


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 APR 2026	DAY. Tuesday
TABLED BY:	Hon. Naomi Wago, CBS, MP Deputy Majority Whip
CLERK-AT THE-TABLE:	Inzofu Mwale, HSC

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ON

**JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY
NOODLES LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2025**



JKUAT NOODLES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Prepared in accordance with the IFRS Accounting Standards

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

JKUAT	Jomo Kenyatta University of Agriculture and Technology
JKUATES	Jomo Kenyatta University of Agriculture and Technology Enterprises Limited
CPA	Certified Public Accountant
SC	State Corporations
ICS	Institute of Certified Secretaries
m	Million
Kshs	Kenyan Shillings
MSc	Master of Science
Bsc	Bachelor of science
B.Ed	Bachelor of Education
MPhil	Master of Philosophy
PhD	Doctor of Philisophy
PS	Principal Secretary
CS	Cabinet Secretary
AA	Academic Affairs
RPE	Research, Production and Extension
KEBS	Kenya Bureau of Standards
CSR	Corporate Social Responsibility
MD	Managing Director
DMD F&A	Deputy Managing Director Finance and Administration

B. Definition of Key Terms

JKUAT Noodles Management- Members of Management directly entrusted with the responsibility of financial resources of the organization

Comparative/Prior Year- Means the prior period.

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2. Key Entity Information

a) Background information

JKUAT Noodles Ltd was established under the Companies Act (Cap. 486) on 10th day of January Two Thousand and Eighteen. At Cabinet level, JKUAT Noodles Limited is represented by the Cabinet Secretary for Education and Cabinet Secretary Treasury, who are responsible for the general policy and strategic direction of JKUAT Noodles Limited.

b) Principal Activities

The principle activity of JKUAT Noodles Limited is to produce and sell noodles

c) Directors

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

1. Dr James Micah Onsando Chairman JKUAT Council-Appointed 23rd May 2024
2. Mr Erastus Mvuria Managing Director, JKUAT Enterprises Ltd Appointed 1st November 2023
3. Prof. Victoria W Ngumi Director, Vice Chancellor Appointed 1st Sep 2018
4. Prof. Jackson K. Kwanza Director, Deputy Vice Chancellor (RPE) Appointed 1st Sep 2022
5. Prof. Bernard Ikua Director, Deputy Vice Chancellor Administration, Appointed 1st Sep 2018 z
6. Prof. Robert Kinyua Director, Deputy Vice Chancellor (AA) Appointed 1st Sep 2018
7. Mr. James Kiburi Director, Representing PS Ministry of Education, Appointed on 1st Nov 2022
8. John Karanja Kamau Inspector of state corporation Appointed 7th Dec 2022
9. CPA Judith A. Nyakawa Director, Representative CS Treasury appointed on 24th November 2017
10. Mr. John Kiumi Wambugu Company Secretary Appointed 1st July 2022.

d) Corporate Secretary

Mr. John Kiumi Wambugu
Uniafric Hse,
1st Flr, Loita St,
P.O. Box: 69565-00400
Tom Mboya St, Nairobi, Kenya

e) Registered Office

Jomo Kenyatta University of Agriculture
& Technology
Main Campus – Juja
P.O. Box 62000 – 00200
NAIROBI

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Key Entity Information (continued)

f) Corporate Headquarters

Jomo Kenyatta University of Agriculture
& Technology
Main Campus – Juja
P.O. Box 62000 – 00200
NAIROBI

g) Corporate Contacts

Telephone: 067-52420, 0724-256696, 0736-524200
E-mail: JKUAT Noodles Limited@JKUAT Noodles Limited.jkuat.ac.ke
Website: www.JKUAT Noodles Limited.com

h) Corporate Bankers

Standard Chartered Bank
Thika Branch
P.O. BOX 300-01000
THIKA

i) Independent Auditors

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

j) Principal Legal Advisers

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

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3. The Board of Directors

	DATE OF BIRTH	QUALIFICATIONS AND WORK EXPERIENCE	TYPE OF DIRECTOR	COMMITTEE CHAIR
 <p>Dr. James Micah Onsando</p>	1956	<p>His agricultural journey began over four decades ago, taking root in the fertile ground of public research and development. As a plant pathologist, he nurtured technical knowledge at the Horticultural Research Institute, currently part of the Kenya Agricultural and Livestock Research Organization (KALRO), and the Tea Research Foundation of Kenya, laying the foundation for his future endeavors.</p> <p>In 1992, he embarked on a new chapter, transitioning to the commercial world with Sulmac Flowers company which is part of Unilever. His role as technical and quality control manager blossomed into expertise in agri-entrepreneurship and agricultural supply chains, particularly within the vibrant world of cut flowers. Later, at Unilever Tea, he championed technical training and then led the agricultural research/innovation and tea sustainability function, solidifying his grasp on product innovation, development and commercialization. This private sector experience proved invaluable, honing his skills in research to support agricultural products, their safety, market appeal and sustainability (Economic, Environmental and Social).</p> <p>Dr. Onsando's passion however was not confined to a single sector. He drove deep into the complex world</p>	Chairman	



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	<p>of Agricultural Development, Regulation, Phytosanitary science and practice, seed and seed systems acquiring over 15 years of expertise in seed regulation, seed systems, phytosanitary science and international fresh produce trade, and seed systems development. This expertise was developed during his change of career to that of the Director of the Board of Management and later as the Chief Executive Officer/Managing Director of the Kenya Plant Health Inspectorate Service (KEPHIS), a testament to his dedication to the field of Agricultural Development and Regulation.</p> <p>Dr. Onsando’s leadership span beyond KEPHIS as he served as a Director of Management and Chairman to 3 other state cooperations for a period of 17 years. During his tenure at KEPHIS, Dr. Onsando’s influence extended beyond national borders. He played a pivotal role in the organization’s accession to the prestigious standards international bodies hence positioning Kenya as a preferred fresh produce trading partner with the rest of the world. Through the WTO – SPS Agreement which Kenya is signatory to, Dr. Onsando initiated and concluded a 2-year process of bringing in through the KEPHIS approval process, the high dry matter Irish potato from the Netherlands for the high end hospitality industry in order to conserve Kenya’s foreign currency that was used to import high dry matter frozen chips from Egypt and South Africa.</p>	
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		<p>He steered KEPHIS to its status as a Centre of Phytosanitary Excellency and Kenya as the first country to digitize certification of cut flowers globally. His understanding of plant breeding, variety registration and protection, seed regulation, phytosanitray functions and agri-business solidified his position as a leading authority and International Consultant in the field of Seed and Seed Systems and Phytosanitary Science and Practice. As an international seed and seed systems consultant, he has shared his expertise with numerous African nations including Kenya, Uganda, Tanzania, Rwanda, Mozambique, South Sudan, Zambia, Zimbabwe, Malawi, Ghana, Nigeria, Burkina Faso and Nigeria, leaving a lasting impact on their seed and agricultural transformation landscapes.</p> <p>Dr. Onsando’s story is one of dedication, innovation, and a deep-rooted passion for agriculture for economic impact. His journey, spanning both public and private sectors, INGO and leadership roles resulted in him posting to his credit 30 publications including two chapters in two book. This demonstrates his unwavering commitment to cultivating a more sustainable and prosperous agricultural future for Kenya and beyond.</p>		
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	<p>Prof. Robert Kinyua</p> <p>1/1/1966</p>	<p>Prof. Robert Kinyua holds a PhD degree in High Energy Physics obtained in 2000 at Osaka University, Japan. He had earlier studied at the University of Nairobi graduating with a masters and undergraduate degrees in Physics in 1993 and 1990 respectively. Prof. Kinyua whose research interests are in high energy physics, radiation physics and renewable energy has widely published with 35 scholarly papers in peer referred journals to his credit. Prior to his appointment, Prof. Kinyua, was the Director, Institute of Energy and Environmental Technology, JKUAT.</p>	<p>Independent</p>	<p>Audit Committee</p>
	<p>Prof. Bernard Ikua</p> <p>1965</p>	<p>Prof. Bernard Ikua is an alumnus of the University of Nairobi where he studied for his undergraduate degree in Mechanical Engineering. He holds a PhD and MSc degrees in the same field obtained in Japan based Totori University in 2002 and 1999 respectively. With his research interests on machine designs and dynamics; modelling and control machining process; and manufacturing systems and precision engineering, Prof Ikua has posted over 22 papers in scholarly international journals. Prior to his appointment, Prof Ikua was the Principal, College of Engineering and Technology, JKUAT.</p>	<p>Independent</p>	<p>Finance and HR Committee</p>

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	<p>Prof. Jackson Kwanza</p>	<p>1963</p>	<p>Prof. Jackson Kioko Kwanza is the Deputy Vice Chancellor (DVC) for Research, Production, and Extension at Jomo Kenyatta University of Agriculture and Technology (JKUAT), a position he has held since January 2025. He is a Professor in the Department of Pure and Applied Mathematics at JKUAT and specializes in Fluid Dynamics and Magneto hydrodynamics, with a PhD in Applied Mathematics from JKUAT. Before his current role, he served as the Principal of JKUAT's Karen Campus for nine years.</p>	<p>Independent</p> <p>N/A</p>
	<p>Prof. Victoria Ngumi</p>	<p>18/03/ 1960</p>	<p>Prof. Victoria Wambui Ngumi, is the Administrative head and Chief Executive Officer of Jomo Kenyatta University of Agriculture and Technology. She was appointed by His Excellency the President, Uhuru Kenyatta, in August 2018, as the Vice Chancellor. Until her appointment, Prof. Ngumi was serving as the Deputy Vice Chancellor in charge of Administration, a position she had held since October 2014. In 2005, she was appointed the founding Principal of JKUAT Karen Campus, having served as the founding Director of the Alternative Degree Programmes.</p> <p>Prof. Ngumi, is a beneficiary of the prestigious Fulbright scholarship that took her to Clemson University, South Carolina, USA, earning her a PhD degree in Plant Physiology in 1997. She had earlier won another Japan based Mombusho scholarship, that enabled her to pursue a Master of Science degree in Botany at Hiroshima University,</p>	<p>Independent</p> <p>N/A</p>



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		<p>successfully graduating in 1989. She is an alumnus of the University of Nairobi where she obtained an undergraduate degree in Education. She also holds an Executive MBA from JKUAT.</p> <p>In 2021, Prof. Ngumi was awarded the Elder of the Order of the Burning Spear (EBS) by the President, H.E. Uhuru Muigai Kenyatta for her distinguished and outstanding services rendered to the nation. The Vice Chancellor who is a member of the African Biotechnology Stakeholders Forum (ABSF) and the Natural Products Research Network for East and Central Africa (NAPRECA), served as a senior education fellow at the African Network of Agro-forestry and Natural Resource Management Education.</p>		
 <p>CPA Judith Nyakawa</p>	<p>22/08/ 1969</p>	<p>CPA Nyakawa is a Public Financial Management (PFM) Expert with extensive experience in public financial administration, policy implementation, and institutional leadership. She holds a Bachelor of Commerce (Accounting Option) from the University of Nairobi, a Master of Arts in Counseling Psychology from Daystar University, and a Master of Business Administration (MBA) from United States International University- Africa (USIU-A).</p> <p>She is currently serving as a Senior Deputy Director at the National Treasury, where she provides strategic leadership in financial planning, management, and oversight of public resources, ensuring accountability and</p>	<p>Independent (Alternative)</p>	<p>N/A</p>

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		<p>efficiency in national financial operations.</p> <p>Previously, she served as the Deputy Chief Finance Officer at the Ministry of Education where she was responsible for financial management, budgetary oversight, and supporting the ministry's fiscal policy and education financing framework.</p>		
 <p>Dr. James Kiburi</p>	<p>1965</p>	<p>Dr. James Kiburi is an accomplished educationist and administrator with over three decades of progressive experience in teaching, educational management, and public service. He holds a Doctor of Philosophy (PhD) in Educational Psychology from Maasai Mara University, a Master of Philosophy (MPhil) in Educational Psychology from Moi University, and a Bachelor of Education (Science) degree from Kenyatta University.</p> <p>He is currently serving as the Director of Higher Education at the Ministry of Higher Education, where he provides leadership in the formulation and implementation of higher education policies, programs, and strategies that shape Kenya's education landscape.</p> <p>Dr. Kiburi has had a distinguished career within the Ministry of Education, working in various capacities and duty stations, contributing significantly to educational planning, policy development, and institutional strengthening.</p> <p>Between 2002 and 2007, he served</p>	<p>Independent (Alternative)</p>	<p>N/A</p>

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		<p>at the City Council of Nairobi as Senior Education Officer and later as Assistant Director of City Education, where he played a key role in managing education programs and enhancing service delivery within the city's education sector.</p> <p>His career began at the Teachers Service Commission (TSC), where he worked from March 1990 to January 1999 as a Secondary School Teacher and Deputy Head Teacher at Simotwo High School and Mukoe Secondary School.</p>		
 <p>John Karanja Kamau</p>	<p>6/1/1985</p>		<p>Alternate</p>	<p>N/A</p>
 <p>Mr. John Kiumi Wambugu</p>		<p>Mr. John Kiumi Wambugu is an accomplished advocate, corporate governance expert, and strategic management professional with a strong background in law, finance, and organizational leadership. He holds a Master's degree in Strategic Management from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law and a Bachelor of Laws (LL.B Hons) from the University of Nairobi.</p> <p>In addition to his legal qualifications, he is a Certified Public Accountant (CPA-K) and a</p>	<p>Company Secretary</p>	<p>N/A</p>

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		<p>Certified Public Secretary (CPS-K).</p> <p>He is the Managing Partner at Wambugu & Muriuki Advocates where he provides strategic leadership and legal advisory across diverse practice areas, including corporate law, governance, finance, and regulatory compliance.</p> <p>He is also a Member of the Institute of Certified Secretaries (ICS) and the Law Society of Kenya (LSK).</p>		
 <p>Mr. Erastus Mvuria</p>	<p>14/2/1 977</p>	<p>Mr. Erastus Mvuria is an accomplished corporate leader with extensive experience in strategic management, financial stewardship, and organizational growth within JKUATES. Over the course of more than 15 years, he has steadily progressed through senior leadership roles, demonstrating exceptional expertise in governance, finance, and operational excellence.</p> <p>He currently serves as the Managing Director, where he provides overall leadership, strategic direction, and oversight of the company's operations. Prior to this, he was the Deputy Managing Director, where he played a pivotal role in supporting executive leadership and driving business continuity.</p> <p>Earlier, he held senior managerial positions including Senior General Manager and General Manager, overseeing core business functions and spearheading initiatives that enhanced efficiency, innovation, and organizational performance. His career at JKUATES began in 2008 as the Finance Manager.</p>	<p>Executi ve</p>	<p>N/A</p>

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4. Key Management Team

	NAME	DATE OF BIRTH	AREA OF RESPONSIBILITY	ACADEMIC QUALIFICATIONS	PROFESSIONAL QUALIFICATION	WORK EXPERIENCE
	Mr. Erastus Mvuria	14/02/1977	Managing Director	Mba,Bcom	CPA-K	Managing Director 2023- Date, Deputy Managing Director- JKUATES 2022-23.Senior General Manager- JKUATES 2018-2022.General Manager- JKUATES 2012-2018.Finance Manager-JKUATES 2008-2011.Ag. Production Manager- JKUATES 2010-2012.Accountant -JKUATES 2005-2008.
	CPA. Joseph Macharia	17/12/1978	Deputy Managing Director- Finance & Administration	Bcom-Finance	CPA-K	Projects Assistant -JKUATES 2007-2008.Accountant -JKUATES 2008-2011.Department Head Management Accounting- JKUATES 2011-2013.Financial Accountant-JKUATES 2013-2018.Finance Manager-JKUATES 2018-2023, Deputy Managing Director Finance & Admin – JKUATES 2023- Date
	Mr. Evans Mutugi	05/03/1980	Deputy Managing Director- Operations	MSc-Proc,Bcom ,CPA1,CPSP	CPA 1, CPSP 1	Deputy Managing Director Operations- JKUATES 2023- Date, Projects Manager - JKUATES. Head of Procurement Logistics and Infrastructure Development – JKUATES 2016-2018, Procurement Officer – JKUATES 2013 -2016 Logistics Manager, Brainstorm International Nairobi,2010-2013, Procurement & Logistics Officer, elitec (K)Ltd Nairobi 2008-2009.Office Administrator Solid Investment Securities Ltd2006-2008.Assistant Accountant Solid Investment Securities Ltd 2004-2005




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	<p>Mr. John Kiumi Wambugu</p>			<p>Masters in Strategic Management – University of Nairobi (2011); Post Graduate Diploma in Law – Kenya School of Law (2004 - 2005); Bachelor of Laws (Hons) – University of Nairobi (2000 - 2004); Certified Public Accountant, (CPA.K) Strathmore University (1999 – 2001) Certified Public Secretary, Section 6 (CPS. K) (June 2007)</p>	<p>CPA-K, CPS-K</p>	<p>Managing Partner Wambugu & Muriuki Advocates Dec 2012 – Present Member of ICS Member of Law Society of Kenya</p>
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5. Fiduciary Management

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




	NAME	DATE OF BIRTH	AREA OF RESPONSIBILITY	ACADEMIC QUALIFICATIONS	PROFESSIONAL QUALIFICATION	WORK EXPERIENCE
	Mr. Erastus Mvuria	14/02/1977	Managing Director	Mba,Bcom	CPA-K	Managing Director 2023- Date, Deputy Managing Director- JKUATES 2022-23.Senior General Manager- JKUATES 2018-2022.General Manager- JKUATES 2012-2018.Finance Manager-JKUATES 2008-2011.Ag. Production Manager- JKUATES 2010-2012.Accountant -JKUATES 2005-2008.
	CPA. Joseph Macharia	17/12/1978	Deputy Managing Director- Finance & Administration	Bcom- Finance	CPA-K	Projects Assistant -JKUATES 2007-2008.Accountant - JKUATES 2008-2011.Department Head Management Accounting- JKUATES 2011-2013.Financial Accountant-JKUATES 2013-2018.Finance Manager-JKUATES 2018-2023, Deputy Managing Director Finance & Admin – JKUATES 2023- Date
	Mr. Evans Mutugi	05/03/1980	Deputy Managing Director- Operations	MSc- Proc,Bcom ,CPA1,CP SP	CPA 1, CPSP 1	Deputy Managing Director Operations- JKUATES 2023- Date, Projects Manager - JKUATES. Head of Procurement Logistics and Infrastructure Development – JKUATES 2016-2018, Procurement Officer – JKUATES 2013 -2016 Logistics Manager, Brainstorm International Nairobi,2010-2013, Procurement & Logistics Officer, elitec (K)Ltd Nairobi 2008-2009.Office Administrator Solid Investment Securities Ltd2006-2008.Assistant Accountant Solid Investment

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	<p>Mr. John Kiumi Wambugu</p>			<p>Masters in Strategic Management – University of Nairobi (2011); Post Graduate Diploma in Law – Kenya School of Law (2004 - 2005); Bachelor of Laws (Hons) – University of Nairobi (2000 - 2004); Certified Public Accountant, (CPA.K) Strathmore University (1999 – 2001) Certified Public Secretary, Section 6 (CPS. K) (June 2007)</p>	<p>CPA-K, CPS-K</p>	<p>Securities Ltd 2004-2005 Managing Partner Wambugu & Muriuki Advocates Dec 2012 – Present Member of ICS Member of Law Society of Kenya</p>
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6. Fiduciary Oversight Arrangements

	NAME	DATE OF BIRTH	AREA OF RESPONSIBILITY	ACADEMIC QUALIFICATIONS	PROFESSIONAL QUALIFICATION	WORK EXPERIENCE
	Mr. Erastus Mvuria	14/02/1977	Managing Director	Mba,Bcom	CPA-K	Managing Director 2023- Date, Deputy Managing Director- JKUATES 2022-23.Senior General Manager- JKUATES 2018-2022.General Manager- JKUATES 2012-2018.Finance Manager-JKUATES 2008-2011.Ag. Production Manager- JKUATES 2010-2012.Accountant -JKUATES 2005-2008.
	CPA. Joseph Macharia	17/12/1978	Deputy Managing Director- Finance & Administration	Bcom- Finance	CPA-K	Projects Assistant -JKUATES 2007-2008.Accountant - JKUATES 2008-2011.Department Head Management Accounting- JKUATES 2011-2013.Financial Accountant-JKUATES 2013-2018.Finance Manager-JKUATES 2018-2023, Deputy Managing Director Finance & Admin – JKUATES 2023- Date
	Mr. Evans Mutugi	05/03/1980	Deputy Managing Director- Operations	MSc- Proc,Bcom ,CPA1,CP SP	CPA 1, CPSP 1	Deputy Managing Director Operations- JKUATES 2023- Date, Projects Manager - JKUATES. Head of Procurement Logistics and Infrastructure Development – JKUATES 2016-2018, Procurement Officer – JKUATES 2013 -2016 Logistics Manager, Brainstorm International Nairobi,2010-2013, Procurement & Logistics Officer, elitec (K)Ltd Nairobi 2008-2009.Office Administrator Solid Investment Securities Ltd2006-2008.Assistant Accountant Solid Investment Securities Ltd 2004-2005

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	<p>Mr. John Kiumi Wambugu</p>			<p>Masters in Strategic Management – University of Nairobi (2011); Post Graduate Diploma in Law – Kenya School of Law (2004 - 2005); Bachelor of Laws (Hons) – University of Nairobi (2000 - 2004); Certified Public Accountant, (CPA.K) Strathmore University (1999 – 2001) Certified Public Secretary, Section 6 (CPS. K) (June 2007)</p>	<p>CPA-K, CPS-K</p>	<p>Managing Partner Wambugu & Muriuki Advocates Dec 2012 – Present Member of ICS Member of Law Society of Kenya</p>
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7. Chairman's Statement

Introduction

During the financial year under review, **JKUAT Noodles Limited** remained non-operational due to funding limitations and operational constraints. While these challenges significantly affected the Company's performance, the period also offered important lessons and insights that will inform future strategic decisions and reposition the business towards long-term sustainability.

Financial Performance

The Company's financial results reflected the impact of inactivity and structural costs. For the year, JKUAT Noodles Limited reported an **income of Ksh 230,288** against a **net loss of Ksh 29.2 million**. Notably, **Ksh 27.9 million** of this loss arose from depreciation charges, which placed significant pressure on the financial position in the absence of active production and revenue-generating operations. These results underscore the urgent need to optimize asset utilization and develop sustainable revenue streams.

Challenges

The principal challenge during the year was the inability to operationalize the production line due to inadequate funding. This financial constraint not only limited the Company's ability to generate revenue from its core business but also adversely affected critical areas such as production capacity, staffing, marketing, and distribution. The extended inactivity further highlighted structural inefficiencies and the need for long-term solutions to ensure both financial resilience and optimal utilization of company assets.

Conclusion

The year was characterized by considerable financial and operational strain, resulting in minimal activity and continued losses for the Company. These outcomes reinforce the necessity of reassessing the Company's business model and strategic direction. Looking ahead, the Board and management remain committed to exploring viable options for the company.

Signature: _____



Chairman

Date: _____

1/12/2025

8. Report of the Chief Executive Officer/ MD/ DG

Financial Performance

During the year under review, **JKUAT Noodles Limited** continued to experience significant financial challenges arising from persistent funding constraints and limited operational activity. The Company recorded an **income of Ksh 230,288** against a **net loss of Ksh 29.2 million**. The loss was primarily driven by **depreciation provisions amounting to Ksh 27.9 million**, which exerted substantial pressure on the financial results in the absence of active production and revenue-generating operations.

These results underscore the urgent need to address the Company's structural and financial challenges to safeguard asset value and reposition the business on a path toward sustainability.

Key Highlights

The 2024/2025 fiscal year was marked by operational inactivity and financial strain. Despite these difficulties, management remained committed to maintaining the Company's operational continuity and exploring potential avenues for funding.

- **Leasing Arrangements:** As part of interim measures, a section of the factory was leased out to generate modest income. While the contribution was limited, this arrangement provided essential cash inflows that supported basic operational needs.
- **Funding Initiatives:** Management actively engaged in discussions with potential financiers and strategic partners. Although no conclusive agreements were secured during the year, these engagements laid the groundwork for future opportunities.
- **Strategic Focus:** Efforts were directed toward preserving the Company's asset base, maintaining regulatory compliance, and identifying long-term strategies for sustainable operations.

Challenges

The Company remained non-operational for the financial year due to persistent funding shortfalls. This had a far-reaching impact across all functional areas:

- **Production:** The production line remained underutilized and was not tested to its full capacity.
- **Human Capital:** Staffing remained inadequate, limiting the Company's ability to execute core functions.
- **Marketing and Distribution:** The absence of adequate funding hindered efforts to establish and sustain market presence.

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- **Operational Sustainability:** Without sufficient working capital, the Company was unable to implement a viable business model.

Despite these challenges, management remains proactive in pursuing funding opportunities, strategic partnerships, and alternative models to restore production and secure long-term viability.

Conclusion

The year under review highlighted the magnitude of financial and operational constraints facing **JKUAT Noodles Limited**. Nevertheless, management remains committed to repositioning the Company by pursuing viable funding arrangements, exploring partnerships, and developing sustainable operational strategies. With the right support and strategic realignment, JKUAT Noodles Limited can leverage its existing assets to unlock growth potential and achieve long-term financial sustainability.

Signature  _____

Date 1/12/25 _____

Managing Director

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9. Statement of Performance against Predetermined Objectives for FY 2024/25

JKUAT Noodles Limited recognizes its role in commercializing its Yummy Brand of Noodles. During the 2024/2025 financial year, JKUAT Noodles Limited continued to face significant constraints due to lack of funding. However, despite these challenges, the company remained focused on exploring new opportunities to sustain operations and generate income. A portion of the factory was successfully leased, providing an alternative revenue stream. The Institution achieved its performance targets set for the FY 2024/2025 period as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Social	Engaging local farmers and suppliers	Engagement with local farmers and suppliers did not take place as planned due to inactivity in production arising from lack of funding	Community Outreach	Consequently, direct consumer engagement and market penetration were limited due to inactivity in production
2. Economic	Enhance financial stability through revenue generation.	Alternative income stream	Leasing factory space	Successful leasing of a portion of the factory for income generation

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3. Human	Maintain employee engagement	Employee retention	Engagement of employees despite limited operations	Maintained employee morale during prolonged inactivity
4. Organic	Foster innovation and sustainability through product development and R&D	Research on alternative starch sources	Enhance wheat based noodle production	Continued research

10. Corporate Governance Statement

Corporate Governance:

Roles and functions of the Board of Directors

The Board of Directors is responsible for the governance of JKUAT Noodles Limited and is accountable to the University, the Company's main shareholder, for ensuring that the Company complies with the law and adheres to the highest standards of corporate governance and business ethics. The Board attaches great importance to conducting business with integrity and in accordance with generally accepted corporate practices.

The Board of Directors:

The Board is made up of a substantial majority of Independent, non-executive Directors, including the Chairman and alternates. The Directors are provided with appropriate and timely information to maintain full and effective control over all strategic, financial, operational, and compliance issues.

Board Meetings:

The Board meets quarterly for scheduled meetings and on other occasions, as needed, to deliberate and act on operational, financial, compliance, and strategic issues, as required, and to address any specific matters that arise between quarterly meetings. Scheduled meetings review the quarterly performance against targets and monitor business and operational issues.

Composition of Board:

The JKUATES Board comprises nine (9) members. Eight out of the nine members of the Board are non-executive, including the Chairman of the Board. Most directors are drawn from the main university, the CS representing the National Treasury and Economic Planning, the PS representing the Ministry of Education and the Senior Inspector representing the Inspectorate of State Corporations.

Board remuneration

In the Company's last financial year, no Director has received or become entitled to any benefit other than amounts received under employment contracts for executive directors and sitting allowances. The aggregate of emoluments for Directors' services rendered in the financial year is disclosed in the detailed financial report.

The existence of a board charter

The Board of Directors of JKUAT Enterprises Limited (JKUATES) has formally adopted a Board Charter, which provides a clear framework for the governance of the Company. The

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Charter defines the roles, responsibilities, and authority of the Board in discharging its strategic oversight mandate.

Appointment and removal of Directors

In the 2024/2025 financial year, there were no appointments or removals of Board members.

Board Induction and Training

The new board members underwent an induction process to become acquainted with their responsibilities as directors, the general principles of corporate governance, and board practices. They also received an orientation about the company, ensuring they are well-informed and knowledgeable, which enables them to make informed decisions that contribute to the company's success and meet shareholders' expectations.

Board and members' performance

The Board conducts an annual evaluation to appraise its performance and that of its members. The evaluation is conducted according to the Board Evaluation Tool and is facilitated by SCAC.

Conflict of interest

The company maintains records of conflicts of interest declared by the board of directors in every meeting they attend for accountability purposes.

Ethics and Conduct

The board is committed to ethics and conduct by prioritizing corporate culture, vigilantly watching for red flags, and setting clear expectations to sustain a principled business landscape.

Governance audit

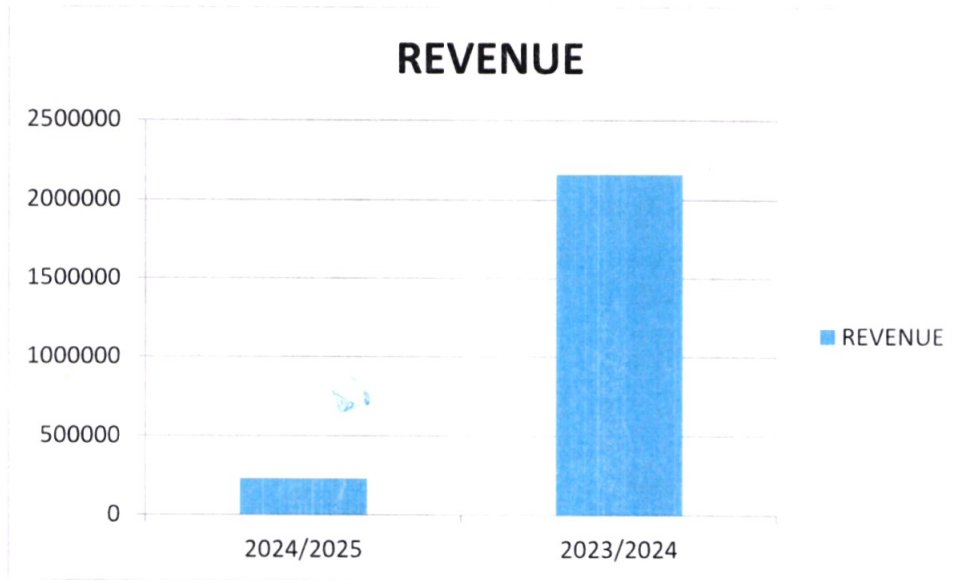
A continuous internal audit is conducted to evaluate governance processes, controls, and compliance, with the goal of achieving zero-fault audits and ensuring the company adheres to the highest standards of good governance.

11. Management Discussion and Analysis

(Two to three pages)

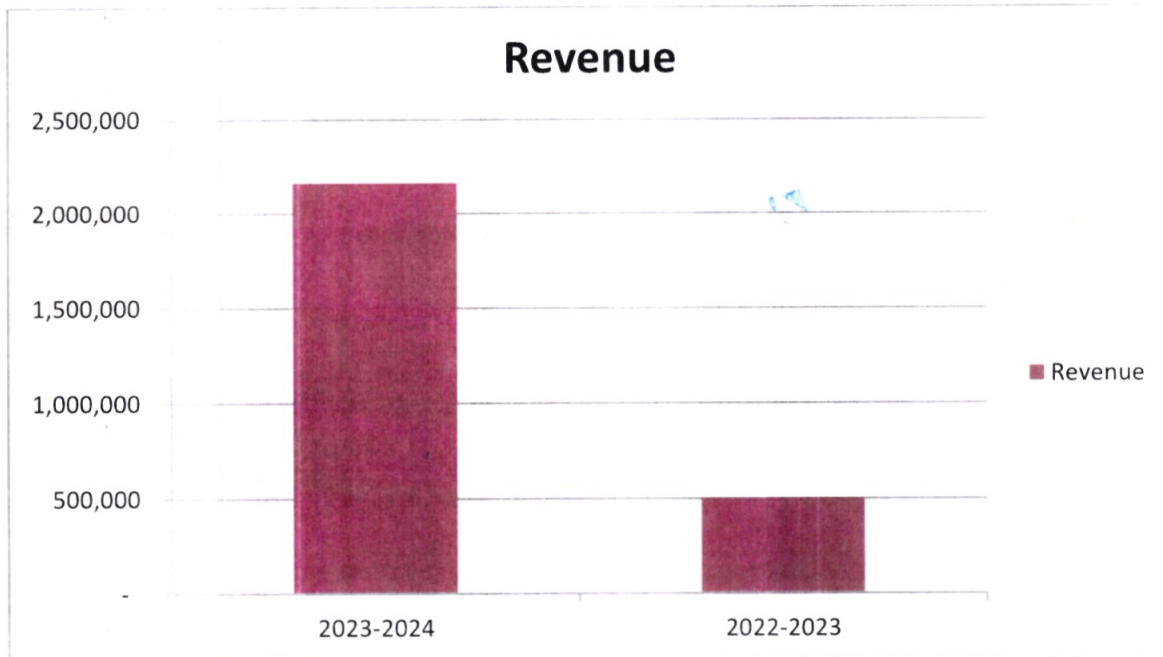
Revenue

During the year of audit JKUAT Noodles Limited collected revenue of 230,379 in 2024/2025 compared to 2,160,000 in the year 2023/2024. This can be represented in the following chart:-



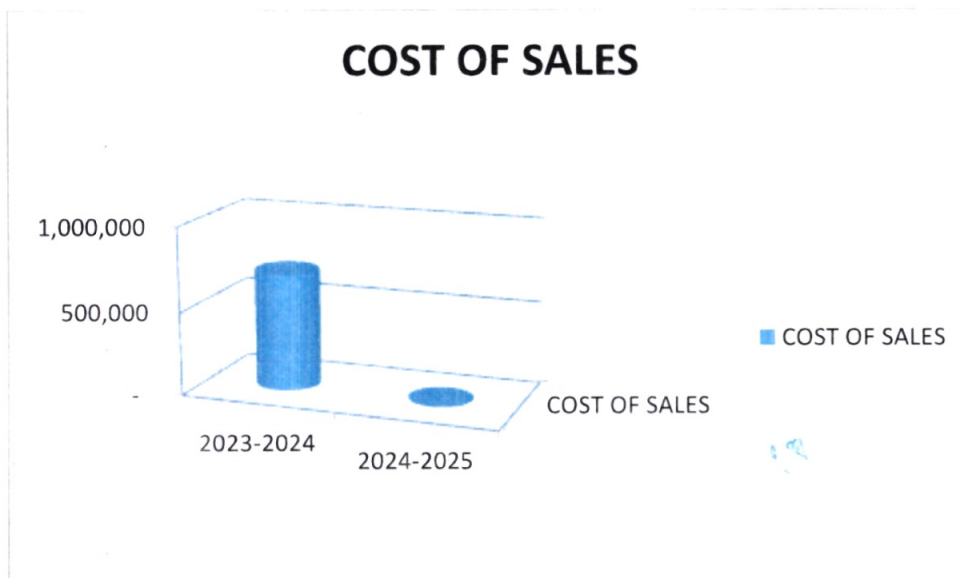
An analysis of the same was as follows for the period 2023/2024 JKUAT Noodles Limited collected revenue of 2.16 m compared to 0.5 m in the year 2022/2023. This can be represented in the following chart:-

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



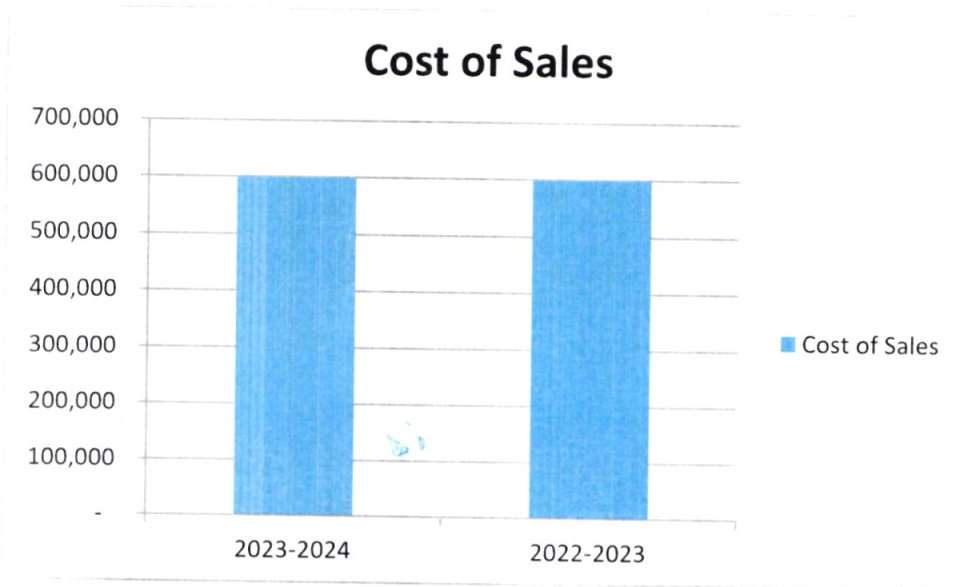
Cost of sales

Cost of sales was 0 as compared to 697,535 in the year 2024/2025 and 2023/2024 consecutively. This could be shown by the following chart:



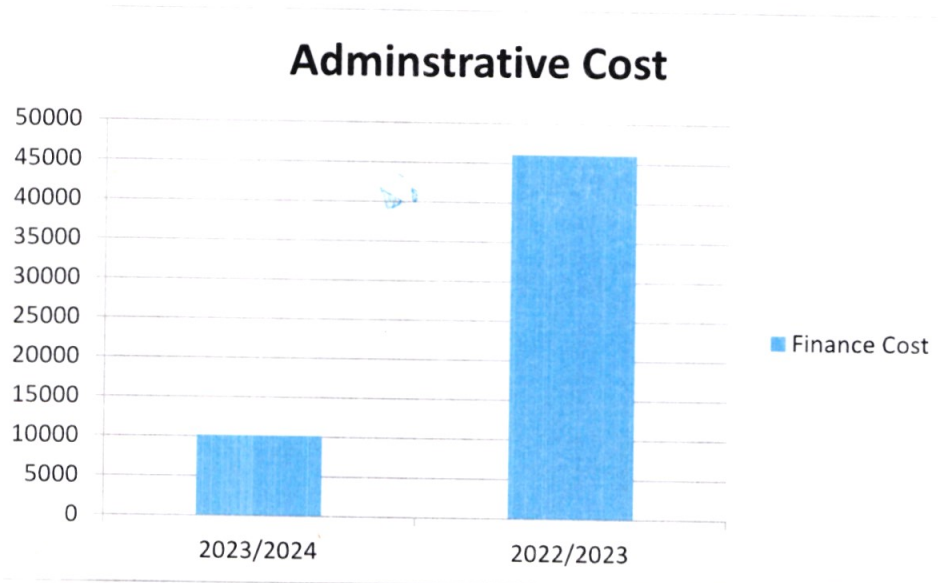
JKUAT NOODLES LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

An analysis of the same was as follows for the period 2022-2023 and 2023-2024; Cost of sales was 0.6m as compared to 0.6m in the year 2023/2024 and 2022/2023 consecutively. This could be shown by the following chart:



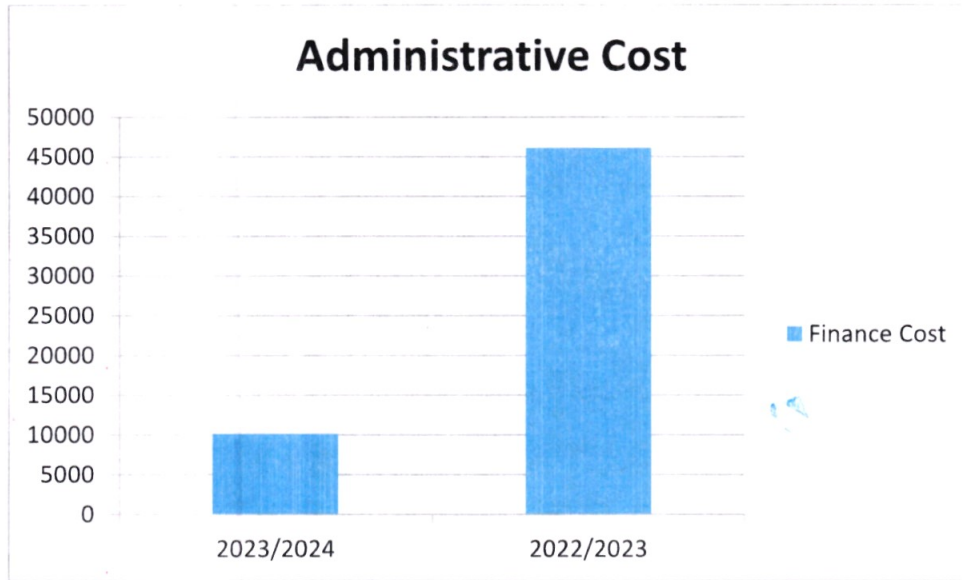
Administrative analysis

Analysis of company's administrative expenses for the two years in comparison were as follows:



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

An analysis of the same was as follows for the period 2022-2023 and 2023-2024; Analysis of company's administrative expenses for the two years in comparison were as follows: 2,407,524 and 2,499,354 respectively



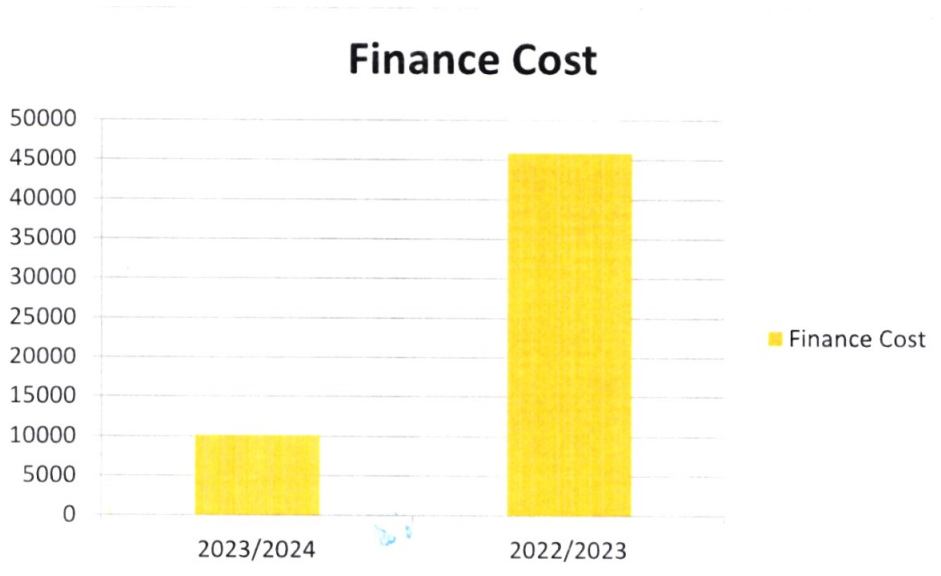
Finance cost

The finance cost for the financial year 2024-2025 decreased compared to the precedent financial year 2023-2024 i.e. ksh.0.010 m to 0.008m respectively. This can be depicted by the following chart:



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An analysis of the same was as follows for the period 2023-2024 decreased compared to the precedent financial year 2022-2023 i.e. ksh.0.046 m to 0.010m respectively. This can be depicted by the following chart:



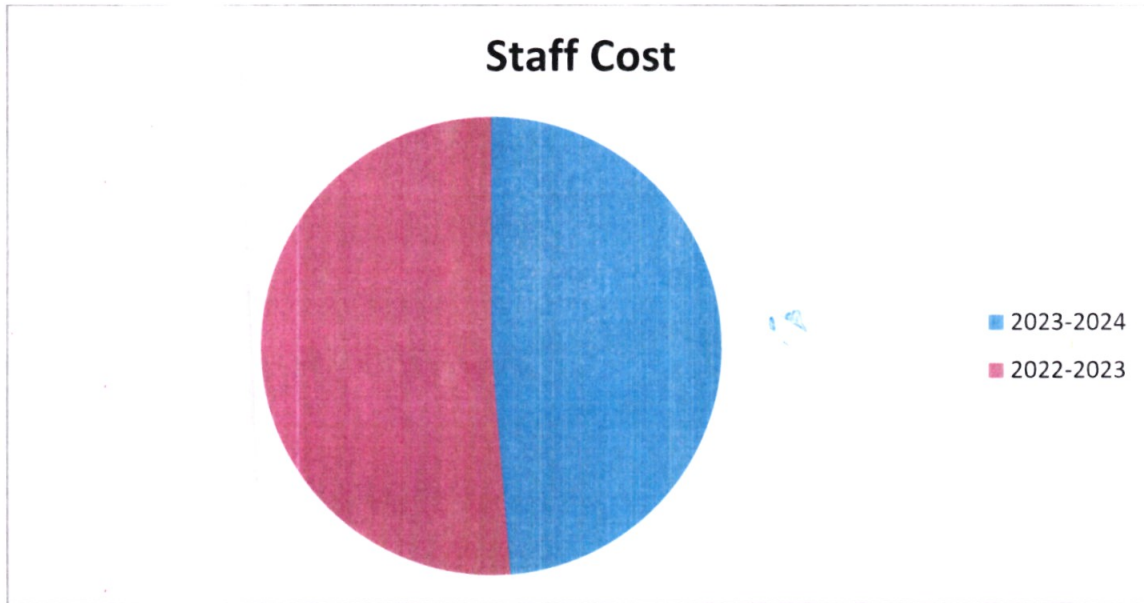
STAFF COSTS

Staff costs for the two years can be represented as below



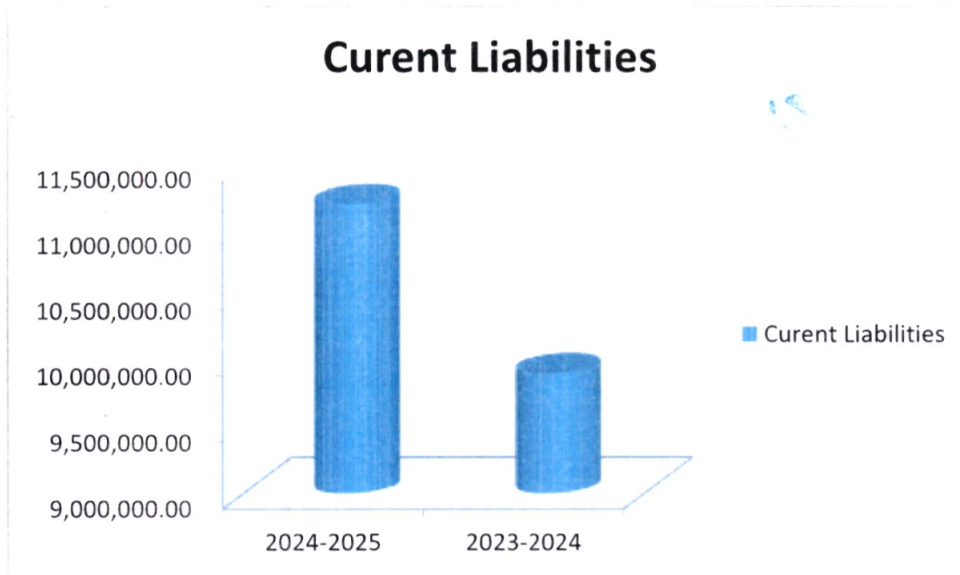
JKUAT NOODLES LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

An analysis of the same was as follows for the period 2022-2023 and 2023-2024; Staff costs for the two years can be represented as below



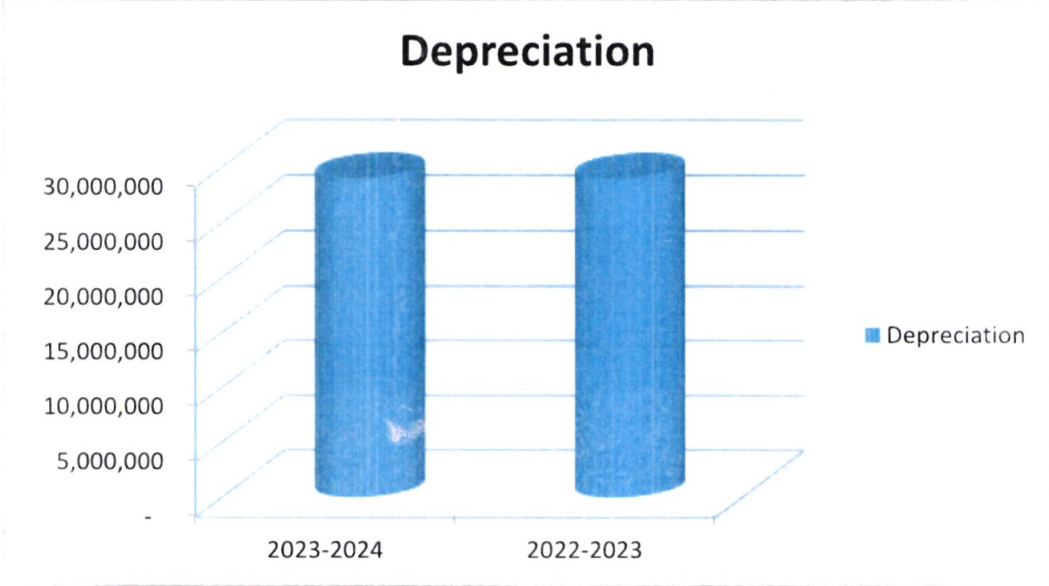
DEPRECIATION

Depreciation for the two years were as shown below.



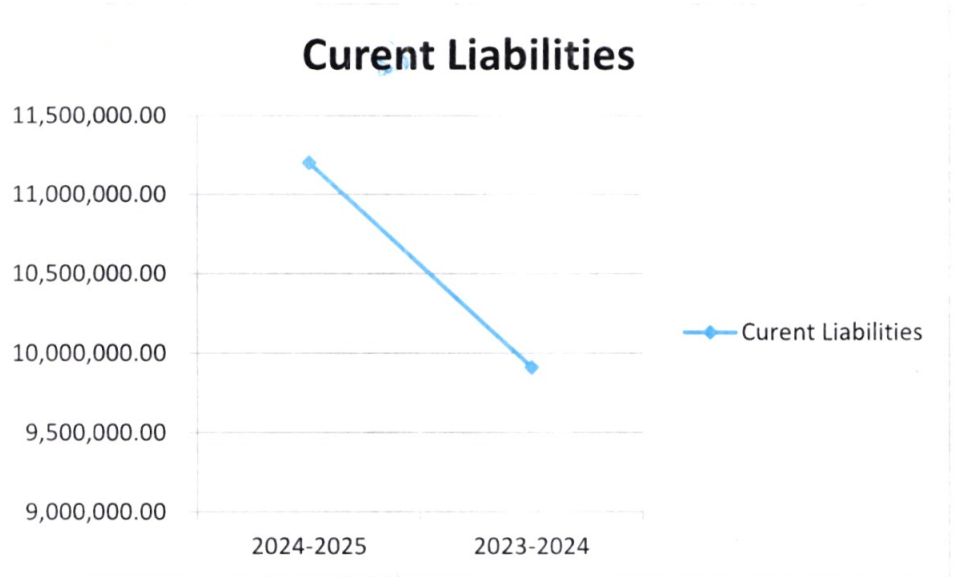
An analysis of the same was as follows for the period 2022-2023 and 2023-2024; Depreciation for the two years were as shown below.

JKUAT NOODLES LIMITED
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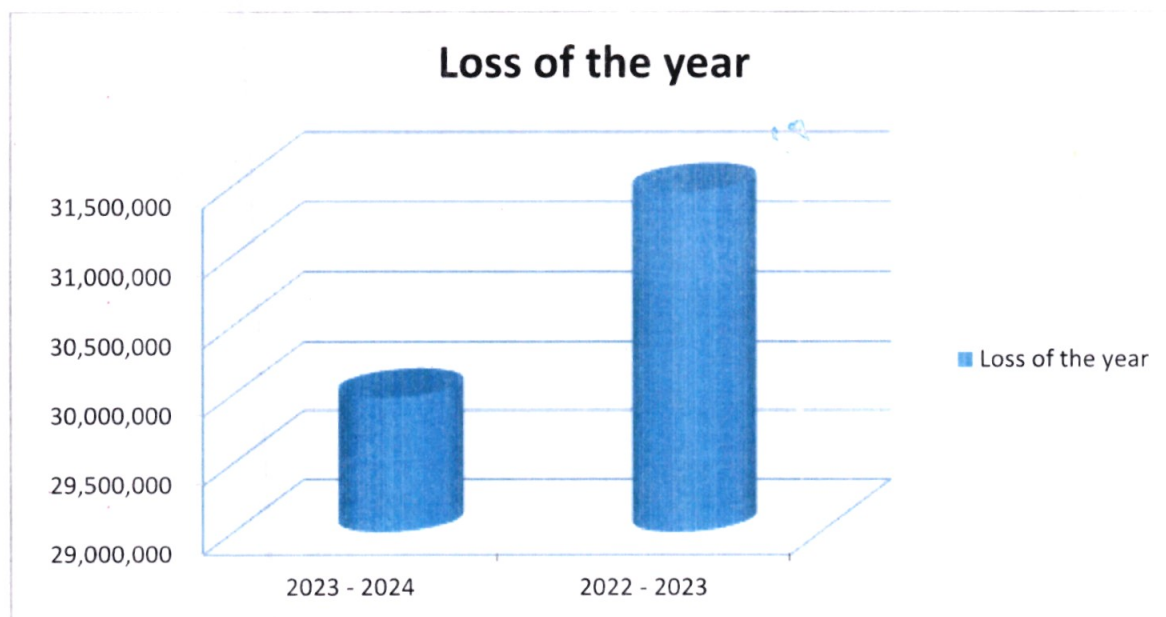
	2024/2025	2023/2024	2022/2023
	Ksh	Ksh	Ksh
Loss for the year	(30.3m)	(30.0m)	(31.4m)

This can be summarized in the chart below:



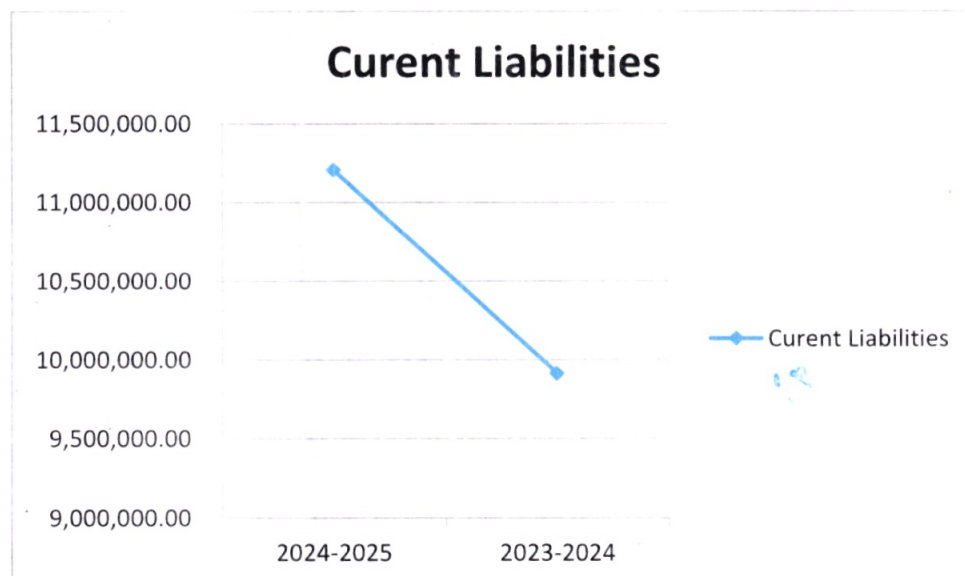
JKUAT NOODLES LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

An analysis of the same was as follows for the period 2022-2023 and 2023-2024; This can be summarized in the chart below:



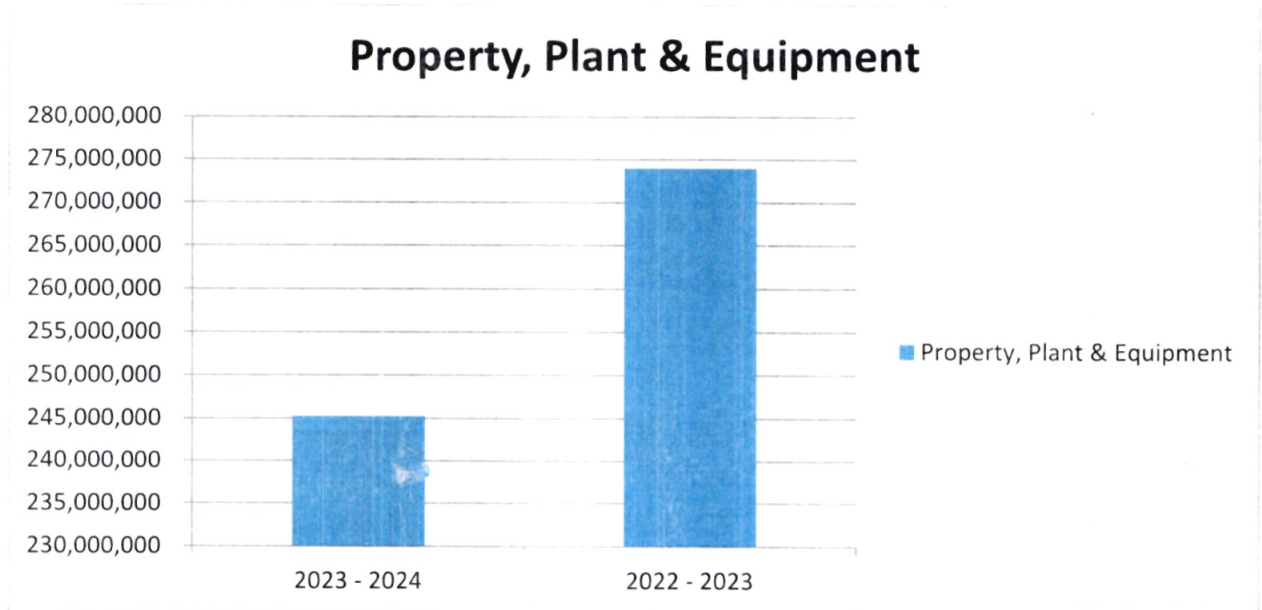
Investment activities

JKUAT Noodles Limited Property, Plant and Equipment in the year under consideration went down due to higher depreciation than investment. This can be seen in the chart below:



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

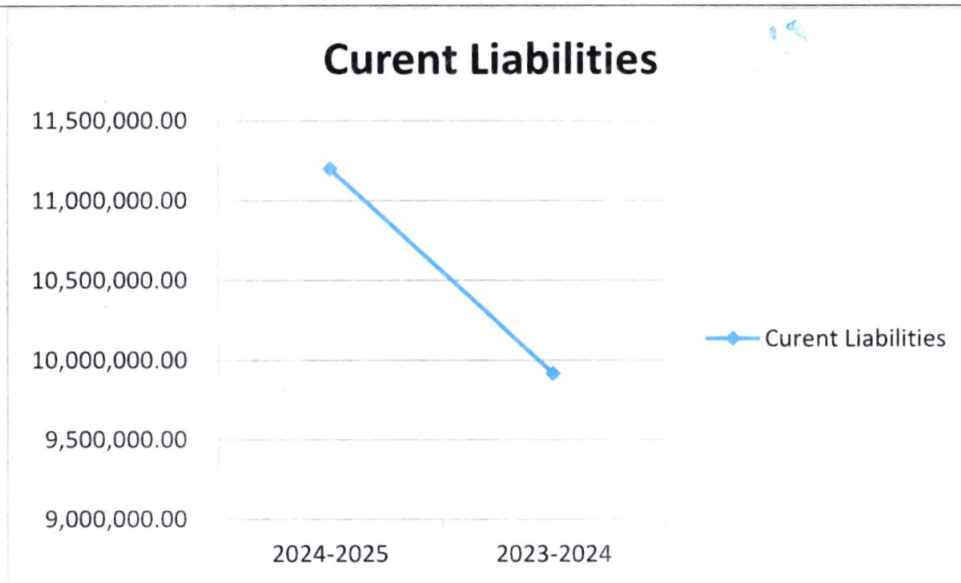
An analysis of the same was as follows for the period 2022-2023 and 2023-2024; JKUAT Noodles Limited Property, Plant and Equipment in the year under consideration went down due to higher depreciation than investment. This can be seen in the chart below:



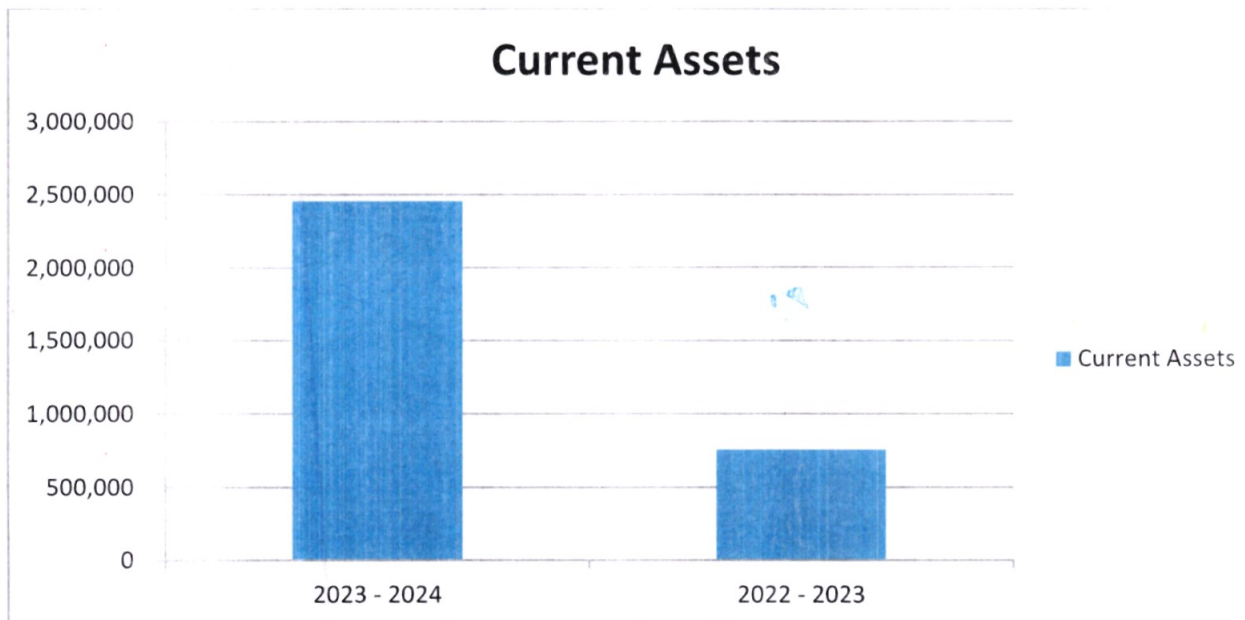
Current Assets

Current assets decreased from kshs.2.45m to kshs. 1.88 m in the financial year 2023-2024 and 2024-2025 respectively. This was as shown below:

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



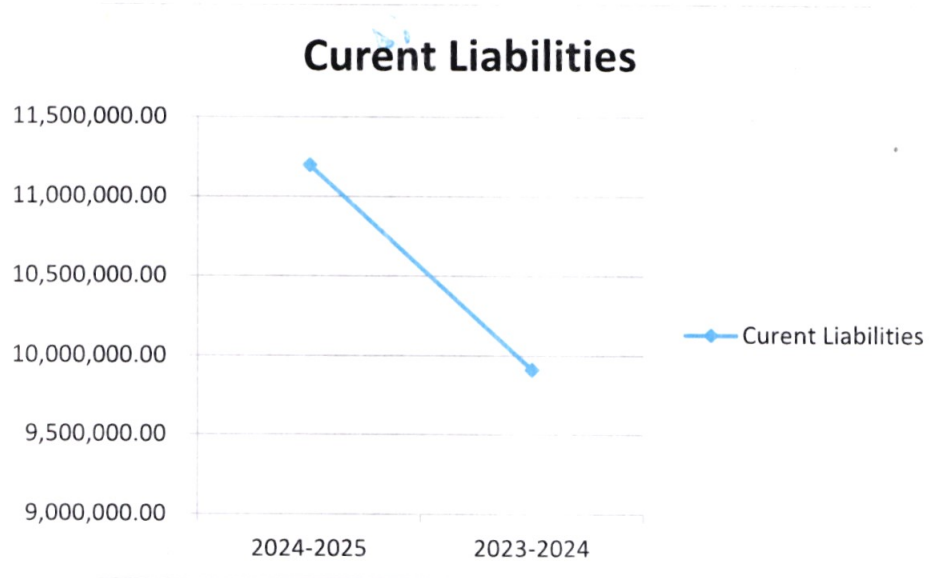
An analysis of the same was as follows for the period 2021-2022 and 2022-2023; Current assets increased from kshs.0.76m to kshs. 2.45 m in the financial year 2022-2023 and 2023-2024 respectively. This was as shown below:



JKUAT NOODLES LIMITED
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Capital and reserves

Capital and reserves reduced from 267.8m to 237.8m in the financial year 2023/2024 to 2024/2025 respectively. Their status can be represented as in the picture below:



An analysis of the same; Capital and reserves reduced from 267.8m to 237.8m in the financial year 2022/2023 to 2023/2024 respectively. Their status can be represented as in the picture below:

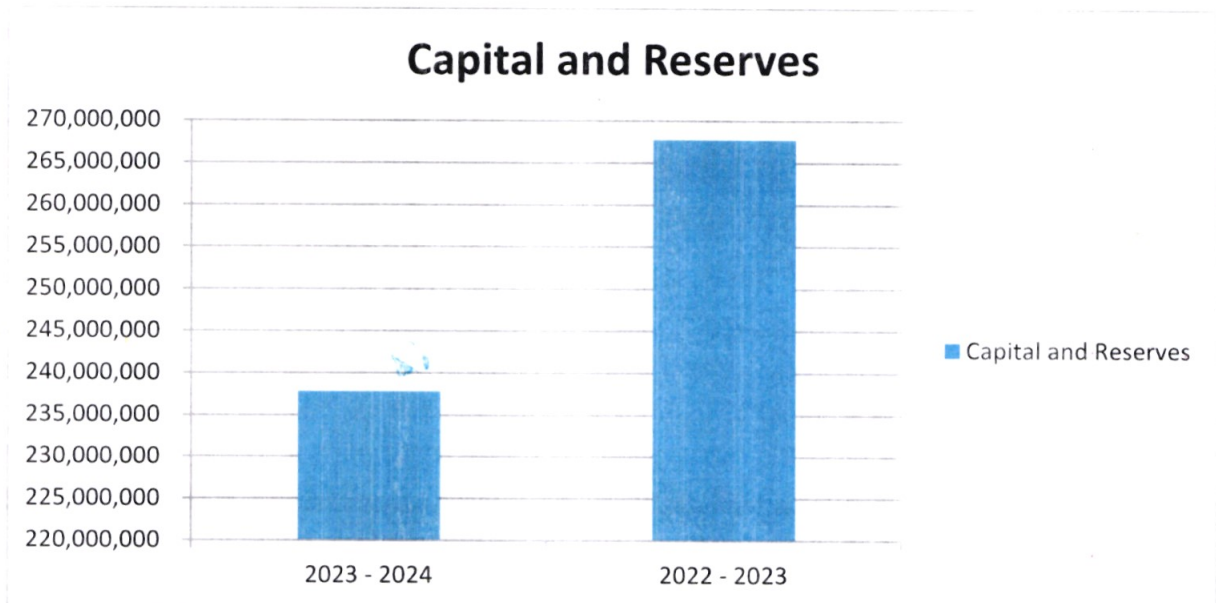
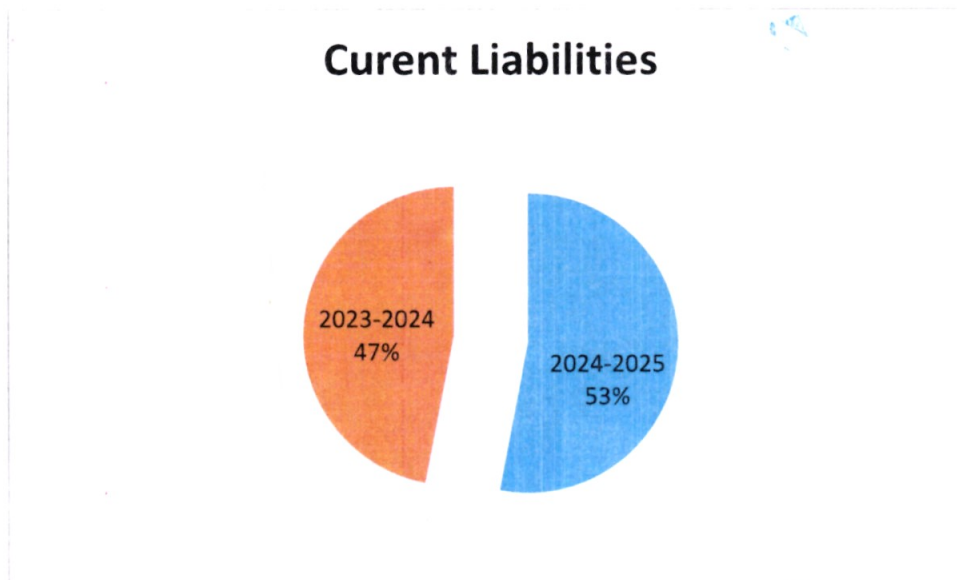


Figure 1: Capital and Reserves

Current Liabilities

Current liabilities grew from Kshs.7m from Kshs. 10m. This was as represented in the chart below:



An analysis of the same was as follows for the period 2022-2023 and 2023-2024; Current liabilities grew from Kshs.7m from Kshs. 10m. This was as represented in the chart below:

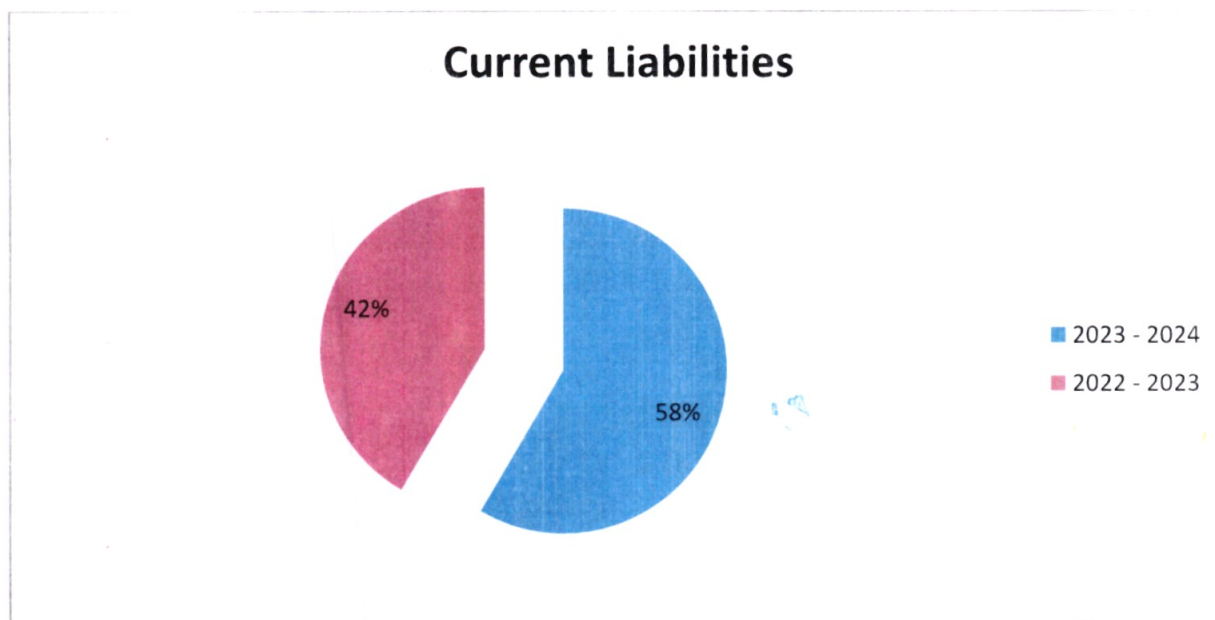


Figure 2: Current Liabilities

COMPLIANCE WITH STATUTORY REQUIREMENTS

The company has fully complied with all statutory requirements.

MAJOR RISKS FACING THE ORGANIZATION

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid approximately after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant.

c) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS

The company reports on accrual basis and the only pending bills as at 30th June 2025 were statutory bills for June 2025 which were cleared in July 2025. Therefore the company does not have material arrears in statutory and other financial obligations

REVIEW OF THE ECONOMY

The company sole activity is production, marketing and selling of Noodles. Though this sector of economy is proving challenging, the company is tirelessly exploring other options it can diversify its investments.

12. Environmental and Sustainability Reporting

JKUAT Noodles Limited recognizes the importance of its role in commercialising the Yummy brand of noodles. The company has spent the last two years developing noodle and seasoning formulas, and there are currently thirty-one (31) noodle and five (5) seasoning formulations available. Below is an outline of the organisation's policies and activities that promote sustainability.

***i)* Sustainability strategy and profile -**

The top management in the company spearheads research and development of wholesome products using materials sourced from local sources. They also research and develop markets both within our borders and beyond. They study macroeconomic trends both domestic and internationally and strategize accordingly. They also make sure that the company is compliant with all required standards and strive to conform to best practices. Key achievements include developing and launching three formulations, testing them and launching them into the local market.

***ii)* Environmental performance**

Sustainability is a key driver in our activities. JKUAT Noodles is committed to protecting the environment, complying with relevant legislation and government policy commitments. In the previous fiscal year, the institution conducted a boiler unit conversion from using diesel to using furnace oil. This has halved our fuel costs and increased the efficiency of the plant.

***iii)* Employee welfare**

JKUAT Noodles Limited is committed to equal employment opportunity to all people regardless of race, religion, ethnic or national origin, age, disability, sexual orientation, gender identity or on any other basis.

***iv)* Marketplace practices**

a) Responsible competition practice.

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

The institution does not employ predatory or other methods to limit or restrict production, market outlets or market access, investment, distribution, technical development, or technological growth.

The organization ensures that it does not, either directly or indirectly, impose unreasonable purchase or sale pricing or other unfair business circumstances.

b) Responsible Supply chain and supplier relations

JKUAT Noodles Limited is dedicated to enabling and ensuring the execution of an effective and efficient public procurement and asset disposal system that surpasses our customers' and stakeholders' expectations.

The organization is completely in accordance with the law and the procurement procedures outlined in the article 227 of Kenya's 2010 constitution.

c) Responsible marketing and advertising

Over the years, JKUAT Noodles Limited has implemented customer-centric marketing strategies to ensure that it meets the needs of its customers. All product and service marketing activities and messaging are honest and not deceptive. The data and privacy of its clients are important to the institution. It stays up to date on changing data regulations and compliance rules in order to personalize the customer experience.

d) Product stewardship

We provide information on every stage of a product's life cycle, including ingredients, for all of our Yummy Noodles variations. It appears on product packaging and to demonstrate that the ingredients are safe for humans and the environment.

v) Corporate Social Responsibility / Community Engagements

There were no Corporate Social Responsibility / Community Engagements during the year under audit

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

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended 30th June 2025 which show the state of JKUAT Noodles Limited affairs.

i) Principal activities

The principle activity of JKUAT Noodles Limited is to product noodles.

ii) Results

The results of JKUAT Noodles Limited for the year ended June 30, 2025 are set out on page 1-19 Below is summary of the loss made during the year.

	2024/2025	2023/2024
	Ksh	Ksh
Loss for the year	(30.34M)	(30.02M)
Tax Charge	-	-
Net loss for the year	(30.34M)	(30.02M)

iii) Dividends

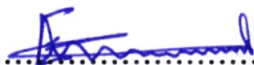
No dividend issued or declared

iv) Directors

The members of the Board of Directors who served during the year are shown on page v

v) Auditors

The Auditor-General is responsible for the statutory audit of the JKUAT Noodles limited in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.



.....
Managing Director

Date..... 1/12/25

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

14. Statement of Directors' Responsibilities

The JKUAT Noodles board is required to prepare statements, which give a true and fair view of the state of affairs of JKUAT Noodles Limited at the end of financial year and the results of the operations for the year. The board is required to ensure that JKUAT Noodles Limited keeps proper accounting records, which disclose with reasonable accuracy the financial position of JKUAT Noodles Limited. They are responsible for safeguarding the assets of JKUAT Noodles Limited.

JKUAT Noodles Limited board accepts responsibilities for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in a manner required by the companies Act. JKUAT Noodles Limited board is of the opinion that the Financial Statements give a true and fair view of the state of financial affairs of JKUAT Noodles Limited as at 30 June 2025 and of its profit for the year ended. The board further confirms the accuracy and completeness of the accounting records, which have been relied upon in the preparation of financial statements, as well as on adequate systems of internal financial control.

Nothing has come to the attention of JKUAT Noodles board to indicate that JKUAT Noodles Limited will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

JKUAT Noodles Limited financial statements were approved by JKUAT Noodles Limited Board and signed on its behalf by:



MR. ERASTUS MVURIA
MANAGING DIRECTOR



DR. JAMES MICAH ONSANDO
CHAIRMAN

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY NOODLES LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Jomo Kenyatta University of Agriculture and Technology Noodles Limited set out on pages 1 to 29, which comprise of

Report of the Auditor-General on Jomo Kenyatta University of Agriculture and Technology Noodles Limited for the year ended 30 June, 2025

the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the 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, the financial statements present fairly, in all material respects, the financial position of Jomo Kenyatta University of Agriculture and Technology Noodles Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act (Cap 486) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Material Uncertainty in Relation to Going Concern

The statement of profit or loss and other comprehensive income reflects a deficit of Kshs.30,338,655 (2023/2024 - Kshs.30,024,274). Further, the statement of financial position reflects total current assets balance of Kshs.1,876,048 against total current liabilities balance of Kshs.11,200,005 resulting to a negative working capital of Kshs.9,323,957. The calculated current ratio of 0.17 is far below 1.00 which indicates that the Company may not be able to settle debt obligations when they fall due. In addition, no statistical assurance was provided to confirm that the Company will increase its operations, break even and move to profitability in the foreseeable future.

In the circumstances, the continued existence of the Company is dependent on continued financial assistance from the University, donors and its creditors.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.163,840,000 and Kshs.230,379 respectively resulting to an under-funding of Kshs.163,609,621 or 100% of the budget. However, the Company spent an amount of Kshs.30,569,030 against actual receipts of Kshs.230,379 resulting to an over-utilization of Kshs.30,338,651 or 100% of actual receipts.

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

3. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.11,200,005 as disclosed in Note 18 to the financial statements. However, review of ageing analysis revealed that a balance of Kshs.730,760 had been outstanding for more than one year. Management did not provide evidence of efforts made to settle the amount. The non-payment could lead to additional costs on penalties and interest.

Failure to settle bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year to which they have to be charged.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, two issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Entity in 2024/2025 revealed that the issues raised on Idle Property, Plant and Equipment and unbalanced budget remained unresolved.

Other Information

Management is responsible for the Other Information set out on pages iii to xlvi which comprise of Key Entity Information, the Board of Directors, Key Management Team, Fiduciary Management, Fiduciary Oversight Arrangements, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors' Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Jomo Kenyatta University of Agriculture and Technology Noodles Limited financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

Report of the Auditor-General on Jomo Kenyatta University of Agriculture and Technology Noodles Limited for the year ended 30 June, 2025

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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 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. Lack of Ownership Documents

The statement of financial position and as disclosed in Note 11 to the financial statements reflects property, plant and equipment with a net book value balance of Kshs.219,308,798 which includes buildings and civil works balance of Kshs.90,000,000. However, the land ownership documents and valuation of the land where the buildings are located were not provided for audit.

In the circumstances, the valuation and ownership of the Company's land could not be confirmed.

2. Non-Payment of Audit Fees

The statement of financial position reflects trade and other payables balance of Kshs.11,200,005 as disclosed in Note 18 to the financial statements which further includes audit fees balance of Kshs.600,000 which has been outstanding for more than five (5) years. This was contrary to Section 41(1)(c) of the Public Audit Act, 2015 which states that the funds of the Office of the Auditor-General shall consist of audit fees charged at the rates prescribed by the Auditor-General.

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

3. Unbalanced Budget

As previously reported, the statement of comparison of budget and actual amounts reflects final budgeted income and expenditure of Kshs.163,840,000 and Kshs.177,269,173 respectively resulting to a variance of Kshs.13,429,173 which indicates that the budget was not balanced. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which state that budget shall be balanced.

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

4. Idle Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.219,308,798 as disclosed in Note 11 to the financial statements which further includes plant and machinery with a net book value of Kshs.125,500,000. However, the plant had not been put into operation since installation in the year 2018.

In the circumstances, the value for money for the idle property, plant and equipment could not be confirmed.

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 of the matters 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. Failure to Maintain a Separate Bank Account for Clients Deposit

The statement of financial position reflects trade and other payables balance of Kshs.11,200,005 as disclosed in Note 18 to the financial statements which further include clients deposit of Kshs.1,350,000. However, the bank and cash balances as reflected in Note 13 to the financial statements reflects a balance of Kshs.552,058 which is lower than the amount of clients deposit. Further, the Company did not maintain a separate bank account for the client deposits and the whereabouts of the deposits could not be confirmed.

In the circumstances, the effectiveness of internal controls in cash and bank management could not be confirmed.

2. Non-Compliance with Composition of the Board

Review of records provided for audit revealed that the Board of Directors was not constituted as per the requirements of the Company's Memorandum and Articles of

Association. The Board composition did not have representation from the following; one member of the Council nominated by the Council, two persons from the income generating units nominated by the Council on recommendation of Senate, one person from the private sector nominated by the Council and three (3) persons nominated by the Council to represent special interests.

In the circumstances, the Board may not undertake its mandate effectively.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

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

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on page xlv is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless Management is aware of the intention to liquidate the Company or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

JKUAT NOODLES LIMITED
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16. Statement of Profit/Loss & Other Comprehensive Income for the Year Ended 30th June 2025.

REVENUE	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenues			
Revenue with customers	6	230,379	2,160,000
Cost of sales	7	-	697,535
Gross profit		230,379	1,462,465
Total revenues		230,379	1,462,465
Operating expenses			
Administration costs	8	1,917,396	2,499,354
Finance costs	9	7,748	10,147
Depreciation	10	28,643,890	28,977,238
Total operating expenses		30,569,034	31,486,739
Loss for the year		(30,338,655)	(30,024,274)

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17. Statement of Financial Position as at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Non-Current Assets			
Property, Plant And Equipment	11	219,308,798	245,186,209
Total Non-Current Assets		219,308,798	245,186,209
Current Assets			
Trade and Other Receivables	12	1,323,990	1,823,990
Cash and Bank Balances	13	552,058	624,904
Total Current Assets		1,876,048	2,448,894
Total Assets		221,184,846	247,635,103
Equity And Liabilities			
Capital And Reserves			
Revaluation Reserves	14	2,600,000	-
Revenue Reserves	14	(143,305,379)	(113,281,101)
Owners Capital	14	381,028,875	381,028,875
Loss for the Year		(30,338,651)	(30,024,274)
Total Capital And Reserves		209,984,841	237,723,500
Current Liabilities			
Trade And Other Payables	18	11,200,005	9,911,603
Total Current Liabilities		11,200,005	9,911,603
Total Equity And Liabilities		221,184,846	247,635,103

The financial statements were approved by the Board on 11/21 2025 and signed on its behalf by:

		
Dr. James Micah Onsando	Mr. Erastus Mvuria	CPA. Joseph Macharia
Chairman of the Board	Managing Director	DMD F&A
		ICPAK M/NO:25735

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

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
As at July 1, 2023	-		(113,281,101)	381,028,875	267,747,774
Revaluation gain	-		-	-	-
Loss for the year	-		(30,024,274)	-	(30,024,274)
As of June 30, 2024	-	-	(143,305,375)	381,028,875	237,723,500
As at July 1, 2024	-	-	(143,305,379)	381,028,875	237,723,496
Revaluation reserve		2,600,000			
Loss for the year	-		(30,338,651)	-	(30,338,651)
At June 30, 2025	-	2,600,000	(173,644,030)	381,028,875	209,984,845

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Cash generated from/(used in) operations	19	93,634	262,644
Net cash generated from/(used in) operating activities		93,634	262,644
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(166,480)	(132,940)
Purchase of intangible assets		-	-
Net cash generated from/(used in) investing activities		(166,480)	(132,940)
Net cash generated from/(used in) financing activities		-	-
Net cash		(72,846)	129,703
Cash and cash equivalents at beginning of year		624,904	495,200
Cash and cash equivalents at end of the year		552,058	624,904

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Notes
	a	b	c = a + b	d	E= c - d	d/c%	
	Kshs	Kshs	Kshs	Kshs	Kshs	xxx%	a
Revenue	163,840,000	-	163,840,000	228,150	(163,611,850)	-99.86%	
Other income	-	-	-	2,228.95	2,229		
Total income	163,840,000	-	163,840,000	230,379	(163,609,621)	-99.86%	
			-				
Cost of Sales	112,420,000	-	112,420,000	-	(35,590,465)	-98.08%	b
			-				
Expenses			-		-		
Compensation of employees	4,000,000	-	4,000,000	1,358,730	(2,641,270)	-66.03%	c
Finance cost	9,153,000	-	9,153,000	7,748	(9,145,252)	-99.92%	d
Administrative Expenses	3,000,000	-	3,000,000	558,666	(2,441,334)		e
Motor Vehicle Expenses	3,600,000	-	3,600,000	-	(3,600,000)		f
Other payments	4,828,173	-	4,828,173	-	(4,828,173)	-100.00%	g
Depreciation	30,000,000	-	30,000,000	28,643,886	(1,356,114)		h
Sales promotion and Advertisement	10,268,000	-	10,268,000	-			i
Total expenditure	177,269,173	-	177,269,173	30,569,030	(146,700,143)	-82.76%	
Surplus for the period	(13,429,173)	-	(13,429,173)	(30,338,651)	(16,909,478)	125.92%	

Budget Reconciliation

- a) The factory is still doing test runs therefore hardly making sales.
- b) The cost from test runs is minimal compared to the budgeted costs
- c) JKUAT Noodles Limited did not employ workers as it had been anticipated to do. This was because there was no major activity during the year.
- d) Only a few transaction charges were incurred hence lower finance costs. This was mainly due to low operational activity
- e) There was no major activity within the course of the year hence little administration expenses.
- f) There was no motor vehicle running cost.
- g) This item was absorbed in the actual cost of production.
- h). The number of machines being depreciated was higher than JKUAT Noodles Limited had anticipated. JKUAT Noodles Limited had anticipated incurring more cost on Property, plant and equipment.
- i) There was no marketing within the year under audit

21. Notes to the Financial Statement

1. General Information

JKUAT Noodles LTD is established by and derives its authority and accountability from Company's Act JKUAT Noodles LTD is wholly owned by JKUAT and is domiciled in Kenya. The Entity's principal activity is commercializing University innovations.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the JKUAT Noodles LTD accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of JKUAT Noodles LTD. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

There were no new and revised standards affecting the presentation of JKUATES financial report

4. Summary of Accounting Policies

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

a) Revenue recognition

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is recognized at fair value of consideration received or expected to be received in the ordinary course of the company's activities, net of value-added tax (VAT) where applicable, and when specific criteria have been met for each of the company's activities as described below.

- i) Revenue from the sale of goods and services** is recognized in the year in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Other income** is recognized as it accrues.

b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less depreciation.

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c) Depreciation and impairment of property, plant and equipment

Depreciation of fixtures and equipment are calculated on the straight line basis using the following annual rates:

Item	Years	Rates
Production structures	4	25%
Buildings and civil works	40	2.5%
Plant and machinery	10	10%
Motor vehicles, including motorcycles	4	25%
Computers and related equipment	3	33.3%
Office equipment, furniture and fittings	10	10%

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

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

d) Intangible assets

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

e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the

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investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

f) Biological Assets

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

g) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost

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method or First In First Out (FIFO). Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

i) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

j) Taxation

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

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

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

k) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and

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the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

1) Borrowing costs

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period.

Restricted cash

Restricted cash refers to cash and cash equivalent balances that have usage constraints. An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the entity.

n) Borrowings

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

o) Trade and other payables

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

p) Retirement benefit obligations

JKUAT Noodles LTD provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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q) Provision for staff leave pay

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

r) Exchange rate differences

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

Summary of Accounting Policies

s) Budget information

The original budget for FY 24/25 was approved by the board on 15th April 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under section 19 of these financial statements.

t) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may

change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

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

c) Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Revenue from contracts with customers

REVENUE	2024-2025	2023-2024
	Ksh	Ksh
Rent Income	228,150	2,160,000
Other Income		
Exchange gain	2,138	-
Interest income	91	-
Total Income	230,379	2,160,000

7. Cost of Sales

COST OF SALES	2024-2025	2023-2024
	Ksh	Ksh
Production Materials	-	175,630
Gas	-	-
Labour	-	521,905
Diesel Oil	-	-
TOTAL COST OF SALE	-	697,535

8. Administration Costs

OTHER ADMINISTRATION COST	2024-2025	2023-2024
	Ksh	Ksh
Staff Cost	1,358,730	2,089,736
Cleaning	-	4,000
Electricity	436,267	143,018
Insurance	-	-
Repairs	22,400	162,400
Travel And Subsistence	-	200
Audit Fee	100,000	100,000
Total	1,917,396	2,499,354

8(a) Staff Costs

STAFF COSTS	2024-2025	2023-2024
	Ksh	Ksh
Net pay	1,054,481	1,509,522
NHIF	26,250	28,750
NSSF	99,360	59,320
PAYE	125,539	437,968
Housing Levy	33,300	49,380
Staff other deductions	19,800	4,800
Total	1,358,730	2,089,736

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9. Finance Costs

FINANCE COST	2024-2025	2023-2024
	Ksh	Ksh
Bank Charges	7,748	10,147
Total	7,748	10,147

10. Depreciation

DEPRECIATION	2024-2025	2023-2024
	Ksh	Ksh
Building	2,500,000	2,500,000
Furniture	100,000	100,000
Computer Equipment	44,312	44,308
Equipment	249,578	232,929
plant	25,100,000	25,100,000
vehicle	650,000	1,000,000
Total	28,643,890	28,977,238

11. Property, Plant and Equipment

PROPERTY PLANT & EQUIPMENT	Buildings & civil works	Computers & related equipment	Furniture & fittings	Office equipment	Plant and machinery	Motor vehicles, including motor cycles	Total
Rate	2.5% Kshs	33% Kshs	10% Kshs	10% Kshs	10% Kshs	25% Kshs	Kshs
As At 1 July 2023	100,000,000	-	1,000,000	2,329,300	251,000,000	4,000,000	358,329,300
Additions	-	132,936	-	-	-	-	132,936
Disposals	-	-	-	-	-	-	-
As at 30 th June 2024	100,000,000	132,936	1,000,000	2,329,300	251,000,000	4,000,000	358,462,236
Depreciation	5,000,000	-	300,000	698,790	75,300,000	3,000,000	84,298,790
Impairment	-	-	-	-	-	-	-
Charge for the year	2,500,000	44,308	100,000	232,930	25,100,000	1,000,000	28,932,930
As at 30 th June 2024	7,500,000	44,308	400,000	931,720	100,400,000	4,000,000	113,276,028
NET BOOK VALUE-							
At 30 June 2024	92,500,000	88,628	600,000	1,397,580	150,600,000	-	245,186,209
COST							
As at 01-07-2024	100,000,000	132,936	1,000,000	2,329,300	251,000,000	4,000,000	358,462,236
Addition in the year	-	-	-	166,480	-	-	166,480
Revaluation	-	-	-	-	-	2,600,000	2,600,000
As at 30th June 2025	100,000,000	132,936	1,000,000	2,495,780	251,000,000	6,600,000	361,228,716
DEPRECIATION							
As at 01-07-2024	7,500,000	44,308	400,000	931,720	100,400,000	4,000,000	113,276,028
Charge for the year	2,500,000	44,312	100,000	249,578.01	25,100,000.00	650,000	28,643,890
As at 30th June 2025	10,000,000	88,620	500,000	1,181,298	125,500,000	4,650,000	141,919,918
As at 30 th June 2025	90,000,000	44,316	500,000	1,314,482	125,500,000	1,950,000	219,308,798
As at 30 th June 2024	92,500,000	88,631	600,000	1,397,580	150,600,000	-	245,186,211

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Valuation

Motor vehicles were valued by steering Automobile independent valuer on 10th July 2024.

12. Trade and Other Receivables

TRADE AND OTHER RECEIVABLES	2024-2025	2023-2024
	Ksh	Ksh
Trade and other Receivables	1,323,990	1,823,990
Stock	-	-
VAT Claimable	-	-
Total Trade and other Receivables	1,323,990	1,823,990

12 (a) Trade Receivables

Description	2024-2025	2023-2024
	Kshs	Kshs
Gross Trade Receivables	1,323,990	1,823,990
Provision for Doubtful Receivables	-	-
Net Trade Receivables	-	-
ageing analysis of gross Trade Receivables		
Less than 30 Days	-	-
Between 30 and 60 Days	-	-
Between 61 and 90 Days	-	-
Between 91 and 120 Days	-	-
Over 120 Days	1,323,990	1,823,990
Total	1,323,990	1,823,990

13. Bank and Cash Balances

CASH & BANK BALANCES	2024-2025	2023-2024
	Ksh	Ksh
Stan Chart Ac 010202805610	105	-
Dollar Ac 8702028056100	-	-
Fixed Dep A/C -0152528056	4,379	5,579
Dollar Ac II 8752528056100	12,923	10,785
KCB Current Account	534,651	608,540
Total Cash & Bank Balances	552,058	624,904

14. Ordinary Share Capital

Capital and Reserves	2024-2025	2023-2024
	Ksh	Ksh
Revaluation Reserves	2,600,000	-
Revenue Reserves	(143,305,379)	(113,281,101)
Owners Capital	381,028,875	381,028,875
Profit for the Year	(30,338,651)	(30,024,274)
Total Capital and reserves	209,984,845	237,723,500

15. Revaluation Reserve

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

16. Fair Value Adjustment Reserve

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

17. Retained Earnings

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

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18. Trade and Other Payables

TRADE AND OTHER PAYABLES	2024-2025	2023-2024
	Ksh	Ksh
Trade Payables	1,131,726	730,760
JKUATES	8,449,781	7,278,623
Provision for Audit Fee	100,000	400,000
Clients deposit	1,350,000	1,350,000
VAT payable	51,299	111,220
NHIF control	1,650	-
NSSF control	7,200	-
PAYE control	-	-
Staff welfare	48,800	41,000
Fundilima	6,000	-
Housing Levy	1,800	-
Net Salary account	51,750	-
TOTAL TRADE AND OTHER PAYABLES	11,200,005	9,911,603

Aging Analysis for Trade and other Payables

Description	2024/2025 Current FY	% of the total	2023/2024 Comparative FY	% of the total
Under one year	400,966	35%	180,760	25%
1-2 years	180,760	16%	550,000	75%
2-3 years	550,000	49%	-	-
Over 3 years	-	-	-	-
Total	1,131,726		730,760	

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19. Notes to the Statement of Cash Flows

Notes to the Cash Flow	2024-2025	2023-2024
	Kshs	Kshs
Net profit after tax	(30,338,651)	(30,024,274)
Adjustment for the year		
Depreciation 10	28,643,886	28,977,238
	(1,694,765)	(1,047,036)
Changes in working capital		
Increase in Trade and Other Receivables 12	500,000	(1,564,181)
Decrease/Increase in Trade and Other Payables 18	1,288,401	2,873,861
Decrease in overdraft	-	-
Net Cashflow from operating activities	93,634	262,644

20. GOING GOING CONCERN CONCEPT

During the year JKUAT Noodles Limited registered a net loss of Ksh 30.3m. JKUAT Noodles Limited is in pursuit of funding to help build on proper working capital. JKUAT Noodles Limited is also exploring other business models to diversify its business. This will enable full production capacity.

21. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Receivables from exchange transactions	1,323,990	1,323,990	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	552,058	552,058	-	-
Total	1,876,048	1,876,048	-	-
At 30 June 2024				
Receivables from exchange transactions	1,823,990	1,823,990	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	624,904	624,904	-	-
Total	2,448,894	2,448,894	-	-

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade payables	-	1,131,726	-	1,131,726
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	1,131,726	-	1,131,726
At 30 June 2024				
Trade payables	-	730,760	-	730,760
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	730,760	-	730,760

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by JKUAT Noodles Limited on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, and foreign exchange rates which will affect JKUAT Noodles Limited income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

JKUAT Noodles Limited Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to JKUAT Noodles Limited exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

JKUAT Noodles Limited has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid approximately after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. JKUAT Noodles Limited manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Foreign currency sensitivity analysis

The following table demonstrates the effect on JKUAT Noodles Limited statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant.

c) Interest rate risk

Interest rate risk is the risk that JKUAT Noodles Limited financial condition may be adversely affected as a result of changes in interest rate levels. JKUAT Noodles Limited interest rate risk arises from bank deposits. This exposes JKUAT Noodles Limited to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on JKUAT Noodles Limited deposits.

i) Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

ii) Sensitivity analysis

JKUAT Noodles Limited analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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22. Appendices

Appendix 1: Implementation Status of Auditor-General prior year recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Undisclosed Material Uncertainty in Relation to Going Concern	Implemented in this financial year 2024/2025 report	Erastus Mvuria (Managing Director)	Resolved	30/06/2025
2	Budgetary Control and Performance	Implemented in this financial year 2024/2025 report	Erastus Mvuria (Managing Director)	Resolved	30/06/2025
3	Idle Property, Plant and Equipment	Implemented in this financial year 2024/2025 report	Erastus Mvuria (Managing Director)	Resolved	30/06/2025
4	Failure to Prepare and Implement Board Charter	Implemented in this financial year 2024/2025 report	Erastus Mvuria (Managing Director)	Resolved	30/06/2025

Sign:  Date: 11/2/25

Mr. Erastus Mvuria
 Managing Director

Appendix II: PROJECTS IMPLEMENTED BY JKUAT NOODLES LIMITED

Projects

Projects were no projects implemented by JKUAT Noodles Limited during the year under audit.

