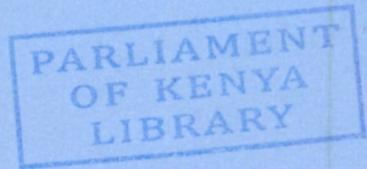


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA INDUSTRIAL ESTATES LIMITED

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 FEB 2026

DAY.

WEDNESDAY

**TABLED
BY:**

**LEADER OF MAJORITY PARTY
(Hon. KIMANI ICHUNGWATH)**

**CLERK-AT
THE-TABLE:**

J. LEMERELLE





OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

21 NOV 2025



**KENYA
INDUSTRIAL
ESTATES**

KENYA INDUSTRIAL ESTATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Prepared in accordance with the International Financial Reporting Standards (IFRS)

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1. Acronyms and Definition of Key Terms

A. Acronyms

IFRS	<i>International Financial Reporting Standards</i>
MD	<i>Managing Director</i>
NT	<i>National Treasury</i>
PFMA	<i>Public Finance Management Act.</i>
PSASB	<i>Public Sector Accounting Standards Board</i>
KIE	<i>Kenya Industrial Estates Ltd</i>
MSMEs	<i>Micro, Small and Medium Enterprises</i>
BETA	<i>Bottom-Up Economic Transformation Agenda</i>
GDP	<i>Gross Domestic Product</i>
GOK	<i>Government of Kenya</i>
BAS	<i>Business Advisory Services</i>
DFI	<i>Development Finance Institution</i>
SDG	<i>Sustainable Development Goal</i>
PWD	<i>Persons with Disabilities</i>
CSR	<i>Corporate Social Responsibility</i>
SMEs	<i>Small and Medium Enterprises</i>
TAT	<i>Turn Around Time</i>
FY	<i>Financial Year</i>
KICC	<i>Kenyatta International Convention Centre</i>
PhD	<i>Doctor of Philosophy</i>
MBS	<i>Moran of the order of Burning Spear</i>
CPA	<i>Certified Public Accountant</i>
CS	<i>Corporate Secretary</i>

B. Definition of Key Terms

- i) Fiduciary Management- Members of management directory entrusted with the entity's financial resources.
- ii) Comparative year- Means the prior period.

2. Key Entity Information

(a) Background information

Kenya Industrial Estates Ltd was established as a Limited Liability Company under the Companies Act in 1967. At cabinet level, the company is represented by the Cabinet Secretary for Cooperatives and Micro Small and Medium Enterprises (MSMEs) Development, who is responsible for the general policy and strategic direction of the company. The entity is domicile in Kenya.

(b) Principal Activities

The principal activity of the company is to promote and facilitate industrialisation through the provision of credit facilities, business advisory services and industrial work spaces.

Vision

A thriving SME Ecosystem in Kenya

Mission

To nurture, empower and accelerate growth and sustainability of small and medium enterprises by providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages for Jobs and wealth creation

Core Values

The Company upholds the following values;

- Integrity
- Collaboration & Partnerships
- Innovation & Adaptability
- Transparency & Accountability
- Equity
- Professionalism

(c) Directors

The Board of Directors is appointed in line with the Provisions of section 6 of the State Corporations Act (Chapter 446) Laws of Kenya.

The provisions of section 6 provide that the Board shall comprise of:

- a) A Chairman appointed by the President who shall be non-executive unless the President otherwise directs;
- b) The Chief Executive;
- c) The Principal Secretary of the Parent Ministry;
- d) The Principal Secretary to the National Treasury; and
- e) Not more than seven other members not being employees of the state corporation, of whom not more than three shall be public officers, appointed by the Cabinet Secretary.

The appointment is by name and by notice in the Gazette and is for a renewable period of three years or for such shorter period as may be specified in the notice.

The Directors who served the entity during the period were as follows:

No	Name	Position	Date of Appointment
1	Hon. Sylvanus Maritim	Chairperson	Appointed on 16/5/2025
2	Her. Excellency Lily Ngo`k	Chairperson	Appointed on 10/2/2023 and Left on 16/5/2025
3	Hon. Susan Mang'eni	Principal Secretary State Department for Micro, Small, and Medium Enterprises Development	Appointed on 12/1/2022
4	CPA Charles M. Mativo	Ag. Managing Director	Appointed on 5/1/2024
4	CPA Elizabeth Mkandoe Shungula	Alternate to Cabinet Secretary, The National Treasury	Appointed on 12/08/2024
5	Emma Wangari Wainaina	Director	Appointed on 26/5/2023
6	Patricia Chelimo	Director	Appointed on 26/5/2023
7	Antony Kaara	Director	Appointed on 26/5/2023
8	Alex Wafula Wamalwa	Director	Appointed on 24/3/2023
9	Albert Memusi	Director	Appointed on 9/5/2024
10	Yere Nyencho	Director	Appointed on 9/5/2024
11	Bernard Maina	Director	Appointed on 26/04/2024

(d) Corporate Secretary

Ms. Charity Ndeke
P.O. Box 78029-00507
Nairobi.

(e) Registered Officer

KIE Building
Likoni/ Lusingeti road
P.O. Box 78029-00507
Nairobi, Kenya.

(f) Corporate Headquarters

P.O. Box 78029-00507
KIE Limited Building
Likoni/ Lusingeti Road
Nairobi, Kenya.

(g) Corporate Contacts

Telephone: (254) -20-651348-54
Mobile: 0722297636, 0733279861
E-mail: admin@kie.go.ke
Website: [www.kie](http://www.kie.co.ke) co.ke

(h) Corporate Bankers

1. National Bank of Kenya Ltd
Harambee Avenue
P.O. Box 72866-00200
Nairobi, Kenya
2. Kenya Commercial Bank Ltd
P.O. Box 48400-00100
Nairobi, Kenya
3. Standard Chartered Bank Kenya Ltd
P. Box 30001-00100
Nairobi, Kenya
4. Cooperative Bank of Kenya Ltd
P.O. Box 48231-00100
Nairobi, Kenya

(i) Independent Auditors



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

(j) Principal Legal Advisers



The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The Board of Directors

	Directors	Details
1	 <p data-bbox="225 741 539 860">Hon. Sylvanus Maritim Chairperson Board of Directors</p>	<p data-bbox="560 304 1497 1256">Hon. Sylvanus Maritim is a distinguished Kenyan leader with a strong background in technology, public service, and strategic governance. He holds a degree in Telecommunication and Information Technology and is currently pursuing an Executive MBA at Strathmore University, further strengthening his leadership and management credentials. Hon. Maritim began his professional career in the telecommunications sector, working with various mobile service providers and tech firms between 2009 and 2016. His industry experience provided him with deep insights into the evolving digital landscape and the critical role of technology in national development. In 2017, he was elected as the Member of Parliament for Ainamoi Constituency, where he served until 2022. During his tenure, Hon. Maritim was instrumental in advancing development initiatives, particularly in infrastructure, education, and youth empowerment, while championing technology-driven policies in the legislative arena. From February 2023 to April 2025, he served as the Chairperson of the ICT Authority of Kenya. Under his leadership, the Authority made significant strides in digital transformation, ICT infrastructure rollout, and innovation support across public institutions. In May 2025, Hon. Maritim was appointed Chairperson of Kenya Industrial Estates (KIE), where he continues to lead efforts to promote industrial growth, support small and medium enterprises (SMEs), and enhance the manufacturing sector in alignment with Kenya's economic development agenda.</p> <p data-bbox="560 1267 1497 1377">Hon. Sylvanus Maritim remains a committed public servant, driven by a vision to harness technology and enterprise for national prosperity. Date of Birth 24th January, 1985.</p>
2	 <p data-bbox="225 1756 539 1995">Hon. Susan Mang'eni Principal Secretary, State Department for Micro, Small, and Medium Enterprises Development</p>	<p data-bbox="560 1391 1497 1630">Hon. Susan Auma Mang'eni is a distinguished public servant and an advocate for the empowerment of Micro, Small, and Medium Enterprises (MSMEs). With a deep commitment to driving economic growth and fostering entrepreneurship, she currently serves as the Principal Secretary in the State Department for Micro, Small and Medium Enterprises.</p> <p data-bbox="560 1641 1497 1881">In her current career, Hon. Susan Auma Mang'eni has demonstrated exceptional leadership and expertise in promoting and supporting the MSME sector. She possesses a wealth of knowledge in business development, policy formulation, and strategic planning, enabling her to effectively address the unique challenges faced by small businesses and entrepreneurs.</p> <p data-bbox="560 1892 1497 2011">Recognizing the importance of collaboration and partnerships, Hon. Susan Auma Mang'eni has actively engaged with stakeholders from both the public and private sectors to drive inclusive growth and sustainable</p>

		<p>development. She has been a strong advocate for policy reforms that remove barriers to entry and promote fair competition, ensuring that MSMEs can compete on a level playing field.</p> <p>Date of Birth 7th October, 1978.</p>
3	 <p>CPA. Charles Mativo Ag. Managing Director</p>	<p>CPA Charles Mativo is an Accountant by profession and holds a Bachelor of Commerce degree from KCA University. He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He is a highly motivated Finance professional with over 30 years' experience with excellent analytical, conceptual and human skills. He has extensive knowledge in accounting systems, data analysis, budget preparation and implementation, strategy formulation and financial reporting. He has track record in leading cross-functional teams to achieve organizational goals and has excellent inter-personal skills.</p> <p>Date of Birth: 11th October, 1965.</p>
4	 <p>CPA. Elizabeth Mkandoe Shungula Alternate to Cabinet Secretary, The National Treasury</p>	<p>CPA Elizabeth Mkandoe Shungula is a career civil servant currently serving as the Deputy Director, Investment (GIPE) and the Alternate director to the Cabinet Secretary, National Treasury. She is a seasoned professional with over 20 years of experience in public service, having risen through various capacities at the National Treasury from District Accountant to Deputy Director, Investment. In addition, she gained private sector experience at Family Bank Ltd and Solar World (E.A.) Ltd.</p> <p>Elizabeth is actively engaged in state corporations' reforms, where she has demonstrated proven performance in driving turnarounds and delivering significant outcomes. She brings to the table strong strategic leadership, governance, and financial restructuring skills, complemented by expertise in policy formulation, change management, and stakeholder engagement. Her deep technical knowledge and international exposure enable her to apply best practices effectively at both the national and global levels.</p> <p>She holds an MBA (Finance) from Kenya Methodist University (KEMU), a Bachelor of Commerce (Accounting) from Daystar University, and is a Certified Public Accountant of Kenya (ICPAK).</p> <p>Elizabeth serves as a member of the OECD Working Party on State Ownership and Privatization Practices, contributing her expertise to global discussions on state ownership and reform.</p> <p>Date of Birth: 08th November, 1977.</p>

<p>5</p>	 <p>Emma Wangari Wainaina Independent Director</p>	<p>Emma Wangari Wainaina is a resourceful and articulate leader with commitment to social, academic and professional development of the society. She holds a bachelor of Commerce Management from Gretsia University and a higher diploma in Business Administration from the Jomo Kenyatta University of Agriculture and Technology and a higher diploma in Accounting from Zetech College.</p> <p>Madam Emma has vast experience on matters finance and has worked as an accountant in various Enterprises.</p> <p>She is a member of the International Republican Institute’s (IRI) flagship youth network, Generation Democracy, a network of 280 members and 50 alumni from 80 countries which provides access to opportunities that increase their capacity to effectively mobilize young people, champion democratic reform, as well as tackle barriers to meaningful youth participation to build more resilient, responsive, and inclusive democracies.</p> <p>Emma Wangari is an independent Director and Chair of the Finance Committee Date of Birth is 24th January, 1991.</p>
<p>6</p>	 <p>Antony Kaara Independent Director</p>	<p>Antony Kaara is an accomplished governance and communication expert specializing in political communication and strategy formulation. With a degree in Communication and Political Science from the esteemed University of Nairobi, he brings a wealth of knowledge and experience. Antony has honed his expertise in strategic planning, policy development, and public relations. His ability to craft comprehensive strategies and engage stakeholder’s shapes policies and drives impactful governance processes. With a resolute commitment to excellence, Antony leverages his analytical abilities and passion for policy shaping to contribute to effective governance practices. His track record of success demonstrates his dedication to driving positive change, making him a valuable asset in shaping policies and enhancing governance processes for organizations and society as a whole. Antony Kaara is an independent director and Chair of the Resource Mobilization Committee. Date of Birth 8th January, 1978.</p>
<p>7</p>	 <p>Alex Wafula Wamalwa Independent Director</p>	<p>With over 9 years of legal expertise, Wamalwa, a practicing advocate of the High Court of Kenya, specializes in empowering Micro, Small and Medium Micro Enterprises (MSMEs) through commercial law and policy development. His proficiency spans diverse areas, including business formation, contract drafting, intellectual property, regulatory compliance, employment law, dispute resolution, taxation, data protection, consumer protection, credit access, and trans-border transactions. Collaborating closely with MSMEs, Wamalwa provides strategic legal counsel, enabling businesses to navigate complexities and foster innovation. His proactive approach involves shaping policies in collaboration with government and private sectors, creating a conducive environment for MSME’s growth and sustainable success in the dynamic commercial landscape. Alex Wafula is an independent director and Chair of HR & Legal Committee. Date of Birth 1st September, 1989.</p>




<p>8</p>	 <p>Patricia Chelimo Independent Director</p>	<p>Patricia Chelimo Chuma is a seasoned Information Scientist. She holds a Bachelor of Science in Information Science from Moi University and is currently pursuing a Master’s Degree in Diplomacy and International Relations in Kenyatta University. Patricia has worked in various corporate institutions and Non-Governmental Organizations (NGO’s). She brings rich experience of over 10 years, steadfast leadership, innovative thinking and strategic thinking that will be instrumental in ensuring that organization goals are achieved. Patricia Chelimo is an independent director and the Chair Audit Committee. Date of Birth 11th October, 1982.</p>
<p>9</p>	 <p>Albert Memusi Independent Director</p>	<p>Albert Memusi is a seasoned Governance and Communication Consultant with over 15 years of experience in the political and governmental sectors. Based in Nairobi, Kenya, Albert has honed his expertise in strategic communication development, political analysis, and program management. Throughout his career, Albert has demonstrated a remarkable ability to collaborate with diverse stakeholders, ensuring accurate representation and dissemination of information through meticulous media monitoring and liaison efforts. His proactive approach to staying abreast of current political developments enables him to provide valuable recommendations to enhance governance practices and communication effectiveness. Albert’s leadership roles include serving as the Communications Director Jubilee Party and Executive Director of the Party of National Unity, where he spearheaded operational management efforts resulting in a significant increase in efficiency and cost savings. His tenure saw a notable improvement in program satisfaction among stakeholders, achieved through meticulous planning and execution. Prior to his consultancy roles, Albert held key positions in various political parties, contributing to the implementation of successful programs and fostering effective collaboration with government departments. His commitment to excellence and dedication to fostering positive change make him a valuable asset to any governance and communication initiative. Albert holds a Bachelor of Commerce in Marketing from the University of Nairobi, along with diploma in Finance and Accounting and Computer Studies from Zetech College and IAT Nairobi, respectively. He has also engaged in consultation activities with prominent political parties and government ministries, further enriching his expertise in political governance and communication.</p> <p>Outside of his professional endeavours, Albert is actively involved in community engagement initiatives and has served in advisory roles for environmental conservation efforts. Date of Birth 27th September, 1980.</p>



<p>10</p>	 <p>Yere Nyencho Independent Director</p>	<p>Yere Nyencho holds a Diploma in Business Administration and has experience in administrative duties with a wide experience in Management and administration. She is also an entrepreneur with acumen skills. She has led and collaborated with diverse teams with varying skills and perspectives. She has been involved in bringing people together through communication and respectful discourse. She has served in different capacities in various organizations including in the Arid Lands Resource Management in Marsabit as an Inventory Manager and the Liberty Insurance as an Accounts assistant. Date of Birth 2nd May, 1981.</p>
<p>11</p>	 <p>Bernard Maina Independent Director</p>	<p>Bernard Maina is a seasoned Civil leader and highly skilled with high Professional and social skills. He has previously served as an elected Councillor, Kanyu Ward, Nyeri County where he represented the community to other tiers of Government. He was also involved in Planning, at the local level, for the development and future needs of the area as well as providing for the welfare, wellbeing, and interests of the community. He is the current Secretary General of the African Independent Pentecostal Church of Africa (AIPCA). He has also served in various capacities including Chair of the Board of Management, Gathunguru Girls High School. He holds a Diploma in Business Administration from the Institute of Shipping and Management Studies and a Diploma in Clearing and forwarding. Date of Birth 11th November, 1974.</p>
<p>12</p>	 <p>Charity Ndeke Manager, Legal Services & Company Secretary</p>	<p>Charity Ndeke is an Advocate of the High Court of Kenya with over 10 years post admission experience in the legal profession with expertise in Conveyancing, Litigation, Contracts and Commercial Law. She is a member of the Law Society of Kenya. She is also a Certified Secretary (CS) and a member of the Institute of Certified Public Secretaries. She is also a Governance, Ethics, Risk and Compliance (GERC) expert. She holds a Bachelor of Laws degree (LLB) from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law (KSL). She holds a Master of Business Administration (Strategic Management) from the University of Nairobi. She Joined Kenya Industrial Estates in 2015. Date of Birth: 29th September, 1986.</p>

4. Key Management Team

<p>1.</p>	 <p>CPA. Charles Mativo Ag. Managing Director</p>	<p>CPA Charles Mativo is an Accountant by profession and holds a Bachelor of Commerce degree from KCA University. He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is a highly motivated Finance professional with over 30 years' experience with excellent analytical, conceptual and human skills. He has extensive knowledge in accounting systems, data analysis, budget preparation and implementation, strategy formulation and financial reporting. He has track record in leading cross-functional teams to achieve organizational goals and has excellent interpersonal skills. He joined the company in 1985.</p>
<p>2.</p>	 <p>Dr. Doreen K. Kimathi Manager, Credit Department</p>	<p>Dr. Doreen Kimathi is currently the Manager in charge of Credit Department. She holds a PhD in entrepreneurship from Jomo Kenyatta University of Agriculture and Technology (JKUAT), an MBA (Strategic Management) from USIU-Africa and Bachelor of Commerce (Honours), Kenyatta University. She has vast banking and finance experience spanning over 13 years. She joined KIE in 2017.</p>
<p>3.</p>	 <p>Monica C. Kotut Manager, Corporate Strategy and Planning</p>	<p>Mrs. Monica Kotut is currently the Manager, Corporate Strategy and Planning. She holds an MBA (HR Option) from Kenyatta University; Bachelor of Arts from Moi University and Higher National Diploma in Human Resource Management from the Institute of Human Resource management (IHRM). She is member of the Institute of Human Resource management. She joined KIE in 1994 as a Projects Officer and rose through the ranks to the current position.</p>
<p>4.</p>		<p>Mr. Joseph Ayieko holds an MSc in Entrepreneurship from Jomo Kenyatta University of Science and Technology, Bachelor of Business Administration with Information Technology, Diploma in Community Based Project Planning and Management, Diploma in Cooperative Audit, CPA- (Part II) and Certificate in Rural Credit Management, Certified ILO Trainer on Gender and Entrepreneurship, Certified in Strategic Management and Leadership. He has over Twenty-five (25) years of work experience</p>

	Joseph Otieno Ayieko Manager, Business Advisory Services	within MSME Sector. He is a consultant and entrepreneurship trainer on sustainable rural economic empowerment, a trained Environmental Impact and Environmental Audit Assessor and a member of Eastern Africa Network for Gender and Enterprise Development Trust.
5.	 <p>Charity Ndeke Manager, Legal Services & Company Secretary</p>	<p>Charity Ndeke is an Advocate of the High Court of Kenya with over 10 years post admission experience in the legal profession with expertise in Conveyancing, Litigation, Contracts and Commercial Law. She is a member of the Law Society of Kenya. She is also a Certified Secretary (CS) and a member of the Institute of Certified Public Secretaries. She is also a Governance, Ethics, Risk and Compliance (GERC) expert.</p> <p>She holds a Bachelor of Laws degree (LLB) from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law (KSL). She holds a Master of Business Administration (Strategic Management) from the University of Nairobi.</p> <p>She Joined Kenya Industrial Estates in 2015.</p>
6.	 <p>Anthony Mwai Ag. Finance Manager</p>	<p>Anthony Mwai is an Accountant by profession and holds a Bachelor of Arts degree in Mathematics and Economics from University of Nairobi and a Master of Science degree in Finance and Investment from KCA University. He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He is a strategic and highly efficient Accounting Professional with an academic background in finance and accounts management and over 20 years of extensive expertise in financial analysis, budget control, business accounting and risk assessment. He can define strategic goals, build relationships and provide high-level solutions gained from his working experience.</p> <p>He joined the company in 2017.</p>
7.	 <p>Churchill W. Achika, Manager, Industrial Estates Development & Incubations services</p>	<p>Mr Churchill Achika holds a Bachelor's of Science degree in Electrical & Electronics Engineering from the Jomo Kenyatta University of Agriculture and Technology. He is currently pursuing Masters of Business Management degree at United States International University. He has extensive knowledge in engineering, manufacturing and facilities management having served in various managerial roles at East African Breweries Limited. He is a registered engineer and a member of the Project Management Institute.</p> <p>He joined KIE in the year 2021.</p>

<p>8.</p>	 <p>Rev. Perter Rotich Ag. Manager, Operations</p>	<p>Rev. Peter Rotich is a motivated and results-oriented business management professional with a strong foundation in entrepreneurship and strategic management. Equipped with a solid academic background and practical knowledge in business administration, contributing his expertise at Kenya Industrial Estates since 1st August 1994. He endeavours to always strengthen creativity and innovation on entrepreneurship development and excellent performance on customer service delivery.</p> <p>He holds a Bachelor’s Degree in Business Management – Entrepreneurship Option from Mount Kenya University, completed Masters in Business Administration (MBA) – Strategic Management Option, awaiting graduation at Mount Kenya University. He also holds a Diploma in Business Administration from The Kenya Polytechnic currently known as Technical University College.</p> <p>Rev. Peter K. Rotich joined KIE as a Project Assistant and has risen through the ranks serving as branch manager in various branches and served as regional manager in North Rift and Nyanza Regions. He is currently acting as the Manager Operations</p> <p>He joined the company in 1994.</p>
<p>9.</p>	 <p>CPA Teobard Mugo Manager, Internal Audit</p>	<p>CPA. Teobard Mugo is an Accountant by profession and holds a Bachelor of Commerce degree from KCA University. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). In addition, he is also a member of the Institute of Internal Auditors (IIA). He has over 20 years of experience in financial auditing, accounting and regulatory compliance. He is in charge of the Internal Audit Department.</p> <p>He joined the company in 1994.</p>
<p>10.</p>	 <p>Moses Miano Manager, Risk Management</p>	<p>Mr. Moses Miano is a corporate risk specialist and strategist in communicating risk policies and processes for enterprises through research and skilful handling and interpreting data. He holds a Master’s degree in Business Administration from the Nairobi University and a Bachelor’s degree in science from Egerton University. He is a certified trainer of trainers in First aid and fire Marshal and also a graduate from Institute of Advanced technology.</p> <p>He joined KIE in 2021 from Absa Bank Kenya Ltd where he was a Risk Manager.</p>

11.	 <p>Dennis G. Ong'aria Manager, ICT</p>	<p>Mr. Dennis G. Ong'aria is an ICT practitioner licensed by the Institute of Electrical and Electronics Engineers (IEEE). He holds a Bachelor of Science Degree in Information Technology and a Diploma in Information Systems Management. He is currently pursuing a Master of Science degree in Information Technology (MSc IT) at JKUAT. He has over 8 years ICT Management experience in various State Agencies.</p> <p>He joined KIE in November 2021 as Manager ICT.</p>
12.	 <p>Esther M. Mbula Manager, Human Resource and Administration</p>	<p>Esther Mbula is currently the Manager, Human Resource and Administration. She holds a Master of Business Administration (Human Resource Management) from Kenyatta University; Bachelor of Arts in Social Sciences from The Catholic University of Eastern Africa; Higher National Diploma in Human Resource Management from the Institute of Human Resource Management and Certified Human Resource Professional Kenya, CHRP (K) from the Human Resource Management Professionals Examinations Board (HRMPEB). She is a Member of the Institute of Human Resource Management (IHRM).</p> <p>She joined KIE in September 2022 as the Human Resource and Administration, Manager.</p>

5. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Ag. Managing Director	CPA. Charles M. Mativo
2	Ag. Manager, Finance & Accounts	Anthony K. Mwai
3	Head of Procurement	Bob. O. Atuti
4	Manager, Internal Audit	Teobard K. Mugo
5	Company Secretary	Charity M. Ndeke
6	Manager, Risk Management	Moses Miano

6. Fiduciary Oversight Arrangements

Kenya Industrial Estates (KIE) is committed to upholding the highest standards of corporate governance, transparency, and financial accountability. To achieve this, the organization has established a comprehensive fiduciary oversight framework that ensures prudent stewardship of resources and alignment with statutory and ethical obligations.

Board Oversight and Governance Principles

The KIE Board of Directors is responsible for the long-term growth, profitability, and sustainability of the organization. Appointed under Section 6(1)(e) of the State Corporations Act, the Board operates with integrity, transparency, and accountability. A formal Board Charter outlines the roles, composition, and responsibilities of the Board.

KIE adheres to the following governance principles:

- Observing high standards of ethical and moral behaviour
- Acting in the best interest of the organization
- Promoting fairness and responsible remuneration
- Recognizing stakeholder interests
- Ensuring the organization acts as a responsible corporate citizen

To support its oversight role, the Board has established several committees with defined mandates and reporting structures.

Audit and Enterprise Risk Committee

This committee ensures the integrity of financial reporting, internal controls, and risk management systems.

Responsibilities:

- Reviewing internal and external audit processes
- Monitoring risk mitigation strategies

- Ensuring compliance with legal and regulatory standards
- Safeguarding organizational assets

Membership:

Name	Role
Patricia Chelimo	Chair
Emma Wangari Wainaina	Member
Alex Wamalwa	Member
Bernard Mwangi	Member
Albert Memusi	Member
Elizabeth Shungula	Member

Finance and Investment Committee

This committee provides strategic oversight on financial planning, investment decisions, and resource allocation.

Responsibilities:

- Evaluating financial performance and return on investment
- Reviewing budgets and forecasts
- Advising on capital allocation
- Supporting long-term financial sustainability

Membership:

Name	Role
Emma Wangari Wainaina	Chair
Alex Wamalwa	Member
Antony Kaara	Member
Albert Memusi	Member
Yere Nyencho	Member
Elizabeth Shungula	Member

Human Resource and Legal Committee

This committee advises on strategic HR matters and legal compliance.

Responsibilities:

- Recommending HR policies and frameworks
- Overseeing legal and regulatory compliance
- Supporting organizational development

Membership:

Name	Role
Alex Wamalwa	Chair
Antony Kaara	Member
Patricia Chelimo	Member
Yere Nyencho	Member
Bernard Mwangi	Member

Resource Mobilization Committee

This committee focuses on securing sustainable funding to support KIE’s operations and strategic initiatives.

Responsibilities:

- Identifying and cultivating funding sources
- Ensuring financial sustainability
- Supporting strategic partnerships

Membership:

Name	Role
Antony Kaara	Chair
Emma Wangari Wainaina	Member
Patricia Chelimo	Member
Yere Nyencho	Member
Albert Memusi	Member
Bernard Mwangi	Member
Elizabeth Shungula	Member

External and Regulatory Oversight

In addition to internal governance structures, KIE is subject to external oversight by:

- **Parliamentary Committees:** Including the Public Investments Committee (PIC) and Public Accounts Committee (PAC), which review audited financial statements and assess public resource utilization.
- **Office of the Auditor-General:** Conducts annual external audits to ensure transparency and accountability.
- **State Corporations Advisory Committee (SCAC) and National Treasury:** Provide regulatory guidance and monitor compliance with national governance standards.

7. Chairperson's Statement



Dear Shareholders,

It gives me great pleasure to present the Kenya Industrial Estates Annual Report and Financial Statements for the 2024/2025 Financial Year. The company achieved strong results in delivering affordable credit, incubation facilities, business advisory services, and linkages affirming our commitment to supporting enterprise growth and economic transformation.

The Operating Environment

In 2024, the global economy remained resilient despite on-going challenges such as high energy and food prices and tight monetary policies. World real GDP grew by 3.2 percent in 2024 compared to 3.3 percent in 2023. Advanced economies grew by 1.7 percent in 2024 down from 1.8 percent in 2023. Growth was supported by loosening of money supply, strong domestic demand and increased investment. Emerging economies grow by 4.2 percent in 2024 down from 4.4 percent in 2023. Growth was supported by strong domestic demand and investment coupled with recovery in trade and exports.

Kenya navigated this environment with resilience, maintaining economic growth of 4.7 percent in 2024. Strength in agriculture, services, and transport, alongside the adaptability of Micro, Small, and Medium Enterprises (MSMEs), helped cushion the economy against external shocks. The government's Bottom-Up Economic Transformation Agenda (BETA) spurred sectoral development through investments in housing, healthcare, agriculture, and digital infrastructure.

The forecasts for 2025 indicate continued growth, with Kenya's GDP projected to expand by 5.4%, compared to 4.7% in 2024. The projected growth is expected to be driven by a strong services sector, enhanced agricultural productivity, stable macroeconomic environment and steady international oil prices. Inflation is projected to be stable within the government target and decline in interest rates is expected to continue to support growth in private sector credit, boost economic activity and accelerate growth. Further, enhanced implementation of priority value chains under the Bottom-Up Economic Transformation Agenda (BETA) will accelerate inclusive growth.

Business Performance

The Organization, despite operating in a challenging environment, delivered a solid performance during the 2024/2025 Financial Year. It posted a pre-tax profit of Kshs. 108.54 million. In support of MSMEs, the company disbursed Kshs. 2.103 billion in affordable credit, facilitated the creation of 315,194 jobs, trained 133,019 entrepreneurs, and linked 10,572 to markets, materials, and technology.

Our Strategy

The organization is dedicated to fostering the growth of MSMEs in Kenya by offering affordable credit, incubation, and adequate workspace while building sustainable business capacity. Our strategy is guided by four key pillars of credit to SMEs, industrial Estates and incubation services, Entrepreneurship capacity development and linkages and institutional capacity development, which align with our mandate and support our overarching goal of consolidating operational gains to drive long-term growth and sustainability.

Sustainability

The organization is actively engaged in addressing environmental and social issues impacting its staff and the communities across its areas of operation. During the review period, we collaborated with MSMEs and local communities to promote environmental sustainability, including organizing tree-planting initiatives at our industrial estates. Our staff remain dedicated and will continue to receive training and support to enhance their participation in environmental conservation efforts.

Governance

The organization's success is rooted in a strong and well-established culture of corporate governance. Its Board comprises members with a diverse and balanced skill set, providing effective oversight and strategic direction to management. Throughout the review period, the Board upheld sound governance principles to safeguard long-term growth and profitability. During this time, several members concluded their terms and were succeeded by new appointees, as detailed in the Statement of Corporate Governance.

Outlook

In 2025, global economic conditions remain difficult due to ongoing monetary tightening, reduced fiscal support, and persistent geopolitical disruptions. Although inflation is easing, commodity prices continue to fluctuate because of supply chain constraints and climate shocks.

Despite these challenges, Kenya's economy shows resilience. Growth is fuelled by a strong services sector and a recovering agricultural industry, supported by improved rainfall, lower input costs, and sustained distribution of subsidized fertilizer and seeds. These measures are boosting food production and sustaining agricultural output, positioning Kenya to maintain positive momentum in 2025 even amid global uncertainty and external economic pressures.

Appreciation

I sincerely thank the Government of Kenya, through the Ministry of Cooperative and Micro, Small and Medium Enterprises (MSMEs) Development, for its continued support to the organization. I am equally grateful to my fellow Board members, our customers, and staff for their dedication and steadfast commitment in helping the organization achieve great strides in fulfilling its mandate.



Hon. Sylvanus Maritim

Chairperson, Board of Directors

8. Report of the Managing Director



I'm pleased to share with you the Kenya Industrial Estates (KIE) Annual Report for the year ending 30th June 2025. The period was marked by heightened activity within the Micro, Small and Medium Enterprises (MSME) sector, driven by a notable surge in demand for affordable credit largely influenced by shifts in banking sector interest rates. Despite facing a variety of challenges, MSMEs demonstrated remarkable resilience, underscoring their critical role in the country's economic landscape.

Our Purpose

Kenya Industrial Estates (KIE) is a state agency mandated to promote industrialization by nurturing the growth of Micro, Small, and Medium Enterprises (MSMEs) across the country. To fulfil this mission, KIE provides affordable credit solutions, delivers Business Advisory Services, offers incubation facilities, and facilitates access to markets and technology empowering MSMEs as engine of inclusive economic transformation.

Business Environment

Despite the ongoing global challenges including elevated energy and food prices, tighter monetary policies, and disruptions in commodity production and shipping the global economy remained resilient in 2024, posting a 3.2 percent real GDP growth. Advanced economies maintained stable growth, supported by eased monetary tightening and strong domestic demand, while emerging markets saw a slight slowdown. In Sub-Saharan Africa, economic momentum held firm at 3.8 percent, with the East African Community growing robustly at 5.4 percent, driven by public investment, productive service sectors, and regional trade dynamics.

Kenya mirrored this regional resilience, recording a 4.7 percent GDP growth in 2024, compared to 5.7 percent expansion achieved in 2023. Growth was broad-based, with financial and insurance services expanding by 7.6 percent, real estate by 5.3 percent, and transport and storage by 4.4 percent. The agricultural sector grew by 4.6 percent, albeit slower than the previous year. However, construction and mining contracted within the period.

Despite global monetary tightening, inflation eased globally to 5.7 percent and labour market conditions held steady. Kenya's economy benefited from stable consumption levels both private and public and an increase in nominal GDP to Ksh 16.2 trillion. MSMEs remained

pivotal, supported by targeted government interventions under the Bottom-Up Economic Transformation Agenda (BETA), which prioritized job creation and entrepreneurship.

Business Performance

Kenya Industrial Estates recorded impressive business performance during the period under review, reflecting its growing impact on SME development. A significant number of enterprises sought working capital, machinery for modernization, and capacity-building support to improve productivity and competitiveness.

In order to address these needs, KIE partnered with Stanbic Kenya Foundation to roll out a nationwide women empowerment initiative, targeting to train 411,000 women in entrepreneurship and financial management. The program is currently being piloted in five counties Kisii, Kisumu, Uashin Gichu, Kericho, and Eldoret with plans for broader national implementation.

During the review period, KIE disbursed KShs. 2.103 billion in credit to MSMEs an increase from Kshs. 1.602 billion in 2023/2024 resulting in the creation of 315,194 jobs. Additionally, 133,019 entrepreneurs received training in business and technical skills, up from 84,473 the previous year. Market linkages were also expanded, with 10,572 entrepreneurs connected to suppliers, buyers, and technology resources, compared to 9,679 previously.

Financial Performance

Kenya Industrial Estates has maintained consistent profitability since first posting positive earnings in the 2019/2020 financial year. In the period under review, the company recorded a pre-tax profit of Kshs. 108.54 compared to Kshs. 107.41 million in the previous financial year.

The total assets also grew, rising to Kshs. 6.704 billion as of 30th June 2025, compared to Kshs. 6.424 billion the year prior. These steady gains underscore the effectiveness of the company's business strategy and its continued trajectory toward financial strength.

Strategy

Our strategy is built around four core pillars that reflect our commitment to driving industrialization through the growth of Micro, Small and Medium Enterprises (MSMEs). These pillars are provision of credit to SMEs, industrial Estates and incubation services, Entrepreneurship capacity development and linkages and institutional capacity development

form the foundation of our operations. They will continue to guide our efforts as we intensify support for MSMEs, positioning them at the centre of sustainable economic transformation.

Our people

Our people are the heart of our success. We remain committed to empowering them through continuous skills development, equipping them with the right tools, and fostering a supportive and enabling work environment that encourages peak performance and innovation.

Outlook

Despite a complex global landscape, Kenya's economy remains resilient, driven by a thriving services sector, improved agricultural productivity, and stable macroeconomic conditions. Inflation is projected to stay within target, supported by lower food and energy prices and a stable exchange rate. MSMEs will play a central role in this growth, backed by Kenya Industrial Estates through credit financing, incubation, and market linkages, while the Bottom-Up Economic Transformation Agenda continues to accelerate inclusive development and job creation.


CPA. Charles M. Mativo

Ag. Managing Director

9. Statement of Performance against Predetermined Objectives for FY 2024/2025

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Kenya Industrial Estates Limited has 4 strategic pillars/objectives and 11 strategic objectives within the current Strategic Plan for the FY 2023 - FY2027. These strategic pillars/objectives are as follows:

Pillar/Objective 1: Credit to SMEs

Pillar/Objective 2: Industrial Estates & Incubations services

Pillar/Objective 3: Entrepreneurship capacity development and linkages

Pillar/Objective 4: Institutional Capacity

Kenya Industrial Estates Limited develops its annual work plans based on the above 4 strategic pillars/objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kenya Industrial Estates Limited achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars/objectives, as indicated in the diagram below:

Strategic Objective	Outcome	Outcome Indicator	Activities	Achievements
KRA 1: Credit to SMEs				
1.To increase loan disbursements to SMEs by KSh. 15 billion for the next five years	Increased accessibility to affordable credit	Amount Disbursed to SMEs under BETA priority value chains (Kshs.M) <ul style="list-style-type: none"> ○ Agro-Processing (Edible Oils Dairy Rice Tea Coffee) ○ Leather and Leather Products ○ Textiles and Apparels ○ Building and Construction 	Disburse KSh 1 billion to SMEs under BETA priority value chains	Disbursed KSh 834.99 million to SMEs under BETA priority value chains

Strategic Objective	Outcome	Outcome Indicator	Activities	Achievements
		Amount Disbursed to SMEs in other manufacturing/ value addition sectors (Kshs.)	Disburse to SMEs in other manufacturing/ value addition sectors Kshs 1.5 billion	Disbursed Kshs 1.27 billion to SMEs in other manufacturing/ value addition sectors
		No. of SMEs Financed	Finance 5,000 SMEs	Financed 766 SMEs
		No. of jobs created (Direct)	Create 75,000 direct jobs	Created 63,438 direct jobs and 143,172 indirect jobs
KRA 2: Industrial Estates & Incubations services				
1.To establish fit for purpose workspaces in all the 47 counties	Industrial work space in 47 counties	No.	-	Lacking funds
		Amount spent (Kshs. M)	-	Lacking funds
KRA 3: Entrepreneurship capacity development and linkages				
1.To enhance entrepreneurial capacity and skills for SMEs	Enhanced growth and sustainability of entrepreneurial capacity for SMEs	No. of SMEs trained, mentored, or coached	Train, mentor, or coach 50,000 SMEs	Trained, mentored, and coached 133,019 SMEs
2.To facilitate SMEs access to market, technology and other support services	Increased inter-firm linkages	No. of SMEs Linked	Link 5,000 SMEs	Linked 10,422 SMEs
KRA 4: Institutional Capacity				
1. To attract, develop and retain skilled and motivated staff	Optimum level of motivated staff	Approved staff establishment	Approve staff establishment 260	Retained a staff inpost of 206 staff against an Approved staff establishment of 260 staff complement

Strategic Objective	Outcome	Outcome Indicator	Activities	Achievements
2. To enhance resource mobilisation and prudent financial management	Enhanced financial sustainability	Exchequer Amount allocated (Kshs .M)	Exchequer to allocate Kshs 502.7 million	Exchequer allocated Kshs 114.43 million
	Funding from development partners-Kshs 8.05B	Amount mobilized from Development partners (Kshs .M)	-Mobilise Kshs 2.01 billion	-Engaged various development partners for funding
	Internally Generated funds –Kshs. 4.6B	Amount Internally Generated (Kshs.M)	-Generate Kshs 1 billion internally	Generated Kshs. 2.1 billion
3. To leverage on technology to enhance service delivery	All KIE stations fully automated	Automation report (No.)	Fully Automate all branches	30 branches are now connected to the BR System and 6 branches are not yet connected.
4. To enhance visibility, branding and customer experience	Improved visibility, branding and customer experience	Customer satisfaction report	Measure Customer satisfaction against a target of 87%	Attained 85% Customer satisfaction level
5. To enhance good corporate governance and risk management	Enhanced governance rating	Governance rating (AADFI) (%)	75%	75%
6. To enhance environmental sustainability	Increased forest cover, green economy and environmental sustainability	Tree planting reports	Plant and nurture 10,000 Trees	Planted and nurtured 54,965 trees
		Amount of industrial credit disbursed to Projects in green economy (Kshs. M)	Disburse KSh 25 million industrial credit to Projects in green economy	Disbursed Kshs. 16.0 million to 2 Projects in green economy

10. Corporate Governance Statement

KIE is committed to upholding the highest standards of corporate governance, guided by the Mwongozo Code of Governance for State Corporations. The Board of Directors plays a central role in ensuring ethical leadership, strategic direction, and sustainable value creation.

i. Appointment and Composition of the Board

Board members are appointed under Section 6(1)(e) of the State Corporations Act. The process is transparent and consultative, involving relevant appointing authorities. Removal is governed by Section 7 of the same Act or through voluntary resignation. The Board comprises diverse professionals with expertise in finance, law, industry, and governance.

Gender and regional balance are considered to promote inclusivity. A formal Board Charter outlines the roles, responsibilities, and operational framework of the Board.

ii. Roles and Functions of the Board

The Board is responsible for:

Setting strategic direction and approving corporate plans. Monitoring management performance and exercising oversight. Ensuring compliance with laws, regulations, and ethical standards. Approving budgets, policies, and risk management frameworks.

iii. Induction, Training, and Development

New Board members undergo structured induction programs. Continuous professional development is provided through workshops, seminars, and governance training to enhance effectiveness.

iv. Board and Members' Performance

Board performance is evaluated annually using structured tools aligned with Mwongozo guidelines. Individual member contributions are also assessed to ensure accountability.

v. Board Meetings and Attendance

The Board held four meetings during the year. Attendance was 100% across all members, demonstrating commitment and diligence.

No.	Director's Name	Expected Meetings No. of meetings in the	No. of meetings attended	% Attendance
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		financial year 2024/2025		
1	Lily Ng'ok	4	4	100%
2	Antony Kaara	4	4	100%
3	Alex Wamalwa	4	4	100%
4	Emma Wangari Wainaina	4	4	100%
5	Elizabeth Sungula	4	4	100%
6	Patricia Chelimo	4	4	100%
7	Yere Nyencho	4	4	100%
8	Albert Memusi	4	4	100%
9	Bernard Mwangi	4	4	100%

vi. Succession Planning

KIE has adopted a succession plan to ensure leadership continuity and institutional resilience. The plan identifies critical roles and outlines talent development strategies.

vii. Conflict of Interest Policy

Board members are required to declare any conflict of interest at the start of each meeting. A formal policy guides the management of such disclosures to uphold integrity.

viii. Board Remuneration

Remuneration is guided by SCAC regulations. Directors receive sitting allowances, subsistence, and mileage reimbursements. The Chairperson receives a monthly honorarium. Details are disclosed in Note 37(d) of the financial statements.

ix. Ethics and Conduct

All Board members adhere to the Mwongozo Code of Conduct. Ethical leadership is promoted through regular sensitization and enforcement of disciplinary protocols.

x. Governance Audit

A governance audit is conducted annually by an accredited member of ICPSK. The audit assesses compliance with governance standards and recommends improvements.

xi. Communication Policy

KIE maintains a stakeholder communication policy that promotes transparency, timely disclosures, and engagement through digital and physical platforms.

xii. Terms of Reference of Committees

Each Board Committee operates under clearly defined Terms of Reference approved by the Board. These outline scope, authority, and reporting obligations.

xiii. Related Party Transactions Policy

KIE has a policy to manage related party transactions, ensuring they are disclosed, approved, and conducted at arm's length to avoid conflicts and safeguard public interest.

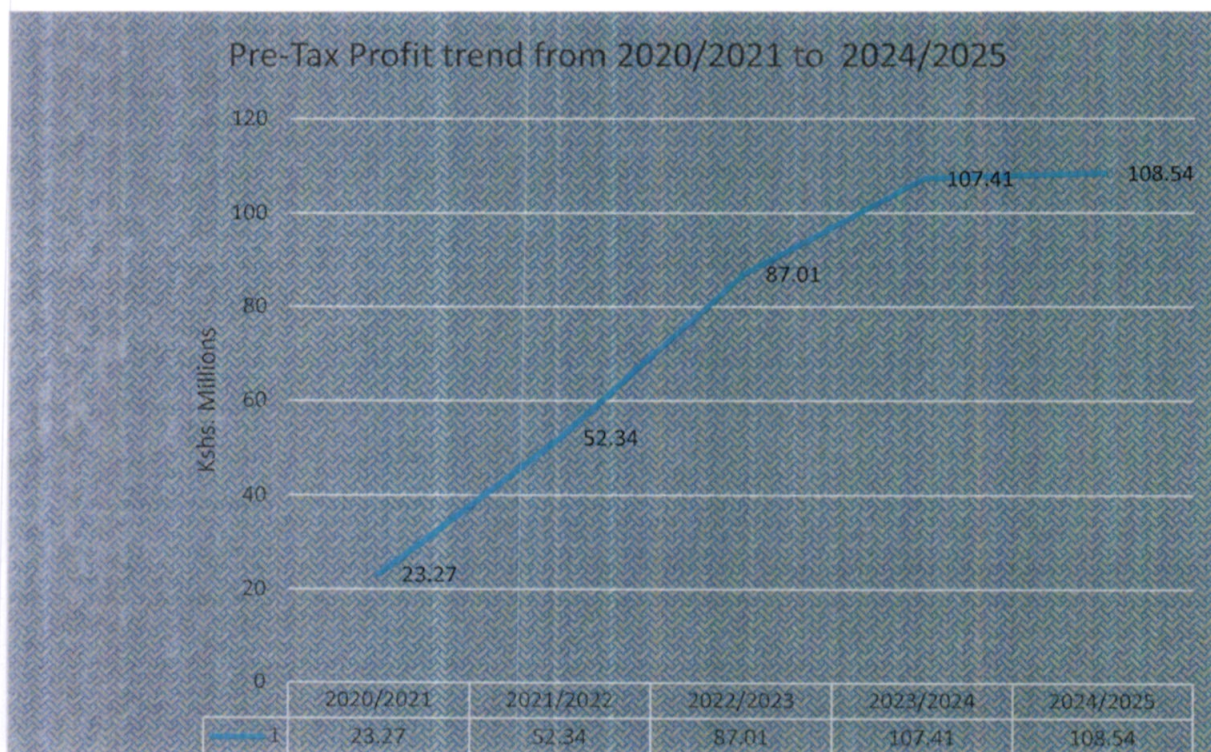
11. Management Discussion and Analysis

1. Financial Performance

(a) (i) Pre-tax

During the year 2024/2025, the Company posted a pre-tax profit of Kshs 108.54 million as compared to Kshs.107.41 in the financial year 2023/2024, This compares to Kshs.87.01 million in the financial year 2022/2023, Kshs 52.34 million for the financial year, 2021/2022, and Kshs. 23.27 profit for the financial year, 2020/2021. The overall Return on investment for the financial year is 1.66%.

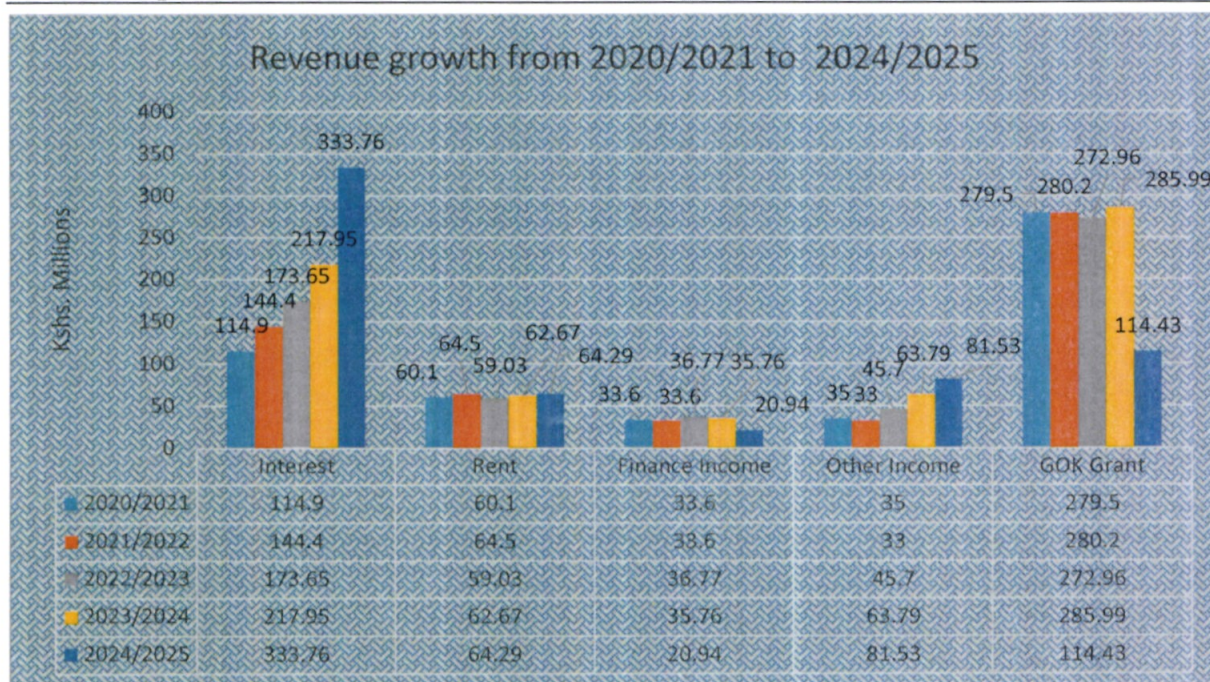
Profit before Taxation Trend for the last five years



(ii) Revenue

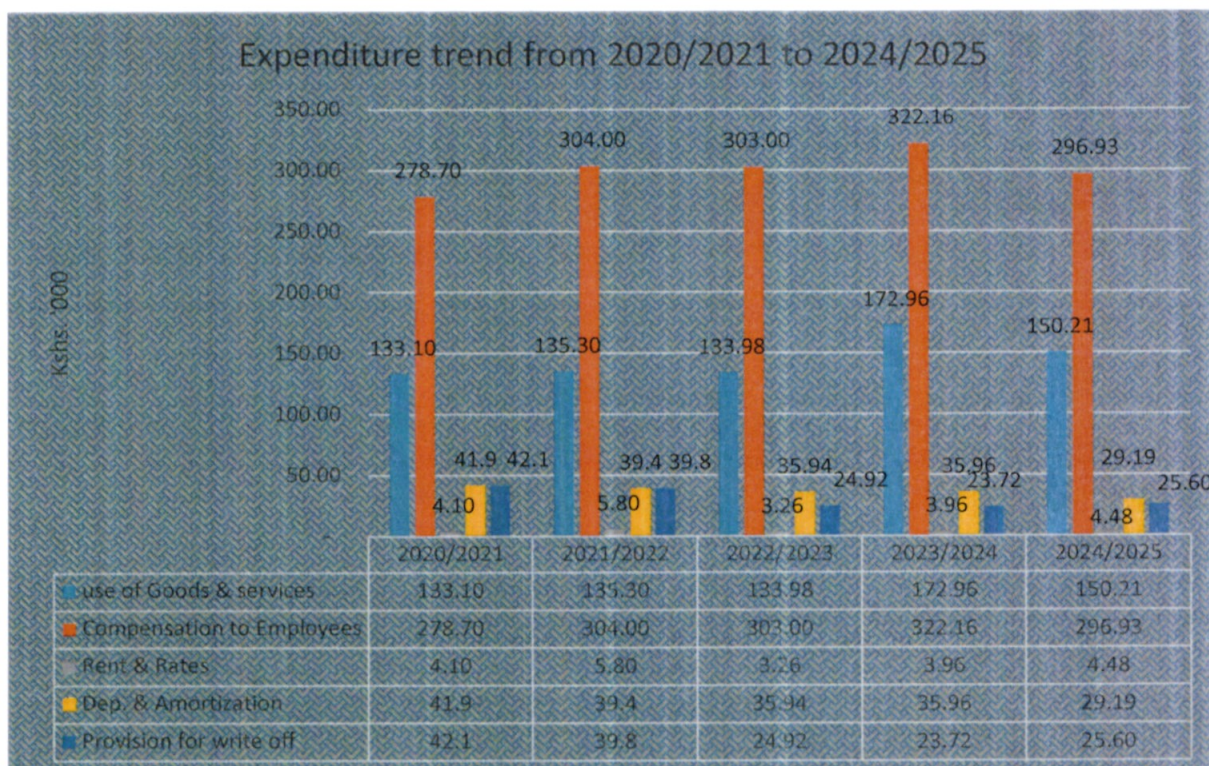
In the financial year 2024/2025, the Company recorded total income of Kshs. 614.94 million, a decrease from Kshs. 666.16 million in 2023/2024. This decline is primarily attributed to a reduction in recurrent government grants during the period. Despite this dip, income levels over the years have been on an upward trend, with Kshs. 588.12 million recorded in 2022/2023, Kshs. 555.84 million in 2021/2022, and Kshs. 523.10 million in 2020/2021.

Revenue Streams Trend for the last five years.



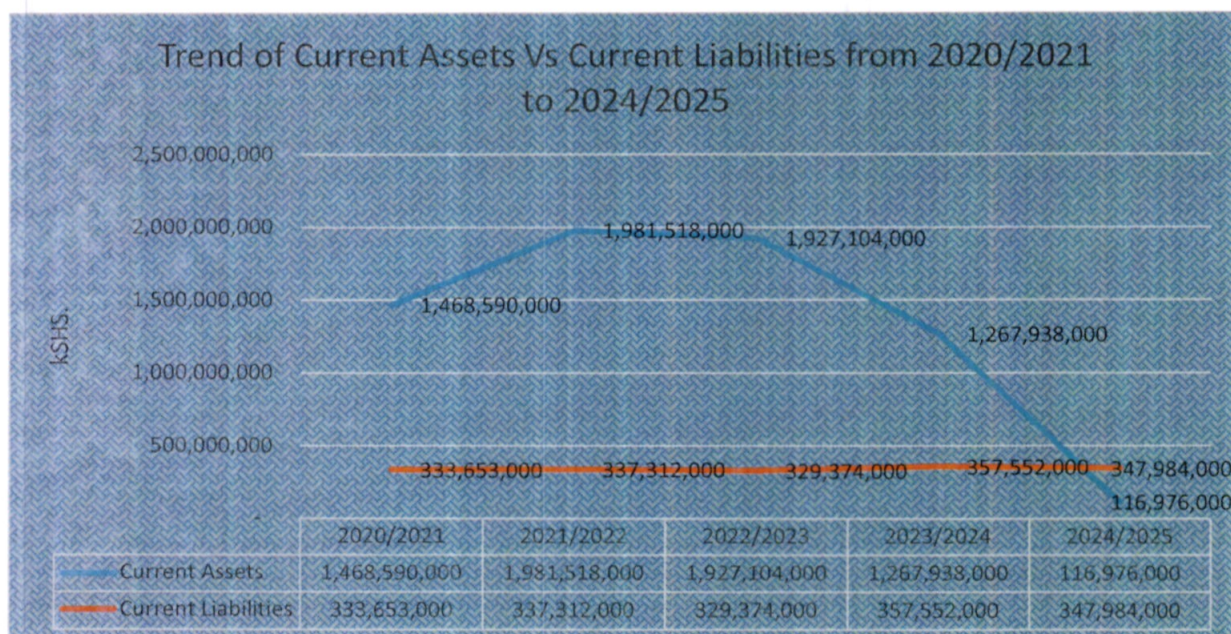
(iii) Operating Expenditure

The Company’s operating expenditure for the financial year under review stood at Kshs. 506.40 million, reflecting a decline from Kshs. 558.75 million in 2023/2024. This figure is consistent with prior years, having recorded Kshs. 501.10 million in 2022/2023, Kshs. 503.50 million in 2021/2022, and Kshs. 499.87 million in 2020/2021.



(b) Company Financial Position

As of 30th June 2025, the company’s total assets reached Kshs. 6.70 billion, showing consistent growth from Kshs. 6.42 billion in 2023/2024, Kshs. 6.21 billion in 2022/2023, Kshs. 5.89 billion in 2021/2022, and Kshs. 5.23 billion in 2020/2021. However, the current asset position in 2025 dropped to Kshs. 116.98 million against current liabilities of Kshs. 347.98 million, marking a notable decrease from previous years. For reference, current assets were Kshs. 1.265 billion and liabilities Kshs. 359.382 million in 2023/2024; Kshs. 1.927 billion and Kshs. 329.370 million in 2022/2023; Kshs. 1.982 billion and Kshs. 337.300 million in 2021/2022; and Kshs. 1.469 billion and Kshs. 333.650 million in 2020/2021. Despite the recent dip in liquidity, the company has demonstrated strong asset growth overall, underscoring an improving financial position over the last five years. This is graphically presented below.



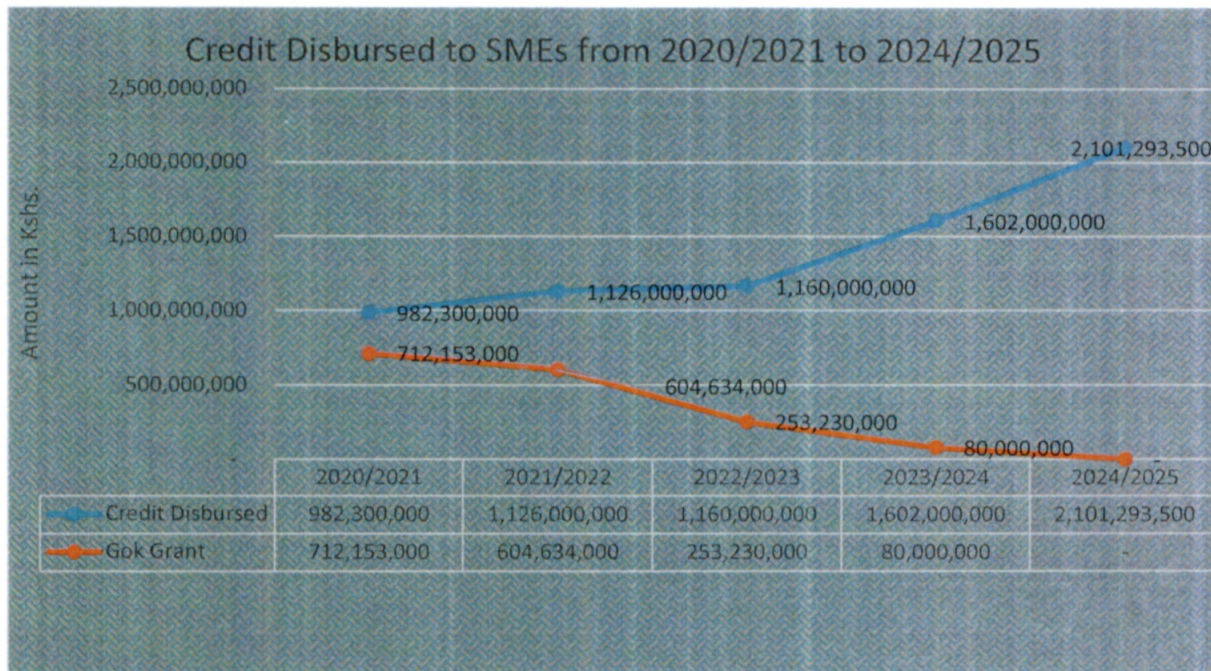
(c) Operations

KIE has products designed to meet the needs of customers. There was a marked improvement in performance during the period under review compared to the previous period as demonstrated below:

(i) Credit to SMEs:

For the period under review, the company disbursed Kshs 2.103 billion to SMEs across the country from its own internally generated revenue compared to Kshs 1.602 billion with Kshs 80 million GOK grant in 2023/2024, Kshs 1.160 billion in the financial year 2022/2023 with 253.23 million GOK grant, Kshs. 1.126 billion disbursed in the 2021/2022 financial year with

GOK grant of Kshs 604.634 million GOK grant and Kshs. 982.30 million in the financial year 2020/2021 with GOK grant of Kshs 712.153 million. This is graphically depicted below.



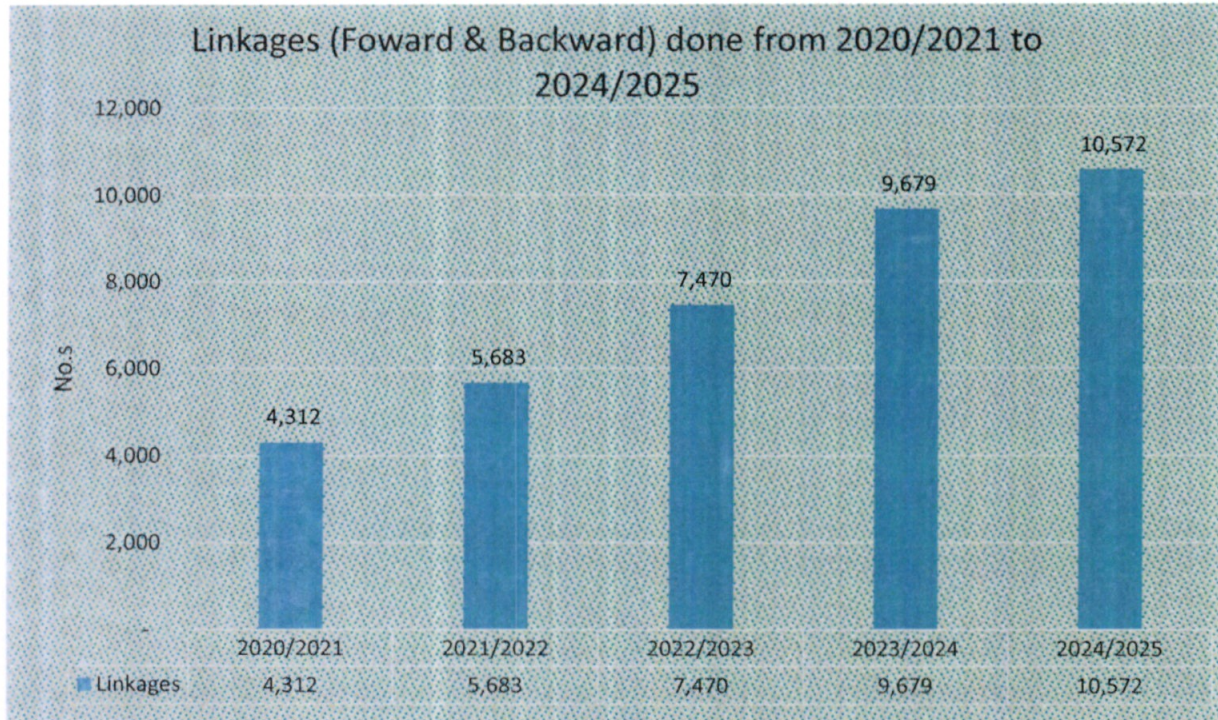
(ii) Entrepreneurship Training:

Kenya Industrial Estates (KIE) trained 133,019 SMEs on entrepreneurship in the 2024/2025 financial year an impressive increase of 57% from 84,473 in 2023/2024. The prior years recorded 70,157 trainees in 2022/2023, 56,854 in 2021/2022, and 42,173 in 2020/2021. This steady upward trend reflects KIE’s expanding efforts to equip entrepreneurs across the country with essential business skills.



(iii) Linkages:

Kenya Industrial Estates (KIE) facilitated 10,572 linkages in 2024/2025, up by 9.26% from 9,679 in 2023/2024. The previous year's show continued growth from 7,470 linkages in 2022/2023, 5,683 in 2021/2022, and 4,312 in 2020/2021. These efforts connected SMEs with large enterprises, markets, and machinery suppliers, affirming KIE's pivotal role in advancing industrial integration and SME development.



(d) Key projects and investment being implemented by KIE

The company is currently implementing one project namely Credit to Small and Medium Enterprises.

Credit to Micro, Small and Medium Enterprises (MSMEs)

This project seeks to deliver accessible medium- to long-term financing to micro, small, and medium enterprises (MSMEs) in the manufacturing sector an essential driver of Kenya's Vision 2030 goal to become a newly industrialized, globally competitive, and prosperous middle-income economy. With an estimated total cost of Kshs. 8.35 billion, implementation spans the period up to 2024/2028.

Key projected outcomes include:

- Disbursement of Kshs. 8.35 billion to SMEs
- Establishment of 16,700 new enterprises

- Creation of 250,500 new jobs
- Generation of Kshs. 33.42 billion in national wealth

Additional benefits are expected to include stimulating rural industrialization, enhancing equitable wealth distribution, supporting youth and women entrepreneurs, promoting value addition of local raw materials, and boosting tax contributions from SMEs.

The initiative is fully funded by the Government of Kenya, aligning public investment with inclusive economic growth.

(e) Major risks facing the company

The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The major risks for the company are credit, liquidity, market and operational risk.

i) Credit Risk Management

Credit risk refers to the risk that a counterparty will be unable to pay amounts in full when due. The company's credit risk is primarily attributable to liquid funds and loans advanced to customers. The company credit risk attributable to liquid funds is low because the counter parties are banks with high reputation. Credit risk attributable to loans is managed through a framework that sets out policies and procedures covering its measurement and management. The company has ensured clear segregation of duties between transaction originators in the business (Filed officers and Business Development) and approvers in the Risk Function. All credit exposure limits are approved within a defined credit approval authority matrix. The company also manages its credit exposures through the principle of diversification across products, geographical locations, industries and client segments. Potential credit losses from any given account, client or portfolio are mitigated using a range of tools such as collateral, credit insurance and guarantees.

ii) Liquidity Risk Management

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. KIE's Board of Directors have built a liquidity risk management framework for managing the company short-term, medium and long-term funding requirements. KIE continuously monitors forecasts and actual cash flows to ensure company's liquidity requirements are met.

iii) Market Risk Management

It is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect KIE. KIE currently is not actively affected by foreign exchange risk and equity/commodity prices due to its nature of business.

Interest rate risk is the risk of loss from fluctuations in the future cash flows because of a change in market interest rates which affects KIE's investment. KIE interest rate regime is fairly stable and not driven by on-going market dynamics.

iv) Operational Risk

Operational risk is the potential for loss arising from inadequate or failed internal processes, people and systems or from the impact of external events. The management of operational risk is a challenge due to its broad scope as operational risks arise from all activities carried out within KIE. KIE endeavours to discuss all operational risks with department heads and unit managers to ensure effective controls are in place with a review at least once a year.

(f) Material arrears in statutory/financial obligations

The company has no material arrears in statutory and financial obligations.

(g) Company's compliance with statutory requirements

The company does not have any governance issues among the Board or members of top management. Further there is no conflict of interest.

12. Environmental and Sustainability Reporting

Kenya Industrial Estates (KIE) is a government-owned Development Finance Institution (DFI) within the Ministry of Cooperatives and Micro, Small and Medium Enterprises (MSME) Development whose Mandate is to promote industrialization in Kenya through development of Micro, Small and Medium enterprises.

The Company's target clientele is biased towards entrepreneurs' integrated incubation program that nurtures Micro, Small and Medium Enterprises (MSMEs) by supporting them to survive and grow during the start-up period when they are most vulnerable, and in other growth stages. The company discharges its mandate by providing the following products that support MSMEs development: - Affordable industrial workspace; Affordable medium to long-term finance; Business Advisory Services (BAS) and facilitating Sub-Contracting and Linkages between small and medium enterprises and large-scale enterprises.

Kenya Industrial Estates is a responsible corporate citizen and recognises the importance of incorporating sustainability principles which include environmental, social and Governance (ESG) best practices in our operations and those of the MSMEs we support. Mainstreaming these practices is central to the attainment of development outcomes that are inclusive and equitable, and contributes to achievement of united nation's Sustainable Development Goals.

(i). Sustainability Strategy and profile

Kenya Industrial Estates (KIE) is committed to creating a long-term value for our Stakeholders in all the areas of our operation. As we deliver on our mission, we also seek to ensure sustainability of the organization, customers and the environment. We are committed to responsible and ethical business practices that ensure our customers derive value from our relationship. Our staff are nurtured to bring out their best and a robust relationship is maintained with our partners.

As an organization operating in various parts of the country, we are concerned with the environment, social and governance issues affecting our staff and the communities in the areas operate. KIE is involved in supporting MSMEs across the country and we seek to ensure that the supported MSMEs conform to environmental and social guidelines to ensure their operation

do not negatively affect the environment, Human health, Safety and Security of communities and do not threaten biodiversity and cultural heritage.

Our mandate of supporting Industrialization through development of Small and Medium Enterprises (SMEs) is aligned to sustainable Development Goal (SDG) No.9 on building resilient infrastructure; promoting inclusive and sustainable industrialization and furthering innovation. Our focus areas for sustainability agenda are; Environment, Our employees, market place practices and community engagement.

(ii). Environmental Performance

Kenya Industrial Estates is committed to the conservation of the environment, prevention of pollution, effective waste management, minimization of consumption of resources and overall prevention of environmental degradation in all our business operations.

We recognize environmental protection as one of the guiding principles and a key component of sound business performance. We are committed to providing quality products and services as we promote and embrace the principle of responsible stewardship of the natural environment.

Kenya Industrial Estates has developed a policy covering the three broad categories of Environmental, Social and Governance. On environmental issues the policy has focused on usage, management and conservation of natural resources such as energy, land, fresh water and bio-diversity; reduction of carbon emissions, waste management and compliance with environmental regulations.

The organization has also developed procedures to identify the environmental risks posed by our funding, incubation and capacity building activities recognizing the importance of environmental sustainability. We have developed internal capacity to identify and manage the environmental risk and continually train our staff on all business risk areas. Our capacity building and sensitization on environmental issues extends to our entrepreneurs, suppliers and other stakeholders to empower them to participate and contribute to environmental conservation.

During the Financial year 2024/2025, the company undertook trees planting activities across our various branch with the aim of restoration sites and natural areas. More than 54,965 trees were planted.

(iii). Employee Welfare

The company is committed to nurturing talent to bring the best out of each employee. Employees are the most important asset for the company and form the base upon which the company delivers services to the public. On recruitment, we are guided by the Constitution, labour laws, Human Resource manual and best practice. The company is committed to continuous capacity building of our staff, ensure gender equality and provide a conducive working environment for all staff.

Gender Equality

The company is committed to provide equal opportunity for all genders and promote diversity at all levels of management. The gender-disaggregated ratio for the period was 55% Male and 45% Female.

Capacity Building

The organization ensure continuous training of staff to ensure upgrading of core competencies, knowledge, skills and attitudes to enhance organizational performance, assist employees to gain competences and skills in preparation for more responsible positions. Capacity building also helps each employee prepare for changes and ensure availability of sufficient trained human resource-base to meet the company's future requirements. During the period under review, the company executed some training interventions to address gaps identified in the training needs assessment.

Employee Engagement

Having engaged employees is critical to the achievement our strategic goals. We have undertaken to take on board all our employees' views and so we always encourage our employees to give their views openly.

Occupational Safety and Health

The Company continues to ensure implementation of Occupational safety and Health Act, 2007. During the period under review, we undertook continuous monitoring of work environment based on regular risk assessment.

(iv) Market Place Practices

Kenya Industrial Estates (KIE) is committed to conducting its business with integrity, transparency, and accountability. Guided by the principles of honesty, fairness, and respect for all stakeholders including customers, suppliers, employees, and competitors, KIE upholds ethical standards across its operations and maintains a zero-tolerance stance on corruption.

a) Responsible Competition Practices

KIE ensures fair and responsible competition in line with the Public Procurement and Asset Disposal Act, 2015. All procurement processes are conducted through open tendering, with clear service charters and automated self-service platforms that enhance transparency and efficiency. The organization actively promotes anti-corruption reporting mechanisms, brand protection protocols, and cashless payment systems to reduce fraud and improve service delivery. Public sensitization and outreach programs are regularly conducted to educate stakeholders on procurement procedures and ethical business conduct.

b) Responsible Supply Chain and Supplier Relations

KIE maintains a robust and ethical supply chain by subjecting suppliers to rigorous assessments of their social, environmental, and ethical performance. This approach enhances reliability, conserves natural resources, and protects the rights of workers within the supply ecosystem. The organization honours contractual obligations, ensures timely payments, and fosters competitive procurement practices that are inclusive and transparent. In the 2024/25 period, KIE facilitated procurement opportunities worth Kshs. 14.3 million for marginalized groups, including Women, Youth, and Persons Living with Disabilities (PWDs), following targeted training on accessing government procurement platforms.

c) Responsible Marketing and Citizen Engagement

KIE adheres to national and regional standards for responsible advertising. All marketing communications are designed to be legal, decent, honest, and truthful, with claims supported by sound scientific evidence. The organization avoids exaggerated promises and anti-social messaging, ensuring that consumers receive accurate and respectful information. Outreach efforts include regular media briefings, updates on the official website, and consultative forums that promote inclusivity and respect for diversity.

d) Product Stewardship and Awareness Creation

At the core of KIE's marketing and service delivery is a commitment to safeguarding consumer rights and interests. This includes:

- Providing clear and adequate product and service information
- Ensuring health and safety standards are met

- Facilitating dispute resolution and redress mechanisms
- Protecting consumer data and privacy

KIE also supports civic awareness by disseminating information on public services such as NHIF, NSSF, and government-issued documentation (e.g., IDs, passports, licenses). The organization advocates for citizen rights, including access to utilities, legal representation, peaceful assembly, and whistle-blower protections.

(v) Corporate Social Responsibility / Community Engagements

Kenya Industrial Estates integrates responsible business practices into its core mandate, extending its impact beyond commercial operations to meaningful community engagement. Through its Corporate Social Responsibility (CSR) initiatives, KIE contributes to the social and economic development of communities across Kenya.

In the reporting period, KIE undertook several CSR activities aligned with its mission to promote industrial growth and entrepreneurship. These included:

- Training programs for youth, women, and PWDs on financial literacy and enterprise development
- Charitable giving, including donations of equipment and materials to community-based organizations
- Corporate Social Investments such as support for local schools, health facilities, and water access projects
- Environmental initiatives, including tree planting campaigns and promotion of sustainable energy solutions
- Public participation and civic education, through forums that engage communities in budget-making processes, policy formulation, and development planning

These efforts reflect KIE's commitment to inclusive growth, environmental stewardship, and social equity, ensuring that its operations contribute positively to the communities it serves.

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the company's affairs.

i) Principal activities

The principal activities of the company are to promote and facilitate industrialisation through the provision of credit facilities, business development services and industrial work spaces.

ii) Results

The results of the company for the year ended June 30, 2025 are set out on page 1 to 6.

iii) Dividends

The Directors do not recommend dividends.

iv) Directors

The members of the Board of Directors who served during the year are shown on page vi to x.

v) Auditors

The Auditor General is responsible for the statutory audit of the company in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Charity Ndeke

Company Secretary/ Secretary to the Board

Nairobi

Date 7/10/2025

14. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of Kenya Industrial Estates Ltd, which give a true and fair view of the state of affairs of the Company at the end of the financial year and the operating results of the Company for that year. The Directors are also required to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation and presentation of the Company's financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year ended on June 30th, 2025. These responsibilities include: (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 company; (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 Company; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Company's financial statements give a true and fair view of the state of Company's transactions during the financial year ended June 30th, 2025, and of the Company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Company, which have been relied upon in the preparation of the Company's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern and nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

KENYA INDUSTRIAL ESTATES LIMITED

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

Approval of the financial statements

Kenya Industrial Estates Financial Statements were approved by the Board on
07/10/ 2025 and signed on its behalf by:



.....
Hon. Sylvanus Maritim

Chairperson of the Board



.....
CPA. Charles M. Mativo

Ag. Accounting officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA INDUSTRIAL ESTATES LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Industrial Estates Limited set out on pages 1 to 50, which comprise of the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant

accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Industrial Estates Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Public Finance Management Act, 2012 and the Companies Act, 2015.

Basis for Qualified Opinion

1. Unsupported Land Ownership

The statement of financial position and as disclosed in Note 16(c) to the financial statements indicates forty-seven (47) parcels of land measuring 47.9928 hectares, had no title documents. As reported previously, available information indicates that the process of acquiring titles for these land parcels has been underway for significantly long duration. The Management has indicated that they are pursuing the National Lands Commission to process and issue the ownership documents. However, by the time of concluding this audit in October, 2025, the title deeds were yet to be issued.

In the circumstances, it was not possible to confirm the rightful ownership of these parcels of land, and there is the risk of encroachment by private developers.

2. Long Outstanding Trade and Other Receivables

Note 22(a) of the financial statements reflects gross and net trade and other receivables balance of Kshs.254,687,000 and Kshs.41,470,000 respectively. Included in the gross balance is Kshs.211,466,000 which has been outstanding over one hundred and twenty (120) days.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance could not be confirmed.

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

Emphasis of Matter

1. Long Outstanding Payables – Retention Money

The statement of financial position and as disclosed in Note 33 to the financial statements reflects trade and other payables balance of Kshs.122,524,000. As previously reported,

included in the balance is an amount of Kshs.46,083,000 which relates to retention money, which has been outstanding for more than a period of four (4) years, implying that payments due to contractors and suppliers have been delayed for periods which is beyond the defect liability period of six (6) months.

In the circumstances, the Company is at risk of incurring penalties and interest with the continued delays in paying the retention money.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.585,585,000 and Kshs.614,936,000 respectively resulting in an over-collection of Kshs.29,351,000 of the approved budget. The revenue over-collection is an indication of under budgeting on revenue sources, which may have affected priority planning of activities and impact negatively on delivery of goods and services to the public. However, the company spent an amount of Kshs.507,889,000 against approved expenditure budget of Kshs.566,189,000 resulting in an under-utilization of Kshs.58,300,000 or 10% of the approved budget.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources. The issues as detailed in **Appendix I** remain unresolved as Parliament has not deliberated on the same.

Other Information

The Directors are responsible for the Other Information, which comprises the Chairman's Report, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Report, Report of the Directors, and Statement of Directors' Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

In connection with my audit on the Kenya Industrial Estates Limited financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge

obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Failure to Conduct a Governance Audit

During the year under review, the Board of directors did not subject the Institute to an annual governance audit. This was contrary to the guidelines of Mwongozo Code of Conduct clause 1.13 that requires the Board, in consultations with the Oversight Office, ensure that it subjects the organization to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Companies Act, 2015, I report based on audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.
- ii. In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and,
- iii. The Company's financial statements are in agreement with the accounting records.

Basis for Conclusion

The Companies Act, 2015) requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2025

Appendix I

Unresolved Prior Year Matters

No	Reference	Observation
		Basis for Qualified Opinion
1		Un-Supported Land Ownership
2		Long Outstanding Trade and Other Receivables
3		Funds Owed to Coffee Cherry Advance Revolving Fund
		Emphasis of Matter
4		Long Outstanding Payables – Retention Money
5		Budgetary Control and Performance
		Lawfulness and Effectiveness in Use of Public Resources
6		Unconfirmed Right of Use of Assets

16. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2025.

Description	Note	2024/2025	2023/2024
		Kshs'000'	Kshs'000'
Revenues			
Revenue from Contracts with Customers	6	333,756	217,119
Other Income			
Grants from the national government	7	114,426	285,990
Finance income	8	20,941	36,594
Other income	9	145,813	126,453
Total Revenues		614,936	666,156
Operating Expenses			
Administration costs	10	501,929	555,670
Selling and distribution costs	11	4,470	3,079
Total operating expenses		506,399	558,749
Profit/(loss) before taxation		108,537	107,407
Income tax expense/(credit)	13	1,490	5,364
Profit/(loss) after taxation		107,047	102,043
Earnings per share – basic and diluted	14	27	25
Dividend per share	15	-	-

17. Statement of Financial Position as at 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs'000'	Kshs'000'
Assets			
Non-Current Assets			
Property, Plant And Equipment	16	764,308	772,020
Intangible Assets	17	11,340	12,600
Investment Property	18	999,285	998,585
Right of use Assets	19	623,212	468,428
Unquoted Investments	20	-	-
Staff Receivables	24	26,641	29,560
Loans	23	4,162,224	2,878,780
Total Non-Current Assets		6,587,010	5,159,973
Current Assets			
Inventories	21	5,182	6,229
Trade And Other Receivables	22	41,470	77,563
Bank and Cash Balances	25	70,324	1,180,730
Total Current Assets		116,976	1,264,522
Total Assets		6,703,986	6,424,495
Equity and Liabilities			
Capital and Reserves			
Ordinary Share Capital	26	80,277	80,277
Reserves	27	6,240,117	5,949,228
Capital and Reserves		6,320,394	6,029,505
Non-Current Liabilities			
Deferred Tax Liability	32	35,608	35,608
Total Non-Current Liabilities		35,608	35,608
Current Liabilities			
Borrowings	31	218,518	218,518
Trade and Other Payables	33	122,524	133,407
Provision of leave pay	35	6,942	7,457
Total Current liabilities		347,984	359,382
Total Equity and Liabilities		6,703,986	6,424,495

The financial statements were approved by the Board on 07/10/ 2025 and signed on its behalf by:

CPA. Charles M. Mativo
Ag. Managing Director

Anthony Mwai
Ag. Head of Finance
ICPAK M/NO: 13566

Hon. Sylvanus Maritim
Chairman of the Board

18. Statement of Changes in Equity for the year ended 30 June 2025

	Ordinary share capital	Capital Reserve	Disposal of Sheds	GOK Irredeemable Loans	Revaluation reserve	GOK Loan write off	Grants	Retained earnings	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At July 1, 2023	80,277	22,523	68,637	190,257	838,405	1,210,000	6,703,676	(3,268,413)	5,845,362
Government grant							80,000	-	80,000
GOK loan write off						-	-	-	-
Transfer to Retained Profit								2,100	2,100
Total comprehensive Loss								102,043	102,043
At June 30, 2024	80,277	22,523	68,637	190,257	838,405	1,210,000	6,783,676	(3,164,270)	6,029,505
At July 1, 2024	80,277	22,523	68,637	190,257	838,405	1,210,000	6,783,676	(3,164,270)	6,029,505
Government grant Note (7)							-	-	-
Leasehold land transfer from Contingent Liabilities		170,000				-	-	-	170,000
Prior year adjustments								13,842	13,842
Transfer to Retained profit (Loss)								107,047	107,047
At June 30, 2025	80,277	192,523	68,637	190,257	838,405	1,210,000	6,783,676	(3,043,381)	6,320,394

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

		2024/2025	2023/2024
	Notes	Kshs'000	Kshs'000
OPERATING ACTIVITIES			
Cash generated from / (used in) operations	36	(1,125,489)	(666,713)
Interest received	8	20,086	35,762
Net cash generated from/ (used in) operating activities		(1,105,403)	(630,951)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(5,003)	(8,786)
Net cash generated from/ (used in) investing activities		(5,003)	(8,786)
FINANCING ACTIVITIES			
GOK Development Grant	7	-	80,000
Net cash generated from/ (used in) financing activities		-	80,000
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,110,406)	(559,737)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36(b)	1,180,730	1,740,467
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	36(b)	70,324	1,180,730

20. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2025

	Original budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference	Percentage (%) variance	Explanation on material variances
	2024-2025		2024-2025	2024-2025			
	Shs'000	Shs'000	Shs'000	Shs'000'	Shs'000'		
Revenue							
Interest Income	260,160	31,514	291,674	333,756	42,082	13%	(a)
Grant from National Government	114,826	-	114,826	114,426	-400	0%	
Rent Income	63,000	1,066	64,066	64,288	222	0%	
Other Income	39,942	46,395	86,337	81,525	(4,812)	-6%	(b)
Finance Income	49,500	(20,818)	28,682	20,941	(7,741)	-37%	
Total income	527,428	58,157	585,585	614,936	29,351	5%	
Expenses							
Compensation to Employees	344,655	-	344,655	296,925	47,730	14%	(e)
Use of Goods and Services	155,078	10,318	165,396	150,207	15,189	9%	
Rent Paid	4,400	-	4,400	4,478	(78)	-2%	(c)
Amortization and Depreciation	13,823	14,643	28,466	29,191	(725)	-3%	(d)
Provision writes off	1,000	22,272	23,272	25,598	(2,326)	-10%	(f)
Taxation paid	-	-	-	1,490	(1,490)	-100%	
Grants and Subsidies Paid	-	-	-	-	-	-	
Total Expenditure	518,956	47,233	566,189	507,889	58,300	11%	
Net Profit / Loss for the Period	8,472	10,924	19,396	107,047	87,651	100%	

EXPLANATORY NOTES TO MAJOR VARIANCES

- a) Interest Income- The positive variance is as a result of higher loan uptake and good loan performance resulting in higher interest than anticipated
- b) Other Income – The variance is due less trainings resulting into lower income than anticipated.
- c) Rent paid - The projected rent expenditure was just slightly higher than anticipated.
- d) Amortization & Depreciation- The depreciation charge was slightly higher than anticipated
- e) Compensation to employees-The positive variance was due to lower expenditure than anticipated
- f) Provision for Write off – The provision for bad debts was higher than anticipated.

Budget Reconciliation

NO.	Description of Particulars	Amount in Kshs.'000
1	Actual Surplus Amounts as per the statement of Budget	107,047
2	Taxation Paid	1,490
3	Depreciation & Amortization	29,191
4	Increase in Inventories	1,047
5	Decrease in trade and other Receivables (Advances to customers and Increase in Trade and other Receivables)	(2,065,201)
6	Increase in trade and other payables (Collections net of Loans, Rent, Mortgage and other Income)	775,339
7	Provisions	25,598
8	Interest Received	20,086
9	Purchase of Property ,Plant and Equipment	(5,003)
10	Cash and cash equivalent at the beginning	1,180,730
	Closing Cash and Cash Equivalent	70,324

21. Notes to the Financial Statements

1. General Information

KIE is established by and derives its authority and accountability from the Companies Act. The company is wholly owned by the Government of Kenya and is domiciled in Kenya. The company's principal activity is to promote and facilitate industrialization through provision of credit facilities, business development services and industrial workspace.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Kenya Industrial Estates Limited 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-(I-VII).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company and all values are rounded to the nearest thousand (Kshs'000).

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Application of New and Revised International Financial Reporting Standards (IFRS)**i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.**

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: <ul style="list-style-type: none"> i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs. 	1 January 2026

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

Notes to the Financial Statements (Continued)

Application of New and Revised International Financial Reporting Standards (IFRS)

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

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	An entity may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).

iii. Early adoption of standards

Kenya Industrial Estates Limited did not early adopt any new or amended standards in year 2024-2025

4. Summary of Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which the Company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

- ii) Grants from National Government** are recognized in the year in which the Company actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Capital grants received and are meant for capital projects are amortized and recognized as grants income in the Statement of Comprehensive Income. The amortized amount is transferred from GOK capital fund to retained earnings under the Statement of Changes in Equity each year. This is in line with IAS 20. Also, the Development/ Capital grants are recognized in the statement of financial position

- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.

- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.

- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.

- vi) Other income** is recognized as it accrues.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

b) In-kind contributions

In-kind contributions are donations that are made to the company in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the company includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognized in profit or loss in the income statement.

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, as guided by National Treasury policy on assets depreciation are:

Summary of Accounting Policies

Item	Years	Rates
Freehold Land		Nil
Buildings and civil works	40 years or the unexpired lease period	2.5%
Plant and machinery	12.5	8%
Motor vehicles, including motorcycles	5	20%
Computers and related equipment	5	20%
Office equipment	8	12.5%
Office Furniture and fittings	10	10%

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset for use over ten years. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

h) Unquoted investments

Unquoted investments are measured at fair value through profit or loss (FVTPL).

i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method or First In First Out (FIFO). Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

j) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

k) Taxation

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws

used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

1) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

p) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

q) Retirement benefit obligations

The company operates a defined contribution scheme for all full-time employees from July 1, 2011. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees.

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.200 per employee per month. With effect from February 2023, employees contribute 6% of basic pay capped to a maximum of Kshs. 1,080 and the employer matches the amount.

r) Provision for staff leave pay

Employees' entitlements to annual leave are recognized as they accrue at the employees. A provision is made for the estimated liability for annual leave at the reporting date.

s) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

t) Budget information

The original budget for FY 2024-2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 16 and 20 on notes to the financial statements.

u) 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.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

v) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IFRS 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.

a) 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.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

Notes to the Financial Statements (Continues)

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 35.

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.

I. Provision for Loans

The organization applies the banking regulations issued by the Central Bank on risk classification for loans and provisioning for bad and doubtful loans, using prudential guidelines as shown in table below:

Category	Classification	Provisioning
A	Normal class (0-30 days)	general provision of 1% of loan balance
B	Watch class (31-90 days)	general provision of 2% of loan balance
C	Sub-standard class (91-180 days)	20% of loan balance less suspended interest
D	Doubtful class (181-365 days)	100% of loan balance less suspended interest
E	Loss class (365 days)	100% of loan balance less security

II. Impairment Losses

At the end of each reporting period, the Corporation reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Notes to the Financial Statements (Continues)

III. Provision for Ex-staff Imprests and Advances

The company makes estimates of doubtful receivables in relation to ex-staff imprest and advances and makes provision based on the estimates. Bad debts in relation to ex-staff and advances are written off after all efforts at recovery have been exhausted.

IV. Impairment Losses on Loans and Advances

The estimation of potential credit losses is inherently uncertain and depends upon many factors, including general economic conditions, changes in individual customers' circumstances, structural changes within industries that alter competitive positions and other external factors such as legal and regulatory requirements. Impairment is measured for all accounts that are identified as non-performing. All relevant considerations that have a bearing on the expected future cash flows are taken into account which include but not limited to future business prospects for the customer and realizable value of security.

Subjective judgements are made in this process of cash flow determination both in value and timing and may vary from one person to another. Judgements may also change with time as new information becomes available.

The company review its loans and advances at each reporting date to assess whether an allowance for impairment should be recognized in profit or loss. Judgement is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions on a number of factors.

V. Property, Plant and Equipment

Property, plant and equipment are depreciated over its useful life taking into consideration residual values. Critical estimates are made by management in determining the depreciation rates based on reasonable estimates of the useful life of the assets.

Notes to the Financial Statements (Continues)

VI. Going Concern

The Board of Directors and Management have evaluated the going concern status of the company and have no reason to believe the company will not be in operation in the next financial year because the company is funded by the Government through budgetary allocations. In making this judgement the directors and management have made reasonable estimates and judgement on the budgetary allocation expected from government.

VII. Related Parties

In the normal course of business, the company has entered into transactions with related parties. The related party transactions are at arm's length.

Notes to the Financial Statements (Continues)

6. Revenue from contract with customers

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Interest income from loans	333,756	217,119
Total	333,756	217,119

7. Grants from National Government

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Recurrent grants received	114,426	285,990
Capital grants realized (see note below)	-	80,000
Total	114,426	365,990

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs'000'	Amount deferred under deferred income KShs'000'	Amount recognised in capital fund. KShs'000'	2024/2025 Kshs '000'	2023/2024 Kshs '000'
Ministry of cooperatives & MSME Development/State Department of MSEMSE	114,426	-	-	114,426	285,990
Total	114,426	-	-	114,426	285,990

8. Finance Income

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Interest from commercial banks and financial institutions	20,086	35,762
Interest on Staff Loans	855	832
Total	20,941	36,594

Notes to the Financial Statements (Continued)

9. Other Income

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Sale of Tender Documents	-	-
Business Development Services Income	67,075	48,368
Commissions and charges	7,368	6,196
Miscellaneous Receipts	7,082	6,118
Income from donation of Intangible Asset	-	3,103
Rental Income	64,288	62,668
Total	145,813	126,453

10. Administration Costs

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Staff costs (Note (10a)	296,925	314,103
Directors' emoluments	32,195	28,376
Electricity and water	3,454	3,398
Communication services and supplies	17,071	13,770
Transportation, travelling and subsistence	26,935	36,265
Advertising, printing, stationery and photocopying	11,757	20,565
Rent expenses	4,478	3,959
Staff training expenses	6,422	8,052
Hospitality supplies and services	-	383
Insurance costs	8,285	9,778
Bank charges and commissions	2,128	2,039
Office and general supplies and services	7,501	9,753
Auditors' remuneration	600	600
Legal fees	1,438	3,743
Consultancy fees	2,152	4,789
Repairs and maintenance	2,493	4,043
Other Operating Expenses	23,306	32,376
Provision for bad and doubtful debts	25,598	23,722
Depreciation	22,715	30,859
Amortization	6,476	5,097
Total	501,929	555,670

Notes to the Financial Statements (Continued)

10(a) Staff Costs

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Salaries and allowances of permanent employees	233,925	247,546
Wages of temporary employees	3,305	2,956
Medical insurance schemes	28,557	31,585
Employer's contributions to national social security schemes	6,267	3,845
Employer's contributions to pension scheme	21,030	22,204
Gratuity provisions	-	744
Fringe benefit tax	671	417
Housing levy	3,170	2,742
Staff welfare	-	2,064
Total	296,925	314,103
The average number of employees at the end of the year was:		
Permanent employees – management	16	16
Permanent employees – union-sable	190	190
Temporary and contracted employees	9	9
Total	215	215

11. Selling and Distribution Costs

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Marketing and Promotional expenses	4,470	3,079
Total	4,470	3,079

Notes to the Financial Statements (Continued)

12. Operating Profit/ (Loss)

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
The operating profit/(loss) is arrived at after charging/(crediting):		
Staff Costs (Note 10a)	(296,925)	(314,103)
Depreciation of property, plant and equipment	(22,715)	(30,859)
Amortization of right of use of Assets (leasehold land)	(6,476)	(5,097)
Provision for bad and doubtful debts	(25,598)	(23,722)
Directors' emoluments – fees	(32,195)	(28,376)
Auditors' remuneration - current year fees	(600)	(600)
Other Administrative expenses	(121,890)	(155,992)
Government recurrent grant	114,426	285,990
Interest receivable (Note 6)	333,756	217,119
Rent receivable (Note 9)	64,288	62,668
Finance income (Note 8)	20,941	36,594
Other income (Note 9)	81,525	63,785
	108,537	107,407

13. Income Tax Expense/(Credit)

(a) Income tax charge/ credit

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Current taxation based on the adjusted Profit for the year at 30%	1,490	5,364
Current tax: Prior Year Under/(Over) provision	-	-
Current year deferred tax charge	-	-
Prior Year Under-provision for deferred tax	-	-
Total	1,490	5,364

Notes to the Financial Statements (Continued)

(b) Reconciliation of tax expense/ (credit) to the expected tax based on accounting profit

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Profit before taxation	<u>108,537</u>	<u>107,407</u>
Tax at the applicable tax rate of 30%	32,561	32,222
Prior Year Under-Provision	-	-
Tax effects of expenses not deductible for tax purposes	-	-
Tax effects of income not taxable	(32,561)	(32,222)
Tax effects of excess capital allowances over Depreciation/Amortization	-	-
Deferred tax Prior Year Over-Provision	-	-
Total	-	-

14. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of Kshs.107,047,000 (2023/2024): Kshs. 102,043,000) by the average number of ordinary shares in issue during the year of 4,013,865 (2023/2024): 4,013,865). There were not dilutive or potentially dilutive ordinary share as at the reporting date.

15. Dividend per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM to be held before the end of 2025, no dividend in respect of the year ended June 30, 2025 is to be proposed just like year 2024 when no dividend was proposed.

Notes to the Financial Statements (Continued)

16. (a) Property, Plant and Equipment

2024/2025	Freehold Land Kshs'000	Buildings & civil works Kshs'000	Motor vehicles, including, motor cycles Kshs'000	Computers & related equipment Kshs'000	furniture & fittings Kshs'000	Office equipment Kshs'000	Capital work in progress Kshs'000	TOTAL Kshs'000
COST OR VALUATION								
At July 1, 2024	11,900	474,723	133,304	61,570	61,972	72,597	356,090	1,172,156
Additions		-	-	3,495	-	1,508	-	5,003
Adjustment	-	10,000	-	-	-	-	-	10,000
At June 30, 2025	11,900	484,723	133,304	65,065	61,972	74,105	356,090	1,187,159
DEPRECIATION								
At July 1, 2024	-	154,122	126,679	40,454	38,707	40,174	-	400,136
Charge for the year	-	11,868	6,625	2,498	1,191	533	-	22,715
At June 30, 2025	-	165,990	133,304	42,952	39,898	40,707	-	422,851
NET BOOK VALUES								
At June 30, 2025	11,900	318,733	-	22,113	22,074	33,398	356,090	764,308

Note:

Adjustment: This refers to Buildings on the Leasehold Land which was moved from Contingent liabilities where the Court ruled in favour of the organization.

Property, plant and equipment include the following items that are fully depreciated:

	Cost or Valuation	Normal Annual depreciation charge
Office equipment	-	12.5%
Motor vehicles, including motor cycles	133,304	20%
Computers and related equipment	39,633	20%
Furniture and fittings	-	10%
	<u>172,937</u>	<u>-</u>
	=====	=====

Notes to the Financial Statements (Continued)

2023/2024	Freehold Land Kshs'000	Buildings & civil works Kshs'000	Motor vehicles, including, motor cycles Kshs'000	Computers & related equipment Kshs'000	furniture & fittings Kshs'000	Office equipment Kshs'000	Capital work in progress Kshs'000	TOTAL Kshs'000
COST OR VALUATION								
At July 1, 2023	-	474,723	133,304	55,866	61,972	69,515	356,090	1,151,470
Additions		-	-	5,704	-	3,082	-	8,786
Transfer/ Adjustment	11,900	-	-	-	-	-	-	11,900
At June 30, 2024	11,900	474,723	133,304	61,570	61,972	72,597	356,090	1,172,156
DEPRECIATION								
At July 1, 2023	-	142,254	112,368	37,641	37,394	39,620	-	369,277
Charge for the year	-	11,868	14,311	2,813	1,313	554	-	30,859
At June 30, 2024	-	154,122	126,679	40,454	38,707	40,174	-	400,136
NET BOOK VALUES								
At June 30, 2024	11,900	320,601	6,625	21,116	23,265	32,423	356,090	772,020

Notes to the Financial Statements (Continued)

16. (b) Property, Plant and Equipment

Property, plant and equipment include the following items that are fully depreciated:

	Cost or Valuation	Normal Depreciation Charge
	Kshs'000	Kshs'000
Office Equipment	-	12.5%
Motor vehicles, including motor cycles	61,750	20%
Computers & Related Equipment	39,633	20%
Furniture & Fittings	-	10%
	101,383	-

16. (c) Land without Title Documents

The company has 47 pieces of land measuring 47.9928 hectares which have no title documents. These are shown in annexure VI. The company is pursuing the National Land Commission for the issuance of the title documents.

17. Intangible Assets

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Cost		
At July 1	12,600	48,126
Additions	-	12,600
Disposals	(-)	(48,126)
At June 30	12,600	12,600
Amortization		
At July 1	-	38,630
Charge For The Year	1,260	-
Disposals	(-)	(38,630)
Impairment Loss	(-)	(-)
At June 30	-	-
Net Book Value		
At June 30	11,340	12,600

NOTES: The intangible Assets relate to computer software

Notes to the Financial Statements (Continued)

18. Investment Property

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Opening Valuation	998,585	998,585
Movements During The Year		
Additions	-	-
Disposals	(-)	(-)
Adjustments	700	-
Closing Valuation	999,285	998,585
Depreciation (If At Cost)		
At July 1	-	-
Charge For The Year	-	-
Disposals	(-)	(-)
Impairment Loss	(-)	(-)
At June 30	-	-
Net Book Value		
At June 30	999,285	998,585

19. Right of use assets

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Opening Valuation	525,435	537,335
Movements During The Year		
Additions	-	-
Leasehold Land Adjustments	160,000	(11,900)
Fair Value Gains/(Losses)	-	-
Closing Valuation	685,435	525,435
Depreciation (If At Cost)		
At July 1	57,007	51,910
Charge For The Year	5,216	5,097
Disposals	(-)	(-)
Impairment Loss	(-)	(-)
At June 30	62,223	57,007
Net Book Value		
At June 30	623,212	468,428

Note: (i) Right of use assets refers to Leasehold land held by the company.

Notes to the Financial Statements (Continued)

- (ii) Leasehold land adjustment during the year refers to an amount moved from contingent liabilities to Right of use of asset as these were company property which the court ruled in favour of the organization.

20. Unquoted Investments

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Cost		
At July 1	11,200	11,200
Less provisions	(11,200)	(11,200)
At June 30	-	-

The unquoted investment relates to investment of 440,000 non-cumulative preference shares of Kshs.20 each and 120,000 ordinary shares of Kshs.20 each at Consolidated Bank of Kenya Ltd.

21. Inventories

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Stationery and general stores	5,182	6,229
Total	5,182	6,229

22. Trade and Other Receivables

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Trade Receivables	250,532	238,454
Staff receivables -Note 22(b)	4,155	3,893
Gross Trade and Other Receivables	254,687	242,347
Provision for Bad And Doubtful Receivable	(213,217)	(164,784)
Net Trade and Other Receivables	41,470	77,563

22(a). Trade Receivables

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Gross Trade Receivables	254,687	242,347
Provision for Doubtful Receivables	(213,217)	(164,784)
Net Trade Receivables	41,470	77,563
ageing analysis of gross Trade Receivables		
Less than 30 Days	13,769	23,919
Between 31 and 60 Days	467	737
Between 61 and 90 Days	26,283	1,351
Between 91 and 120 Days	2,702	2,377
Over 120 Days	211,466	213,963
Total	254,687	242,347

Notes to the Financial Statements (Continued)

22(b). Trade Receivables

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Staff advances and imprest	4,155	3,893
Provision for staff advances and imprest	(2,528)	(2,528)
At the end of the year	1,627	1,365

23. Loans

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Gross loans	4,305,449	3,131,154
Interest suspended	(84,574)	(172,165)
Specific provision	(65,356)	(86,914)
General provision	6,705	6,705
Total	4,162,224	2,878,780

24. Staff Receivables

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Gross staff loans	28,020	31,631
Interest suspended	(1,058)	(989)
Specific provisions	(401)	(1,162)
General provisions	80	80
	26,641	29,560

25. Bank and Cash Balances

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Cash at bank	69,879	1,180,074
Cash in hand	445	656
Total	70,324	1,180,730

The bulk of the cash at bank was held at Standard Chartered Bank Kenya Limited and Kenya Commercial Bank. These are the main company's bankers including National Bank of Kenya Limited.

Notes to the Financial Statements (Continued)

Detailed analysis of the cash and cash equivalents

Description	2024/2025	2023/2024
Current Account		
Financial institution	Kshs'000'	Kshs'000'
Standard Chartered Bank	10,044	496,615
Kenya Commercial Bank Ltd	42,567	652,941
National Bank of Kenya	16,889	30,350
Co-operative Bank of Kenya	379	168
Cash in hand	445	656
Grand Total	70,324	1,180,730

Detailed analysis of bank and account numbers are provided on appendix V

26. Ordinary Share Capital

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Authorized:		
10,000,000 ordinary shares of Kshs.20 par value each	200,000	200,000
Issued and Fully paid:		
4,013,865 ordinary shares of Kshs.20 par value each	80,277	80,277

27. Reserves

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Capital Reserves	192,523	22,523
Disposal of sheds	68,637	68,637
GOK Irredeemable Loans	190,257	190,257
Revaluation Reserves	838,405	838,405
Grants	6,783,676	6,783,676
GOK Loan write offs	1,210,000	1,210,000
Retained Earnings	(3,043,381)	(3,164,270)
	6,240,117	5,949,228

Notes to the Financial Statements (Continued)

28. Revaluation Reserve

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

29. Fair Value Adjustment Reserve

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

30. Retained Earnings

The retained earnings represent amounts available for distribution to the entity's shareholders. Undistributed retained earnings are utilised to finance the entity's business activities.

31. Borrowings

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
a) External borrowings		
Balance at beginning of the year	152,864	152,864
Repayments of during the year	(-)	(-)
Balance at end of the year	152,864	152,864
b) Domestic borrowings		
Balance at beginning of the year:	65,654	65,654
Youth Enterprise Fund		
GOK		
Repayments during the year	(-)	(-)
Balance at end of the year	65,654	65,654
Balance at end of the period- domestic and external borrowings c = a+b	218,518	218,518

Notes to the Financial Statements (Continued).

The analyses of both external and domestic borrowings are as follows:

Description	2024/2025	2023/2024
	KShs'000'	KShs'000'
External borrowings		
Dollar denominated loan from 'x organization'	152,864	152,864
Domestic borrowings		
Kenya shilling loan from Youth Enterprise Fund	1,709	1,709
Kenya shilling loan from GOK	63,945	63,945
Total balance at end of the year	218,518	218,518

32. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Accelerated capital allowances	35,608	35,608
Unrealised exchange gains/(Losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	(-)	(-)
Provisions for liabilities and charges	(-)	(-)
Net deferred tax liability	35,608	35,608

The movement on the deferred tax account is as follows:

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Balance at beginning of the year	35,608	35,608
Credit to revaluation reserve	(-)	(-)
Under Provision in Prior Year	-	-
Income Statement Charge/(Credit)	-	-
Balance at end of the year	35,608	35,608

Notes to the Financial Statements (Continued)

33. Trade and Other Payables

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Trade payables	5,290	23,240
Retention/ Contract monies	46,083	46,083
Other payables	71,151	64,084
Total	122,524	133,407

34. Retirement Benefit Obligations

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2,160.00 per employee per month. Other than NSSF the company also has a defined contribution scheme operated by Kenya Industrial Estates Limited staff retirement benefit scheme and Kenya Industrial Estates Limited Staff provident fund. Employees contribute 8% while employers contribute 16% of basic salary. Employer contributions are recognized as expenses in the Statement of Financial Performance within the period they are incurred.

35. Provisions

Description	Leave Pay Provisions	
	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Balance at the beginning of the year	7,457	7,537
Additional provision write back	(515)	(80)
Provision utilised	(-)	(-)
Balance at the end of the year	6,942	7,457

Provision for annual leave pay is based on services rendered by full-time employees up to the end of the year.

Notes to the Financial Statements (Continued)

36. Notes to the Statement of Cash Flows

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
(a) Reconciliation Of Operating Profit/(Loss) To Cash Generated From/ (Used In) Operations		
Profit or Loss before tax	108,537	107,407
Depreciation	22,715	30,859
Amortization	6,476	5,097
Rent Income	(64,288)	(62,668)
Other Income	(81,525)	(63,785)
Interest Income	(334,611)	(217,951)
Provisions	25,598	23,722
Interest Received	(20,086)	(35,762)
Operating Profit/(Loss) before Working Capital changes	(337,184)	(213,081)
(Increase)/Decrease in Inventories	1,047	614
(Increase)/Decrease in Trade and Other Receivables	36,093	102,231
Increase/(Decrease) in Trade and Other Payables	(10,883)	30,088
Increase/(Decrease) in Provision for Staff Leave Pay	-	-
Advances to Customers	(2,101,294)	(1,602,118)
Collections from Loans, Rent, Mortgage and Other Income	1,286,732	1,015,553
Cash Generated from/(used In) operations	(1,125,489)	(666,713)
(b) Analysis of Cash and Cash equivalent		
Cash At Bank	69,879	1,180,074
Cash In Hand	445	656
Balance At End Of The Year	70,324	1,180,730

c) Disclosure on changes in Financing Cash flow: -

i.GOK Grant- This is grant from National Government given to support the company's development activities. The grant is not refundable.

Notes to the Financial Statements (Continued)

37. Related Party Disclosures**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity*'s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *entity*, both domestic and external.

Other related parties include:

- i) The Parent Ministry
- ii) Government Agencies
- iii) Government of Kenya
- iv) County Governments
- v) Key management
- vi) Board of directors

Transactions with related parties

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
a) Sales to related parties		
Rent income from govt. agencies	4,478	4,783
Total	4,478	4,783
b) Purchases from related parties		
Purchases of electricity from KPLC	2,061	2,163
Purchase of water from government service providers	1,393	1,235
Total	3,454	3,398
c) Grants from the government		
Grants from national government	114,426	365,990
Total	114,426	365,990
d) Key management compensation		
Directors' emoluments	32,195	28,376
Compensation to key management	38,813	38,813
Total	71,008	67,189

Notes to the Financial Statements (Continued)

38. Contingent Assets and Liabilities**Contingent Assets**

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Contingent assets		
Staff Houses (Eldoret)	21,000	191,000
Total	21,000	191,000

There is disputed ownership of staff houses in Eldoret where titles were obtained fraudulently. The company went to court and obtained a favourable judgement. The parties however, appealed against the judgement but the company also obtained a favourable judgement. The property is valued at Ksh.21M and the company is in the process of taking possession. There are also other parcels of land whose ownership is in dispute. The matter has been forwarded to National Land Commission.

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Contingent Liabilities		
Bank overdraft	3,422	3,422
Legal claims against the company	-	-
Total	3,422	3,422

The company may be required to pay interest on the Bank Overdraft of Kshs.3.422 million with Continental Bank. The interest is expected to accrue from the date the Bank was placed under official Receivership. However, assurance in writing had been given that the interest charged in excess of the interest receivable from deposits will be borne by the Continental Credit Finance these were related Institutions.

Corporation Tax

The Kenya Revenue Authority (KRA) had issued a claim against the company for tax arrears covering the period from 1994 to 2014, specifically relating to interest and penalties accrued during that time. The company formally applied to KRA for a waiver of these charges, and the matter was under review as of 30th June 2023, when the liability stood at Kshs. 140.20 million. Following KRA's assessment during the tax amnesty in the year 2025, the issue has now been resolved, and the company confirms it has no outstanding tax arrears.

Court Cases

There are two on-going court cases in relation to disputed land ownership between the company and other parties and one arbitration matter in relation to a contract. The cases are on-going.

Notes To The Financial Statements (Continued)

39. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs'000'	Fully performing Kshs'000'	Past due Kshs'000'	Impaired Kshs'000'
At 30 June 2025				
Receivables from non-exchange transactions	254,687	13,769	29,452	211,466
Bank balances	69,879	-	-	-
Loans	4,162,224	-	-	-
Total	4,486,790	13,769	29,452	211,466
At 30 June 2024				
Receivables from non-exchange transactions	242,347	23,919	4,465	213,963
Bank balances	1,180,074	-	-	-
Loans	2,878,780	-	-	-
Total	4,301,201	23,919	4,465	213,963

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from loans. The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated. The company assesses the probability of default of customers by applying the banking regulations issued by the Central Bank on risk classification for loans using prudential guidelines classifications. The customers of the company are segmented into five rating classes. The company's rating scale reflects the range of default probabilities defined for each rating class. This means that in principle, exposures migrate between classes as the assessment of their probability of default changes. The company regularly validates the performance of the rating and their predictive power with regard to default events.

Category	Classification
A	Normal
B	Watch
C	Sub-Standard
D	Doubtful
E	Loss

Impairment and Allowance Policies

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loans and advances portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures. The other component is in respect of losses that have been incurred but have not been identified in relation to the loans and advances portfolio that is not specifically impaired.

The impairment allowance recognized in the statement of financial position at year end is derived from each of the five internal rating classes. However, impairment is largely composed of sub-standard, doubtful and loss classes.

	2024/2025	2023/2024
Individually Impaired	Ksh'000'	Ksh'000'
Normal	2,101,123	1,480,882
Watch	563,519	382,512
Sub -Standard	425,148	330,358
Doubtful	348,488	317,155
Loss	895,191	651,878
Gross Amount	4,333,469	3,162,785
Allowance for Impairment	(144,604)	(254,445)
Carrying Amount	4,188,865	2,908,340

Notes to the Financial Statements (Continued)**Past due but not Impaired Loans**

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the company believes that impairment is not appropriate on the basis of stage collection of amounts owed by the company. As at 30 June, the classifications of past due but not impaired and past due and impaired were as follows:

Loans to customers	2024/2025	2023/2024
	Ksh'000'	Ksh'000'
Not Past due and not Impaired	2,101,123	1,480,882
Past Due and Not Impaired	988,667	712,870
Past Due and Impaired	1,243,679	969,033
Impairment Allowance	(144,604)	(254,445)
Total	4,188,865	2,908,340

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
At 30 June 2025				
Trade payables	5,290	-	117,234	122,524
Borrowings	218,518		-	218,518
Total	223,808	-	117,234	341,042
At 30 June 2024				
Trade payables	23,240	-	110,167	133,407
Borrowings	218,518		-	218,518
Total	241,758	-	110,167	351,925

Notes to the Financial Statements (Continued)

(iii) Market risk

The board has put in place an Internal Audit function and Risk Management Department to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The company's Risk Management Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The company has no exposure to foreign currency risk because of the nature of its business.

b) Interest rate risk

Interest rate risk is the risk that the company's financial condition may be adversely affected as a result of changes in the interest rate levels. The company takes on exposure to the effect of fluctuation in prevailing levels of market interest rate on both fair value and cash flow risk. The company holds interest bearing assets in form of loans to customers. The Board has assessed the interest rate risk and does not foresee any changes in the market that may adversely affect the company's cash flow. This is because the company interest rate regime is fairly stable.

c) Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The company's capital structure comprises of the following funds

Notes to the Financial Statements (Continued)

Description	2024/2025	2023/2024
	Kshs'000'	Kshs'000'
Ordinary share capital	80,277	80,277
Capital reserve	192,523	22,523
Disposal of sheds	68,637	68,637
GOK Irredeemable loans	190,257	190,257
Revaluation reserves	838,405	838,405
Retained earnings	(3,043,381)	(3,164,270)
Total funds	(1,673,282)	(1,964,171)
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	0%	0%

40. Incorporation

The company is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya

41. Events after the Reporting Period

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

42. Currency

The Financial Statements are presented in Kenya Shillings (Kshs).

43. Prior year adjustments

Kshs.13.842 million in prior year, relates to adjustments in the rent income, interest income and tax payments for prior years which were carried out in the Financial Year 2024/2025.

22. Appendices

Appendix I: Implementation Status of Auditor-General prior year recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1	<p>Un-Supported Land Ownership</p> <p>The statement of financial position and as disclosed in Note 16(c) to the financial statements indicates several parcels of land measuring 47.9937 which have no title documents. As reported previously, available information indicates that the process of acquiring titles for these land parcels has been underway for significantly long duration. Management indicated that they are pursuing the National Lands Commission to process</p>	<p>We have duly noted your observation regarding some several parcels of land which have no title documents. The company has actively been pursuing the issuance of the ownership documents from The National Land Commission and has made some significant progress in the process of ensuring that the documents are obtained. This is an on-going process and the company is doing all it can to ensure the documents are issued. We wish to confirm that the parcels are owned by Kenya Industrial Estates Limited and the company has put adequate measures to safeguard the properties from encroachment. I</p>	Not Resolved	31/12/2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and issue the ownership documents. However, by the time of concluding this audit the title deeds were yet to be issued. In the circumstances, it was not possible to confirm the rightful ownership of these parcels of Land, and there is the risk of encroachment by private developers.	In addition, the parcels have been recognised in the company's books of accounts without omission.		
2	<p>Long Outstanding Trade and other Receivables</p> <p>Note 22(a) of the financial statements reflects gross and net trade receivables balance of Kshs. 242,347,000 and Kshs. 77,563,000 respectively. Included in the gross balance is Kshs. 213,963,000 which has been outstanding for over one hundred</p>	<p>The management has noted the Auditors observation. The long outstanding receivables comprise of rent, sundry debtors, Ex-staff debtors, amount outstanding from collapsed financial institutions and VAT refund. The gross amount is Kshs. 242,347,000. and the net after providing for bad debts is Kshs. 77,563,000. The management is handling the issues as follows:</p>	Not Resolved	31/12/2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and twenty (120) days. In addition, included in Kshs. 213,963,000 is Kshs. 96,423,094 which has been outstanding for more than ten (10) years.</p> <p>In the circumstances, the accuracy and full recoverability of the outstanding receivables balance could not be confirmed.</p>	<p>Rent Receivable: (Kshs.87,736,000) The management is following the rent debtors for payment through negotiation and coming up with payment plans and enforcing rent distress action.</p> <p>Sundry Debtors: (Kshs.9,167,000) The management has followed the sundry debtors for payment without success and is in the process of forwarding a paper to the Board with recommendation for write-off.</p> <p>Staff debtors: (Kshs.3,892,583.33)</p> <p>This amount relates to staff imprests and advances out of which Kshs. 2,731,000.0 relates to ex-staff. The management has ensured that imprest for current staff has been accounted for. On the ex-staff the management has tried in vain to recover the outstanding ex-staff debtors. We are in the process of</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>forwarding a paper to the Board with recommendation for write-off.</p> <p>Collapsed Financial Institutions: (Kshs.116,169,000) This relates to amount held in various Financial Institutions which collapsed during the Kenya banking crisis of 80's and 90's. There no chance of recovery of the outstanding amount and the management is in the process of preparing a Board paper recommending write-off.</p> <p>VAT Refund (kshs. 13,783,000) This is VAT refundable arose from claims made to KRA by the organization. This amount is utilized by offsetting from VAT payable on a monthly basis</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		Other debtors Kshs. 11,599,416.9 These other debtors relate to deposits to Kenya Power, prepayments and deduction from staff which are being adjusted.		



CPA. CHARLES M. MATIVO
AG. MANAGING DIRECTOR

Date 07/10/2024

Appendix II: Projects implemented by KIE

Projects

The company is currently implementing one project which is Credit to Small and Medium Enterprises. This project is funded by GOK. The project implementation status is shown in the table below:

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources
1	Credit to SMES	8.350 billion	3.698 billion	44.29%	-	-	GOK and Internally Generated resources

Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
N/A	-	-	-	-	-	-	-	-	-

Appendix IV- Inter-Entity Confirmation Letter



Kenya Industrial Estates Limited

P.O. Box 78029-00507

Nairobi, Kenya

The Kenya Industrial Estates Limited wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below.

Confirmation of amounts received by Kenya Industrial Estates Limited as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2025				Amount Received by Kenya Industrial Estates Limited (Kshs) as at 30 th June 2025 (E) Kshs '000	Differences (Kshs) (F)=(D-E) Kshs '000
		Recurrent (A) Kshs '000	Development (B) Kshs '000	Inter- Ministerial (C) Kshs '000	Total (D)=(A+B+C) Kshs '000		
FT2421570NV1	02/08/2024	9,535.5	-	-	9,535.5	9,535.5	-
FT24260KBP1R	16/09/2024	9,535.5	-	-	9,535.5	9,535.5	-
RT24276T6XHS	02/10/2024	9,535.5	-	-	9,535.5	9,535.5	-
FT24306CDBF0	02/11/2024	9,535.5	-	-	9,535.5	9,535.5	-
FT24334VWL75	29/11/2024	9,535.5	-	-	9,535.5	9,535.5	-
FT25007F0C51	07/01/2025	9,535.5	-	-	9,535.5	9,535.5	-
FT25028B69XV	28/01/2025	9,535.5	-	-	9,535.5	9,535.5	-
FT25071Z2LLW	12/03/2025	9,535.5	-	-	9,535.5	9,535.5	-

FT25094FDN61	04/04/2025	9,535.5	-	9,535.5	9,535.5	-
FT25136BS5KM	16/05/2025	9,535.5	-	9,535.5	9,535.5	-
FT25136FRRV8	16/05/2025	9,535.5	-	9,535.5	9,535.5	-
FT25170GKXDR	19/06/2025	9,535.5	-	9,535.5	9,535.5	-
			-	9,535.5	9,535.5	-
Total		<u>114,426</u>	=	=	<u>114,426</u>	114,426 -

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary entity:

Name Anthony Mwa Sign  Date 07/10/2025

Appendix V: List of Bank Accounts as at 30th June 2025

	DETAILS	BRANCH	ACCOUNT NUMBER	KSHS	KSHS
1	STANDARD CHARTERED BANK	INDUSTRIAL AREA	104031412500	832,820.40	
2	STANDARD CHARTERED BANK	INDUSTRIAL AREA	102031412501	9,211,671.00	
	TOTAL STANDARD CHARTERED BANK				10,044,491.40
1	KENYA COMMERCIAL BANK	NAIROBI-MOI AVENUE	1107215188	13,754,318.88	
2	KENYA COMMERCIAL BANK	MACHAKOS	1108307051	2,858,733.03	
3	KENYA COMMERCIAL BANK	THIKA	1102280186	15,355,040.92	

KENYA INDUSTRIAL ESTATES

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

	DETAILS	BRANCH	ACCOUNT NUMBER	KSHS	KSHS
4	KENYA COMMERCIAL BANK	MACHAKOS	1106241037	10,435,048.18	
6	KENYA COMMERCIAL BANK	MURANGA	1108563848	47,335.10	
7	KENYA COMMERCIAL BANK	NAIROBI MASHARIKI	1120695562	2,271.80	
8	KENYA COMMERCIAL BANK	MACHAKOS	1108303382	1,254.95	
9	KENYA COMMERCIAL BANK	TALA	1116060817	1,373.75	
10	KENYA COMMERCIAL BANK	SULTAN-HAMUD	1106464184	17,664.90	
11	KENYA COMMERCIAL BANK	KILINDINI	1101521694	645.80	
12	KENYA COMMERCIAL BANK	MALINDI	1104272482	1,007.15	
13	KENYA COMMERCIAL BANK	VOI	1108156959	1,357.05	
14	KENYA COMMERCIAL BANK	TAVETA	1116182750	-93.00	
15	KENYA COMMERCIAL BANK	NAKURU	1101899379	2,690.30	
16	KENYA COMMERCIAL BANK	NAROK	1116213605	1,006.50	
17	KENYA COMMERCIAL BANK	KABARNET	1103664379	1,553.10	
18	KENYA COMMERCIAL BANK	ELDORET	1102451290	527.55	
19	KENYA COMMERCIAL BANK	KERICHO	1107174058	1,188.95	
20	KENYA COMMERCIAL BANK	KAPSABET	1139206125	3,359.20	
21	KENYA COMMERCIAL BANK	KISII	1101873787	1,180.90	
22	KENYA COMMERCIAL BANK	HOMA-BAY	1116061732	216.75	
23	KENYA COMMERCIAL BANK	SIAYA	1116061422	296.10	
24	KENYA COMMERCIAL BANK	NYAMIRA	1131844947	761.00	
25	KENYA COMMERCIAL BANK	NYERI	1101877294	3,107.15	
26	KENYA COMMERCIAL BANK	KARATINA	1101877294	28,992.40	
27	KENYA COMMERCIAL BANK	MURANGA	1108563112	384.05	
28	KENYA COMMERCIAL BANK	THIKA	1102280038	183.45	
29	KENYA COMMERCIAL BANK	EMBU	1102849480	2,508.65	
30	KENYA COMMERCIAL BANK	MERU	1103264095	1,957.05	
31	KENYA COMMERCIAL BANK	KAKAMEGA	1101753404	1,208.90	
32	KENYA COMMERCIAL BANK	BUNGOMA	1106222555	1,235.05	

	DETAILS	BRANCH	ACCOUNT NUMBER	KSHS	KSHS
33	KENYA COMMERCIAL BANK	BUSIA	1116061627	4,132.70	
34	KENYA COMMERCIAL BANK	KIMILILI	1137087676	2,152.75	
35	KENYA COMMERCIAL BANK	GARISSA	1107782651	32,253.45	
	TOTAL KENYA COMMERCIAL BANK				42,566,854.46
1	NATIONAL BANK	HARAMBE AVENUE	1003002830802	16,888,286.00	
2	NATIONAL BANK	KITUI	1003002830803	262.36	
3	NATIONAL BANK	KISUMU	1003023505800	78.20	
	TOTAL NATIONAL BANK				16,888,626.56
1	CO-OPERATIVE BANK	INDUSTRIAL AREA	1109027125100	378,800.20	378,800.20
	TOTAL CO-OPERATIVE BANK				-
	TOTAL			69,878,772.62	69,878,772.62

APPENDIX VI: SCHEDULE OF KIE LAND PARCELS

S/No.	County	Size (Ha.)	Size (Ha.)	Total Size (Ha.)
		With Titles	Without Titles	
1.	Nairobi	1.058	0.195	1.253
2.	Machakos	3.0785	4.43	7.5085
3.	Homabay	-	1.27	1.27
4.	Makueni	1.6339	2.9678	4.6017
5.	Kwale	0	0.7500	0.7500
6.	Meru	0.2077	1.0160	1.2237
7.	Taita Taveta	0	3.7566	3.7566
8.	Kitui	2.0416	0	2.0416
9.	Nyeri	0.5251	0.1727	0.6978
10.	Kilifi town	0	4.5500	4.550
11.	Kirinyaga	0	0.8094	0.8094
12.	Muranga	0.2456	0	0.2456
13.	Mombasa	0.1568	0.6546	0.8114
14.	Nakuru	0.3362	0	0.3362
15.	Baringo	0.1402	0.390	0.5302
16.	Uasin Gishu	0.3304	2.0478	2.3782
17.	Trans Nzoia	2.5063	1.7937	4.3000

18.	Kericho	0.5299	0	0.5299
19.	Kisumu	0.9817	2.000	2.9817
20.	Siaya	1.233	1.8497	3.0827
21.	Kisii	0.4241	0.0325	0.4566
22.	Kakamega	2.3823	0.5927	2.975
23.	Bungoma	1.3000	2.9612	4.2612
24.	Narok	0	2.3870	2.3870
25.	Turkana	0	1.2100	1.2100
26.	Bomet	0	0.5000	0.5000
27.	Nandi	0	1.1870	1.1870
28.	Nyamira	0	0.4700	0.4700
29.	Busia	0	0.4000	0.4000
30.	Wajir	0	0.8000	0.8000
31.	Garissa	0	8.0000	8.0000
32.	Mandera	0	0.80000	0.8000
33.	Embu	1.9263	0	1.9263
	Total	21.0376	47.9937	69.0313