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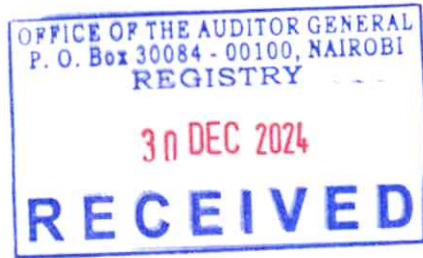
THE AUDITOR-GENERAL

ON

**KENYA AGRICULTURE AND LIVESTOCK
RESEARCH ORGANIZATION**

**FOR THE YEAR ENDED
30 JUNE, 2024**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 MAY 2025	
DAY: Thursday	
TABLED BY:	Hon. Naomi Wacegi Deputy Majority Party Whip
CLERK-AT THE TABLE:	Ashibulo



**KENYA AGRICULTURAL AND LIVESTOCK RESEARCH
ORGANIZATION
(KALRO)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2024**

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

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1. ACRONYMS, ABBREVIATIONS AND DEFINATION OF KEY OF TERMS

A. Acronyms and Abbreviations

AIA	Appropriation in Aid
AMRI	Agricultural Mechanization Research Institute
APVC	Agricultural Product Value Chains
ASA	American Society of Agronomy
ASAL	Arid and Semi-Arid Lands
BETA	Bottom-up Economic Transformation Agenda
BoM	Board of Management
CBPP	Contagious Bovine Pleuro-Pneumonia
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CS-APP	Climate Smart Agricultural Productivity Project
DG	Director General
DUS	Distinctness Uniformity Stability
EAAPP	East African Agricultural Productivity Project
ECF	East Coast Fever
ERP	Enterprise Resource Planning
ESAMI	Eastern and Southern African Management Institute
FFS	Farmer Field Schools
GAP	Good Agricultural Practices
GCHERA	Global Consortium of High Education for Africa
	German Development Agency
GIZ	Gesellschaft für Internationale Zusammenarbeit
ICWES	International Conference of Women Engineers and Sciences
IPSAS	International Public Sector Accounting Standards (IPSAS)
ICPAK	Institute of Certified Public Accountants of Kenya
KALRO	Kenya Agricultural and Livestock Research Organization
KEPHIS	Kenya Plant Health Inspectorate Services
KEVEVAPI	Kenya Veterinary Vaccines Production Institute
KCSAP	Kenya Climate-Smart Agriculture Project
KSHS	Kenya Shillings
MNLD	Maize Lethal Necrosis Disease
MoUs	Memorandum of Understandings
MT	Metric Tons
MTP	Medium Term Plan
NACOSTI	National Commission for Science, Technology and Innovation
NAVCDP	National Agricultural Value Chain Development Project
NPCC	National Productivity and Competitiveness Centre
NPT	National Performance Trials
NSE	Nairobi Securities Exchange
NSRC	National Sericulture Research Centre
PCPB	Pest Control Products Board
PPR	Peste des Petits Ruminants
ToTs	Trainer of Trainers

B: Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the Organization

Comparative Year - Means the prior period.

Our Vision

Excellence in agricultural and livestock research towards transformed livelihoods.

Our Mission

To conduct agricultural research through application of science, technology and innovation to catalyse sustainable growth and development in agriculture and livestock Product Value Chains.

Organization Goal

To contribute to the growth of the agricultural sector through research coordination and regulation; technology and innovation development; and catalyse transfer and utilization of agricultural research outputs.

Our Guiding Core Values

KALRO will be guided by the following core values in its operations:

a) Customer orientation

The central focus of KALRO is to provide timely and responsive demand-driven research interventions aimed at addressing the needs of the customers within the agricultural sector. KALRO will achieve this by maintaining a culture that promotes responsiveness to customer needs.

b) Professionalism

KALRO will uphold high standards of excellence in the provision of services to their customers. One of the hallmarks of excellence is integrity and ethics in all areas of operation. In this regard, KALRO research outputs and recommendations will adhere to the highest standards of scientific rigour, ethics and sound evidence base.

c) Innovativeness

KALRO recognizes the need for innovation in order to be responsive to the agricultural sector challenges. In this regard KALRO commits to develop flexible and integrated solutions in-tandem with the needs of customers and stakeholders.

d) Collaboration

Given the multi-stakeholder interest that the agricultural sector attracts, KALRO is expected to collaborate and forge partnerships for the development of the sector in Kenya and beyond. KALRO will therefore endeavor to create beneficial opportunities for agricultural research and development.

e) Environmental consciousness

KALRO will ensure that the environment is conserved while discharging its mandate.

f) Integrity

KALRO is committed to ethical delivery of its mandate to all stakeholders.

**Kenya Agricultural and Livestock Research Organization
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I. KEY ORGANIZATION INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Agricultural and Livestock Research Organization (KALRO) is a State Corporation established under the Kenya Agricultural and Livestock Research Act, No 17 of 2013, with perpetual succession, the power to sue and be sued in its own name and the ability to own and alienate movable and immovable property. The organization is also governed by the provisions of the State Corporations Act, Chapter 446 of the Laws of Kenya, an Act of Parliament providing for control and regulation of state corporations. KALRO falls under the Ministry of Agriculture and Livestock Development, and is the country's principal national organization responsible for research and technology generation on crops, livestock, soil and water management and their socio-economics.

(b) Principal Activities

The Organization's mandate is to undertake, streamline, coordinate and regulate all aspects of research in agriculture and livestock development, and promote the application of the research findings, technologies and innovations. Its mission is to conduct agricultural research through application of science, technology and innovation to catalyze sustainable growth and development in agriculture and livestock product value chains. In pursuit of this mission, KALRO seeks to acquire and contribute knowledge and creative solutions that are participatory and client-oriented; holistic and system-oriented; gender-sensitive and affordable to its stakeholders.

(c) Key Management

The Organization's day-to-day management is under the following:

1. Director General
2. Deputy Director General (Livestock)
3. Deputy Director General (Crops)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were;

1. Directors

No.	Designation	Name
1	Director General	Dr. Eliud K. Kireger
2	Deputy Director General-Livestock	Dr. Evans Ilatsia
3	Deputy Director General -Crops	Dr. Felister Makini
4	Director, Livestock Systems	Dr. Kipkemoi Changwony
5	Director, Socio-Economics & Policy Development	Dr. Festus Murithi
6	Director, Knowledge Management.	Dr. Karl Nyabundi
7	Director, Crops Systems	Dr. Lusike Wasilwa

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No.	Designation	Name
8	Director, Natural Resources Management	Dr. David Kamau
9	Director, Partnership & Business Development	Dr. Margaret Makelo
10	Director, Planning & Performance Contract	Dr. Mumina Shibia
11	Director, Human Resources Management & Administration	Mr. Benjamin Onyancha
12	Director, Finance & Accounts	Mr. David Muriithi
13	Director, Supply Chain Management	Mr. Stevens Musewe
14	Director, Information, Communication and Technology	Mr. Salim Kinyimu
15	Director, Corporate Communication	Dr. Florida Maritim
16	Director, Internal Audit	Mr. Francis Langat
17	Director, Security Services	Mr. Dennis Khisa
18	Director, Property Management	Mr. Henry Mbaluku
19	Corporation Secretary	Ms. Patricia Ngutu
20	Director, Agricultural Research Funds	Mr. Henry Tanui

2. Assistant Directors

No.	Designation	Name
1	Assistant Director, Crop Systems - Production, Agronomy, Breeding and Seed systems	Dr. Benjamin Kivuva
2	Assistant Director, Crop Systems- Health	Dr. Zakayo Kinyua
3	Assistant Director, Livestock Systems- Production, Breeding and Commercialization	Dr. Elkana Nyambati
4	Assistant Director Livestock Systems- Health	Dr. Eric Mungube
5	Assistant Director, Socio-Economics & Policy Development- Socio-Economics and Policy	Dr. Wellington Mulinge
6	Assistant Director, Socio-Economics & Policy Development- Research Methods and Analytics	Dr. Alice Murage
7	Assistant Director, Planning & Performance Contract- Planning, Monitoring and Evaluation	Ms. Betty Cheroigin
8	Assistant Director, Performance Management and Quality Control	Mr. David Kipkoech Nyamasia
9	Assistant Director, Partnership & Business Development- Partnership and Resource Mobilization	Dr. Scholastica Wambua
10	Assistant Director, Knowledge and Information - Technology Transfer	Dr. Fredah Maina
11	Assistant Director, Knowledge and Information -Information and Knowledge Management.	Dr. Simon Omondi
12	Assistant Director, Natural Resources Management - Environmental and Sustainability	Dr. Michael Okoti

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No.	Designation	Name
13	Assistant Director, Finance & Accounts	Ms. Ebby Musembi
14	Assistant Director, Supply Chain Management	Mr. Amos Mugo
15	Assistant Director, Information Communication and Technology	Mr. Simon Mulwa
16	Assistant Director, Human Resources & Administration- Human Resources Management	Ms. Gladys Wangia
17	Assistant Director, Human Resources & Administration - Training and Development	Dr. Kepha Ombui
18	Assistant Director, Internal Audit	Mr. Stephen Kigo

(e) Fiduciary Oversight Arrangements

- Ministry of Agriculture and Livestock Development
- The National Treasury and Economic Planning

(f) Entity Headquarters

Kaptagat Road, Loresho
P. O. Box 57811-00200
Nairobi, Kenya

(g) Entity Contacts

Telephone : 0709 104 000, 0722 206 986/8/ 0733 333 223/4
Email: director@kalro.org
Website: www.kalro.org

(h) Organization Bankers

1. Kenya Commercial Bank
P.O. Box 46950-00100
Nairobi
Tel No. 020-2214878,
2. NCBA Bank Kenya
P.O. Box 44599- 00100
Nairobi.
Tel No. 020-4450882,
3. Co-operative Bank of Kenya Ltd
P O Box 48231 - 00100
Nairobi
Tel No. 020-2776000
4. Stanbic Bank Kenya
P.O Box 30550-00100
Nairobi.
Tel No. 020-3268888.

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5. National Bank of Kenya
P.O Box 72866-00200
Nairobi.
Tel No.020-2828000.

6. Absa Bank Kenya
Westend Building,
Off Waiyaki Way.
PO Box 30120 - 00100.
Nairobi.
Tel: +254 (20) 3900000. Cell: +254 (722) 130120. Cell: +254 (732) 130120.

(i) Independent Auditor

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

(j) Principal Legal Adviser

KALRO Legal Office
P.O. Box 57811 – 00200
Cellphone. 0709 104 000, 0722 206 986/8/ 0733 333 223/4
Email: director@kalro.org
Nairobi, Kenya

II. THE BOARD OF MANAGEMENT

Dr. Thuo Mathenge



Dr. Thuo Mathenge has extensive knowledge and experience in the various sectors in the development of the nation through Trade, Industry and Value addition in Kenya and beyond. Dr. Thuo is trained in Community Nursing from Kenya Medical Training College – Kenyatta, Nairobi and has Diploma in Business Management and Administration from Cambridge Tutorial College. He has a Bachelor degree in Business Administration (Management and Organizational Behavior,) Presbyterian University of East Africa.

He holds Doctor of Social sciences (Honoris Causa), Finland University. He is a Member of Institute of Professional Managers and Administrators.

Dr. Thuo Mathenge is appointed Member, Chairman KALRO BoM.

Prof. Walter O. Oyawa, PhD



Prof. Walter O. Oyawa is currently the Director General/Chief Executive Officer of the National Commission for Science, Technology and Innovation (NACOSTI). He holds a PhD in Civil Engineering (Structural Engineering), at Kyoto University, Japan, M.Sc. Civil Engineering (Structural Engineering), at the University of Nairobi, Master of Tropical Veterinary Science at the University of Edinburgh and a B.Sc. Civil Engineering, at the University of Nairobi. He holds an Executive Master of Business Administration (EMBA), at JKUAT. He is a Registered Professional Engineer, Engineers Registration Board of Kenya (ERB), Corporate member, Institution of Engineers of Kenya (IEK), and Lead Expert, National Environmental Management Authority (NEMA).

Prof. Walter O. Oyawa is a member of KALRO BoM.

CPA Margaret Wamuyu



CPA Margaret Wamuyu is a professional accountant with experience at different Boards and is currently pursuing a PhD in Finance. She is a Certified Public Accountant and a Member of Institute of Certified Public Accountants of Kenya (ICPAK).

She also holds a Master of Business Administration degree from the University of Nairobi and Bachelor of Commerce degree (First Class Honors) from KCA University. She is a Senior Government Officer with a wealth of experience in Accounting, Performance Contracting and Public Financial Management. She is currently working at the National Treasury and Economic Planning.

She represents, PS National Treasury and Economic Planning.

Ms. Clara W. Mwangi



Ms. Clara W. Mwangi is appointed as an Independent Member of the Board and Chairs the Finance and Administration Committee of the Board. She has over twenty years' experience at Senior Management Levels with International Educational Institutions and with a special focus in areas of Finance, Human Resource and Administration.

She is a holder of a Bachelor of Education Degree (Kenyatta University) and has attended various International Management Courses globally. Clara is currently serving as a Deputy Director at a leading International School in the Region.

Ms. Teresia Wambui Karanja



Ms. Karanja holds a Master Degree in Plant Pathology. She heads the Pathology, Weeds and Pesticide Advisory Services Branch at Plant Protection Services Division. She is also a Board Committee Member of Technical Registration of new pest control products and Audit committees.

She represents, Principal Secretary, State Department for Agriculture, Ministry of Agriculture and Livestock Development.

Mr. Johana K. Cheruiyot



Mr. Johana Kipkorir Cheruiyot is an appointed Member. He Chairs the Audit, Risk and Governance Committee of the Board. He holds a Bachelor of Science Degree in Animal Production and a Post Graduate Diploma in Education. He has wide experience in leadership skills. Was Chairperson for various Secondary Schools; County Executive Committee Member in-Charge of Transport, Roads and Public Works Narok County. Was Chief Officer also in Narok County Government.

Dr. Mukiri Wa Githendu



Dr. Githendu holds a Ph.D. in Agricultural Education from Iowa State University and an M.Sc. in Seed Technology from Edinburgh University. He also holds HSC (Head of State Commendation). He is an appointed Member. He chairs the Research, Technical and Innovation Committee of the Board.

Dr Christopher Wangwa, PhD, MBA, MPH&E, BVM (EBS, MBS, OGW)



Christopher is the Director of the Livestock Policy Research and Regulations Directorate and is Director alternate to the Principal Secretary State Department of Livestock Development in the Ministry of Agriculture and Livestock Development. Christopher has over 31 years of experience in Sub-Saharan Africa (SSA), especially Kenya leading implementation, development and review of Agricultural Sector related strategies, policies and legislative issues, leadership, governance and management of the Agricultural Sector and rural development issues important for economic growth and food security. Further, he has previously served as the Chairman of the Kenya Veterinary Board and the Kenya Veterinary Association. He is a PhD holder in Veterinary Epidemiology and Economics; Masters Degree in Public Health & Epidemiology; Masters of Business Administration in Strategic Management; Bachelor's Degree in Veterinary Medicine; and a post graduate Diploma in Financial Management.

Mr. George Ombua

Mr. Ombua represents Inspector General, State Corporations. He is a Member with no voting rights.

Dr. Eliud K. Kireger, OGW



Dr. Eliud Kiplimo Kireger is the Director General/CEO of KALRO. Prior to this appointment, he served as the Managing Director/CEO of the Tea Research Foundation of Kenya. Dr Kireger attained his PhD in Plant Eco-physiology from the University of Wales, (UK), MSc in Genetics and Tree breeding from University of Toronto (Canada) and a BSc in Forestry from Moi University (Kenya). He has trained in Conflict Management and Resolution, Strategic Leadership, Company Directorship and Change Management among others. He was an Appointed Member of the board of management of Kenya Agricultural Research Institute (KARI) where he chaired the Audit Committee. He is the Secretary to the KALRO Board of Management.

II. MANAGEMENT TEAM

1. Dr. Eliud K. Kireger-B.Sc.; M.Sc.; PhD, OGW **Director General**



Dr. Eliud Kiplimo Kireger is the Director General/CEO of KALRO. Prior to this appointment, he served as the Managing Director/CEO of the Tea Research Foundation of Kenya. Dr Kireger attained his PhD in Plant Eco-physiology from the University of Wales, (UK), MSc in Genetics and Tree breeding from University of Toronto (Canada) and a BSc in Forestry from Moi University (Kenya). He has trained in Conflict Management and Resolution, Strategic Leadership, Company Directorship and Change Management among others. He was an Appointed Member of the board of management of Kenya Agricultural Research Institute (KARI) where he chaired the Audit Committee.

2. Dr. Evans D. Ilatsia (BSc, MSc, Dr.sc.agr.) **Deputy Director General, Livestock**



Dr. Evans D. Ilatsia holds a Doctorate degree in Animal Breeding and Genetics from University of Hohenheim, Germany; a Master of Science degree in Animal Breeding and a Bachelor of Science in Agriculture Extension from Egerton University. Prior to his current position, he served as the Institute Director, Dairy Research Institute where he led a team of scientists in implementing over 22 research and development projects. Dr.sc.agr. Ilatsia is an accomplished scientist who has (co) authored over 80 research publications including refereed journal articles, conference papers, technical bulletins, reports and training manuals and contributed to various policy documents. He also holds various academic supervisory roles for post graduate MSc and PhD candidates in local and international universities

3. Dr. Felister W. Makini - B. Sc.; M.Sc.; PhD. **Deputy Director General, Crops**



Dr. Felister Makini holds a BSc in Botany and Chemistry from the University of Nairobi, Kenya and an MSc in Plant Pathology from Georgia State University, USA. She also has a PhD in Plant Pathology from the University of Greenwich, UK and has done several short courses in various fields. Prior to her current position, she worked as the Deputy Director in charge of the Department of Outreach and Partnerships at KARI. Recently together with others she published an operational field guide to innovation platforms as the lead author.

IV. CHAIRMAN'S STATEMENT

The year under review marked the beginning of the first term for implementation of the 2nd KALRO Strategic Plan (2022-2027). The KALRO Board of Management (BoM) ensured that conducive environment for the organization operations was improved and maintained. This included the implementation and adherence to the new paradigm shift based on the Government Bottom-Up Economic Transformational Agenda (BETA) through mainstreaming of the agenda in the development of the 2nd KALRO Strategic Plan (2022-2027). The management facilitated sensitization of staff on the BETA Agricultural Transformation and Inclusive Growth. In addition, the Board spearheaded the implementation of policies that guided the annual activity planning and milestones of the Organization. Subsequently, a performance contract with the Ministry of Agriculture and Livestock Development was drawn and we committed ourselves to the achievement of the set targets. I am pleased to report that we recorded commendable achievements on the targets for the year. The organization will continue the course in honing the adoption of the Agricultural Productivity Value Chain (APVC) approach for all research programs and projects.

The Board of Management recognizes the fundamental role that the internal revenue generation plays in support of research activities and capital investments in light of declining development funding from the exchequer. The board took advantage of increased activity and improved rains to enhance revenue generation through doubled efforts in strategic investments of scarce resources. Therefore, AIA target from sale of farm produce was achieved and exceeded buoyed by aforementioned BoM efforts. KALRO continued implementation of National Agricultural Value Chain Development Project (NAVCDP) and AgriFI Climate Smart Agricultural Productivity Project (AgriFI CS-APP) Projects and support from the National Government. The implementation was carried out through partnership and collaboration which is one of our pillars. The BoM also ensured that the Organization's innovation programs were developed and efficiently implemented in collaboration with sector stakeholders, especially the County Governments, industry and donors. The BoM will sustain the pursuit of collaboration and partnerships as a strategy to maintain sustainable investments in research to propel KALRO to play a significant role in developing and disseminating technologies, innovations and catalyze knowledge sharing in both local, regional and global markets.


With these achievement of the Organization's strategic objectives, the board will endeavor to build considerable momentum to maintain these results in future. The board in its wisdom will support the enhancement of stakeholder awareness for increased and sustained support for agricultural and livestock research initiatives to generate technology and innovation for enhanced production and productivity in agriculture. This will ensure improved economic returns and livelihoods for farmers, attainment of food and nutrition security and employment through value addition. The Organization recognizes the need for continual improvement of internal process

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efficiencies in order to counter the challenges facing the agricultural innovation system promptly, efficiently and cost effectively. Management has commendably accelerated implementation of plans to address identified challenges through capacity building and investments in technology.

Finally, KALRO management finalized the development and launching of the 2nd KALRO strategic plan 2022/2027 after the expiry of previous one. In this regard, the management incorporated the BETA Agricultural Transformation and Inclusive Growth and supported public participation through stakeholder consultation and feedback as required under the Constitution of Kenya 2010. It is anticipated that the continued public consultation will strengthen the eventual implementation and deepen good governance, promote transparency and foster accountability in the implementation of the new strategic plan.

I take this opportune moment to thank the Government of Kenya, development partners, collaborators, farmers, the KALRO Management and the entire staff for working hard to record these commendable achievements. Let us work even harder and smart we build our beloved nation and the Kenyan people even more for next year, under the BETA Agricultural Transformation and Inclusive Growth.



Dr. Thuo Mathenge
Chairman, KALRO BoM

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Kenya Vision 2030 development blueprint is the desire for Kenya to become a knowledge-based economy. Under the Government Bottom-Up Economic Transformational Agenda (BETA) the Kenya Government is committed to Agricultural Transformation and Inclusive Growth. KALRO Management recognizes the central role the organization is expected to play in the generation technology, knowledge and skills support the envisaged economy for its growth and competitiveness. The management therefore continue to apply this ideal in the implementation of the projects planned for the year under review to instill the requisite technology, innovations and knowledge in the agricultural sector which is KALRO's core business. To ensure quality research, the management invested in its human resource through staff development and welfare, both of which are meant to provide a conducive working environment, through compensation and motivation of staff. This is in addition to the development and maintenance of facilities in line with the country's research priorities. The research projects undertaken during the year were aligned to the second KALRO Strategic Plan (2022-2027), The Fourth Medium Term Plan (MTP 2023-2027) of Kenya Vision 2030, the Agriculture Sector Growth and Transformation Strategy (ASTGS 2019-2029) and the Bottom-Up Economic Transformational Agenda (BETA). Furthermore, research projects focused on the assessment, validation and development of Climate Smart Agricultural (CSA) technologies identified along the Agricultural Product Value Chains (APVC) in effort to mitigate adverse climate change.

KALRO management welcomed the increased activities that enabled researchers to continue conducting various research projects activities with funding mainly from World Bank and European Union and other development partners. During the period under review, the National Agricultural Value Chain Development Project (NAVCDP) and AgriFI Climate Smart Agricultural Productivity Project (AgriFI CS APP) funded projects were the major continuing projects. The Organization managed to achieve A.I.A totaling to over Ksh. 1,307.00Million up from Ksh. 848.93Million in 2022/23 due the prevailing favorable weather during the year under review. The Management continued to apply the best practices by ensuring that funds allocated to the Institutes were utilized for the programmes and activities for which they had been planned and to provide excellent services for Kenyans. In this regard, the management facilitated Sensitized 50 employees in the five named Institutes and Centres (10 each) on the commitments and standards stipulated in the service charter and trained 20 employees on excellent customer service culture.

A major achievement during the year was the submission of 26 promising lines of different crops to KEPHIS for NPT, including fifteen (15) Sugar cane, eleven (11) maize, six (6) Sweet potatoes, five (5) finger millet, four (4) each for sorghum, green grams, cassava and coffee; three (3) each for Irish potato, rice, cowpeas, beans, cotton and ground nuts; two (2) each for soya beans and wheat; one (1) each for sunflower and

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bambara nut. KALRO Developed four (4) crops product profiles; developed and released fourteen (14) crop varieties; commercialized six (6) crop varieties. In 2023/24 FY, testing of 19,086 soil samples was achieved through collaborative linkages with the Counties and International partners. Further, five (5) soil surveys for characterization and mapping were conducted for Busia, Trans Nzoia, Kericho, Vihiga and Nyandarua; in addition to three (3) multi-purpose land suitability map surveys. Moreover, four (4) technologies on food waste management were developed, ten (10) post-harvest losses for crops (Mango, pawpaw, citrus fruits, cassava, passion fruits, potatoes, maize, avocado, bananas, and various vegetables) were documented and four (4) pre and postharvest technologies to reduce food contamination and wastage disseminated.

In addition, the Adaptive Research Programme KALRO evaluated three (3) bio-pesticides and three (3) plant extracts for management of key insects submitted by PCPB and provided the evaluation reports. KALRO also developed and promoted ten (10) crop health management technologies and practices in addition to evaluation of 150 and 50 crops lines resistance to key diseases and pests respectively. Analyzed 3,701 animal feed samples for their nutritive values and provided feedback in terms of advice to livestock farmers and feed processors accordingly; Disseminated six (6) climate smart and natural resource adaptation technologies, innovation and management practices and six (6) energy saving environmentally sustainable technologies; Packaged and disseminated eight (8) food safety technologies for Mycotoxin management; Developed two (2) rapid diagnostic kits for MRLs, heavy metals, biological toxins; and produced and availed to farmers 94 MT of Aflasafe KE01 for each quarter of the year under review.

On research knowledge sharing, over 120 papers from KALRO researchers were internally reviewed for publication in renowned peer reviewed journals. Another 252 papers internally reviewed for presentation in scientific conferences and some 95 Technical Notes were published with 30 Extension materials developed/updated and availed to users. This offered an opportunity to our researchers to communicate to farmers, the extension workers and other stakeholders on the technologies available. A total of 498 stakeholder-training sessions farmer training workshops, field days and demonstrations were held during the period under review. In addition, ten (10) visibility materials were developed and disseminate the same through all available media forums; 60 Agricultural Product Value Chain (APVC) and Innovation Platform (IP) champions were trained. One hundred fifty (150) farmers were trained on bee husbandry and other apiculture value chain nodes.

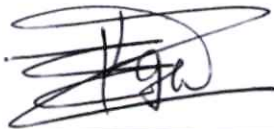
To ensure that farmers used improved crop varieties and livestock breeds around the country, the Organization produced and sold 1,355.85 metric tonnes of basic seed (cereals, potatoes, grain legumes and cotton) and availed to farmers. This also included 9.33million tea cuttings, 1.629 million coffee seedlings, 4,612 improved coconut seedlings and cashew-nut seedlings and 108,213 Fruit seedlings (avocado, sweet yellow

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passion, mango, grafted purple passion, sunrise solo papaya and tree tomato) of improved varieties to enhance crop production. On livestock production side, 210 breeding bulls and heifers of Sahiwal (milk and beef) and Boran (beef production); 421,117 Indigenous Chicken chicks and 110 breeding boars and gilts/sows and 352bucks and rams; were produced and availed to farmers. To ensure availability of quality livestock feed, the Organization tested 1,975 animal feed samples for development of feed rations, produced and availed to farmers 2.89million clean napier grass cuttings and 6,918kg rangelands grass seed. Developed one (1) and commercialized two (2) forage varieties i.e. *Enteropogon macrostachyus* variety and *Cenchrus ciliaris* variety TVT 3 and formulated twenty (20) feed rations.

The management continued to ensure human resource development through the KALRO Training Master Plan, by coordinating, monitoring and evaluating staff on PhD and MSc training in both local and overseas universities as well as identifying potential sponsors for the trainings. KALRO also provided industrial attachment and apprenticeships to 446 attachés during the period.

On behalf of the Management, I would like to take this opportunity to thank the Government of Kenya and our development partners for the support they accorded to KALRO during the reporting period. This support ensured that the Organization met the set targets leading to a commendable achievement of most of our Performance Contract targets.



Eliud Kiplimo Kireger (PhD, OGW)
DIRECTOR GENERAL

VI. REVIEW OF KALRO PERFORMANCE FOR FY 2023/2024

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.

KALRO has *five* strategic pillars and objectives within its Strategic Plan for the FY 2022/2023-2026/2027. These strategic pillars are as follows:

Pillar 1: Technologies, Innovations and Management Practices for Agricultural Products Value Chains Generated;

Pillar 2: Knowledge, Information and Technologies on Agricultural Products Value Chains Research Collated, Stored and Shared;

Pillar 3: Socio-Economics Information, Market and Policy Options Supporting Agricultural Product Value Chains (APVC) Generated and Advocated;

Pillar 4: Organisational Capacities and Resource Management Strengthened;

Pillar 5: Systems for Prioritization, Coordination and Regulation of Agricultural Research Developed and Operationalized

KALRO develops its annual work plans based on the above five pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The organization achieved its performance targets set for the FY 2023/2024 period for its strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Technologies and innovations for priority agricultural products value chains generated and disseminated	To improve crop production, productivity and utilization (The objective targets all 18 value chains under BETA, and 14 value chains will be evaluated	No. of crop varieties developed	Develop improved crop varieties for better nutrition and industrial development.	<ul style="list-style-type: none"> i. Compiled an inventory of promising lines /clonal introductions; ii. Submitted 90 promising lines to KEPHIS for evaluation in National Performance Trials (NPTs) as follows: Potato – 3, Sugarcane – 15, Coffee – 4, Rice – 3, Green gram – 3, Finger millet – 2, Cotton – 1, Wheat – 3, Beans – 4, Teff – 7; iii. Participated in National Performance Trials (NPTs) for Distinctness, Uniformity and Stability (DUS) process for 40 accessions including Rice – 5, Coffee – 4, Sugarcane – 8, Tea – 4; iv. Developed four (4) crops product profiles; v. Developed and released 30 crop varieties including two bio-fortified

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	for productivity: Rice, Cotton, Avocado, Passion Fruit, Coffee, Pyrethrum, Banana, Potato, Coconut, Ground nuts, Cashew nuts, African Indigenous vegetables, Tea, Tomato)			varieties; vi. Commercialized six (6) crop varieties.
		No. of underutilized and Emerging Crops Developed, Validated, Promoted and Commercialized	Underutilized and Emerging Crops Developed, Validated, Promoted and Commercialized	i. Six (6) medicinal and aromatic plant were maintained - a) Screened 50 lines of 2nd generation purple tea for biochemical, and b) descriptors of bamabara and simsim ; ii. Promoted and commercialized one (1) medicinal and aromatic plant at AMRI-Katumani.
		No. of good agronomic technologies and practices for priority APVCs Technologies developed and evaluated	Develop good agronomic technologies and practices for priority APVCs	i. Developed and validated two (2) weed management technologies; ii. Disseminated two (2) weed management technologies; ii. Conducted one (1) survey on invasive weed species.
			Evaluation of	i. Evaluated 15 pesticides submitted by

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			Pesticides for Crop Pest Management	PCPB and submit report; ii. Evaluated three (3) bio-pesticides for management of key insects' pests; ii. Evaluated three (3) plant extracts for management on pests.
		No. of disease resistant crop varieties for food safety.	Improve and maintain crop health and food safety	i. Developed and promoted 10 crop health management technologies and practices; ii. Diagnosed 500 pest/disease cases and prescribe management; ii. Established one (1) pest monitoring and early warning protocol; v. Maintained two (2) insect mass rearing and multiplication facilities; v. Evaluated four (4) crops lines resistance to key diseases and insect pests.
		No. of pre and post-harvest Technologies developed	Develop pre and post-harvest handling and storage technologies and practices	i. Developed four (4) technologies on feed and food waste management; ii. Documented post-harvest losses for 10 crop value chains; ii. Disseminated four (4) pre and postharvest technologies to reduce food contamination and wastage.
			Processing, Food Bio-fortification and Value Addition Technologies and Best and Best Practices for Crops Developed, Validated and Promoted	i. Developed and promoted ten (10) processing and value addition technologies in orthodox tea; potato, maize, banana, orange fleshed sweet potato (OFSP), high-iron bean, and Food to food fortification; ii. Updated one (1) food composition table.
		No. of Genetic resources conserved	Support plant genetic resources conservation.	i. Germplasm conservation audit/study of 15,000 inventories to determine seed quality continued; ii. Regeneration of 40 accessories of pigeon peas; iii. Conserved 200 primordial gene cell for indigenous chicken and microbial

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				genetic resources. iv. Regenerated and bulked 500 genetic resource accession;
		No. and quantity of Disease free planting materials	Material produced and disseminated	i. Basic seed (cereals, potatoes, and grain legumes) (1355.85MT), Tea plants and cuttings (9.33 Million), Coffee planting material (No. 1.629Million), Seed cane production (2663 MT), Cassava (No. 9.46 Million), Sweet Potato vines (No. 3.453 Million), Cotton basic seed (3.98 MT) Mulberry cuttings (No39,136 Million) Fruit seedlings(avocado, sweet yellow passion, mango, grafted purple passion, sunrise solo papaya, tree tomato, pepino melon, Thorn melon and banana) (No. 108, 213) Produce fruits trees of Loquat, Guava, cashewnut, coconut, Custard apple, Jack fruit, Tamarind, Zambarau, Pomegranate, Amarula Pawpaw, sour soap, white sapote, mango, papaya, avocado, cocoa (No. 4.612million') Macadamia No 9750 Million Palm seedlings (No. 0.5 million) Produce Seeds/oil of Sunflower, Soybean, Canola and Groundnut (11.595 MT)
	To improve livestock production, productivity and products utilisation	Number of improved livestock breeds Developed	Productivity and utilisation of safe livestock products increased for BETA value chains	i. Evaluated and selected dams and sires based on breeding values; ii. Developed and operationalized digital data capture, analytics and feedback tools of improved livestock breeds; iii. Provide data on selected dams and sires for performance evaluation and pedigree recording of selected dams and sires by Kenya Stud Book; v. Conducted 100 artificial inseminations using Orma Boran semen; v. Carried out two (2) assessments to approve bulls for availing to farmers

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				<p>in the first quarter and in the third quarter;</p> <ul style="list-style-type: none"> vi. Aailed 210 breeding bulls and heifers to farmers compared to 270, thus the slight negative various of 2.7% ii. 352 bucks and rams were aailed to farmers against a target 300. ii. Aailed 21 camel breeding bulls to farmers x. Aailed 421,117 Indigenous Chicken chicks x. Aailed 110 boars and sows for pig improvement xi. Developed two (2) milk value added products namely; pasteurized milk, and honey flavoured yogurt from cow milk; xii. Capacity built 100 farmer groups on butter, cheese and probiotics processing using the camel milk.
		No. of Processing and Value Addition of Livestock Products Developed and Promoted	Processing and Value Addition of Livestock Products Developed and Promoted	<ul style="list-style-type: none"> i. Developed two (2) milk value added products namely; pasteurized milk, and honey flavoured yogurt from cow milk; ii. Capacity built 100 farmer groups on butter, cheese and probiotics processing using the camel milk.
		No. of forage varieties developed	Develop forage varieties	<ul style="list-style-type: none"> i. Commercialized two forage varieties (to avail seeds/vegetative materials in the market); ii. Formulated and disseminate 20 feed rations; iii. Evaluated 1,975 feed samples.
		Number of robust and sustainable forage seed systems Developed	Develop robust and sustainable forage seed systems	<p>Produced:</p> <ul style="list-style-type: none"> i. Napier grass cuttings (No. 2.8925 Million); ii. Brachiaria grass splits (No. 1.412million); ii. And propagated sweet potato vines ('983,800'); v. Rangelands grass seed (6918 kg); v. Rhodes Grass seed (234 kg); and

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				vi. Fodder Sorghum Seed (1368 kg).
		No. of vaccines developed	Improve and maintain livestock health and food safety	<ul style="list-style-type: none"> i. Developed and validated four (4) vaccine candidates through using genomics tool (recombinant, sub-unit and gene edited):- <ul style="list-style-type: none"> a) Evaluated 2 bacterial pathogens causing camel mastitis as vaccine candidates; b) Characterization of 10 mastitis vaccine proteins for immunogenicity; c) Thermo-stabilization of PPR vaccine-20%, and d) Inactivating ND/IBD vaccine candidate and virus titration. ii. Animal trial experiment findings of Contagious Caprine Pleuropneumonia (CCPP) modified vaccine; iii. Validated technique for detection of mycotoxins, drug residues and heavy metals (in feeds and food) and avail to farmers; v. Tested 100 post-harvest animal products for contaminants; v. Carried out two (2) surveillances and develop one advisory and policy document on zoonotic emerging diseases; vi. Evaluated two (2) vaccine samples developed using irradiation facility i.e. in development of a mucosal vaccine from irradiated Gumboro virus combined with I-2 Newcastle vaccine for use in chicken;
		No. of diagnostics developed	Improve and maintain livestock health and food safety	<ul style="list-style-type: none"> i. Developed and promoted one (1) rapid diagnostic kits for MRLs, heavy metals, fluorides, biological toxins; ii. Analyzed 375/300 food samples for mycotoxin contaminants, Minimum Residue Levels (MRLs), heavy metals contaminants and biological toxins in produce or products;

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				<ul style="list-style-type: none"> iii. Developed and promoted one (1) rapid diagnostic kits for MRLs, heavy metals, fluorides, biological toxins; iv. Conducted two (2) awareness creation programs on MRLs, Heavy Metals, biological toxins contamination, antibiotic residues and biological toxins in Kiambu and Murang'a Counties. v. Produced and availed to farmers 84 /100 MT of Aflasafe KE01 to be distributed quarterly vi. Conducted 5/10 awareness creation fora on food safety (Aflasafe MRLs, Heavy Metals, biological toxins contamination and biological toxins) in Machakos, Trans Nzoia, Uasin Gishu, Tharaka Nithi and Bomet Counties
		No. of apiculture Technologies, Innovations and Management Practices Developed, Validated and Promoted	Apiculture Technologies, Innovations and Management Practices Developed, Validated and Promoted	<ul style="list-style-type: none"> i. Developed one (1) database for insect bio-resources for animal feed in Kenya (BSF, mealworm, bee brood, cricket); ii. Developed five (5) Counties (Baringo, Homabay, Elgeyo Marakwet, Busia and Tharaka Nithi) diet maps of insect foods; ii. Developed, validate and promote two (2) insect food and by-products of human food packs with insects as protein source (ICRC-NSRC-silkworm food pack and prepupa and pupa diet from ABIRI, and BSF as a source of protein in animal feed).
		No. of Insect-based Feed and Food Technologies, Innovations and Management Practices Developed,	No of Machinery acquired deployed	<ul style="list-style-type: none"> i. Tested and adapted five agricultural machineries; ii. Designed and fabricated five (5) agricultural machineries/implements; iii. Established twelve (12) (Five farmer groups, five individual farmers and 2 fabricators) linkages on improving mechanization on four value chains; Maize, beans, Cassava and sorghum and availed the implements.

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		Validated and Promoted		
	3 To develop sustainable water and land management technologies	No. of Technologies for Optimal Plant Nutrition and Crop Productivity Developed and/or Validated	Develop and/or Validate Technologies for Optimal Plant Nutrition and Crop Productivity	<ul style="list-style-type: none"> i. Developed/validated six (6) Integrated Soil Fertility Management (ISFM) technologies; ii. Promoted two (2) best-bet ISFM technologies; iii. Analyzed 19,086 against an annual target of 27,000 samples for soil, water, leaf and fertiliser; iv. Conducted 25 trainings on Integrated Soil Fertility Management (ISFM) in Kericho, Murang'a, Nyeri, Uasin Gishu and Kajiado Counties; v. Developed/validated two soil and water management technologies.
		No. of Organic Farming Developed and Promoted	Develop and Promote Organic Farming	<ul style="list-style-type: none"> i. Disseminated the evaluation findings of six (6) bio-fertilizer; ii. Validated Vermiculture technology at SRI: "Antifungal effects of Trichoderma spp. and vermiwash against Rice blast fungus (Magnaporthe oryzae" paper published because of the evaluation.
		No. of Technologies for Planning and Sustainable Land Management in Crops and Livestock Developed	Develop Technologies for Planning and Sustainable Land Management in Crops and Livestock	<ul style="list-style-type: none"> i. Conducted 10 land suitability surveys/assessments; ii. Conducted four (4) soil surveys, characterizations and mapping
		No. of Climate Change Adaptation and Mitigation Technologies Developed and Promoted	Develop and Promote Climate Change Adaptation and Mitigation Technologies	<ul style="list-style-type: none"> i. Validated five (5) climate smart and natural resource adaptation technologies, innovation and management practices; ii. Developed and promoted one (1) sustainable energy technology; iii. Promoted three (3) solid/liquid waste management technologies (fertigation, sewage clean-up,

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				biogas.
	4. To develop appropriate agricultural machinery and equipment/implements	No of Machinery acquired deployed	Machinery acquired deployed for Improved efficiency	<ul style="list-style-type: none"> i. One (1) out of five (5) agricultural machinery acquired, tested and adapted for research and promotion purposes; ii. Designed five (5) agricultural machineries/implements but not fabricated in collaboration with other stakeholders.
Pillar 2: Knowledge, information and technologies on priority agricultural products value chains research collated, stored and shared	1. Promote knowledge and information management and outreach	No of Databases developed	Collect and collate KALRO Knowledge Information and Technologies (KITs) for storage, ease of retrieval and dissemination;	Developed 55 visibility materials and disseminate the same through all available media forums
		No of Mechanisms for ease of retrieval deployed	Strengthen, digitalize and provide innovative library products and information services;	<ul style="list-style-type: none"> a). Provided support for access of KALRO Big data platform and cloud services as a way of providing information on line; b). Carried out digitization by implementing One (1) crop model; c). Supported and maintained the Agro-weather Tool, which will be able to provide insights based on agriculture and weather as well as targeted advisories for farmers; d). Customer support for ICT based agro-advisory system for on line access by stakeholders; e). Provided support for the four (4) Project documentaries on crops (2) and livestock (2) innovations and technologies; <p>i. Crops link https://youtu.be/gN0xG0MQmUk https://youtu.be/UVuhi6J0naE https://youtu.be/NS-HjaIuq7o https://youtu.be/zPTaxacRoJM</p>

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				<p>ii. Livestock links https://youtu.be/orIxFObEaRc https://youtu.be/-cIB2qdtFXQ https://youtu.be/PsEeB77ObSI https://youtu.be/XndmahpCICI f). Implemented KALRO customer relation management system at the Headquarters and Tea Research Institute (TRI);</p>
		No of Improved Journals for information sharing	Sustain and improve publication of the organization's peer reviewed journals to international repute, including the East African Agricultural and Forestry Journal and the Tea Quarterly Journal	<p>i. Submitted 140 internally reviewed papers for publications in peer reviewed refereed journals; ii. Developed 100 internally reviewed technical publications; iii. Developed and updated 269 extension materials, that include policy briefs, technical bulletins, pamphlets, leaflets and online library; iv. Submitted 185 papers internally reviewed for presentation in scientific conferences.</p>
		No. of Capacity building programs No. of Counties covered	Provide capacity building services within the 47 counties and in the African region in order to enhance synergy and benefits from agricultural research and products	<p>i. Conducted 469 stakeholder-training sessions on various crops and livestock husbandry practices throughout the country; ii. Trained 149 Agricultural Product Value Chain (APVC) and Innovation Platform champions</p>

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 3: Policies and market options supporting and facilitating priority agricultural product value chains developed and advocated	To generate socio-economics, gender and promotion of Participatory Research Methods information	No. of Improved information generated and shared	Generate and promote socio-economics information;	<ul style="list-style-type: none"> i. Conducted economic analysis studies in four (4) institutes: NRI; CRI (Coffee) and ALRI availed reports; ii. Developed and published agricultural market information on four (4) commodities namely Coffee, Indigenous Chicken (IC), Pigs and Coffee; iii. Developed and submitted to donors 50 mega research proposals for funding;
Pillar 4: Capacity building to undertake research on priority agricultural product value chains strengthened	1. To improve human resource capacity development and management	% of Competitive remuneration package in place	Develop a reward and recognition system with an attractive and competitive salary and benefits package commensurate with work output;	<ul style="list-style-type: none"> i. Trained disability mainstreaming committee and Senior Management; and sensitize staff at the institutes on disability; ii. Sensitized and Promoted attainment of Social Health Care (SHC) at the workplace and offered services for disease prevention and wellness.
		No. of staff trained	Learning and development through regular short and long term training (technical and operational) of staff based on identified needs;	<ul style="list-style-type: none"> i. Capacity building 50 staff members on the identified skill gaps, both short and long term courses ii. In-house training of 20 interns (10-crops and 10-livestock) on development of research proposals and publications iii. 446 industrial attachés were engaged in various programmes in the organization
		Level Improved Leadership index	Develop leadership and management skills in order to meet the	<ul style="list-style-type: none"> i. Set individual employees annual targets; ii. Implemented an action plan and Implement recommendations emanating from the staff appraisal reports.

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			corporate goals while observing integrity and good governance;	
	2. To mobilize and manage financial resources	Revenue generated	<p>Increase Internally Generated Revenue through commercialization of technologies, products and services;</p> <p>Strengthening the KALRO Seed Unit (KSU);</p> <p>Raising revenue from royalties, contract research and consultancies;</p>	<p>i. Kshs. (Million) 1,329.12</p> <p>ii. Developed and submitted 90 research proposals for funding</p>
	3. To improve organizational business processes for effective management and coordination	Cumulative % to achieve a Robust ICT	Establish, maintain and manage Information and Communications Technology (ICT)	<p>i. Developed a security risk mitigation plan and implement;</p> <p>ii. Sensitized staff on security awareness;</p> <p>iii. Undertook one fire drill and marshal training in 3 Institutes (AMRI, VSRI and GeRRI);</p> <p>iv. Increased ICT security measures by ensuring 100% anti-virus updates and 100% data backup throughout the year;</p> <p>v. Increased online security by</p>

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				<p>installing and maintaining an up to date Secure Socket Layer on KALRO website;</p> <p>vi. Increased online security by installing and maintaining Antispam Software for KALRO Corporate emails;</p> <p>vii. Conducted security checks of all persons who access KALRO facilities and maintain a register for all visitors;</p> <p>viii. Upgraded the surveillance system at the headquarters `;</p> <p>b. Identified, classified and secured information assets based on the following attributes; value, integrity, importance, confidentiality, accuracy and authenticity.</p>
		Support and facilitate KALRO Security Service for effective services		<p>i. Developed an Annual Road Safety Implementation Plan based on the Workplace Road Safety Policy with the following key components;</p> <p>ii. Implemented components in the Annual Road Safety Implementation Plan based on the Workplace Road Safety Policy;</p> <p>iii. Submitted quarterly report to National Transport and Safety Authority (NTSA) in the prescribed format.</p>
	4. To enhance collaboration and partnerships	No. of collaborative initiatives	Build and maintain collaborations with other NARS such as universities, county governments, NGOs, agro-industry, commercially-oriented farms,	<p>i. Implemented measures to support the four pillars of the Government Plan as outlined in the Bottom Up Economic Transformation Agenda (2022-2027) namely: a). Agriculture, Micro, Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Improved Healthcare for all Kenyans and Digital Economy,</p> <p>ii. Continued to implement measures to protect the environment and mitigate climate change</p> <p>iii. Enhanced collaboration between the two levels of</p>

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			and international organizations	government to entrench sharing and devolution of power iv. Implemented measures to promote accountability and openness in the management of public affairs and institutions v. Submitted in the prescribed format the Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance
		No. of linkages with Country Governments	Establish and maintain linkages with County Governments	Partnered with 5 Counties to promote soil analysis services in order to increase crop productivity
Pillar 5: Systems for Prioritization, Coordination and Regulation of Agricultural Research Developed and Operationalised				Held 174 consultative fora that is: Institute based research priority setting fora based on their Agricultural Product Value Chains (APVC) mandate; engagements with strategic partners and research coordination forums (i.e. project steering committee meetings).

TECHNICAL RESEARCH PROGRAMME ACHIEVEMENTS: FY 2023/2024

The year recorded significant achievements in various projects under Crops and Livestock Research. Presented below is the summary of the key achievements for the FY 2023/2024 as per the set Performance Contracting document.

Improved crop production, productivity and utilization

Development of improved crop varieties

During the year, the following were undertaken:

- i) Compiled an inventory of promising lines /clonal introductions;
- ii) Submitted 90 promising lines to KEPHIS for evaluation in National Performance Trials (NPTs) as follows: Potato – 3, Sugarcane – 15, Coffee – 4, Rice – 3, Green gram – 3, Finger millet – 2, Cotton – 1, Wheat – 3, Beans – 4, Teff – 7;
- iii) Participated in National Performance Trials (NPTs) for Distinctness, Uniformity and Stability (DUS) process for 40 accessions including Rice – 5, Coffee – 4, Sugarcane – 8, Tea – 4;
- iv) Developed four (4) crops product profiles;
- v) Developed and released 30 crop varieties including two bio-fortified varieties;
- vi) Commercialized six (6) crop varieties.

Production of crops’ planting materials

During the year, production of planting materials is shown in table 1 below:

Table 1. Planting materials

Planting Material	Total FY
Basic seed (cereals, potatoes, and grain legumes) (MT),	1,355.85
Tea plants and cuttings (Millions),	9.33
Coffee planting material (No. Millions),	1.629
Seed cane production (No.'000' MT),	2.663
Cassava (No. Million),	9.46
Sweet Potato vines (No. Million),	3.453
Cotton basic seed (ton)	3.98
Mulberry cuttings (No)	39,136
Fruit seedlings(avocado, sweet yellow passion, mango, grafted purple passion, sunrise solo papaya, tree tomato, pepino melon, Thorn melon and banana) (000')	108.213
Produce fruits trees of Loquat, Guava, cashewnut, coconut, Custard apple, Jack fruit, Tamarind, Zambarau, Pomegranate, Amarula Pawpaw, Ssour soap, White sapote, Mango, Papaya, Avocado, Cocoa (million')	4.612
Macadamia	9,750

Planting Material	Total FY
Palm seedlings (million)	0.5
Produce Seeds/oil of Sunflower, Soybean, Canola and Groundnut (MT)	11.595

Pre-and Post-Harvest Handling and Storage Innovation, Technologies and Practices Developed, Validated and Promoted

During the year KALRO:

- i) Developed four (4) technologies on feed and food waste management;
- ii) Documented post-harvest losses for 10 crop value chains;
- iii) Disseminated four (4) pre and postharvest technologies to reduce food contamination and wastage.

Processing, Food Bio-fortification and Value Addition Technologies and Best and Best Practices for Crops Developed, Validated and Promoted

During the year KALRO:

- i) Developed and promoted ten (10) processing and value addition technologies in orthodox tea; potato, maize, banana, orange fleshed sweet potato (OFSP), high-iron bean, and Food to food fortification;
- ii) Updated one (1) food composition table.

Develop Crop health management technologies and practices

During the year, the following activities were carried out: -

- i) Developed and promoted 10 crop health management technologies and practices;
- ii) Diagnosed 500 pest/disease cases and prescribe management;
- iii) Established one (1) pest monitoring and early warning protocol;
- iv) Maintained two (2) insect mass rearing and multiplication facilities;
- v) Evaluated four (4) crops lines resistance to key diseases and insect pests.

Weed Management Technologies and Practices Developed, Validated and Promoted

During the year, all the activities were accomplished as follows:

- i) Developed and validated two (2) weed management technologies;
- ii) Disseminated two (2) weed management technologies;
- iii) Conducted one (1) survey on invasive weed species.

Evaluation of Pesticides for Crop Pest Management

During the year the following activities were carried out: -

- i) Evaluated 15 pesticides submitted by PCPB and submit report;
- ii) Evaluated three (3) bio-pesticides for management of key insects' pests;
- iii) Evaluated three (3) plant extracts for management on pests.

Underutilized and Emerging Crops Developed, Validated, Promoted and Commercialized

During the year, the following were done:-

- i) Six (6) medicinal and aromatic plant were maintained - a) Screened 50 lines of 2nd generation purple tea for biochemical, and b) descriptors of bambara and simsim ;
- ii) Promoted and commercialized one (1) medicinal and aromatic plant at AMRI-Katumani.

Conservation and Promotion of Genetic Resources

During the year, the following activities were carried out:-

- i) Regenerated and bulked 500 genetic resource accession;
- ii) Germplasm conservation audit/study of 15,000 inventories to determine seed quality continued;
- iii) Regeneration of 40 accessories of pigeon peas;
- iv) Conserved 200 primordial gene cell for indigenous chicken and microbial genetic resources.

Appropriate Agricultural Machinery and Equipment/Implements Developed

During the year, the following activities were carried out:-

- i) One (1) out of five (5) agricultural machinery acquired, tested and adapted for research and promotion purposes;
- ii) Designed five (5) agricultural machineries/implements but not fabricated in collaboration with other stakeholders.

The targets for the performance indicator were not achieved because the following activities were not done hence huge negative variance of 72%:-

- a) Equipping one (1) facility with agricultural machinery and equipment;
- b) Establishing two (2) agro-processing Units;
- c) Establishing one (1) pilot processing Unit for edible oil plants.

Food Safety Technologies for Microbial and Mycotoxin Management Developed, Validated and Promoted

During the year the target felt short by 5.24% because we conducted awareness creation in 5 counties as compared with 10 targeted, the following were undertaken:-

- i) Developed and promoted one (1) rapid diagnostic kits for MRLs, heavy metals, fluorides, biological toxins;
- ii) Analyzed 375/300 food samples for mycotoxin contaminants, Minimum Residue Levels (MRLs), heavy metals contaminants and biological toxins in produce or products;
- iii) Developed and promoted one (1) rapid diagnostic kits for MRLs, heavy metals, fluorides, biological toxins;
- iv) Conducted two (2) awareness creation programs on MRLs, Heavy Metals, biological toxins contamination, antibiotic residues and biological toxins in Kiambu and Murang'a Counties.
- v) Produced and availed to farmers 94 /100 MT of Aflasafe KE01 to be distributed quarterly
- vi) Conducted 5/10 awareness creation fora on food safety (Aflasafe MRLs, Heavy Metals, biological toxins contamination and biological toxins) in Machakos, Trans Nzoia, Uasin Gishu, Tharaka Nithi and Bomet Counties

Technologies for Optimal Plant Nutrition and Crop Productivity Developed and/or Validated

During the year, the achievement in this performance target had a variance of 5% because the soil sampled was 19,086 compared to 27,000 targeted.

- i) Developed/validated six (6) Integrated Soil Fertility Management (ISFM) technologies;
- ii) Promoted two (2) best-bet ISFM technologies;
- iii) Analyzed 19,086 against an annual target of 27,000 samples for soil, water, leaf and fertiliser;
- iv) Conducted 25 trainings on Integrated Soil Fertility Management (ISFM) in Kericho, Murang'a, Nyeri, Uasin Gishu and Kajiado Counties;
- v) Developed/validated two soil and water management technologies.

Organic Farming Developed and Promoted

During the year KALRO:-

- i) Disseminated the evaluation findings of six (6) bio-fertilizer;
- ii) Validated Vermiculture technology at SRI: "Antifungal effects of Trichoderma spp. and vermiwash against Rice blast fungus (Magnaporthe oryzae" paper published because of the evaluation.

Technologies for Planning and Sustainable Land Management in Crops and Livestock Developed

- i) Conducted 10 land suitability surveys/assessments;
- ii) Conducted four (4) soil surveys, characterizations and mapping.

Climate Change Adaptation and Mitigation Technologies Developed and Promoted

During the year,

- i) Validated five (5) climate smart and natural resource adaptation technologies, innovation and management practices;
- ii) Developed and promoted one (1) sustainable energy technology;
- iii) Promoted three (3) solid/liquid waste management technologies (fertigation, sewage clean-up, biogas).

Improve livestock production, productivity and product utilization

Breeding Bulls

Sahiwal (milk and beef) and Boran (beef production) cattle breeds are tolerant to a wide range of climatic conditions and diseases that limit dairy and beef production in the country. The use of Sahiwal and Boran bulls to improve local breeds will go a long way in improving milk and beef production in Kenya.

During the year, KALRO:

- i) Evaluated and selected dams and sires based on breeding values;
- ii) Developed and operationalized digital data capture, analytics and feedback tools of improved livestock breeds;
- iii) Provide data on selected dams and sires for performance evaluation and pedigree recording of selected dams and sires by Kenya Stud Book;
- iv) Conducted 100 artificial inseminations using Orma Boran semen;
- v) Carried out two (2) assessments to approve bulls for availing to farmers in the first quarter and in the third quarter;
- vi) Availed 210 breeding bulls and heifers to farmers compared to 270, thus the slight negative variance of 2.7%

Breeding Bucks and Rams

Goats and sheep are critical livestock in Arid and Semi-Arid Lands (ASAL) areas of the country. Over the years, KALRO has provided high quality breeding bucks and rams to the farmers.

During the year, 352 bucks and rams were availed to farmers against a target 300.

Breeding Camels

During the year, the organization availed 21 breeding bulls to farmers.

Improved indigenous chicken

Chicken play an important role in the rural communities as a source of protein delicacy and cash from the sale of eggs and meat.

During the year, 421,117 chicks were availed to farmers compared to 800,000 targeted, thus a variance of 378,900. The negative variance is due to decreased demand from County Governments and other major clients amid harsh economic conditions. Infrastructure at NRI Kakamega is still in need of brooding and breeder house to be able to contribute effectively to the set target. NRI envisaged commissioning of the new hatchery with capacity of 19,200 eggs (funded by KSCAP), which would have contributed to achievement of the set targets.

Improved breeding boars and sows

With the increased demand for pigs' product and the growth of the sub-sector in the country, KALRO will do research for development for the same through to improve its productivity.

During the year, 110 boars and sows compared to 150 were availed to farmers. The negative variance is due to low rate of multiplication/productivity of existing stock and therefore NRI is in the process of procuring more breeding sows and boars.

Processing and Value Addition of Livestock Products Developed and Promoted

During the year KALRO: -

- i) Developed two (2) milk value added products namely; pasteurized milk, and honey flavoured yoghurt from cow milk;
- ii) Capacity built 100 farmer groups on butter, cheese and probiotics processing using the camel milk.

Animal and Forage Genetic Resources Conservation Developed and Promoted

During the year,

- i) Conserved seventeen 17 (DRI-13; ARLRI-4) forage collections and 200 primodal gem-cell for chicken;

NB: The breeding bulls were availed at DRI and BRI for extraction of 3,000 straws of semen by KAGRIC, but they did not done the job, therefore a huge negative variance of 56.25%

Apiculture Technologies, Innovations and Management Practices Developed, Validated and Promoted

During the year, the following activities were undertaken:-

- i) Established two (2) research apiaries with 50 hives each;
- ii) Validated and promoted one (1) honey processing technology;
- iii) Developed and availed four (4) beehive products and value- added products from honey, propolis and beeswax;
- iv) Developed and promoted two (2) beekeeping husbandry practices;
- v) Developed and promoted one (1) bee pest and disease management technology and innovation;
- vi) Developed and promoted two (2) stingless beehive products value- added.

Insect-based Feed and Food Technologies, Innovations and Management Practices Developed, Validated and Promoted

During year, the following were undertaken:

- i) Developed one (1) database for insect bioresources for animal feed in Kenya (BSF, mealworm, bee brood, cricket);
- ii) Developed five (5) Counties (Baringo, Homabay, Elgeyo Marakwet, Busia and Tharaka Nithi) diet maps of insect foods;
- iii) Developed, validate and promote two (2) insect food and by-products of human food packs with insects as protein source (ICRC-NSRC- silkworm food pack and prepupa and pupa diet from ABIRI, and BSF as a source of protein in animal feed).

Forages and improved feeds & feeding systems developed and promoted

During the year, the following activities were done: -

- i) Developed one forage variety;
- ii) Commercialised two forage varieties (to avail seeds/vegetative materials in the market);
- iii) Formulated and disseminate 20 feed rations;
- iv) Evaluated 1,975 feed samples.

Improve and Maintain Livestock Health and food health technologies

During the year, activities targeting vaccine development, testing and strategic use as key factors in maintenance of animal disease-free zones continued. That is: -

- i) Developed and validated four (4) vaccine candidates through using genomics tool (recombinant, sub-unit and gene edited):-
 - a) Evaluated 2 bacterial pathogens causing camel mastitis as vaccine candidates;
 - b) Characterization of 10 mastitis vaccine proteins for immunogenicity;

- c) Thermo-stabilization of PPR vaccine-20%, and
- d) Inactivating ND/IBD vaccine candidate and virus titration.
- ii) Animal trial experiment findings of Contagious Caprine Pleuropneumonia (CCPP) modified vaccine;
- iii) Validated technique for detection of mycotoxins, drug residues and heavy metals (in feeds and food) and avail to farmers;
- iv) Tested 100 post-harvest animal products for contaminants;
- v) Carried out two (2) surveillances and develop one advisory and policy document on zoonotic emerging diseases;
- vi) Evaluated two (2) vaccine samples developed using irradiation facility i.e. in development of a mucosal vaccine from irradiated Gumboro virus combined with I-2 Newcastle vaccine for use in chicken;
- vii) Evaluated two (2) diagnostic tools.

Robust and Sustainable Forage Seed Systems Developed

During the year, KALRO produced clean napier grass cuttings and rangelands grass seed as per Table 2 below:-

	Sub-Indicator	FY Achievement	FY Target
1	Produce of Napier grass cuttings (No. Million)	2.8925	7
2	Produce Brachiaria grass splits (No. million)	1.412	1
3	Propagate sweet potato vines ('000')	983.8	800
4	Produce of rangelands grass seed (kg)	6918	5,850
5	Produce of Rhodes Grass seed (kg)	234	120
6	Produce of Fodder Sorghum Seed (kg)	1368	2,000

Emerging Livestock Developed and Promoted

During the year KALRO :-

- i) Developed one (1) database for sources of insect biomaterial innovations through ICRC-NSRC project;
- ii) Promoted two (2) species of arthropods for food and feed supplement and avail them to farmers:-
 - a) Black soldier fly (DRC-OI Jor Orok)
 - b) Mealworm (BioRI)
- iii) Developed of five (5) human food packs with insects as protein source.

Knowledge, information and technologies on agricultural products value chains research collated, stored and shared

Promotion of knowledge, information and technologies

During the year, the following activities were undertaken under the performance target:

- i) Conducted 469 stakeholder-training sessions on various crops and livestock husbandry practices throughout the country;
- ii) Developed 55 visibility materials and disseminate the same through all available media forums
- iii) Trained 149 Agricultural Product Value Chain (APVC) and Innovation Platform champions;
- iv) Held 174 consultative fora that is: institute-based research priority setting fora based on their Agricultural Product Value Chains (APVC) mandate; engagements with strategic partners and research coordination forums (i.e. project steering committee meetings).

Research Proposals and Publications

To enhance research funding and ensure research findings are shared with stakeholders on timely basis. There was a negative variance of 22.92% against a target of 100%. This was mainly due to reduced number of publications. KALRO undertook the following activities during the year;

- i) Developed and submitted 90 research proposals for funding;
- ii) Submitted 140 internally reviewed papers for publications in peer reviewed refereed journals;
- iii) Developed 100 internally reviewed technical publications;
- iv) Developed and updated 269 extension materials, that include policy briefs, technical bulletins, pamphlets, leaflets and online library;
- v) Submitted 185 papers internally reviewed for presentation in scientific conferences.

Project Completion rate

During the year, KALRO all the projects proposed by the Board (Table 3) were completed except construction of office block at KALRO Ol-Jororok, which was terminated due to funding challenges.

Table 3: KALRO Projects

SNo	Project Name	Project Description	FY 2023/2024
1.	Borehole equipping	Construction	TRI -Kericho
2.	KALRO Main block roofing	Construction	Headquarters
3.	Equipping of Tea factory	Partially equipped tea factory	TRI -Kericho

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4. Office Block	Construction of office block	Ol-Jororok, Nyandarua	Terminated due to lack of funds
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STI (Science, Technology and Innovation) mainstreaming

- i) Developed STI mainstreaming strategy in collaboration with NACOSTI;
- ii) Developed STI mainstreaming annual work plan and continued to implement it;
- iii) Submitted quarterly and annual reports online to NACOSTI.

Productivity Mainstreaming

For effective implementation of the performance indicator, KALRO created an enabling environment through establishing and operationalizing a Productivity Mainstreaming Committee, trained the Productivity Champions. Preliminaries done as per guidelines issued by Ministry of Labour and Social Protection, State Department of Labour and Skills Development by training the productivity champions/Committee. In addition, awareness creating /sensitization on productivity mainstreaming for all senior staff done.

During the year, the following activities done: -

- i) Development of the Productivity Metrics, and approved by BoM;
- ii) Collected data and computed KALRO productivity index for last 3 years;
- iii) Developed draft workplace productivity improvement strategy.
- iv) Submitted quarterly report to NPCC

Strategic Plan Reviewed

During the financial year, KALRO Strategic Plan was reviewed and launched for implementation.

VII. CORPORATE GOVERNANCE STATEMENT

Overview

The Kenya Agricultural and Livestock Research (KALR) Act, No 17 of 2013 established the Kenya Agricultural and Livestock Research Organization (KALRO) as a consequence, Kenya Agricultural Research Institute (KARI), Kenya Sugar Research Foundation (KESREF), Tea Research Foundation of Kenya (TRFK) and the Coffee Research Foundation (CRF) were merged. The Organization consists of the Board of Management and a Secretariat which implements Board decisions. The Act further established 16 Research Institutes which focus on different thematic research areas. KALRO complies fully and strictly with all requirements of the regulatory and other non-commercial entities in Kenya including clarity of financial reporting and accountability to the public (citizens and stakeholders) and aims to set best practice standards in agricultural research and fair conduct towards its staff, suppliers and general public.

The KALRO Board of Management held 19 Board meetings during the period under review. A schedule of the board meetings held and attendance by members is attached herein. The Board has a board charter; new members are issued with a copy upon joining the board. The process of appointment and removal of board members is outlined in the KALR Act Sections 6,7 and 8. Further, the roles and functions of the Board are listed under Section 9 of the KALR Act. The Board ensures that a performance evaluation is conducted annually and results therefrom discussed. The Board's remuneration is guided by the Guidelines for Terms and Conditions of Service for Chancellors of Public Universities, Board Chairpersons, Board Members and Staff of State Corporations. New members are taken through induction by being issued with copies of the KALR Act, Strategic Plan, Board Charter, main organizational policies and a presentation on the Organization which is done by the Director General. Training for Board Members is conducted from time to time on a need basis.

Organization structure

KALRO is governed by a Board of Management as per the KALR Act No. 17 of 2013, while the day to day management is vested in the Director General who is the secretary to the Board.

The object and function for which the organization is established is to:

- a). Promote, streamline, coordinate and regulate all research in crops, livestock, genetic resources and biotechnology in Kenya;
- b). Promote, streamline, coordinate and regulate research in crops and animal diseases; and
- c). Expedite equitable access to research information, resources and technology and promote the application of the research findings and technology in the field of agriculture.

Appointment of the Board

The Board is appointed pursuant to the provisions of KALRO Act No 17 of 2013. The Chairman of the Board is appointed by the President of the Republic of Kenya. Members of the Board are appointed by the Cabinet Secretary, Ministry of Agriculture and Livestock Development on recommendation of various nominating institutions provided under the KALR Act.

Board Organization and Structures

The composition of the KALRO Board of Management consists of

- a) Chairperson appointed by the President;
- b) The Principal Secretary in the Ministry for the time being responsible for agriculture;
- c) The Principal Secretary in the Ministry for the time being responsible for finance;
- d) The Principal Secretary for the time being responsible for livestock;
- e) The Secretary to the Science Council appointed under paragraph 6 of the Second Schedule to the Science and Technology Act;
- f) Five persons appointed by the Cabinet Secretary, of whom
 - i) One represents the interests of farmers;
 - ii) One shall represent the interest of the general public;
 - iii) One shall be a representative of an institution of higher learning;
 - iv) Two persons co-opted by the Board, who may be non-citizen scientists in the field of agriculture and who possess such knowledge and experience as may be necessary for the better carrying out of the functions of the Board; and
 - v) The Director General appointed in accordance with Section 14.

Role of the Board of Management

The Board provides organizational strategic direction and oversight to management as provided in the KALR Act which states that the functions of the Board of Management of KALRO shall be:

- a) Carry out the objects and functions of the Organization;

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- b) Advise the Cabinet Secretary on Matters of policy relating to agricultural research;
- c) Oversee the effective co-ordination of the operations of the Organization;
- d) Ensure that the activities of the Organization are consistent with the policy and objectives of the government, and the national priorities relating to agriculture and agricultural research;
- e) Approve, oversee and evaluate on a continuing basis the programs being implemented by the Organization;
- f) Direct strategic research and policy and prioritize and determine the research agenda;
- g) Co-operation with other lead agencies and organizations in carrying out agricultural research;
- h) Development of an economic, efficient and cost effective internal management structure, strategic Annual plan of the Organization;
- i) Implementation and fulfilment of the polices and agreed objectives, performance targets and service standards of the Organization;
- j) Provision of advice as required on all matters within the responsibility of the Organization; and
- k) Perform such other functions as may be necessary for the exercise of its powers under the Act.

Board Meetings

The Board and its Committees' are required to meet not less than four times in any calendar year and not more than four months shall lapse between the date of one meeting and the date of the next meeting. In addition to the regular Board meetings, there may be other special meetings to deal with specific matters. During the financial year under review the KALRO BoM held meetings as per attendance report Table below;

Names of Members	Board Meetings		Board Committee Meetings			
			Research, Technical & Innovation	Finance & Administration		Audit, Risk & Governance
	Scheduled	Special	Scheduled	Scheduled	Special	Scheduled
	4	1	4	4	0	4
Hon. Peter W. Kinyua	4	2				
Ms. Clara W. Mwangi	3	2				2
Dr. Mukiri Wa Githendu	4	2	3			3
Mr. Johana K. Cheruiyot	4	2				4
Ms. Teresa Karanja	4	2		4	1	
Ms. Margaret Wamuyu	4	1		4	1	4
Prof. Walter O. Oyawa	4	2	3			

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Dr. Christopher Wanga	1					1
Mr. George Ombua	4	1	3	4	1	3
Dr. Eliud K. Kireger	4					

Other Board information

The KALRO Board of Management is answerable to the Government through the parent Ministry. The board signs a Performance Contract (PC) every financial year with the Government through the same Ministry outlining performance targets in line with the above stated functions. The signed PC is monitored and evaluated periodically and at the end on the contract term.

Board Committees

To effectively discharge its mandate, the Board established committees with specific terms of reference.

The Board appointed into committees, members with requisite skills and competence to discharge allocated responsibilities. In the event that a committee lacked specific skills within its membership, the Board, with the approval of the oversight body, co-opt skilled non-Board members to serve on the committee, provided that the chair of a committee shall not be a co-opted member or the Chairperson of the Board. The Board may, from time to time, rotate Board members between the Committees.

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board.

The Chairperson of each Committee, in consultation with the Board, determined the frequency of committee meetings as is necessary to fulfill the committee’s functions. The Chairperson of each committee, in consultation with management, developed the committee’s agenda. The Board however determined the procedure and process within which committees take independent professional advice at the organization’s expense. The committees promptly reported to the Board any actions taken for ratification and any major developments that they become aware of. The Board as set out in the terms of reference of the respective committees, received reports of the committee’s findings and actions.

The Board established the following standing committees: -

- i. Audit, Risk and Governance,
- ii. Finance and Administration,
- iii. Research, Technical and Innovation

The Organization may establish any other ad hoc committees to handle any special business. The above committees permit and facilitate more in-depth deliberations on issues that would otherwise, not be possible in a normal full Board Meetings. The Committees undertake preliminary discussions of the business of the board and prepare their resolutions for deliberations and adoption by the full Board Meetings. A decision of any of the Committees only becomes effective after it has been approved and confirmed by the full board.

Communication

The Board receives management reports in advance of all scheduled meetings and in turn formally, communicates to staff through the Director General. Informal communication to staff may be made during Board meetings while in the Organization. Board members cannot commit the Board in any way when having informal communication with staff.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational performance

During the Financial Year 2023/24, KALRO implemented various projects and programmes under the Crops and Livestock Research as discussed in detail in the report of the directors. The Programmes were mainly funded through Government grants, Development partners and internally generated funds.

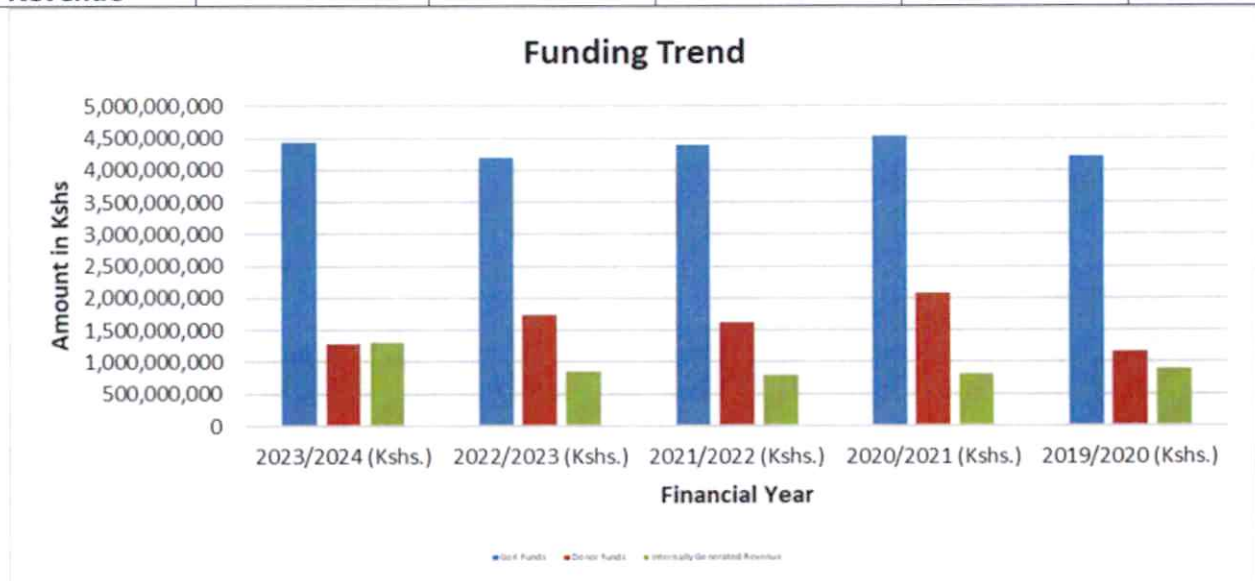
Government grants were mainly used for personnel emoluments, operations and maintenance. Donor funds were used for research technologies in line with partnership agreements. Internally generated funds were used to cater for utility bills and ploughed back to generate revenue

b) Financial performance

i. Funding trends

The following is a summary of the income organization received in the last five years;

Source of Funds	2023/2024 (Kshs.)	2022/2023 (Kshs.)	2021/2022 (Kshs.)	2020/2021 (Kshs.)	2019/2020 (Kshs.)
GoK Funds	4,423,000,000	4,190,068,749	4,396,714,989	4,534,643,420	4,199,461,130
Donor funds	1,291,211,945	1,735,141,390	1,617,359,474	2,086,566,905	1,103,777,575
Internally Generated Revenue	1,307,003,519	848,930,544	797,953,098	818,259,466	938,341,409
Total Revenue	7,021,215,464	6,774,140,683	6,812,027,561	7,439,469,791	6,241,580,114

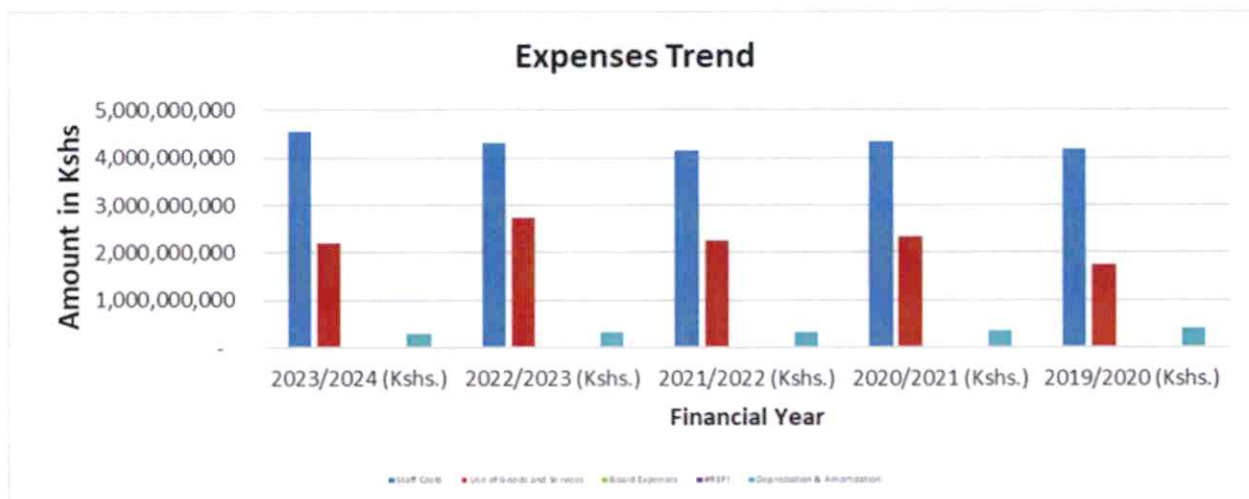


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ii. Expenditure trends

The following is a summary of the expenditure in the last five years;

Expenses	2023/2024 (Kshs.)	2022/2023 (Kshs.)	2021/2022 (Kshs.)	2020/2021 (Kshs.)	2019/2020 (Kshs.)
Staff Costs	4,544,376,508	4,317,996,436	4,141,215,771	4,325,254,026	4,170,360,651
Use of Goods and Services	2,218,365,355	2,741,377,064	2,239,010,959	2,320,604,466	1,736,737,778
Board Expenses	15,985,602	3,842,209	12,582,898	5,962,481	12,345,491
Depreciation & Amortization	305,212,635	326,566,564	319,960,553	352,557,374	394,567,059
Total	7,083,940,100	7,389,782,273	6,712,770,181	7,004,378,347	6,314,010,979



The staff costs increased during the year under review as compared to 2022/23 FY.

Use of Goods and Services costs caters for research materials, travelling and accommodation, farm development, fuel and lubricants supplies for production, laboratory materials, utilities cost, repairs and maintenance, contracted services, finance costs, property & staff insurance, purchase of animals & seeds, farmer grants, office running expenses, cafeteria expenses, security expenses, legal dues, Contracted Services and provision for bad debts.

Board expenses caters for sitting allowances, travelling and accommodation and honorarium.

c) Compliance with statutory requirements

During the current financial year, KALRO complied with all the statutory requirements and remitted all taxes due in good time. There was no penalty for failure to comply with the statutory requirements.

d) Material arrears in statutory and other financial obligations

KALRO had no material arrears in statutory and other financial obligations during the period.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Demand of agricultural technologies and increased consumption of agricultural products obligates KALRO to provide demand-driven solutions to agricultural challenges locally, regionally and internationally through cutting-edge research. This is achieved through observation of the Organization's core values, namely; Customer focus, Professionalism, Integrity, Innovativeness, Collaboration and Environmental consciousness. Below is an outline of the Organization's policies and activities that promote sustainability:

i) Sustainability strategy and profile

Being the premier agricultural and livestock research organization in Kenya, KALRO is obligated to provide demand-driven solutions to agricultural challenges locally, regionally and internationally through cutting-edge research. Thus, KALRO not only focuses on addressing the national challenges but also lead globally through partnerships, collaboration and networking to generate technology and innovations. KALRO is guided by its Vision "Excellence in agricultural and livestock research towards transformed livelihoods"; and Mission "To conduct agricultural research through application of science, technology and innovation to catalyse sustainable growth and development in agriculture and livestock product value chains".

ii) Environmental performance

a) Environment policy

Sustainability is a guiding influence for all KALRO research programs. It is based on a simple principle: Everything that we need for our survival and well-being depends either directly or indirectly, on our natural environment. To pursue sustainability is to create and maintain the conditions under which the Kenyan communities can exist in productive harmony to support present and future generations.

The Organization's pursuit for Environmental Sustainability is anchored in law. We integrate environmental considerations in our operations to fulfil the requirement of a clean, healthy and sustainable environment for all as per article 42 of the Constitution and EMCA Cap 387. KALRO also has a draft Environment Policy domesticated from the 'National Environment Policy-2013', that guides its research activities to adopt and maintain good practices that contribute to the quality of environment on a long-term basis.

b) Successes

Institutionalization and mainstreaming of environment issues by creating an office that coordinates and oversees environment sustainability issues. This ensures that environmental issues are integrated in all research undertaken by KALRO.

In 2021, KALRO established an Annual KALRO Tree planting day where all staff participate in the tree growing exercise that has contributed greatly to restoring our environment. The Annual KALRO Tree planting Day was observed on the 16th October 2023. In addition, KALRO collaborated with partners to participate in the World Environment Day that was observed on the 5th June 2024, the World Day to Combat Drought and Desertification, held on 17th June 2024, and the National Tree planting day that was observed on 10th November 2023, after having been gazetted as the National Tree Growing day holiday by the Interior Cabinet Secretary. During the 2023-24 FY, over 348,152 assorted trees were planted by KALRO staff and stakeholders during various events and tree growing days and numbers were recorded in the JAZAMITI App.

The Organization also maintains fruit and tree nurseries located in more than 30 Centres/Sub-centres which also serve in KALRO's CSR activities. The main nurseries are located in; KALRO Mwea, KALRO Ruiru, KALRO Molo, KALRO Matuga, KALRO Mtwapa, KALRO Sericulture, KALRO GeRRI, KALRO Muguga, KALRO Kandara, KALRO Kitale, KALRO Koru, KALRO Namwela, KALRO Mariene, KALRO Kericho, KALRO Kibos, KALRO Katumani, KALRO Marigat, and KALRO Lanet. In the current year, over 1,116,692 assorted tree seedlings (including fruit trees) were raised in these KALRO nurseries to boost the tree growing efforts.

For better land, soil and water health. KALRO collects and also receives soils, leaf, fertilizers, manures and water samples at its referral laboratories at KALRO Kabete, as well as in other Institute laboratories, e.g. TRI-Kericho, CRI-Ruiru, SRI-Kibos, NRI-Kakamega, FCRI-Muguga, FCRI-Embu, FCRI-Kisii, and FCRI Alupe. These laboratories make recommendations to farmers on the health status of the soils and management; recommended fertilizer use; crops suitability using leaf analysis; promotion of efficient drip irrigation for water conservation. The Land-use planning section of KALRO-Kabete also has a GIS laboratory that develops the soil and crop suitability digital maps when samples collected in the field contain GPS coordinates.

Soil conservation measures. KALRO has been upscaling several technologies aimed at managing soil erosion challenges. These include; terracing, in-situ and ex-situ water harvesting, conservation agriculture and mulching using locally available materials.

c) Shortcomings

Whereas KALRO has vast research land in the various Centres, there are limited financial resources to scale up the environmental related activities.

d) Efforts to manage biodiversity

KALRO through the Genetic Resources Research Institute (GERRI) has conserved various plant accessions that can be used in future. Other efforts to conserve biodiversity include; in-situ sites at TRI, CRI and SRI. Through its activities like field

days, farmer demonstration and trainings, the organization also creates awareness to its stakeholders on the importance of biodiversity.

e) Waste management policy

The Organization promotes waste separation at source in the various Institutes and Centre's. Some of the waste is incinerated at source and some is taken to licensed incinerators. The KALRO Waste Disposal guidelines is as prescribed in the Environmental policy.

f) Efforts to reduce environmental impact of the Organization's products.

To reduce the environmental impact of the organizations products, Climate Smart Agricultural (CSA) practices and Good Agricultural Practices (GAP) are promoted in all the farming systems. These practices aim at optimizing production and at the same time conserving the environment. Environmental Impact Assessment (EIA) is done for all major projects and programs that may have an environmental impact. In many cases controlled trials are undertaken to minimize or reduce any negative environment externalities.

iii) Employee welfare

KALRO has a Human Resource Policy & Procedures Manual developed to support service delivery, commitments and obligations of the Kenya Agricultural & Livestock Research Organization (KALRO) to the targeted beneficiaries. The manual sets the guidelines on recruitment and selection of members of staff, management and development of human resource in the Organization. It is also the official means for the Organization to communicate its policies on human resource management related matters

iv) Responsible Supply chain and supplier relations

KALRO enhances responsible supply chain and supplier relations through;

- a. Making good use of government procurement policies and rules through adaptation and adherence to Public Procurement and Asset Disposal Act (PPADA) revised edition 2016 and its regulations of 2020 and any other circulars.
- b. Establishing a strong Procurement Management Framework through mapping out workflows, and building out Standard Operating Procedures (SOPs).
- c. Ensuring transparency in all organizational Procurement through managing and updating the approved supplier lists often, keeping contact information of reliable suppliers while staying on the lookout for new contacts and opportunities.
- d. Conducting audits frequently. This is done through subjecting suppliers to high standards and evaluating their performance (appraisals) regularly to ensure they're meeting organization demands at competitive rates

- e. Engaging Suppliers through Strategic supplier relationships. This is achieved by building a solid relationship, integrating with suppliers by ensuring vendors deliver reliable, high-quality goods and services on time and at the best rate.
- f. By automating procurement processes and other cognate departmental procedures e.g. ERP (Enterprise Resource Planning). This ensures efficiency and timely settlements of supplier thus honoring their credit periods.

v) Corporate Social Responsibility / Community Engagements

KALRO seeks to participate and contribute to the Social and Economic development of local communities we operate within through Corporate Social Responsibility (CSR) activities. The CSR activities assist in building relationships with local communities, internal and external stakeholders, and the society at large.

KALRO’s CSR Policy is in with the strategic plan. It lays down guidelines and mechanisms for adoption by the organization to carry out all CSR Projects/ Programs. The Policy guides the implementation of KALRO’s CSR activities intended to support local communities on various socially suitable activities to enable high impact and ensure measurable outcomes of the funds deployed towards such activities.

KALRO management, with the guidance of the strategic plan, sets aside funds for CSR activities. CSR Committees manage the planning and monitoring of expenditure of CSR activities at the secretariat and center level.

All CSR activities undertaken in the financial year, July 1, 2023, to June 30, 2024, were implemented through a focused approach towards target beneficiaries for generating maximum impact, with most of the activities being carried out in partnership with other credible stakeholders.

During this 2023/2024 financial year, the organization supported various activities in environment conservation, health, education, agriculture, staff, and community welfare.

Centre	Venue and intended beneficiary	Nature of CSR event (Environmental conservation, education, health, community welfare and staff welfare)	Remarks
Biotechnology Research Institute	Kikuyu Sub County administration	Donated 1,900 trees	Support the National Tree planting day

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Centre	Venue and intended beneficiary	Nature of CSR event (Environmental conservation, education, health, community welfare and staff welfare)	Remarks
KALRO Kiboko	Makindu sub-county Madaraka Day National Celebrations	Donated 12 cartons of Bottled drinking water	Support of the National Event
KALRO ICRC-Mtwapa	Shimo La Tewa Women Prison, in Shanzu Mombasa	ICRC Staff visited inmates and staff at Shimo La Tewa Women Prison, conducted tree planting and donated food and non-food items	Support the Environmental conservation health, community welfare and staff welfare
	ICRC Mtwapa	ICRC Staff partners with Komboa Coast Football club for Boys and Girls from Mtwapa Community for regular practice and tournaments	
	Heshima Children's orphanage, Mtwapa.	ICRC staff conducted counselling and donated firewood.	
KALRO -Oljororok	Nyandarua Prison	Donated 20 Litres of fresh milk	Support of the National Event
	Talitha Kum Children Home Nyahururu	Donated 30 litres of Fresh Milk, 18Litres Yoghurt, 50 Kg Potato Wares and 1 Sack of Cabbages	Support the community welfare
KALRO Sugar Research Institute		<p>-Allowed locals communities, local primary and secondary schools to access the Institute's facilities and learn during open days free of charge</p> <p>-The Institute collaborated with local dispensary and Ministry of Health to carry out HIV testing and counseling services for staff and local community as well as carrying out blood pressure and</p>	Education, Health, community welfare and staff welfare

Kenya Agricultural and Livestock Research Organization
Annual Report and Financial Statements
for the year ended June 30, 2024

Centre	Venue and intended beneficiary	Nature of CSR event (Environmental conservation, education, health, community welfare and staff welfare)	Remarks
		<p>Body Mass Index (BMI) checking during open and field days held at the station.</p> <ul style="list-style-type: none"> -Permitted residents in the vicinity of the Institute to access water from the Tap close to Canteen well as supplying water to Kisure Primary School and Sugar Research Secondary School -Offered security services at night for the dispensary, Kisure Primary School, and Secondary School -Allowed residents near the Institute to trim grass in fields, roads, and areas around the office buildings for use as livestock feed - Allowed community living around the Institute to hire tent and chairs at subsidized rate. -Gave priority to the community living around the Institute when hiring casual labour and volunteer - Distributed fruit trees and trees seedlings free of charge to locals community 	
KALRO DRI Naivasha	Surrounding Community	<ul style="list-style-type: none"> -Providing support for the Mashujaa Day Celebrations on October 10, 2023, in Naivasha sub-county. -Actively participated in donations for the Madaraka Day Celebrations on June 1, 2024, at Naivasha Stadium in Naivasha 	Support the Environmental conservation , education, health and community welfare

Kenya Agricultural and Livestock Research Organization
Annual Report and Financial Statements
for the year ended June 30, 2024

X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Kenya Agricultural and Livestock Research Organization (KALRO) affairs.

a) Principal activities

The principal mandate of KALRO is to undertake, streamline, coordinate and regulate all aspects of research in agriculture and livestock development, and promote the application of the research findings, technologies and innovations

b) Results

The results of the entity for the year ended June 30, 2024, are set out on page 1 to 6

c) Directors

The members of the Board of Directors who served during the year are shown on page XI-XII. During the financial year, Mrs. Grace Kimaru was replaced by Dr. Christopher Wanga as alternate director to the PS Livestock Department on the 29th November 2023.

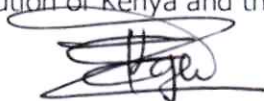
d) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. KALRO being a non regulatory entity hence no remittance to the Consolidated Fund

e) Auditors

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

By Order of the Board



Name: E. K. Kireger (PhD, OGW) **Signature**
Secretary to the Board

Date 30/09/2024

Kenya Agricultural and Livestock Research Organization
Annual Report and Financial Statements
for the year ended June 30, 2024

Centre	Venue and intended beneficiary	Nature of CSR event (Environmental conservation, education, health, community welfare and staff welfare)	Remarks
		Town. - Complemented by essential nutrition education and garden management knowledge transfer to Manera Primary School in Naivasha. -Contributed six packets of water to support public participation events at the AP Chapel, Naivasha town catering for 140 attendees.	

XI. STATEMENT OF DIRECTOR'S 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 that organization, which give a true and fair view of the state of affairs of the organization at the end of the financial year/period and the operating results of the organization for that year/period. The Directors are also required to ensure that the organization keeps proper accounting records which disclose with reasonable accuracy the financial position of the organization. The Directors are also responsible for safeguarding the assets of the organization.

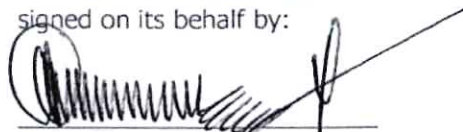
The Directors are responsible for the preparation and presentation of the organization's financial statements, which give a true and fair view of the state of affairs of the organization for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organization; (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 organization; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

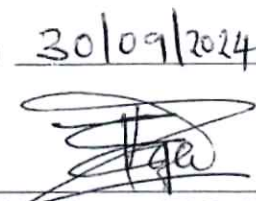
The Directors accept responsibility for the organization's financial statements, which have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the organization's financial statements give a true and fair view of the state of organization's transactions during the financial year ended June 30, 2024, and of the organization's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the organization, which have been relied upon in the preparation of the organization's financial statements as well as the adequacy of the systems of internal financial control.

With effect from 1st July 2014, Kenya Agricultural Research Institute (KARI), Kenya Sugar Research Foundation (KESREF), Tea Research Foundation (TRF) and Coffee Research Foundation (CRF), were dissolved in pursuant to the Kenya Agricultural and Livestock Research Act, 2013. Its newly acquired name is Kenya Agricultural and Livestock Research Organization (KALRO). This will not affect the organization going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The KALRO financial statements were approved by the Board on 30/09/2024 and signed on its behalf by:


Dr. Thuo Mathenge
Chairman, KALRO BoM


Eliud K. Kireger (PhD, OGW)
Director General

REPUBLIC OF KENYA



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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA AGRICULTURE AND LIVESTOCK RESEARCH ORGANIZATION FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

1. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
2. 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
3. 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, risk management environment and 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 of the Auditor-General on Kenya Agriculture and Livestock Research Organization for the year ended 30 June, 2024

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Agriculture and Livestock Research Organization set out on pages 1 to 20, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, 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 Kenya Agriculture and Livestock Research Organization as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Kenya Agricultural and Livestock Research Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Revenue from Exchange Transactions

The statement financial performance reflects revenue from exchange transactions figure of Kshs.1,125,794,000 while the schedules and other revenue records reflected Kshs.1,101,160,546 leading to unsupported or un reconciled variance of Kshs.24,633,454

In the circumstances, the accuracy and completeness of the revenue from exchange transactions of Kshs.1,125,794,000 could not be confirmed.

2.0 Staff Costs

2.1 Unsupported Staff Costs

The statement of financial performance reflects an expenditure under employee's costs totaling to Kshs.4,544,377,000. However, a comparison between the financial statement amounts and the provided payment vouchers and payroll details revealed a total of Kshs.4,356,664,462 resulting to unsupported or unreconciled variance of Kshs.187,712,538

In the circumstances, the accuracy and completeness of the staff costs balance Kshs.4,544,377,000 could not be confirmed.

2.2 Unsupported Expenditure on Casual Workers

The statement of receipts and payments and Note 15 to the financial statements reflects compensation of employee's expenditure of Kshs.4,544,377,000 out of which an amount of Kshs.405,251,000 is related to payments to casual employees. However, there was no evidence in terms of the number of casuals engaged during the year, their occupation, their bio data, how they were identified for the jobs, terms of engagement, period served and prove that they received the payments. However, it was also noted that in some stations such as Kisii Centre and Coffee Research Institute Ruiru casual labourers are being engaged for more than three months on renewable terms contrary to section 37 of the Employment Act of 2007 (Revised 2012) which requires conversion of casual employment to term contract.

In the circumstances, the accuracy and validity of Kshs.405,251,000 expenditure on casual labor could not be confirmed.

3.0 Unaccounted for Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.592,027,000 and as disclosed in Note 21 to the financial statements. However, as previously reported, the cash and cash equivalents balance of Kshs.592,027,000 excludes cash withdrawals totalling Kshs.6,914,345 made in the financial year 2009/2010 in respect of the Sugar Research Institute against which the related supporting documents were not provided for audit. Although Management indicated that the missing documents were a subject of investigation by the Sugar Research Institute and other arms of Government, the amount remains unaccounted for, and the status of investigations was not disclosed.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.592,027,000 could not be confirmed

4.0 Inventories

Note 25 to the financial statements reflects Inventory of Kshs.258,688,000 for the year under review. However, the stock take was done once a year contrary to section 162(2) of the public procurement and asset disposal act, which requires stock, take to be done at least on quarterly basis. Further, the provision for obsolete stock of Kshs.341,000 was not supported as there were no remarks on the condition of the stocks in the stock take sheets provided for audit verification

In the circumstances, accuracy and completeness of Inventory value of Kshs.258,688,000 could not be confirmed

Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivable from exchange transactions balance of Kshs.171,651,000 as disclosed in Note 22 to the financial statements. This balance includes amounts due from Kenya Seed Company, Bungoma Union, Mugama Co-op

Union, unsupported prepayments, rent due and other receivables of Kshs.19,945,000; Kshs.746,000; Kshs.1,863,000; Kshs.1,200,000; Kshs.5,477,000 and Kshs.48,000,000 respectively all totalling to Kshs.77,231,000 that have remained outstanding more than two years.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions totalling Kshs.171,651,000 could not be confirmed.

5.0 Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.385,816,000 which includes commodity levy of Kshs.314,497,000 as disclosed in Note 23 to the financial statements. Included in the commodity levy are balances due from Nyambene Mills (in receivership), Coffee Board of Kenya and Kenya Planters Co-operative Union (KPCU) of Kshs.23,445,000 and Kshs.124,496,000 respectively. These balances have been outstanding for more than four (4) years. Although Management has made a full provision of Kshs.124,496,000 in respect of KPCU debt and forwarded a claim to the receiver Manager of Nyambene Mills (in receivership), no progress has been reported towards recovery of this debt and provision made for the other long outstanding debts appears inadequate.

Further, the balance includes outstanding staff advances and outstanding imprests of Kshs.1,455,000 and Kshs.63,389,000 out of which balances totalling Kshs.1,499,026 and Kshs.13,695,954 have been outstanding for more than three (3) years and one year respectively.

In the circumstances, the accuracy and recoverability of the receivables from non-exchange transactions balance of Kshs.385,816,000 could not be confirmed.

7.0 Property, Plant and Equipment

7.1 Unsupported Expenditure on Work In Progress and Infrastructure and Expenditure

The statement of financial position as of 30 June, 2024 reflects property, plant, and equipment amounting to Kshs.23,928,234,000 and as disclosed in Note 27 of the financial statements which includes additions to work in progress of Kshs.15,152,000 and Infrastructure of Ksh.1,327,000 whose supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.23,928,234,000 could not be confirmed

7.2 Unresolved Land Matters

The Statement of financial position reflects property, plant and equipment balance of Kshs.23,928,234,000 as disclosed in Note 27 to the financial statements which includes a

balance of Kshs.18,208,626,000 in respect of land. Review of records revealed that Management had not resolved pervious year land issues as detailed below:

- i. As previously reported, land with a value of Kshs.400,000,000 and measuring 400 acres was allocated to the Kenya Agricultural Research Institute in 2011. However, Management did not provide for audit, ownership documents for the parcel of land.
- ii. As previously reported, included in the property, plant and equipment balance of Kshs.23,928,234 as at 30 June, 2024 was an amount of Kshs.2,932,785,960 in respect of six (6) parcels of land owned by the former Kenya Agricultural Research Institute which did not have ownership documents.
- iii. Further, part of the Organization's land and another parcel measuring approximately 100 hectares were illegally acquired by informal developers in the year 2000. Further, part of this land was used as a dumping site by a County Government and construction of a power station was also taking place on the same land.
- iv. In January, 2011, some individuals invaded the Organization's land in Naivasha, claiming ownership. The Organization filed a case in court to have them evicted, and a ruling in favor of the Organization was made on 29 March, 2012, revoking their title. However, the informal settlers had not vacated the land.
- v. As reported in the previous years, fifty (56) parcels of land all under the Sugar Research Institute did not have ownership documents.
- vi. The property, plant and equipment balance exclude undetermined value of parcels of land measuring 99 hectares and 127 hectares, which the Coffee Research Institute used for farming. The titles to the parcels of land were in the name of the Coffee Board of Kenya (CBK) which has since merged to form the Agricultural Food Authority.
- vii. The Agricultural Mechanization Services (AMS) - a department within the Ministry of Agriculture, Livestock, Fisheries and Co-operatives occupied a portion of the Organization's land and had set up its own buildings. The Management clarified that the value of the constructions/improvements by the AMS was not included in the assets balance, and AMS was devolved from the National Government to the County Government. The County Government had however, neither signed any lease agreement nor paid any rent to the Kenya Agricultural and Livestock Research Organization.
- viii. The property, plant and equipment balance also exclude the value of twenty (20) acre piece of land developed by the Tea Research Institute with an estimated value of Kshs.8,430,634.
- ix. The property, plant and equipment balance include an amount of Kshs.81,650,080, being the value of buildings allocated to the Kenya Plant Health Inspectorate Service in 1998.

- x. The property, plant and equipment balance include the value of an office block completed in the year 2012/2013 at a cost of Kshs.663,772,203 for Sugar Research Institute. As previously reported, the valuation report amount was however, Kshs.447,992,751 resulting in an overstatement of Kshs.215,779,452. No explanation was provided on how the value of the new building dropped below the actual construction cost with such a high margin.
- xi. As reported in the previous year, the Organization's residential building at Kisii Sub-Centre of Coffee Research Institute was taken over by the Kisii County Government with no compensation to the Organization.
- xii. Included in the value of land balance as at 30 June, 2024 was an amount of Kshs.117,000,000 being the cost of land occupied by Coffee Research Institute. Although Management indicated that the title deed was misplaced, evidence of steps taken to replace the title deed was not provided.
- xiii. KALRO owns 142.06 hectares which has a title deed but which has been encroached by informal settlers making it impossible for the Organization to utilize the land for the purposes of agricultural research.
- xiv. Included in the balance of land of Kshs.18,208,626,000 is a beach plot valued at Kshs.56,734,160. However, the Organization did not have a title deed for the land. The Management explained that the land was illegally subdivided into five plots, but the Commissioner of Lands revoked the allotments. A private developer filed a suit in court to affirm ownership of the beach plots but the matter had not been determined as at 30 June, 2024 and ownership of the plots could not be confirmed.
- xv. The balance also excluded the value of a parcel of land on which five (5) buildings are located in Kitale and staff houses belonging to the Non-Ruminant Centre in Kakamega. The houses were constructed on twenty (20) acres of land that were left out during allotment of the land to the Organization.
- xvi. Further, included in the balance of land of Kshs.18,208,626,000 are 1418 hectares of land where a National Beef Research Centre is located. Records held at the Organization indicated that in 1984 a farmer surrendered two hundred and thirty (230) acres of his land to the Government, and it was agreed that he would be compensated with an equivalent acreage of vacant land at the Beef Research Institute. The farmer was however allotted two hundred and seventy acres (270), an excess of forty (40) acres. Further, the farmer violated the conditions of the land exchange and occupied the developed part of the land leading to destruction of property belonging to KALRO. The said part of the land had since been subdivided into plots for sale to the public. In addition, records provided indicated that another farmer agreed to surrender three hundred and twenty (320) acres of his land in Nakuru but during exchange and transfer he irregularly acquired an extra one hundred and fifty-two (152) acres of KALRO's land. Additionally, informal settlers have been trying to encroach the land since year 2014. There is a high risk that the Organization may lose the disputed parts of its land.

- xvii. The balance of land of Kshs.18,208,626,000 does not include the value of the parcels of land situated in Msabaha in Kilifi, Njoro in Nakuru, five (5) parcels of land in Limuru, Kiambu and a parcel of land in Alupe Sub-Centre, Busia.
- xviii. Examination of various documents at Beef Research Institute in Lanet, Nakuru County revealed that informal settlers have been encroaching the land. There is therefore a high risk that the Organization may lose parts this land in Lanet. Further, the County Government of Kisii had taken over part of the Organization land meant for food Crop Research Institute Kisii. The County Government was constructing the Governor's residence in approximately two acres of the grabbed land while a cancer centre was illegally being constructed in another parcel estimated at one acre
- xix. KALRO Mariakani, covering 449 hectares, faces encroachment issues, including the uprooting of beacons in 2016, which leads to the reallocation of 40 acres to private individuals. The Kilifi County Government demands 400 acres, which KALRO opposes. The Kwale County Government also begins constructing a dispensary on the land, and Kenya Railways takes more land than was allocated. Legal action is underway to address these issues.
- xx. KALRO Buchuma, located in Taita Taveta County, spans 2,172 hectares and faces encroachment threats. illegal settlers occupy 710 hectares, as evidenced by new constructions, land clearing, and water connections. Half of the land is marked with beacons, but the encroachment issues remain unresolved.
- xxi. KALRO Embu covers 174.7 acres (68.88 ha), with two registered portions: Block A (35.48 ha) for administrative offices and Block B (34.4 ha) for research and seed multiplication. In September, 2016, the Embu County Government requested Block B for commercial purposes, a request that is under consideration.

In the circumstances, the ownership, completeness and accuracy of land balance of Kshs.18,208,626,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Agriculture and Livestock Research Organization Management in accordance with ISSAI 130 on the 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

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 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, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for the failure to resolve them.

Other Information

The Directors are responsible for the other information set out on page xix to lx which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the entity's 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, 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 conclusion 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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else 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

1.0 Revenue from Exchange Transactions

1.1 Sales of Goods

Note 10 and 20 to the financial statement reflects sale of goods and other gain/losses of Kshs.774,726,000 and Kshs.181,210,000. Included in the amount is sale of scrap and gain on disposal of fixed assets of Kshs.4,033,000 and Kshs.20,186,000 respectively. It was observed that Management engaged the services of four(4) auctioneers for the disposal of its unserviceable fixed assets and scrap materials. However, none of the auctioneers was in the list of prequalified suppliers contrary to Section 106, (2)(3) of the Public Procurement and Asset Disposal Act, 2015 states that an accounting officer of a procuring entity shall give the request to such persons as are registered by the procuring entity.

Further, the auctioneers did not prepare a report of the auction results with both parties appending their signatures authenticating the results of the auction exercise. In addition, the conditions of sale in the auction invitation revealed that Management capped the deposits at a flat rate of Kshs.50,000 and Kshs.5,000 for motor vehicles and other categories of goods per lot respectively contrary to Regulation 19(6) of the procurement and Asset disposal (National Government) which states that the auction deposits shall not exceed ten per cent of the total cost of the estimated value of the auction item or lot.

In the circumstances, Management was in breach of the law

2.0 Staff Cost

2.1 Employment of Staff with Disability

Review of personnel records revealed that staff with disability are 1.7% (37 out of 2141) of the total staff. This is below the required percentage of the 5% of the PSC 2016 HR policy. Further, it was noted that the entity did not recruit people with disability for the recruitment during the year.

In the circumstances, Management was in breach of the law

3.0 Insurance of Motor Vehicle

Included in the use of goods and services of Kshs.2,082,886,000 as disclosed in Note 14 to the financial statements was vehicle insurance amount of Kshs.11,943,000. The amount was paid to Liaison Group as the underwriter for the insurance policy for 229 private motor vehicles, 125 units of commercial motor vehicles and 48 units of motor cycles. It was however noted that insurance company was awarded an extension of the contract to provide the insurance cover for another one year after the expiry of a two-year contract. The underwriter billed the Organization the same premium amounts paid two years prior when the units were first insured by same insurance at cost despite the units being depreciated yearly as per the organization finance policy.

No valuation was done before the insurance was up taken to determine the exact fair value or netbook value of the motor vehicles

Further, five private motor vehicles are still being insured at cost despite being grounded and not in service for quite some time.

In the circumstances, the value for money of Kshs.11,943,000 could not be confirmed.

4.0 Procurement of Laboratory Equipment

Note 27 to the financial statements reflects property, plant, and equipment balance of Kshs.23,928,234,000, which includes Kshs.13,015,000 for the supply and commissioning of farm equipment, and commissioning of a water chiller, amounting to Kshs.8,590,868. However, procurement documents were not provided for audit.

In circumstances, the value for money of Kshs.13,015,000 could not be confirmed.

5.0 Anomalies in Kenya Agricultural and Livestock Research Act, 2013

As previously reported, the Kenya Agricultural and Livestock Research Act, 2013 had set 1 August, 2014 as the commencement date for the operation of the Organization. The Act repealed the Science and Technology Act, 250, Coffee Act (No.9 of 2001), Sugar Act, (2001) and the Tea Act, Cap 343 which had established the Kenya Agricultural Research Institute (KARI), the Coffee Research Foundation (CRF), the Kenya Sugar Research Foundation (KESREF) and the Tea Research Foundation (TRF), respectively. However, other than the Kenya Agricultural Research Institute, which was operating under the Science and Technology Act Cap. 250 of the Laws of Kenya, the other parastatals were operating under the Companies Act, Cap 486 of the Laws of Kenya. According to Section 221(1) of the then Companies Act, Cap. 486, an application to the court for winding up of a Company shall be by petition presented, subject to the provisions of this section, either by the Company, by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties, together or separately.

Management, however, did not provide evidence that this provision of the Companies Act, Cap 486 was complied with in the establishment of Kenya Agriculture and Livestock Research Organization. Although Management stated that the entities were not wound up but merged, this explanation seems to be in contradiction with Section 56 of the Kenya Agricultural and Livestock Research Act, 2013 which states that, any reference to the former institution in any written law or in any contract, document or instrument of whatever nature shall, on the commencement of this Act, be read and construed as a reference to the Organization. In the absence of such evidence therefore, the Coffee Research Foundation (CRF), the Tea Research Foundation (TRF) and the Kenya Sugar Research Foundation (KESREF) are still legally in existence.

In the circumstances, Management was in breach of the law.

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 comply in all material respects, with the authorities that 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.

Basis for Conclusion

1.0 Lack of Integrated IT System for Revenue Collection

Review of documents of the Integrated IT System revealed that Kenya Agriculture and Livestock Research Organization collected its internally generated revenue manually. However, the Management acquired an Enterprise Resource Planning System (ERP), which has since not been utilized in revenue collection.

In the circumstances, monitoring of the revenue collection could not be confirmed.

2.0 Lack of a Policy for Engagement of Farmers under Purchase of Seeds.

Review of the signed policy document guiding the terms of engagement from identification of farmers, onboarding and contract terms was not provided for audit. Further review of farmer's contracts under purchase of seeds, revealed that contracts across different stations varied in terms of details included for example acreage of land and payment details. The unit prices used for purchase of seeds per center were also not supported by any documented approval. Lastly, it was noted that some stations used mobile money to pay farmers despite the phone numbers' absence in the contracts.

In the circumstances, the accuracy and validity of the farmers data could not be confirmed.

3.0 Staff Establishment

Review of the staff establishment revealed that the entity has one thousand six hundred and sixteen (1,616) against an approved establishment of three thousand six hundred and twelve (3612) officers. Further, analysis of staff ages as at 30 June, 2024 revealed that 58% of the Organization's workforce was aged between 51 and 65 years. However, no explanations were provided on the succession strategies the Organization had adopted to ensure retention of key skills in the Organization.

Under the circumstances, the Organization's succession strategies put in place to ensure retention of key skills in the Organization could not be confirmed.

4.0 Non-Submission of Work Plan by the Board to the State Corporation Advisory Committee

Review of the correspondences between Kenya Agriculture and Livestock Research Organization and State Corporation Advisory Committee presented for audit including the board work plan revealed that Kenya Agricultural and Livestock Research Organization submitted their work plan to the State Corporations Advisory Committee on 20 March, 2024, more than eight months after the beginning of the financial year, rendering all the board meetings held between 1 July, 2023 and March, 2024 not valid.

4.1 Gender Imbalance of the Board Members

Review of appointment letters of the Directors revealed that there were total of ten (10) board of Directors out of which seven were male while three were female translating to 70% and 30% respectively. Therefore, Management contravened Section 1.1 of Mwongozo, which supports the 33% gender rule.

In the circumstances, the Management was in breach of the law.

5.0 Management of Grounded Motor Vehicles

Review of the Kenya Agriculture and Livestock Research Organization's motor vehicle register showed a total of 386 vehicles and 95 motorcycles, with 26 vehicles and 6 motorcycles grounded during the year under review due to various defects, accounting for 6.6% of the total fleet. It was noted that most of these vehicles have been in various garages since 2013, indicating prolonged inactivity and a lack of timely repairs. However, despite identifying these defects, no clear action or timeline was provided for repairs or disposal contrary to regulation 139(1) (a) of the Public Finance Management (National Government) regulations, 2015 which states that the accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

In the circumstances, the motor vehicles are deteriorating and losing value due to lack of maintenance.

6.0 Management of Fixed Asset Register

6.1 Incomplete Fixed Asset Register

As previously reported, the register of assets maintained and provided for audit verification does not contain comprehensive details of the assets. Key information such as asset disposals, asset locations, tagging, and the officers responsible for each asset is missing. This is contrary to regulation 143(2) of the Public Finance Management Regulations, 2015, which mandates that the register of land and buildings must include specific details for each parcel of land and building. These details include terms of holding, conveyance references, addresses, areas, dates of acquisition, disposal, major changes in use, capital

expenditure, leasehold terms, maintenance contracts, and other pertinent management information.

6.2 Lack of Capital Work in Progress Register

Note 27 to the financial statements reflects property, plant and equipment amounting to Kshs.23,928,234,000. Included are Work in Progress expenditure amounting Kshs.15,152,000 for the year ended 30 June, 2024. However, the audit was unable to verify the level of completion and the outstanding costs of the project, as the project implementation committee minutes, which would outline the progress of the projects and work in progress register were not provided. Additionally, the project implementation status report was not made available for review.

In circumstances, completeness of the reported assets management is compromised due to lack of details in the fixed asset register, such as disposals, asset locations, tagging, and responsible officers.

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 controls, 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.

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 Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Organization'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 cease 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors are responsible for overseeing the Organization'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 for 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 IFPP 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

31 December, 2024

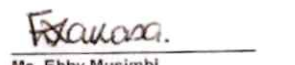
XI. STATEMENT OF FINANCIAL PERFORMANCE

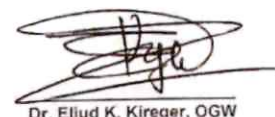
For the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs'000	Kshs'000 ¹
Revenue from non-exchange transactions			
GoK Recurrent	6	4,315,000	4,140,069
GoK Development	7	108,000	50,000
World Bank	8	502,260	1,120,706
Other Grants	9	788,952	614,436
		5,714,212	5,925,210
Revenue from exchange transactions			
Goods	10	774,726	544,506
Services	11	238,422	201,044
Interest Received	12	5,112	8,696
Other Receipts	13	107,534	94,685
		1,125,794	848,931
Total Revenue		6,840,006	6,774,141
Expenses			
Use of Goods and Services ¹	14	2,082,886	2,539,108
Staff Costs	15	4,544,377	4,317,996
Board Expenses	16	15,986	3,842
Audit Fees ¹	14	-	4,175
Depreciation & Amortization expense	17	305,213	326,567
Repairs and Maintenance	18	104,152	135,947
Contracted Services	19	31,327	47,604
Finance Cost ¹	14	-	14,544
Total Expenses		7,083,940	7,389,782
Other gains/(losses)	20	181,210	-
Surplus/(deficit) for the year		(62,725)	(615,642)

The Financial Statements set out on pages 1 to 18 were signed on behalf of the Board of Directors by:


Dr. Thuo Mathenge
Chairman, KALRO BoM
Date: 30/09/2024


Ms. Ebby Musimbi
Ass. Director, Finance & Accounts
ICPAK Member Number: 10936
Date: 30/09/2024


Dr. Ellud K. Kireger, OGW
Director General
Date: 30/09/2024

¹ Use of goods and services has been renamed in compliance with the IPSAS accrual template from Administrative costs. Similarly, Bank charges (Finance Cost) and Audit fees has been reported under use of goods and service in line with template requirements for the 2023-2024 FY period

XII. STATEMENT OF FINANCIAL POSITION
As at 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs'000	Kshs'000'
Assets			
Current Assets			
Cash and Cash equivalents	21	592,027	641,977
Receivables from Exchange Transactions	22	171,651	250,949
Receivables from Non-exchange Transactions	23	385,816	699,342
Prepayments	24	114,213	102,269
Inventories	25	258,088	197,863
Deposits	26	2,585	2,585
Total Current Assets		1,524,981	1,894,985
Non-Current Assets			
Property, Plant and Equipment	27	23,928,234	24,106,637
Investments	30	591	724
Intangible Assets	28	27,637	72,104
Biological Assets	29	1,224,387	955,985
Total Non- Current Assets		25,180,849	25,135,450
Total Assets		26,705,830	27,030,435
Liabilities			
Current liabilities			
Bank overdraft	31	0	20
Trade & Other Payables	32	154,241	232,182
Total Current Liabilities		154,241	232,201
Non-Current liabilities			
Deferred income	33	37,218	221,138
Total Non- Current Liabilities		37,218	221,138
Total Liabilities		191,459	453,339
Net assets		26,514,371	26,577,096
Capital and Reserves			
General Reserve	34	668,521	731,245
Capital Fund	35	5,980,474	5,980,474
Revaluation Reserve	37	19,865,377	19,865,377
Total Capital and Reserves		26,514,371	26,577,096

The Financial Statements set out on pages 1 to 18 were signed on behalf of the Board of Directors by:



Dr. Thuo Mathenge
Chairman, KALRO BoM

Date: 30/09/2024



Ms. Ebby Musimbi
Ass. Director, Finance & Accounts
ICPAK Member Number: 10936

Date: 30/09/2024



Dr. Eliud K. Kireger, OGW
Director General

Date: 30/09/2024

XIII STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2024

	Notes	Capital Fund	Revaluation	General	Totals
		Kshs'000'	Kshs '000'	Kshs'000'	Kshs'000'
At 1st July 2022		5,945,219	19,865,377	1,346,887	27,157,483
Capital grants received during the period		35,255	-		35,255
Surplus/(Deficit) for the period		-	-	(615,642)	(615,642)
Prior year adjustments		-	-	-	-
At 30 June 2023		5,980,474	19,865,377	731,245	26,577,096
At 1st July 2023		5,980,474	19,865,377	731,245	26,577,096
Capital grants received during the period		-	-		-
Surplus/(Deficit) for the period		-	-	(62,725)	(62,725)
At 30 June 2024		5,980,474	19,865,377	668,521	26,514,371

XIV STATEMENT OF CASHFLOW

As at 30th June 2024

	Notes	2023-2024 Kshs'000	2022-2023 Kshs'000
Cash Flow from Operating Activities			
Cash generated from/(used in) operations	36	464,371	(266,314)
Net cash generated from/(used in) operating activities		464,371	(266,314)
Cash flow from Investing Activities			
Revaluation of Biological assets		(268,402)	5,391
Purchase of property, plant & equipment	27	(76,597)	(260,905)
Purchase of intangible assets	28	(5,721)	(71,469)
Proceeds from sale of Assets		20,186	10,470
Gain/(Loss) on Valuation of Investments		132	(42)
Cash generated from/(used in) investing activities		(330,401)	(316,555)
Cash flow from Financing Activities			
Capital Grant		-	35,255
Deferred Income(Capital)		(183,920)	(254,111)
Cash generated from/(used in)Financing activities		(183,920)	(218,857)
Increase in Cash and Cash Equivalent for the Year		(49,950)	(801,726)
Cash and Cash Equivalent at the Start of the Year		641,977	1,443,703
Cash and Cash Equivalent at the End of the Year	21	592,027	641,977

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of utilisation
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
	Kshs'000	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	
	A	B	C=(A+B)	D	E=(C-D)	F=D/C
Revenue from non-exchange transactions						
GOK Personal Emoluments	4,515,000	(200,000)	4,315,000	4,315,000	-	100%
GOK Development	216,000	(108,000)	108,000	108,000	-	100%
World Bank	700,000	(200,000)	500,000	502,260	2,260	100%
Other Grants	600,000	200,000	800,000	788,952	(11,048)	99%
Sub total	6,031,000	(308,000)	5,723,000	5,714,212		100%
Revenue from exchange transactions						
Goods	624,000	(40,000)	584,000	774,726	190,726	133%
Services	165,000	40,000	205,000	238,422	33,422	116%
Interest Received	10,000	-	10,000	5,112	(4,888)	51%
Other Receipts	90,000		90,000	107,534	17,534	119%
Sub total	889,000	-	889,000	1,125,794		127%
Total Revenue	6,920,000	(308,000)	6,612,000	6,840,006		103%
Expenses						
Use of Goods and Services	1,964,096	(200,000)	1,764,096	2,082,886	(318,791)	118%
Staff Costs	4,223,853		4,223,853	4,544,377	(320,524)	108%
Board Expenses	20,000		20,000	15,986	4,014	80%
Depreciation & Amortization	326,052		326,052	305,213	20,839	94%
Repairs and Maintenance	130,000		130,000	104,152	25,848	80%
Contracted Services	40,000		40,000	31,327	8,673	78%
Capital Expenditure (Development)	216,000	(108,000)	108,000	108,000	-	100%
Total Expenses	6,920,000	(308,000)	6,612,000	7,191,940	(579,940)	109%
Other gains/(losses)				181,210	(181,210)	
Surplus/(Deficit)	-	-	-	(170,725)		(0)

The notes set out on pages 6 to 18 form an integral part of the financial statements.

Budget notes

1. Change between original and final budget is as a consequence of budget adjustment from Exchequer
2. The % increase on revenue received from services receipts is due to use of facilities during capacity building by Technical Vocational Education and Training(TVET)
3. The % increase in revenue received from goods is due to availing of affordable certified seeds for planting by the Counties as well the movement due to increase in Stock held as at the end of the financial year
4. The % decrease in revenue from interest received is due decrease in bank balances
5. The increase in revenue from other grants is as a result of increase in research collaborations resulting to realization of the grants from donors as well as recognition of deferred income in the period
6. The % increase in staff cost is due to implementation of the succession strategies commenced with the recent appointment of staff after approval to recruit was granted by the Public Service Commission and employer contribution of the Affordable Housing Levy.
7. The % increase in use of goods and services is as a result of related cost of production of certified seeds for planting and planting materials that were availed to farmers and for provision of conference services
8. Board expenses utilization against the budget was a result of KALRO Board being fully constituted within the period
9. Repairs and maintenance decrease was as a result of slow down of the refurbishing of Research Facilities and Infrastructure funded under the NAVCDP
10. The % increase in Bank charges (finance cost) is due to digitisation of payments for prompt settlement of expenditures
11. Contracted services decrease was as a result submission of crops varieties KEPHIS for National Performance Trials (NPT) and Distinctness, Uniformity and Stability (DUNS)
12. The resulting deficit in the statement of financial performance is due to submission of accountabilities for advances issued to the collaborating Institutions for research work funded under the Climate Smart Agricultural Productivity Project following the expiry of the collaborating grant award agreements.

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

KALRO is established by and derives its authority and accountability from Kenya Agricultural and Livestock Research Act, No 17 of 2013. The organisation is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to undertake, streamline, coordinate and regulate all aspects of research in agriculture and livestock development, and promote the application of the research findings, technologies and innovations.

2. Statement of compliance and basis of preparation – IPSAS 1

The organization's financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the organization and all values are rounded to the nearest thousand (Kshs. 000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There were no new and amended standards issued in the financial year. method. The financial statements are prepared on accrual basis

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43:Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 43 IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and; Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	Applicable: 1st January 2025: The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2023/2024

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions - IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the organization and can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The organization recognizes revenue from rendering of services only when it is probable that the economic benefits or service potential associated with the transaction will flow to the organization. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the organization.

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the organization. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or organization differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. The period covered by the annual budget is the same as the period covered by the financial statements.

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell in accordance with IPSAS 27.

Bearer plant are "a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. This includes Coffee and Tea plants .

Before maturity, bearer plants are measured at their accumulated cost. After the bearer plants matures, KALRO measures the bearer plants using either the cost model or the revaluation model.

Depreciation is calculated to write off the cost or valuation of fixed assets using the straight-line method at the following annual rates

Buildings	2.00%
Bearer Plants	2.00%
Motor vehicles and Motor cycles	25.00%
Tractors	12.50%
Plant and machinery	12.50%
Office equipment	12.50%
Computers & Electronics	33.33%
Furniture & fittings	12.50%
Laboratory equipment	12.50%
Infrastructural Assets	25.00%

Depreciation will be charged in the year of acquisition and not charged in the year of disposal of the asset.

d) Intangible assets–IPSAS 31

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

The useful life of the intangible assets is assessed as finite and amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period (a period of 3 years) and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the reporting date.

Intangible assets 33.33%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

e) Research and development costs

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

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

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

f) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Organization.

g) Nature and purpose of reserves

The organization creates and maintains reserves in terms of specific requirements. organization to state the reserves maintained and appropriate policies adopted.

h) Employee benefits – IPSAS 25

Retirement benefit plans

The organization provides retirement benefits for its employees. The retirement scheme is contributory with employee and employer contributing as below on the basis of the Basic Salary. The entity's obligation under the scheme is limited to employee and employer contributions

Employee	Employer
10%	20%

The entity also contributes to the statutory National Social Security Fund (NSSF). The entity's obligation under the scheme is limited to employee and employer contributions.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year net of bank overdrafts. In the Statement of Financial Position, bank overdrafts are included as borrowings under current liabilities.

j) Comparative figures

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

k) Foreign currency transactions IPSAS 4.

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Subsequent events – IPSAS 14

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, 2024.

m) Related Parties – IPSAS 20

The Organisation regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Organisation, or vice versa. The Government of Kenya is the principal shareholder of the entity, holding 100% of the entity's equity interest. Other related parties include the Parent Ministry (Ministry of Agriculture and Livestock Development) and Board of Management. Members of key management are regarded as related parties and comprise senior managers. No related party contracts or dealings were exchanged during the year except for earnings as employees. Further, the key management do not hold any specific interests. Allowances to members of the Board of Management are as shown (see Note 16), while the three key management emoluments for the year were Kshs 19.938million. This is included in the staff costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

n) Taxes – IAS 12

The Organisation is only liable to income tax payable on interest and dividends received which are payable at source. The organisation is exempt from paying corporation tax.

o) Leases – IPSAS 13

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the Organization as the lessee. All other leases are classified as operating leases. Where the Organization is the lessee, the total payments made under operating leases are charged to the statement of financial performance on a straight line basis over the period of the lease.

p) Changes in accounting policies and estimates – IPSAS 3

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

q) Financial Risk Management Objectives and Policies

The Board has initiated and facilitated the process that will see the enhancement of risk management. The Board has an integrated risk management strategy. The Board's approach to risk management is based on risk governance structures, risk management policies, risk identification, measurement, monitoring and reporting. The risk management policies and systems are reviewed regularly to ensure that they are in tandem with the micro and macro environment, regulatory guidelines, industry practice, market conditions as well as the services offered. The Board recognizes the critical role the risk management will continue to play in its endeavor to carry out its business in a dynamic environment. The Board is committed to ensure that corporate governance and risk management are deeply entrenched in the Organisation and culture.

i) Liquidity risk

Liquidity risk is the risk that the Board will not have sufficient financial resources to meet its obligations when they fall due or will have to do so at excessive costs. This risk can arise from mismatches in the timing of cash flows from revenue and capital/ operational outflows, assets and liabilities according to their maturity profiles and can occur where cash flow streams have been discontinued, etc. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be met at expected terms and when required. The objective of the liquidity and funding management is to ensure that all foreseeable operational and capital commitment expenditure can be met under both normal and stressed conditions and the mismatch is controlled in line with allowable risk levels.

The table shows the undiscounted cash flows on the Organisation financial assets and liabilities on the earliest possible maturity date. The liquidity ratio in FY 2023/24 is 7.45(FY 2022/23:6.86)

	Note	2023-2024 Kshs '000	2022-2023 Kshs '000
Financial Assets			
Bank and Cash Balances	21	592,027	641,957
Receivables	22 & 23	557,467	950,291
Total Financial Assets		1,149,494	1,592,248
Financial Liabilities			
Payables	32	154,241	232,182
Total Financial Liabilities		154,241	232,182
Net Liquidity		995,253	1,360,067
Liquidity Ratio		7.45	6.86

ii) Currency Risk

Currency risk arises primarily from purchasing and sales of goods and services from/to overseas or indirectly via local supplies. The currency risk is minimal as cash and cash equivalents held with banks are dominated in Kenya Shillings and there are minimal dealings in foreign currency.

iii) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Organisation's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as legal and regulatory requirements and generally acceptable standards of corporate behavior.

The Organisation seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor and report such risks. The Organisation's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Organisation's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

iv) Compliance and Regulatory Risk

Compliance and regulatory risk includes the risk of non-compliance with regulatory requirements. The Organisation has complied with all externally imposed requirements throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5) Significant judgments and sources of estimation uncertainty – IPSAS 1

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the directors' knowledge of current events and actions, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key areas of judgments and sources of uncertainty in estimation are as set out below:

i) Useful lives of Property, Plant and Equipment

The Board make estimates in determining the depreciation rates for property and equipment. The rates used are set out in the accounting policy (c) above for property and equipment. The Board reviews the estimated useful lives of plant and equipment at the end of each reporting period. During the financial year, no changes to the useful lives were identified by the Board.

ii) Contingent Liabilities

As disclosed in these financial statements, the Board is exposed to various contingent liabilities in the normal course of business. The Board evaluate the status of these exposures on a regular basis to assess the probability of the Board incurring related liabilities. However, provisions are only made in the financial statements where, based on the Board's evaluation, a present obligation has been established.

iii) Provision for Doubtful Debts

The organization reviews its receivables portfolio to assess the likelihood of impairment. Provision for impairment of receivables is established when there is an objective evidence that the Board will not be able to collect all amounts due. Where necessary, an estimation of the amounts irrecoverable is made in that year at 5% of the portfolio. Provision for impairment shall be recognized upon approval by the Board of Management.

iv) Other provisions

Other provisions are recognized when the Board has legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6. GoK Personnel Emoluments

This represents GoK funds received from the Government for payment of staff costs

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Grants-Personnel Emoluments	4,315,000	4,140,069
Total	4,315,000	4,140,069

7. GoK Development Funds

This represents GoK funds received from the Government for development of research activities.

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Development Grant -GoK	108,000	50,000
Sub-Total	108,000	50,000

6 & 7. Transfers from Ministries

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs '000	Amount deferred Kshs '000	Amount recognised in capital fund Kshs '000	Total grant income during the year Kshs '000	2023-2024	2022-2023
Ministry of Agriculture and Livestock Development	4,315,000	-	-	4,315,000	4,315,000	4,140,069
Ministry of Agriculture and Livestock Development	108,000	-	-	108,000	108,000	50,000
Total	4,423,000	-	-	4,423,000	4,423,000	4,190,069

8. World Bank

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Development Fund - NAVCDP/KCSAP	502,260	1,120,706
Total	502,260	1,120,706

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Development Funds - Other Donors

These represent grants received from various donors for research activities.

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Development Grant - EU	119,600	112,612
Development Grant - USAID	-	7,370
Development Grant - CIAT	27,171	20,815
Development Grant - FAO	1,848	8,259
Development Grant - ILRI	43,331	32,456
Development Grant - CIMMYT	78,172	49,850
Development Grant - NRF	25,054	5,110
Development Grant - IDRC	-	30,800
Development Grant - AGRA	7,282	-
Development Grants -CORNEL UNI	11,832	12,050
Development Grant - Other Grants	474,663	335,115
Total	788,952	614,436

10 Goods

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Sheep & Goats	5,152	3,921
Pigs	612	1,381
Camels	-	69
Cows	32,664	38,229
Poultry	111,492	101,150
Maize	28,150	17,006
Sorghum & Millets	31,356	24,817
Rice	3,616	2,758
Root and Tuber	8,154	4,594
Vegetables	657	830
Herbs	-	137
Beans	130,399	45,244
Fruits	984	1,947
Bananas	1,677	1,275
Wheat	3,331	8,500
Cassava	4,455	2,725
Seeds	110,591	94,837
Seedlings	104,281	81,473
Trees and Plants	433	15,345
Manure	614	942
Firewood	690	1,843
Flowers	128	85
Pyrethrum	-	13
Cotton	141	679
Fodder	8,592	16,846
Beef	140	70
Milk	22,987	26,055
Eggs	4,280	8,612
Tomatoes	96	96
Hay	7,568	17,738
Water	4,266	5,953
Other Farm produce	8,258	2,250
Increase/Decrease in Stock	-	(139,121)
Sale of Scrap	4,033	6,071
Coffee, Milling Cane and Tea Sales	134,930	150,138
Total	774,726	544,506

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Services	2023-2024	2022-2023
	Kshs '000	Kshs '000
	14,192	15,433
Soil Analysis	1,867	5,097
Other Lab Services	537	177
Sale of Journals/Periodicals	115,784	61,780
Hire-Ground/Conference Facilities	3,837	10,833
Royalties	64,133	65,358
Rent	38,072	42,364
Other services	238,422	201,044
Total		

12. Interest Received	2023-2024	2022-2023
	Kshs '000	Kshs '000
	5,112	8,696
Interest Received	5,112	8,696
Total		

13. Other Receipts	2023-2024	2022-2023
	Kshs '000	Kshs '000
	47,784	43,947
Cafeteria Income	31,784	31,820
Guest House Income	9,767	6,129
Bus Income	18,153	9,868
Utilities Income	-	46
Sale of Tender Documents	45	38
Grazing Fee	-	(135)
Gain/(Loss) on Foreign exchange	-	(7,539)
Gain/(Loss) on Biological assets	-	10,470
Gain/(Loss) on Sale of Fixed Assets	-	42
Gain/(Loss) on Valuation of Investments	-	42
Total	107,534	94,685

14. Use of Goods and Services	2023-2024	2022-2023
	Kshs '000	Kshs '000
	117,092	102,822
Electricity Supplies	4,157	3,934
Water Expenses	40,198	12,791
Professional Services	8,610	4,145
Subscriptions	6,622	8,096
Advertising	145,173	348,037
Admin Fees	3,800	4,175
Audit Fees	40,183	63,908
Conference and Delegations	12,860	10,847
Consumables	143,510	138,292
Fuels, Oils and Lubricants	77,538	82,058
Insurance	16,557	13,993
Legal Dues, Arbitration & Compensation	1,946	7,634
Licenses and Permits	518,148	702,866
Research Cost	2,938	2,860
Postage and Courier Expenses	6,540	11,688
Printing and Publishing	10,910	691
Rent and Rates	129,407	131,110
Security Cost	1,100	-
Skills Development Levies	42,613	46,252
Telecommunication	15,142	13,062
Training	727,890	841,120
Travel, Subsistence & Other Allowances	10,908	14,544
Bank Charges	3,222	5,800
Other General expenses	(4,177)	(12,898)
Provision for bad debts	2,082,886	2,557,826
Total		

Note

1. Bank charges (Finance Cost) and Audit fees has been reported under use of goods and service in line with IPSAS template requirements for the 2023-2024 FY period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Staff Costs

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Basic Salary	2,410,163	2,194,538
House Allowance	561,998	547,637
Other Personal Allowance	71,253	86,816
Commuter Allowance	162,608	150,677
Transfer Allowance	7,302	4,020
Passage & Leave Expenses	10,364	9,396
Gratuity & Pension Contribution	464,036	461,754
Housing Levy	41,017	0
Medical Expenses	341,766	296,169
Contractual Employee	68,618	195,195
Casual Labour	405,251	371,795
Total	4,544,377	4,317,996

16. Board Expenses

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Board		
Sitting Allowance	6,769	2,080
Travelling and Accommodation	6,356	1,226
Telephone Allowance	91	28
Mileage Expenses	1,550	119
Chairman Honoraria	1,040	320
Training	180	70
Total	15,986	3,842

17. Depreciation & Amortization Expense

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Buildings	136,409	136,144
Plant and Machinery	16,662	16,395
Motor Vehicles	11,529	11,529
Motor Cycles & Bicycles	62	62
Lab & Scientific Equipment	28,780	30,939
Office & Computer Equip.	34,568	46,019
Office Furniture & Fittings	14,906	14,219
Infrastructure (G/hses, fences, streetlighting)	7,807	18,586
Amortization - Bearer Plants	4,304	4,304
Amortization-Software	50,188	48,371
Total	305,213	326,567

18. Repairs and maintenance

These refers to repairs and maintenance on the various assets of the organisation

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Repairs & Maintenance of Vehicles	38,088	36,282
Repairs & Maintenance of Motor Cycles	382	340
Repair & Maintenance of Buildings & Stations	45,950	76,416
Repair & Maintenance of Water Supplies and Pumps	4,817	7,014
Repair & Maintenance of Office Equipment	6,678	2,271
Repairs & Maintenance Laboratory Equipment	1,565	3,570
Repairs & Maintenance Furniture and Fittings	297	224
Maintenance of Plant and Machinery	4,046	7,884
Maintenance of Roads	1,752	537
Minor Alteration & Maintenance of Works	576	1,410
Total	104,152	135,947

19. Contracted Professional Services

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Contracted Professional Services	31,327	47,604
Total	31,327	47,604

20. Other gains/(losses)

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Increase/Decrease in Stock	158,272	-
Gain/(Loss) on Foreign exchange	1,656	-
Gain/(Loss) on Biological assets	1,227	-
Gain/(Loss) on Sale of Fixed Assets	20,186	-
Gain/(Loss) on Valuation of Investments	(132)	-
Total	181,210	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 Cash and cash equivalent	2023-2024	2022-2023
	Kshs '000	Kshs '000
Bank Balances	592,027	641,977
Bank overdraft (Note 31)	-	(20)
Total	592,027	641,957

Cash and cash equivalent are held in various banks as per below summary:

	2023-2024	2022-2023
Kenya Commercial Bank	522,347	574,054
NCBA Bank	14,037	9,987
ABSA Bank Kenya	9,146	4,700
National Bank of Kenya	21,715	16,532
Cooperative Bank of Kenya	18,306	26,696
Stanbic Bank Kenya	6,477	10,001
MPEESA	-	7
Total	592,027	641,977

22 Receivables from Exchange Transactions	2023-2024	2022-2023
	Kshs '000	Kshs '000
Trade Debtors	102,653	86,991
Kenya Seed	19,945	19,945
Prepayments	1,200	1,171
Rent dues	5,477	6,284
Bungoma Union	746	746
Mugama Co-op Union	1,863	1,863
Other Receivables	48,738	147,095
Provision for Doubtful Debts	(8,971)	(13,146)
Total	171,651	250,949

23 Receivables from Non-exchange Transactions	2023-2024	2022-2023
	Kshs '000	Kshs '000
GoK recurrent	-	300,000
Commodity Levy	314,497	314,497
Staff Imprest	63,389	76,873
Staff advances	1,455	1,499
Coffee Board of Kenya	23,445	23,445
KPCU	124,496	124,496
Provision for Doubtful Debts	(141,466)	(141,468)
Total	385,816	699,342

24 Prepayments

These are prepayments on insurance covers taken by KALRO with commencement date of 1st October 2023 and 1st January 2024 and expiring on 30th September 2024

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Insurance Premium	114,213	102,269
Total	114,213	102,269

25 Inventories	2023-2024	2022-2023
	Kshs '000	Kshs '000
Consumables	153,189	92,364
Crop	105,840	105,840
Provision for obsolete stock	(341)	(341)
Total	258,688	197,863

26 Deposits

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Deposits	2,585	2,585
Total	2,585	2,585

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. Property, plant and Equipment

	LAND	BEARER PLANTS	BUILDINGS	MOTOR VEHICLES	PLANT & MACHINERY	OFFICE EQUIP.	FURNITURE & FITTINGS	LAB EQUIPMENT	MOTOR CYCLES & BICYCLES	INFRASTRUCTURE (G/hses, fences, street lighting)	WORK IN PROGRESS	TOTAL
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
Cost												
As at 1 st July 2022	18,208,626	215,195	6,796,040	766,014	301,652	641,894	306,326	905,266	7,995	190,639	8,025	28,347,671
Addition for the period	-	-	11,741	26,344	55,269	32,118	5,857	61,456	-	12,347	55,774	260,905
Disposal for the period				(22,146)								(22,146)
Transfer from WIP												-
At 30 th June 2023	18,208,626	215,195	6,807,781	770,212	356,921	674,013	312,182	966,722	7,995	202,985	63,799	28,586,430
Addition for the period	-	-	5,707		7,449	27,141	6,806	13,015		1,327	15,152	76,597
Transfer from WIP			28,772			433				5,617	(34,821)	-
Reclassification of assets categories												-
Transfer from Biological assets												-
Disposal for the period				(19,035)					(170)			(19,205)
At 30 th June 2024	18,208,626	215,195	6,842,260	751,177	364,369	701,586	318,988	979,737	7,825	209,929	44,129	28,643,822
Depreciation												
At 1 st July 2022	-	22,792	1,334,806	751,250	257,883	591,282	263,711	825,291	7,871	168,858	-	4,223,742
Charge for the period	-	4,304	136,144	11,529	16,395	46,019	14,219	30,939	62	18,586		278,196
Accumulated depreciation on disposal				(22,146)								(22,146)
At 30 th June 2023	-	27,095	1,470,950	740,632	274,278	637,301	277,930	856,230	7,933	187,443	-	4,479,792
Charge for the period	-	4,304	136,409	11,529	16,662	34,568	14,906	28,780	62	7,807		255,025
Accumulated depreciation on disposal				(19,230)								(19,230)
Depreciation on reclassification				177					(177)			0
At 30 th June 2024	-	31,399	1,607,359	733,108	290,940	671,868	292,836	885,010	7,817	195,251	-	4,715,587
Net book values												
At 30 th June 2024	18,208,626	183,795	5,234,901	18,069	73,430	29,718	26,153	94,727	8	14,679	44,129	23,928,234
At 30 th June 2023	18,208,626	188,099	5,336,831	29,580	82,643	36,712	34,252	110,492	62	15,542	63,799	24,106,637

Motor vehicles and motorcycles with a gross carrying amount of Ksh. 409,754,800 and Ksh. 6,436,660 respectively, had been fully depreciated during the year ending 30th June 2024 and are still in use

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 Intangible Assets

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Cost		
At beginning of the year	407,880	336,410
Addition for the period	5,721	71,469
At end of the year	413,600	407,880
Amortization		
At beginning of the year	335,776	287,405
Amortization for the period	50,188	48,371
At end of the year	385,963	335,776
Net Book Value	27,637	72,104

29 Biological Assets

	2023-2024	2022-2023
	Kshs '000	Kshs '000
As at 1st July	955,985	961,376
Gain in Value during the year	268,402	(5,391)
As at 30th June	1,224,387	955,985
Total	1,224,387	955,985

30 Investments

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Quoted Investments:		
1,672 BAT Kenya PLC shares-	591	724
Other Investments:		
KPCU Unsecured Loan Stock	-	-
KPCU Redeemable Ordinary shares	-	-
Fairvalue is Kshs 0 (2022/2023 Kshs 0)		
Total	591	724

The Kenya Planters Co-operative Union unsecured loan stock and redeemable ordinary shares are unquoted investments classified as available for sale and measured at cost. The fair value of KPCU is estimated at zero as the Government has liquidated KPCU.

For investments in equity share listed under note 30 above, the equity investments is under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%		Kshs '000	Kshs '000
British American Tobacco Kenya PLC	0.0000167	-	0.0000167	17	591	724
	0.0000167	-	0.0000167	17	591	724

The fair value of BAT shares is determined by reference to published price quotation in the active market (NSE). On 30th June 2024, the shares traded at Kshs. 353.75 (2022/2023:Kshs.432.75) per share.

31 Bank Overdraft

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Bank overdraft	-	20
Total	-	20

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 Trade and Other Payables	2022-2023	2021-2022
	Kshs '000	Kshs '000
Trade Creditors	108,171	156,128
Statutory Deductions	-	11,894
Other Creditors	45,267	63,356
Rent Deposits	804	804
Total	154,241	232,182

33 Deferred income

Grants received from donors for specific projects are classified as non-current liabilities. They are carried at amortized cost of which amortization is recorded as other grants in proportion to expenditure incurred on the project over the life of the project.

Description	2023-2024	2022-2023
	Kshs '000	Kshs '000
National Government	-	-
International funders	37,218	221,138
Prior Year Adjustments-International funders	-	-
Public contributions and donations	-	-
Total deferred income	37,218	221,138

The deferred income movement is as follows:

	National Government	International funders	Public contributions and donations	Total	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Balance brought forward	-	221,138	-	221,138	475,249
Prior year adjustment*				-	-
Additions				-	133,899
Transfers to Capital fund				-	-
Transfers to income statement		(183,920)		(183,920)	(387,926)
Other transfers				-	(84)
Balance carried forward	-	37,218	-	37,218	221,138

34 General reserve

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Balance Brought Forward as at 1 July	731,245	1,346,887
Surplus/(Deficit) for the Year	(62,725)	(615,642)
Balance Carried Forward as at 30 June	668,521	731,245

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35 Capital fund

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Capital Funds Brought Forward as at 1st July	5,980,474	5,945,219
Capital Funds received during the year	-	35,255
Balance Carried Forward as at 30th June	5,980,474	5,980,474

36 Reconciliation of operating profit/(loss) to cash generated from/(used in) operations

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Cash Flow from Operating Activities		
Surplus/(Deficit)	(62,725)	(615,642)
Adjustment for:		
Depreciation and Amortisation	305,213	326,567
Gain on Sale of Fixed Assets	(20,186)	(10,470)
Operating profit/(loss) before working capital changes	222,302	(299,545)
Working Capital adjustments		
Decrease /(Increase) in Inventories	(60,825)	29,047
Decrease /(Increase) in Receivables-Exchange	79,298	240,135
Decrease /(Increase) in Receivables-Non-Exchange	313,526	(286,388)
Decrease /(Increase) in Prepayments	(11,944)	(11,530)
Increase/(Decrease) in Current liabilities	(77,986)	61,967
Net changes in Working Capital	242,069	33,230
Cash generated from/(used in) operations	464,371	(266,314)

37 Revaluation reserve

	2023-2024	2022-2023
	Kshs '000	Kshs '000
Balance Brought Forward as a 1st July	19,865,377	19,865,377
Balance Carried Forward as at 30th June	19,865,377	19,865,377

38 Provisions for contingent liabilities

(i) During the financial year under review, liability relating to actual deficit as per the report on actuarial valuation of the Kenya Agricultural and Livestock Research Organization Staff Retirement Benefits Scheme indicated a valuation figure of Kshs 274.653million as at 31st December 2020. It is worth noting that this figure keep on changing every year and could not be disclosed under trade payables as it would materially affect the working capital of the Institute.

39 Events after the reporting period

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

40 Ultimate and holding entity

KALRO is a Semi- Autonomous Government Agency under the Ministry of Agriculture and Livestock Development. Its ultimate parent is the Government of Kenya.

41 Currency

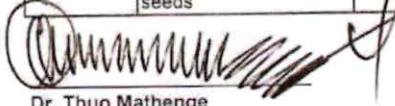
The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX I. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe:(Put a date when you expect the issue to be resolved)
1	Unaccounted for Cash	The concerned Officers were dismissed from service on 2nd February 2011 .To seek authority for write off	H-Finance	Partially Resolved	Dec-24
2	Receivables from exchange Transactions	To seek authority for write off.	H-Finance	Partially Resolved	Dec-24
3	Receivables from non-exchange Transactions	To seek authority for write off.	H-Finance	Partially Resolved	Dec-24
4	Unresolved land Matters	Follow up on acquisition of ownership documents ongoing	DG	Partially Resolved	Continuous
5	Lack of Value for money	National Treasury engagement through the Parent Ministry for funding of the completion of Tea Research Factory through the Medium Term Sector Framework process continues	H-Finance	Partly Resolved	Continuous
6	Non operationalisation of Agricultural Research Fund	KALRO undertook the development of the regulations for approval by the Ministry before being Gazetted	DG	Partly Resolved	Continuous
7	Anomalies in KALRO Act, 2013	The professional opinion from the Registrar of Companies is still being followed up	H-Legal	Not Resolved	Continuous
8	Board not fully constituted	Board now fully constituted as per respective Gazette notices	H-Legal	Resolved	Sep-23
9	Non-Maintenance of staff houses and Guest rooms	Follow up on phased repairs and maintenance ongoing	H-Property and Maintenance	Partly Resolved	Continuous
10	Sale of Assest without Disposal plan	Disposal plan on sale of assets prepared and approved	H-Supply Chain Management	Resolved	Jul-23


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe:(Put a date when you expect the issue to be resolved)
11	Ageing workforce and inadequate staffing	Implementation of the succession strategies commenced with the recent appointment of 224 new staff after approval to recruit was granted by the Public Service Commission.	H-Human Resources Management & Administration	Not Resolved	Continuous
12	Delayed approval of Procurement transactions from Centres and Institutes	Procurement Standard Operating Procedures now in place for use. Centers are advised to submit their evaluated bids and evaluation reports to the nearest Institute for further processing	H-Supply Chain Management	Resolved	Mar-24
13	Lack of policy guidelines on production and sale of seeds	KALRO seed Growers Contract form contract was approved for implementation in all KALRO Centres	H-Legal	Resolved	Nov-23



Dr. Thuo Mathenge
Chairman, KALRO BoM

Date: 30/09/2024

Dr. Eliud K. Kireger, OGW
Director General



Date: 30/09/2024

APPENDIX II: PROJECTS IMPLEMENTED BY KALRO

Projects

Major projects implemented by KALRO and funded by development partners

	Project title	Project Number	Donor	Period/ duration	Donor commitment (Kshs'000')	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements(Yes/No)
1	AGRIFI- Climate Smart Agricultural Productivity Project (CS-APP)	FED/2018/398-876	EU	60months	567,780	YES	YES
2	National Agricultural Value Chain Development Project (NAVCDP)	Project I.D. 176758	World Bank	60months	4,900,000	YES	YES

Status of Projects completion

	Project	Total project Cost ¹ (Kshs'000')	Total expended to date (Kshs'000')	Completion % to date	Budget (Kshs'000')	Actual (Kshs'000')	Sources of funds
1	AGRIFI- Climate Smart Agricultural Productivity Project (CS-APP)	738,115	665,470	90%	75,000	119,600	EU
2	National Agricultural Value Chain Development Project (NAVCDP)	4,900,000	502,260	10%	700,000	438,460	WORLD BANK

1.The project total cost is the total financing for both the Donor and counterpart(GoK)

APPENDIX III: INTER-ENTITY TRANSFERS (Ksh'000')

ENTITY NAME:		KALRO		
Break down of transfers from the State Department for Crop Development and Agricultural Research				
FY 2023/24				
a. Recurrent Grants				
		Bank Statement Date	Amount (Kshs'000')	FY to which the amounts relate
		Aug-23	376,250	2023/24
		Sep-23	376,250	2023/24
		Oct-23	376,250	2023/24
		Oct-23	376,250	2023/24
		Dec-23	376,250	2023/24
		Jan-24	293,929	2023/24
		Feb-24	355,625	2023/24
		Mar-24	356,637	2023/24
		Apr-24	356,890	2023/24
		May-24	376,250	2023/24
		Jun-24	376,250	2023/24
		Jun-24	318,170	2023/24
		Total	4,315,000	
b. Development Grants				
		Feb-24	31,000	2023/24
		Feb-24	27,000	2023/24
		Feb-24	25,000	2023/24
		Feb-24	25,000	2023/24
		Total	108,000	
		Total	4,423,000	

The above amounts have been communicated to and reconciled with the Parent Ministry

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES (Ksh'000')

Name of the MDA Transferring the funds	Date received as per bank statement	Nature	Total Amount	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others	
Ministry of Agriculture and Livestock Development	Appendix III	Recurrent	4,315,000	4,315,000	-	-	-	-	4,315,000
	Appendix III	Development	108,000	108,000	-	-	-	-	108,000
Ministry of Education-National Research Fund(NRF)	Jul-23	Research Funds	13,674	13,674	-	-	-	-	13,674
	May-24	Research Funds	11,380	11,380	-	-	-	-	11,380
Agricultural Development Corporation (ADC)	Mar-24	Royalties	500	500	-	-	-	-	500
National Agricultural Value Chain Development Project (NAVCDP)	Aug-23	Research Funds	250,310	250,310					250,310
	Feb-24	Research Funds	188,150	188,150					188,150
Total			4,887,014	4,887,014	-	-	-	-	4,887,014