile Equatorial Lakes Region which provides support to NBI in its efforts to advance investment opportunities in the Nile Equatorial Lakes. NELSAP CU is responsible to accomplish this section.
- Enhancing Eastern Nile Planning and Sustainable Development: providing support to NBI in promoting cooperative activities, water resource management and sustainable development in the Eastern Nile. This part is executed by ENTRO.

The Nile Cooperation for Climate Resilient (NCCR) Project is Planned to be implemented by NBI centers and other stakeholders by the Support of World Bank with the Project development objective to improve mechanisms for cooperation on water resources management and development in the Nile Basin.

NCCR Project components implemented by ENTRO will support ENTRO in promoting cooperation among Eastern Nile (EN) riparian countries in a challenging hydro-political environment by focusing primarily on providing flood and drought risk services, strengthening dam safety, and continuing to strengthen the network of youth and professionals in the sub-basin. It builds on ENTRO's achievements in flood forecasting and dam safety capacity building and seeks to deepen activities where information tools are regionally relevant.

1.2.1.1 Platform for Cooperation

This support will advance regional dialogues among EN governments, inclusive forums and capacity building and will provide continued support for the internship and young professional (YP) programs that help professionals build a network across the EN region and to enhance technical skills and understanding.

1 ENTRO MANAGEMENT REPORT (continued)

1.2.1.2 Flood and drought risk mitigation

This support will enhance flood forecast models for the EN region, joint development of Basin-wide drought forecast models, information dissemination platforms and capacity building for flood risk mitigation investment planning. The work implemented by ENTRO and supported under this component will include:

i) Enhancement of riverine Flood Forecast and Early Warning (FFEW) Systems for the EN region; and
ii) Development and operationalisation of a Basin-wide drought monitor.

These tools will be developed with the aim of enhancing the robustness of existing models and expanding geographical coverage. The drought forecast model will leverage the prototype seasonal drought forecast tool developed under NCORE with the aim of scaling up the model to establish a basin-wide drought monitor. ENTRO will work with NBD to conduct a stakeholder mapping exercise and formulate a stakeholder engagement strategy for these products to enhance the usability of the flood and drought risk mitigation tools.

1.2.1.3 Dam safety capacity building

Building on ENTRO's achievements in dam safety capacity building in the EN, this support will scale successful interventions to inform a more coordinated approach to dam safety across the whole Basin. This support will focus on:

i) an assessment of the legal and institutional frameworks for dam safety in the Nile Basin.

ii) development of a model national regulatory framework, which will cover standards for new dam development and safety of existing dams in the Nile Basin; and

iii) establishment of a regional dam safety training center to strengthen national dam safety units and build up a cadre of dam safety professionals in the East Africa region.

The framework will include development of basin-wide technical guidelines based on good practice examples and development of new guidelines on key topics such as the safety of small dams.

1 ENTRO MANAGEMENT REPORT (continued)

1.2.1.4 Water Quality Investment Planning and Prioritisation

ENTRO will collaborate with NELSAP to support the application of water quality investment planning and prioritisation using MCA in the EN sub-region. This will mirror work led by NELSAP and include pre-screening of high-pollution areas, baseline water quality modeling for identified hotspots, and collaborative investment planning and prioritisation using multi-criteria decision analysis with country counterparts. This work will aim to build complementarities with past and ongoing work on watershed management and multi-sector investment options analysis for the EN region. The component is lead by NELSAP-CU with its budget and ENTOR'S role is coordination only.

1.2.1.5 Information services for climate-resilient investment planning.

This support will modernise data and information services provided to member states to enhance the management of water and natural resources and strengthen the knowledge base of optimal water resource utilisation. The support will serve as the data and analytical backbone for the entire project and thus will contribute to, and support, all the Thematic Areas of the Project.

ENTRO will work with Nile-SEC in modeling activities which aims on Water Resources Planning tools development , packaging of data and information services for irrigation, climate and water use, etc. using modern data services to include an Earth Observation (EO) Toolkit, online analytics and visualisation, and e-packaging of data, analytical and interactive dashboards to improve data quality and utilisation for supporting climate-resilient water and natural resources management, including irrigation water management, at regional and national levels are one of the focus areas of the NCCR project.

1.2.2 GIZ Support to NBI-ENTRO

To support transboundary Water Cooperation in the Nile Basin Initiatives /Eastern Nile Subsidiary Action Program (NBI /ENTRO).

The objective of the financing agreement is the implementation of the NBI EN Action Plan 2017-2022 with a specific objective to enhance the capacity of the NBI to build consensus amongst riparian states on the sustainable and cooperative management and development of the basin's water resources and the project extended to June 2025.

1.2.3 Regional Climate Resilience Program (RCRP)

A financing agreement was signed between ENTRO and the International Development Association on 7 June 2023 for the implementation of Regional Climate Resilience Program (RCRP) for Eastern and Southern Africa.

The RCRP program is agreed to be implemented partly by ENTRO and partly by the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU).

2 AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND RESULTS

2.1 Audit objectives

The objective of the audit is to express an opinion on the Eastern Nile Technical Regional Office (ENTRO) financial statements for the year ended 30 June 2025. The audit includes but is not limited to the following tasks:

- Review of the accounting records and ascertain whether the laid down financial procedures are complied with.
- Evaluation of the organization's compliance to the World Bank guidelines and reporting on the same.
- Review and evaluation of the organization's accounting policies and administrative controls and to report any significant control deficiencies identified with recommendations of measures to be taken by the organization.
- Comment on the use of funds in light of the approved budget and agreement signed by the organization and its donors.
- Assessment of compliance with local regulatory requirements in connection with the Organization's employments.

2.2 Audit scope

The audit scope requires the auditor to carry out sufficient audit steps and procedures to ensure that the audit objectives were met for the year ended 30 June 2025. Details of the steps and procedures are given below.

2.3 Audit Methodology

The audit was conducted in accordance with International Standards on Auditing (ISAs). Those standards require that the auditor complies with ethical requirements and plans and performs the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Internal controls

Significant internal controls were evaluated to obtain a sufficient understanding of the design of relevant controls, policies and procedures, and tested as to whether they have been in operation during the year under review.

A.A Bromhead
Certified Audit Firm

2 AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND RESULTS (continued)

2.3 Audit Methodology (continued)

Compliance with agreement terms and applicable laws and regulations

The audit engagement included reviews, assessments and reports on compliance with local laws and regulations and adherence to the terms and conditions of donor agreements.

Representations

Written representations are provided by management.

Contractual obligations

- Appraisal of relevant documents such as agreements between the Nile Basin Trust Fund with the Nile Basin Initiative as well as documents concerning rights and obligations with a view to providing a comprehensive appraisal of projects.
- Verify compliance of projects expenditures with relevant terms of agreements as well as all the applicable rules.
- Verify compliance of the recipient with the terms and conditions of the agreement with the donor.
- Ensure timely submission of interim unaudited financial reports for the project as stipulated in the agreement.

Receipts and disbursements

Verify compliance with the disbursements and procurement procedures of ENTRO.

Implementation

- Examine whether expenditures were classified in accordance with the approved budget or the project proposal.
- Review bank accounts of ENTRO and assess whether they show a complete view of income received and expenditures incurred in the year.
- Check whether commitments were genuine in light of the relevant agreements in place and are for the pursuance of agreed project objectives.
- Examine a representative sample of payments transactions for accuracy, completeness and cut-off checks.

Results of the audit

The independent auditor's report on the audit of the financial statements of the Organization as at, and for the year ended 30 June 2025, is set out on pages 10 to 12.

A.A Bromhead
Certified Audit Firm
P.O. Box 708

3 Statement of Management's Responsibilities

Management is responsible for the preparation and presentation of the financial statements of the Eastern Nile Technical Regional Office (ENTRO) set out on pages 13 to 46 which comprise the statement of financial position at 30 June 2025, statement of financial performance, a summary of significant accounting policies and other explanatory information. It is also responsible for safeguarding the assets of the organisation.

The management's responsibilities include: preparation of these financial statements that give a true and fair view in accordance with the financial reporting provisions of the World Bank, the accounting policies stated in note 3 of this report and for such internal controls as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the financial reporting provisions of the World Bank, the accounting policies stated in note 3 of the financial statements. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Regional Office and of its activities.

Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Management has made an assessment of the Regional Office's ability to continue as a going concern and has no reason to believe the Regional Office will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Management on 30 September 2025 and were signed on its behalf by:

EASTERN NILE TECHNICAL REGIONAL OFFICE
Egypt Ethiopia S.Sudan Sudan
ENTRO

Teshome Atnafie	El Sadig Goda
Acting Executive Director	Regional Finance Administration Head

A.A Bromhead
Certified Audit Firm
P.O. Box 709

A.A.Bromhead
Certified Audit Firm

Jomo Kenyatta Street,
EECMY Central Office Building 4th floor.

Tel: +251 (0)11 552 4285 / 4558
P.O.Box. 709, Addis Ababa
Email: info@aa-bromhead.com
www.aa-bromhead.com

Independent Auditor's Report to The Eastern Nile Council of Ministers On the Financial Statements of the Eastern Nile Technical Regional Office (ENTRO)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Eastern Nile Technical Regional Office (ENTRO), set out on pages 13 to 46, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in equity / net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ENTRO and its financial performance, and its funds at and for the year ended 30 June 2025, were utilized for the purpose defined in the funding agreements and in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of ENTRO in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility

ENTRO's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the World Bank, the accounting policies stated in Note 3 of the financial statments and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing ENTRO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

A.A Bromhead

Report on the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ENTRO's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ENTRO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ENTRO to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Financial Statements (continued)

Report on Other Requirements

In all materials respects, we confirm that:

- External funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- Goods and services financed have been procured in accordance with the relevant financing agreements and the financiers' procurement policies and procedures;
- All necessary supporting documents, records, and accounts have been kept in respect of all project ventures including expenditure reported using statements of expenditure (SOE) method of disbursement;
- Designated accounts have been maintained in accordance with the provisions of the relevant financing agreements and disbursement letter and funds disbursed out of the accounts were used only for the purpose intended in the financial agreement;
- The financial statements have been prepared in accordance with the Organisation's accounting policies and relevant World Bank guidelines;
- National laws and regulations have been complied with and the financial and accounting procedures approved for the Project were applied; and
- Assets procured by the organization exist and there is verifiable ownership by ENTRO or beneficiaries in line with the financing agreements.

A.A. Bromhead

A.A. Bromhead Certified Audit Firm and
UK Registered Auditor

Addis Ababa
30 September 2025

A.A Bromhead
Certified Audit Firm
P.O. Box 709
Addis Ababa

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

Currency: USD

	Notes	As at 30 June 2025	As at 30 June 2024
Assets			
Current assets			
Cash and cash equivalents	6	1,247,219	1,023,573
Accounts receivable - non-exchange transactions	7	327,012	89,986
Other receivables	8	45,465	30,746
Advances and prepayments	9	8,577	9,136
Total current assets		**1,628,273**	**1,153,441**
Non-current assets			
Property, plant and equipment	10	456,625	607,368
Intangible assets	11	14,482	34,321
Total non-current assets		**471,107**	**641,689**
Total assets		**2,099,380**	**1,795,130**
Current-liabilities			
Other payables - non-exchange transactions	12	288,954	97,159
Employee benefits - short-term	14	3,811	4,986
Other current liabilities	13	236,000	12,843
Total current liabilities		**528,765**	**114,988**
Non-current liabilities			
Employee benefits - long-term	14	49,895	42,507
Total Liabilities		**49,895**	**42,507**
Net assets / net equity			
Accumulated surplus		1,049,613	995,946
IPSAS adoption revaluation surplus		471,107	641,689
Total net Assets/equity		**1,520,720**	**1,637,635**
Total liabilities and net assets/equity		**2,099,380**	**1,795,130**

Notes on pages 17 to 46 are an integral part of these financial statements.

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2025

Currency: USD

	Note	2025	2024
Revenue			
Revenue from non-exchange transactions	15	4,358,383	1,995,051
Revenue from exchange transactions	16	353,848	237,656
		4,712,231	**2,232,707**
Expenses			
Personnel costs		(576,539)	(638,409)
Service costs and charges		(1,947,437)	(1,203,012)
Conference and training		(1,313,787)	(801,953)
Field travel expenses		(32,216)	(31,119)
Supplies and services		(650,678)	(379,240)
Depreciation	10	(285,509)	(151,730)
Amortisation	11	(19,839)	(17,770)
Capital equipment purchases		(135,079)	(266,922)
		(4,961,084)	**(3,490,155)**
Operating deficit for the year		**(248,853)**	**(1,257,448)**
Deficit for the year		**(248,853)**	**(1,257,448)**

Notes on pages 17 to 46 are an integral part of these financial statements.

Currency: USD

	Notes	Accumulated surplus	IPSAS adoption revaluation surplus	Total
Balance at 1 July 2023		**2,105,080**	**626,189**	**2,731,269**
Deficit for the year		(1,257,448)	-	(1,257,448)
Fund transferred back to donor		(21,186)	-	(21,186)
Additions to property, plant and equipment	10	-	185,000	185,000
Depreciation - propery, plant and equipment	10	151,730	(151,730)	-
Amortisation - intangible assets	11	17,770	(17,770)	-
Balance at 30 June 2024		**995,946**	**641,689**	**1,637,635**
Deficit for the year		(248,853)	-	(248,853)
Fund transferred back to donor		-	-	-
Additions to property, plant and equipment	10	-	134,766	134,766
Reclassification of excess depreciation - propery, plant and equipment	10	285,509	(285,509)	-
Reclassification of excess amortisation - intangible asset	11	19,839	(19,839)	-
prior period adjustment		(2,828)	-	(2,828)
Balance at 30 June 2025		**1,049,613**	**471,107**	**1,520,720**

Notes on pages 17 to 46 are an integral part of these financial statements.

A.A Bromhead

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

Currency: USD

	Notes	2025	2024
Cash flows from operating activities			
Deficit for the year		(248,853)	(1,257,448)
Adjustment for non-cash items:			
Depreciation	10	285,509	151,730
Prior year adjustment		(2,828)	-
Amortisation	11	19,839	17,770
Changes in:			
Accounts receivable -non-exchnage transactions	7	(237,026)	(57,149)
Other receivables	8	(14,719)	184,931
Advances and prepayments	9	559	(1,199)
Other payables - non-exchange transactions	12	191,795	49,740
Employee benefits - short-term	14	(1,175)	(1,076)
Other current liabilities	13	223,157	5,195
Employee benefits - long-term	14	7,388	4,254
Net cash used in operating activities		**223,646**	**(903,252)**
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Repayments to donnor		-	(21,186)
Net cash flows from financing activities		-	**(21,186)**
Net decrease in cash and cash equivalents		223,646	(924,438)
Cash and cash equivalents at the beginning of year		1,023,573	1,948,011
Cash and cash equivalents at the end of year		**1,247,219**	**1,023,573**

Notes on pages 17 to 46 are an integral part of these financial statements.

1 General information

The Eastern Nile Technical Regional Office (ENTRO) was established by the Eastern Nile Council of Ministers (ENCON) in 2022 for advancing the cooperative development of the water resources within the context of the Eastern Nile Subsidary Action Plan (ENSAP).

The main tasks of ENTRO include:

1. Support for ENSAP Management;
2. Secretariat support to ENSAP and ENCOM;
3. Liaison with donors and partners; and
4. Management and coordination of Integrated Development of the Eastern Nile (IDEN).

The Eastern Nile Subsidiary Action Plan (ENSAP) is an investment program under the Basin Initiative. The Eastern Nile Council of Ministers (ENCOM) representing Egypt, Ethiopia, South Sudan, and Sudan lead the program. ENSAP seeks, as objectives, to achieve joint action on the ground of poverty alleviation, economic growth, and reversal of environmental degradation.

The first ENSAP project is the Integrated Development of Eastern Nile (IDEN) project and initiates a regional, integrated, multipurpose program through a first set of investments, which confers tangible, win-win gains and demonstrates joint action between the Eastern Nile countries.

Preparation of ENSAP investment project is funded through grants from the World Bank, African Development Bank, and the Governments of Canada, France, Norway, the Netherlands and Japan. ENTRO has its own operational budget, financed by the member of Governments and through various aid programs.

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with, and comply with, the accruals basis of International Public Sector Accounting Standards (IPSASs) and NBI policies and procedures.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared on an accruals basis of International Public Sector Accounting Standards (IPSASs). The accounting policies have been consistently applied to all the years presented.

A.A Bromhead
Certified Audit Firm
P.O. Box 709

2 Statement of compliance and basis of preparation (continued)

2.2 Basis of preparation (continued)

The net effect of the changes made to assets, liabilities, revenue and expense on the transition from the previous accounting framework to IPSASs is reflected in net assets/equity as at 1 July 2023.

2.3 Presentation currency

The financial statements are presented in US Dollars (USD), rounded to the nearest USD.

3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Use of estimates and judgement

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Key estimates management has made in preparing the financial statements concern the lives of property, plant and equipment which are further disclosed in Notes 3.4 and 10.

3 Significant accounting policies (continued)

3.2 Financial instruments

Financial Instruments are any contract that give rise to both a financial asset of one entity and a financial liability or equity instrument for another entity.

A financial asset is any asset that is:

a. Cash;
b. An equity instrument of another entity;
c. A contractual right:
   - To receive cash or another financial asset from another entity (eg. receivables, investment in shares, loans receivable) or
   - To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

d. A contract that will or may be settled in the entity's equity instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Any loan contract with anyone else constitute financial instrument. Loan to employees are financial instruments and are within the scope of the standard. This can be categorized as loans and receivables.

A financial liability is any liability that is a contractual obligation:

i) To deliver cash or another financial asset to another entity; or
ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity;

Financial assets are classified into four classes as follows:

i) A financial asset or financial liability at fair value through surplus or deficit;
ii) Held-to-maturity investments;
iii) Loans and receivables; and
iv) Available-for-sale financial assets.

A financial asset or financial liability at fair value through surplus or deficit is a financial asset or financial liability held for trading (derivative acquired for the purpose of sale) or designated by the entity as at fair value through surplus or deficit at initial recognition.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale and not classified in the other three classifications.

ENTRO's financial instruments, taking into account the purpose and mandate for which it is established, fall under 'held-to-maturity' and loans and receivables classifications.

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

Recognition

NBI recognizes a financial asset or a financial liability on its statement of financial position when and only when it becomes party to the contractual provisions of the underlying financial instrument and, as a consequence, has a legal right to receive or a legal obligation to pay cash.

ENTRO de-recognises a financial asset from its statement of financial position when and only when the contractual rights to the cash flows from the financial asset expires (usually, in the case of contributions and accounts receivable, when payment has been received), or when it transfers the financial asset, with substantially all the risks and rewards of ownership, to another party.

ENTRO de-recognises a financial liability, or part of a financial liability, from its statement of financial position when and only when it is extinguished. In other words, the liability is only de-recognized once the obligation upon ENTRO specified in the contract is discharged, cancelled or extinguished, or expires, and there is no longer a legal obligation on ENTRO to pay cash or provide goods or services.

When ENTRO has a legally enforceable right to set off financial assets and financial liabilities, and when ENTRO intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, a financial asset and a financial liability shall be offset and the net amount shall be reported in the statement of financial position.

Measurement

Initial Measurement:

When a financial asset or financial liability (in all classifications) is recognised initially, the entity measures it at its fair value. Usually this is the same as cost, but sometimes adjustments may be required.

Subsequent Measurement:

Loans and receivables are measured at amortized cost using the effective interest method;

Country contributions receivable, accounts receivable or accounts payable are measured at amortised cost, which, in the case of ENTRO amounts to the carrying value. The relatively short period between initial recognition and eventual de-recognition (receipt of cash in the case of contributions receivable and accounts receivable; payment of cash to vendors in the case of accounts payable) means that there is usually little or no difference between the acquisition value and the value eventually recognised.

Held-to-maturity investments will be measured at amortised cost using the effective interest method;

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

Investments in treasury bonds, certificate of deposit or similar instruments fall under this classification. The initial investment in the certificate is adjusted by the amount of interest earned in the year using effective interest rate to determine the amount at which the financial instrument should be stated in the statement of financial position at the end of the accounting period.

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

Impairment

All financial assets, except those measured at fair value through profit or loss, are subject to review for impairment. At each balance sheet date, ENTRO assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists:

- For financial assets carried at amortised cost, the carrying amount will be reduced through the use of an allowance account, with the amount of the loss recognised in the statement of financial performance. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows discounted at the original effective interest rate;
- For financial assets carried at cost, the carrying value of the asset is reduced by the difference between the carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar asset.

3.3 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services. Inventory includes goods purchased or produced by an entity, which are for distribution to other parties for no charge or for a nominal charge; for example, educational books produced by ENTRO for donation to schools or other institutions.

In ENTRO, inventories are mostly stationery items and products prepared for a specific purpose in small quantities.

Recognition

ENTRO recognises cost of inventories as an expense in the financial period in which the inventory is received in the store.

Internal control on physical assets will be established where receipt and issue of inventory is controlled. Inventory at hand will be subject to annual physical verification.

Measurement

Inventories are measured at cost.

Inventories acquired through a non-exchange transaction are measured at their fair value as at the date of acquisition. Any corresponding income is recognized when the stock is obtained in-kind.

A.A Bromhead

3 Significant accounting policies (continued)

3.4 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used for more than one reporting period.

Recognition

Items of property, plant and equipment are recognised as assets when:

1. It is probable that the future economic benefits or service potential associated with the item will flow to ENTRO;
2. ENTRO has control over the assets; and
3 The cost or fair value of the item can be measured reliably.

In order for assets to be recorded as assets in ENTRO's accounting records, they must be controlled by ENTRO. Control over an asset arises when an entity can:

- use or otherwise benefit from the asset in pursuit of its objectives; and
- exclude or otherwise regulate the access of others to that benefit.

The following checklist assists in determining the existence of control:

- The act of purchasing the asset was carried out (or resulted from instructions given) by ENTRO;
- Legal title is in the name of ENTRO;
- The asset is physically located on premises or locations used by ENTRO;
- The asset is physically used by staff employed by NBI or staff working under ENTRO's instructions;
- ENTRO can decide on an alternative use of the asset;
- It is ENTRO that decides to sell or dispose of the asset (in rare cases donors my require the asset to be returned to them for disposal due to security or other reasons);
- ENTRO can take the decision to replace the asset to be removed or destroyed;
- ENTRO's representatives regularly inspect the asset to determine its current condition;
- The asset is used in achieving the objectives of NBI; and
- The asset will be retained by NBI at the end of the project

If more than six of the above are satisfied, it is likely that the asset is controlled by ENTRO. However, professional judgment is exercised in addition to determine if the entity has control over the asset

3 Significant accounting policies (continued)

3.4 Property, plant and equipment (continued)

Long-term donated rights

Long-term donated rights to use premises meeting capitalisation criteria are initially recognised as property, plant and equipment.

Heritage assets

ENTRO does not recognise heritage assets in the statement of financial position, but does provide appropriate disclosure in the notes to the financial statements. Some assets are described as heritage assets because of their cultural, educational or historical significance. Examples include works of art, monuments and historical buildings. Many public sector entities, including ENTRO, may have holdings of heritage assets that have been acquired over many years and by various means, including purchase, donation and bequest. These assets are rarely held for their ability to generate cash inflows, and there may be legal or social obstacles to using them for such purposes. Their value in cultural, educational and historical terms is unlikely to be fully reflected in a financial value, they are often irreplaceable and it is difficult to estimate their useful lives.

ENTRO recognises the effect of the initial recognition of property, plant and equipment as an adjustment to the opening balance of net assets/equity for the period in which the property, plant and equipment is initially recognised.

Major renovations and improvements

Major renovations and improvements to property, plant and equipment are considered to increase the future economic benefits or service potential of the asset. Such subsequent expenses shall improve the condition of the asset, measured over its estimated useful life, beyond its most recently assessed standard of performance.

Subsequent expenses

Subsequent expenses are capitalised if the relevant property, plant and equipment have a remaining estimated useful life of more than one year after the completion of the expense; and the cost of subsequent expense must exceed the cost threshold applicable to the class of assets.

Initial recognition

Initial recognition of property, plant and equipment is measured at cost. At IPSAS adoption, pre-existing assets are valued at cost where it can be reliably determined, otherwise at fair value taken as deemed cost.

Subsequent measurement

Subsequently, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Gifted, contributed or donated assets

Gifted, contributed or donated assets with no cost information or at a nominal cost are valued at fair value of the asset as at the date of acquisition is used.

3 Significant accounting policies (continued)

3.4 Property, plant and equipment (continued)

Depreciation

Depreciation is charged on an annual basis and commences in the month when ENTRO gains control over an asset in accordance with INCOTERMS. No depreciation is charged in the month of disposal.

An asset under construction and land will not be subject to depreciation. These will however be subject to review for impairment adjustments.

Depreciation is recognised for classes of property, plant and equipment over their estimated useful lives using the straight-line method. Class of assets, estimated useful lives and depreciation rates of ENTRO assets are as follows:

Assets class	Estimated useful life (in years)
Motor vehicles	5
Furniture and fixtures	10
Communication and IT Equipment	4
Other equipment	10

Impairment

An impairment loss will be recognised whenever the recoverable amount falls materially below the carrying amount of the asset. The impairment loss is considered an expense in the statement of financial performance.

An impairment loss will be recognised whenever the recoverable amount falls materially below the carrying amount of the asset. The impairment loss is considered an expense in the statement of financial performance.

After the recognition of an impairment loss, the depreciation charge for the asset will be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset will be increased to its recoverable service amount. That increase is a reversal of an impairment loss.

De-recognition

An item of property, plant and equipment will be de-recognised from the financial statements on disposal or when no future economic benefits or service potential is expected from its use.

3 Significant accounting policies (continued)

3.5 Intangible assets

Intangible assets are resources without physical substance, controlled by the entity, and can be identified.

Recognition

An intangible asset are recognised as an asset if, and only if:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to ENTRO (i.e. ENTRO has control over that asset);
- the cost of the asset can be measured reliably; and
- as per the capitalisation criteria, an intangible asset has:
  - an estimated useful life of more than one year; and
  - cost exceeding US$ 1,000.

Measurement

Initial measurement

An intangible asset is recognised initially at historical cost less accumulated amortisation and any impairment losses.

Historical cost consists of the asset purchase price, generally the invoice price (less discounts), nonrefundable purchase taxes, and any directly attributable costs (such as the cost of preparation, initial delivery or software installation costs) of bringing the intangible asset to working condition for its intended use.

The fair value of the asset as at the date of acquisition is used to measure intangible asset acquired at no cost (as a gift, contribution, or donation) or for a nominal cost.

Subsequent measurement

Subsequent expense shall only be capitalized if it increases future economic benefits or service potential of the intangible asset

For internally developed intangible assets, all research costs are charged as expenses when incurred.

3 Significant accounting policies (continued)

3.5 Intangible assets (continued)

Amortisation

Intangible assets of ENTRO will be amortised, using the straight-line method of estimated useful lives, starting from the month of acquisition or when the intangible asset becomes operational.

Assets class	Estimated useful life (in years)
Software acquired externally	4
Software internally developed	4
Licenses and rights	4

When useful life of an intangible asset arises from binding arrangements, including rights from contracts or other legal rights, the cost will be amortised over the period of the binding arrangement, including rights from contracts or other legal rights. If the binding arrangements, including rights from contracts or other legal rights, are conveyed for a limited term that can be renewed, the useful life of the intangible asset shall include the renewal period(s) only if there is evidence to support renewal by the entity without significant cost.

Impairment

ENTRO will apply either IPSAS 21 or IPSAS 26 to see if an intangible asset measured under the cost model is impaired.

An impairment loss will be recognised whenever the recoverable amount falls materially below the carrying amount of the intangible asset. The impairment loss is considered an expense in the statement of financial performance.

De-recognition

An intangible asset shall be derecognised on disposal, or when no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from de-recognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It will be recognised in surplus or deficit when the asset is de-recognised.

A.A Bromhead
Certified Audit Firm

3 Significant accounting policies (continued)

3.6 Employee benefits

Employee benefits cover all consideration given by an entity in exchange for service rendered by employees.

Employee benefits include benefits provided to either employees or their dependants and may be settled by payments or the provision of goods or services made either directly to the employees, to their spouses, children or other dependants or to others, such as insurance companies. An employee may provide services to an entity on a full-time, part-time, permanent, casual or temporary basis.

i. Short-term employee benefits

Includes: such as wages, salaries and pension contributions, paid annual leave and paid sick leave and non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees. Mobilisation allowances, including the transport allowance, is short-term employee benefit.

Expense will be recognised for the short-term employee benefits to be paid in exchange for the service when an employee has rendered service to ENTRO during a financial period. A liability is recognised corresponding to the unpaid amounts.

Housing and/or vehicle with fuel are given to Heads of centers. The value of these benefits are depreciation/rental of the house; and depreciation of the vehicle and fuel for the vehicle. These costs shall be recognised under employee benefits.

ENTRO recognises the expected cost and liability of compensated absences as follows:

- in the case of accumulating annual leave-, when the employees render service that increases their entitlement to future compensated absences ; and
- in the case of non-accumulating compensated absences such as sick leave, when the absences occur (expensed).

Maternity leave, paternity leave, sabbatical leave and adoption leave are non-accumulating compensated absences. They lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the entity. It is therefore not necessary to recognise a liability or expense until taken.

3 Significant accounting policies (continued)

3.6 Employee benefits

ii. Post employment benefits

Post employment benefits are payable after completion of employment and are provided under a defined contribution plan or defined benefit plan. This does not include benefits directly associated with a termination plan. Post-employment benefits which exist at ENTRO include pension contribution, demobilisation allowance, travel and shipment expenses, injury or death benefits;

The post-employment benefits NBI pays to its staff are demobilization allowance for regional staff and national staff in Nile-Sec; and only to Regional Staff in ENTRO and NELSAP. ENTRO pays separation pay for National Consultants in employment. ENTRO also contributes to a provident scheme for national support staff. These are all defined contributions. Defined contribution plans are postemployment benefit plans under which NBI pays fixed contributions into a separate entity and has no legal 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 financial periods.

Under defined contribution plans, expenses are recognised in the period the contribution is payable. Accrued expenses, after deducting any contribution already paid, are recognised as liability.

Corporate bond rates or banks saving rates will to be used as the basis for determining the applicable discount rates, when valuing employee benefits that are discounted.

iii. *Other long-term employee benefits*

Other long-term employee benefits are employee benefits (other than postemployment benefits and termination benefits) that do not fall due wholly within 12 months after the end of the financial period in which the employees render the related service. Other long-term employee benefits include home leave, accumulated annual leave; and

ENTRO has no other long-term employee benefits that it provides currently. No expense and liability shall be recognized under this title.

iv. Termination benefits

Termination benefits are obligations that arise at the termination of service rather than during employee service.

Termination benefits do not provide an entity with future economic benefits, and are recognised as an expense immediately.

ENTRO recognises termination benefits as an expense when, and only when, the entity is demonstrably committed (when and only when, the entity has a detailed formal plan for the termination, involuntary termination, and is without realistic possibility of withdrawal) to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

3 Significant accounting policies (continued)

3.7 Revenue

i. Revenue from non-exchange transactions

a) Recognition

An inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

An inflow of resources from a non-exchange transaction that meets the definition of an asset shall be recognized as an asset when and only when:

a. It is probable that the future economic benefits or service potential associated with the asset will flow to NBI; and reliably.

b. The fair value of the asset can be measured reliably.

An asset is a resource when:

- it is controlled by NBI as a result of a past event;
- it can be reliably measured;
- future economic benefits will flow to NBI; and
- Inflow is more likely to occur than not.

Revenue from non-exchange transactions is recognized to the extent that the transaction creates an asset without a corresponding liability. If the transaction has stipulations that amount to conditions attached, then a liability for these conditions will be recognized.

The amount to be recognized as a liability shall be the best estimate of the amount required to settle the obligation at the reporting date. In most cases, this will approximate the fair value of the corresponding asset.

Country contributions

Country contributions are assessed and approved for a one-year budget period. Assessed contributions are recognized as revenue in the financial statements at the beginning of the financial year.

Revenue for contributions without a formal agreement will be recognized on the cash basis. If a Member State retroactively pledges (pledges in the current year related to a prior year), the revenue will only be recognized in the current year at the date the pledge becomes binding. This is not treated as a prior period adjustment.

Goods in kind classified as heritage assets

Goods in kind classified as heritage assets will not be recognized. However, descriptive note disclosure on the principal holdings of goods in-kind classified as heritage assets will be made in the notes to the financial statements.

3 Significant accounting policies (continued)

3.7 Revenue (continued)

Voluntary contributions

Voluntary contributions and other transfers, which are supported by legally enforceable agreements, are recognized as revenue at the time the agreement becomes binding, which is the point when control of the asset is deemed to have been passed, unless the agreement establishes a condition that requires recognition of a liability. In such cases, revenue is recognized as the liability is discharged.

Voluntary pledges and other promised donations

Voluntary pledges and other promised donations that are not supported by binding agreements, with offer and acceptance, are recognized as revenue upon receipt of cash. Such pledges and promised donations, as well as agreements not yet formalized by acceptance, are considered contingent assets for the note disclosure if receipt is measurable and probable within the subsequent financial period.

Goods and services in-kind

ENTRO recognizes an asset in respect of goods in-kind when the resource meets the definition and recognition criteria of an asset. Revenue is recognized simultaneously with asset recognition unless the item of goods in-kind is transferred with a condition. Goods in-kind are tangible assets transferred to NBI in a non-exchange transaction without charge but which may be subject to stipulations.

ENTRO recognizes the monetary values of services in kind in the notes to the financial statements services in-kind are services provided by individuals to ENTRO in a non-exchange transaction. Since services in-kind received by ENTRO constitute material amounts for the financial statements and ENTRO is dependent on any class of services in-kind to meet its objectives (working with National offices, TAC, etc) it will be reflected in the financial statements of ENTRO.

b) Measurement

Asset

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

Revenue

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity.

Liability

The amount recognized as a liability is the best estimate of the amount required to settle the present obligation at the reporting date.

3 Significant accounting policies (continued)

3.7 Revenue (continued)

c) Donated rights-to-use

i) Recognition

Donated (in-kind) rights to use assets are recognized as revenue. These include premises, which are provided to the NBI by host governments. Where donated right to use buildings are long-term but where NBI does not have exclusive control (or joint exclusive control) to the building (such arrangements typically involve the use of a room or a floor of a building); the rental value will be recognized as revenue/expense as this relates to the transfer of non-tangible rights rather than the transfer of tangible asset.

Donated rights to use buildings where the NBI has exclusive control (or joint exclusive control) and where the arrangement has a specified term of over 35 years (75% of the 50 year maximum life of buildings) or when the arrangement is for an indefinite term, the NBI will capitalize the building that it controls or portion of the building that it jointly controls

All rights to use land (where title to the land is not granted to NBI, i.e. NBI is not the owner of the land) and other short-term rights to use buildings will result in a revenue/expense treatment.

ii) Measurement

Donated rights to use are measured at an amount equivalent to the commercial rent that would otherwise have to be paid and corresponding equal expense are recognized.

Donated rights to use buildings where the NBI has exclusive control are measured at the fair value of the building and credit the deferred revenue for the same amount. Buildings that were determined to be capitalized would be depreciated over the lesser of the term of the arrangement or the useful life of the buildings with a maximum of 50 years. At the time the depreciation is recognized, an equal amount shall be recognized as revenue by debiting deferred revenue and crediting revenue for the same amount.

A.A Bromhead
Certified Audit Firm

3 Significant accounting policies (continued)

3.7 Revenue (continued)

ii. Revenue from exchange transactions

An exchange revenue transaction is defined as one where NBI receives resources, assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. (Examples include disposal of assets, use of DSS by others and interest revenue).

Recognition

Revenue from an exchange transaction is recognized when it is probable that future economic benefits or service potential will flow to NBI and those benefits can be measured reliably. No revenue is recognized unless these two primary conditions are met.

Revenue from exchange transactions are recognized on an accrual basis to the extent that the amount can be reasonably determined and recovery is probable.

Revenue from the provision of services is recognized in the financial period in which the service is rendered according to the estimated stage of completion of that service, provided that the outcome can be estimated reliably (i.e. if the stage of completion of the transaction at the reporting date, costs incurred and costs necessary to complete the transaction can be measured reliably).

Interest income is recognized as it accrues to NBI, taking into account the effective yield.

Measurement

Revenue from an exchange transaction is measured at the fair value of the consideration received or receivable. Where the consideration is cash or in a monetary amount, measurement will be at this amount.

3 Significant accounting policies (continued)

3.8 Expenses

There is no single specific IPSAS, which deals with all expenses and expense recognition. Expenses defined by IPSAS can be considered against the requirements of accrual basis accounting. This results in a 'balance sheet' approach to expense recognition, with analysis as to whether an event or transaction has resulted in a decrease in assets or an increase in liabilities. Specific types of expenses are dealt with directly by other standards – for example, IPSAS 17 for depreciation relating to property, plant and equipment, IPSAS 25 for employee benefits and IPSAS 19 for increases in liabilities relating to provisions.

Recognition

Expenses are recognized in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (ISAC Framework, paragraph 94).

Expenses are recognized, under full accrual basis, when service potential or future economic benefits are consumed or otherwise diminished. For example, the costs of assets that embody future economic benefits or service potential are deferred on acquisition and are allocated to the periods in which they are used. Fixed assets, for example, would be depreciated over their expected service lives. (Study No 10 Definitions of Expenses/Expenditures, Public Sector Committee (PSC), the International Federation of Accountants (IFAC))

Expenses are recognized when the transaction or event causing the expense occurs. The recognition of the expense is not linked to when cash or its equivalent is received or paid. An expense can result from a transaction that does not have to involve an outflow of cash.

Expenses are recognized if an event makes NBI 'worse off,' either by decreasing its assets or by increasing its liabilities (balance sheet approach). Where expense recognition is linked to the increase in a liability, the criteria for recognition of a liability are relevant that a present obligation exists due to a past event (see notably IPSAS 19 concerning recognition of provisions).

A liability and a corresponding expense are recognized once goods or services have been received (delivery principle) as NBI has an obligation to pay for them and the obligation to pay is relatively unavoidable and sufficient certainty exists to recognize a liability.

Expenses for services are recognized on the date when services are certified as rendered. For service contracts, the receiving date is based on actual receipt of deliverables in the contract e.g. achievement of defined milestones in the contract or in time based contract, based on number of hours worked in the contract. Travel expenses for Tickets, DSA and Terminal expenses are booked on the date of travel.

Expenses relating to employee benefits are recorded as the employee renders the qualifying service.

Expenses related to ex-gratia payments are recorded as expenses in the financial year of the approval of the payments

Cost recoveries are recorded as a reduction of expenses; however if the cost recovery is for indirect costs, revenue may be recorded.

3 Significant accounting policies (continued)

3.8 Expenses

Expenses are not be recognized if goods received are capitalized and the criteria for capitalization of an asset (including NBI thresholds) are met. This is specifically the case concerning IPSAS 17 and recognition of property, plant and equipment. Expense is recognized when the asset in existence has decreased in value.

Measurement

Expenses are measured at the value by which an asset is decreased or a liability has increased. The measurement principles of the relevant assets or liability have to be taken into account when establishing the amount at which an expense shall be measured.

Point of recognition and amount at which expenses are measured for some common types of expenses is summarized as follows:

Type of item	Recognition Point	Measured at
Purchase of an item that is not capitalized	Delivery of the item	The cost of the item
Inventory	As per delivery principle	The cost of the item
Depreciation of property, plant and equipment	As per delivery principle	Depreciation expense as determined by IPSAS 17 – a part of the cost of the asset
Impairment	An event (such as damage or obsolescence other than normal usage) to cause a drop in asset value	Depends on the estimated decrease in the value of the asset below its previous book value
Salary and allowances consulting expenses	Services are provided with the result that NBI is obliged to remunerate the staff member or consultant	Gross salaries or amounts agreed in a contract for consulting services
Provisions	An obligation that is probable and can be reliably measured exists as result of a past event	The amount of the provision or increase in the provision as determined by IPSAS 19

3.9 Provisions, contingent liabilities and contingent assets

i. Provisions

Recognition

A provision is 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.

3 Significant accounting policies (continued)

3.9 Provisions, contingent liabilities and contingent assets

Measurement

The amount recognized as a provision shall be the best estimate of the expense required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

ii. Contingent liabilities

Recognition

Contingent liability is not recognized on the face of the financial statements. It only requires disclosure in the notes to the financial statements unless the possibility of any outflow in settlement is remote. NBI shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability.

iii. Contingent assets

Recognition

A contingent asset is not recognized in the face of financial statement. It may require disclosure only if the inflow of economic benefits or service potential is probable.

Guidance on recognition of a contingent liability:

	Certain Close to 100% Probability	**Probable At least 50% Probability**	**Improbable Less than 50% Probability**	**Remote Significantly less than 50% probability**
Amount of obligation can be reliably measured or estimated	Liability will be recognised as accounts payable or accrual.	Provision to be recognised	Contingent liability disclosed; no provision recognised.	No provision recognised or contingent liability disclosed.
Amount of obligation cannot be reliably measured or estimated	Disclosed as a contingent liability.	Contingent liability disclosed; no provision will be recognised	Contingent liability disclosed; no provision will be	No provision recognised or contingent liability disclosed.

A.A Bromhead

4 Use of judgements and estimates

The preparation of financial statements in accordance with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

Key estimates Management has made in preparing the financial statements concern the lives of property, plant and equipment which are further disclosed in Note 3.4 and Note 10 and post employment benefits disclosed in Note 3.6 and Note 14.

5 Financial risk management

5.1 Market risk

Foreign exchange risk

Foreign currency risk arises primarily when the foreign currency exchange rate falls against the Ethiopian Birr (ETB), a local currency. However, as the functional and reporting currency of ENTRO is USD, there is no exposure to foreign currency risk.

Interest rate risk

There is no significant short-term exposure to changes in interest rates as cash and cash equivalents are held with banks as a demand deposit.

5.2 Credit risk

There is no significant concentration of credit risk.

5.3 Liquidity risk

ENTRO is not exposed to liquidity risk as there is no reported significant payable balances

A.A Bromhead

Currency: USD

		As at 30 June 2025	As at 1 July 2024
6	**Cash and cash equivalents**		
	Cash at bank	1,246,732	1,022,662
	Cash on hand	487	911
		1,247,219	**1,023,573**
7	**Accounts receivable - non-exchange transactions**		
	Inter-project receivables	327,012	89,986
		327,012	**89,986**
8	**Other receivables**		
	Receivables from suppliers	(8)	(8)
	VAT receivable	18,934	14,013
	Other receivable	6	6
	Staff advances	26,533	16,735
		45,465	**30,746**
9	**Advances and prepayments**		
	Advances to consultants	2,961	-
	Salary advances	1,296	1,296
	Prepayments	4,320	7,840
		8,577	**9,136**

Currency: USD

10 Propery, plant and equipment

	Motor vehicles	Furniture and fixtures	Communication and IT equipment	Other equipment	Total
Cost					
Balance at 1 July 2023	292,595	61,961	565,016	96,552	1,016,124
Additions	-	-	185,000	-	185,000
Balance at 1 July 2024	**292,595**	**61,961**	**750,016**	**96,552**	**1,201,124**
Additions	-	8,690	126,076	-	134,766
Balance at 30 June 2025	**292,595**	**70,651**	**876,092**	**96,552**	**1,335,890**
Depreciation					
Balance at 1 July 2023	**117,038**	**12,392**	**293,286**	**19,310.00**	**442,026**
Charge for the year	58,519	6,197	77,358	9,656	151,730
Balance at 1 July 2024	**175,557**	**18,589**	**370,644**	**28,966**	**593,756**
Charge for the year	58,519	6,409	210,926	9,655	285,509
Balance at 30 June 2025	**234,076**	**24,998**	**581,570**	**38,621**	**879,265**
Net book values:					
30 June 2024	**117,038**	**43,372**	**379,372**	**67,586**	**607,368**
30 June 2025	**58,519**	**45,653**	**294,522**	**57,931**	**456,625**

A.A Bromhead
Certified Audit Firm

Currency: USD

11 Intangible assets

	Software	License and rights	Total
Cost			
Balance at 1 July 2023	20,306	59,052	79,358
Additions	-	-	-
Balance at 30 June 2024	**20,306**	**59,052**	**79,358**
Additions	-	-	-
Balance at 30 June 2025	**20,306**	**59,052**	**79,358**
Amortisation			
Balance at 1 July 2023	10,153	17,114	27,267
Charge for the year	5,077	12,693	17,770
Balance at 30 June 2024	**15,230**	**29,807**	**45,037**
Charge for the year	5,076	14,763	19,839
Balance at 30 June 2025	**20,306**	**44,570**	**64,876**
Net book values:			
30 June 2024	**5,076**	**29,245**	**34,321**
30 June 2025	**-**	**14,482**	**14,482**

12 Other payables - non-exchange transactions

	As at 30 June 2025	As at 1 July 2024
Interproject borrowings	288,954	97,159
	288,954	**97,159**

13 Other current liabilities

Income tax payale	9,079	7,966
Accrued payable	226,922	-
Others	(1)	4,877
	236,000	**12,843**

A.A Bromhead

Currency: USD

14 Employee benefits

	As at 30 June 2025	As at 1 July 2024
Provident fund payale	3,792	3,479
Social contribution payable	9	14
Severance pay obligation	49,895	42,507
Salary payable	10	1,493
	53,706	**47,493**
Maturity analysis:		
Short-term	3,811	4,986
Long-term	49,895	42,507
	53,706	47,493

15 Revenue from non-exchange transactions

	30 June 2025	30 June 2024
Grants and contributions	4,358,383	1,995,051
	4,358,383	**1,995,051**
Disagregation fo revenue from non-exchange transactions:		
NCCRP	3,078,032	1,792,651
RCRP	1,036,595	202,400
CC	161,279	-
GIZ	82,477	-
	4,358,383	**1,995,051**

16 Revenue from exchange transactions

Management fees	352,844	237,643
Others	1,004	13
	353,848	**237,656**

Currency: USD

17 Receipts and expenditure by programme

	NCCRP	GIZ SUPPORT TO NBI	CC	RCRP	RF	NORD II	Total 30 June 2025
Revenue							
Grants	3,078,032	82,477	161,279	1,036,595	-	-	4,358,383
Member countries contributions	-	-	-	-	-	-	-
Granst from iInternational dononrs	-	-	-	-	-	-	-
Others	-	1,004	-	-	-	-	1,004
	3,078,032	**83,481**	**161,279**	**1,036,595**	-	-	**4,359,387**
Other revenue	-	-	352,844	-	-	-	352,844
Total revenue	**3,078,032**	**83,481**	**514,123**	**1,036,595**	-	-	**4,712,231**
Expenses							
Personnel costs	262,343	-	256,607	57,589	-	-	576,539
Supplies and services	425,294	8,041	46,465	170,878	-	-	650,678
Service costs and charges	1,731,523	59,220	309,604	152,438	-	-	2,252,785
Conference and training	1,144,785	70,034	21,013	77,955	-	-	1,313,787
Field travel expenses	28,969	915	1,135	1,197	-	-	32,216
Capital equipment purchases	135,079	-	-	-	-	-	135,079
Total expenses	**3,727,993**	**138,210**	**634,824**	**460,057**	-	-	**4,961,084**
Operating (deficit) / surplus for the year	**(649,961)**	**(54,729)**	**(120,701)**	**576,538**	-	-	**(248,853)**
Accumulated surplus 1 July 2024	**220,105**	**67,528**	**376,842**	**88,554**	**242,917**	-	**995,946**
Exchange rate revaluiation	-	-	-	-	-	-	-
Depreciation - propery, plant and equipment	-	-	285,509	-	-	-	285,509
Amortisation - intangible assets	-	-	19,839	-	-	-	19,839
Prior year adjustments	-	-	(2,828)	-	-	-	(2,828)
Accumulated (deficit) / surplus 30 June 2025	**(429,856)**	**12,799**	**558,661**	**665,092**	**242,917**	-	**1,049,613**

A.A Bromhead
Certified Audit Firm
P.O. Box 709
Addis Ababa

Currency: USD

18 Statement of Receipts and Expenditure - Nile Cooperation for Results Project (CIWA-NCCR)

For the Reporting Period	Jul - Sep 2024	Oct - Dec 2024	Jan - Mar 2025	Apr - Jun 2025	Total 30 June 2025
Revenue					
Replenishment of DA-WA 016	2,207,552	-	-	-	2,207,552
Replenishment of DA-WA 017	-	409,775	-	-	409,775
Replenishment of DA-WA 018	-	-	460,705	-	460,705
Replenishment of DA-WA 019	-	-	-	-	-
Total	**2,207,552**	**409,775**	**460,705**	**-**	**3,078,032**
Interest on fixed time deposits	-	-	-	-	-
Total revenue	**2,207,552.00**	**409,775**	**460,705**	**-**	**3,078,032**
Expenses					
Project Costs - Quarter 1	884,612	-	-	-	884,612
Project costs - Quarter 2	-	619,949	-	-	619,949
Project costs - Quarter 3	-	-	947,727	-	947,727
Project costs - Quarter 4	-	-	-	1,275,378	1,275,378
Exchange rate losses - cummulati	-	-	-	-	327
Total expenses	**884,612**	**619,949**	**947,727**	**1,275,378**	**3,727,993**
Operating (deficit) for the year					**(649,961)**
Opening fund balance					220,105
Fund balance ending					**(429,856)**
Represented by:					
Current assets					
Cash and bank balances					27,049
Other receivables					16,432
					43,481
Less: current Liability					
Other payables					473,337
Net current assets					**(429,856)**

A.A Bromhead
Certified Audit Firm

Currency: USD

19 CIWA-NCCR designated account reconciliation statement

Account number: 1000398447305
Depository bank: Commercial Bank of Ethiopia, IBD
P O Box 255
Addis Ababa, Ethiopia
Grant agreement: TF 0B4716
Currency : United States Dollars (US$)

	2025	2024
Opening cash balance	220,105	1,101,965
Add:		
Advance to and documentation of DA	3,078,032	1,792,651
Funds available during year	**3,298,137**	**2,894,616**
Less:		
Costs paid from USD DA	(3,727,993)	(2,674,511)
Total payments during year	**(3,727,993)**	**(2,674,511)**
Closing bank and cash balance at 30 June	**(429,856)**	**220,105**
Closing bank balance	27,049	294,307
Unsettled advances	16,432	1,412
Unsettled Payables	473,337	75,614
Closing bank and cash balance at 30 June	**(429,856)**	**220,105**

Currency: USD

20 Statement of Receipts and Expenditure - Country Contribution

Budget Line Description	Total Approved Budget	Actual 30 June 2025	Cumulative to date
Income			
Member countries contribution - Egypt	-	-	-
Member countries contribution - Ethiopia	333,333	161,279	161,279
Member countries contribution - South Sudan	333,333	-	-
Member countries contribution - Sudan	333,333	-	-
Other Income	-	352,844	352,844
Exchange Gain/Loss - Revaluation	-	-	-
Total Income	**1,000,000**	**514,123**	**514,123**
Expenditures			
Personnel costs		256,607	256,607
Supplies and services		46,465	46,465
Service costs and charges		309,604	309,604
Conference and training		21,013	21,013
Field travel expenses		1,135	1,135
Total Expenditure		**634,824**	**634,824**
Deficit for the year		(120,701)	(120,701)
Opening fund balance		376,842	376,842
Reclassification of excess depreciation - property, plant and equipment		285,509	285,509
Reclassification of excess amortisation - intangible assets		19,839	19,839
Prior period adjustments		(2,828)	(2,828)
Ending fund balance		**558,661**	**558,661**
Represented By:			
Current assets:			
Cash and bank balances		369,081	369,081
Prior period adjustments		(2,828)	(2,828)
Unsettled advances		(1,414)	(1,414)
Debtors and prepayments		282,050	282,050
Total current assets		646,889	646,889
Less: Current Liability:			
Accounts payable		88,228	88,228
Net current assets		**558,661**	**558,661**

A.A Bromhead

Currency: USD

21 Annex 1 - Expenditure for World Bank Projects - By Cost Category

A. CIWA-NCCR

Cost Category

	Grant amount	Actual 30 June 2025	Cummultaive to date
Goods, workshops, training and consultancy services,	9,500,000	3,727,993	8,570,777
	9,500,000	**3,727,993**	**8,570,777**

22 Annex 2: Budget Utilization Report

	Budget - original	Budget - Revised	Utilization	Variance
CIWA - NCCR (Nile Cooperation for Climate Resilence Project)	4,356,636	4,356,636	3,727,993	628,643
GIZ Support to ENTRO	186,890	186,890	138,210	48,680
NORD II	-	-	-	-
Riparian countries contributions	666,907	666,907	634,824	32,083
RCRP	932,580	932,580	460,057	472,523
	6,143,013	**6,143,013**	**4,961,084**	**1,181,929**

23 Commitments

There were no commitments as at 30 June 2025.

24 Contingent liabilities and contingent assets

There were no contingent assets or contingent liabilities that require recognition or disclosure in the fianacial statements of ENTRO as at 30 June 2025.

25 Subsequent events

There are no material subsequent events that would have a material impact on these financial statements.

A.A Bromhead
Certified Audit Firm