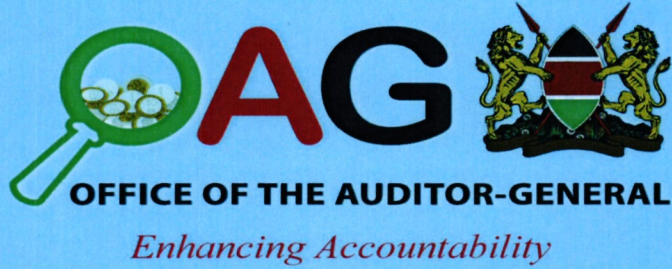
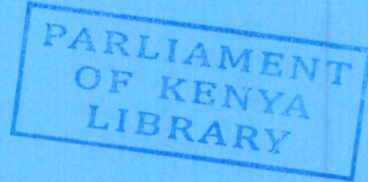


REPUBLIC OF KENYA



REPORT



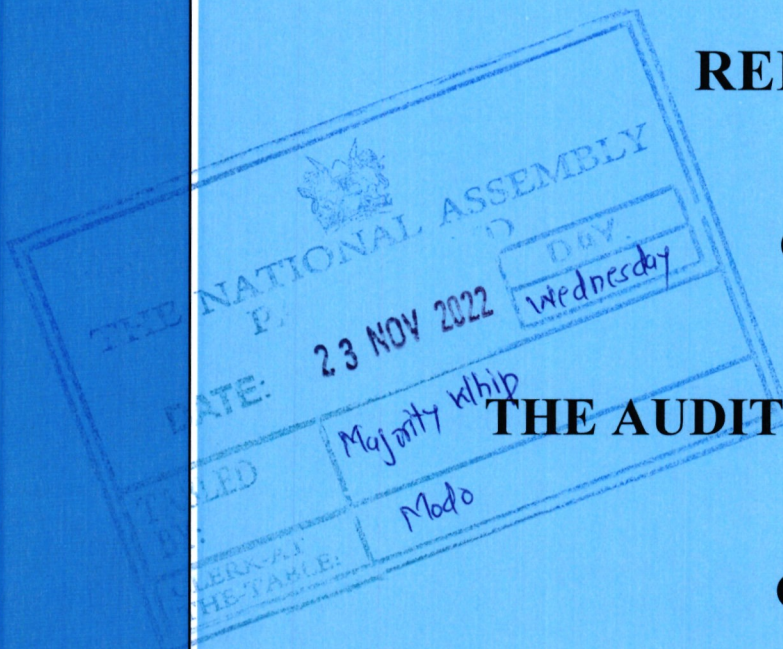
OF

THE AUDITOR-GENERAL

ON

**JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY
INDUSTRIAL PARK LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2021**



Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021



International Financial Reporting Standards (IFRS)
Annual Financial Reporting Template for
Commercial Government Owned Entities

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY
(JKUAT) INDUSTRIAL PARK LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2021

Prepared in accordance with the Accrual Basis of Accounting Method under the International Financial
Reporting Standards (IFRS)

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

Table of Contents	Page
I. KEY ENTITY INFORMATION	ii
II. THE BOARD OF DIRECTORS	v
III. MANAGEMENT TEAM.....	vi
IV. CHAIRMAN’S STATEMENT.....	vii
V. REPORT OF THE MANAGING DIRECTOR	viii
VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021	x
VII. CORPORATE GOVERNANCE STATEMENT.....	xi
VIII. MANAGEMENT DISCUSSION AND ANALYSIS	xiii
IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xvi
X. REPORT OF THE DIRECTORS	xviii
XI. STATEMENT OF DIRECTORS’ RESPONSIBILITIES.....	xix
XII. REPORT OF THE INDEPENDENT AUDITORS ON JKUAT INDUSTRIAL PARK LIMITED.....	xx
XIII. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2021	1
XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021	2
XV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021.....	3
XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2021	4
XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2021	5
XVIII. NOTES TO THE FINANCIAL STATEMENTS	6

I. KEY ENTITY INFORMATION

Background Information

Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited initially started in 2013 as a department of the University under the name Nairobi Industrial and Technology Park (NITP) through a mutual Memorandum of Understanding (MoU) between Jomo Kenyatta University of Agriculture and Technology (JKUAT) and the Ministry of Industrialization and Enterprise Development (MOIED) signed in 2012. It was later registered as a company wholly owned by the University and was incorporated on 29 November 2017 under the Kenyan Companies Act, 2015 as a private limited company and became operational from May 2018. It was set up to promote the collaboration between the University, Government, and the private sector with the aim of facilitating the growth and development of knowledge and technology-based enterprises in line with the Kenya Vision 2030 and geared towards facilitating the transformation of innovations and research findings into sustainable enterprises by availing an incubation process. The company aims to stimulate and manage the flow of knowledge and technology from universities, R&D institutions and other innovation pools to the industry.

The company's priority sectors are in agro-processing, agro machinery, electrical and electronics, Bio- technology, ICT and packaging.

Principal Activities

The principal activities of the company are those of assembling, incubation and innovations.

Strategic Objectives

- To facilitate incubation of innovations/ businesses into sustainable commercial enterprises.
- To facilitate transfer of technology and promote local knowledge-based enterprises.
- To create an environment for inventiveness and innovativeness.
- To stimulate and manage the flow of knowledge and technology amongst University, R&D, institutions, companies and markets.
- To provide other value-added services together with high quality space and services.
- To translate Government policies into sectoral strategies and action plans.

KEY ENTITY INFORMATION (Continued)

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

1. Amb. (Eng.) Mahboub Maalim	Chairman, Board of Directors & JKUAT Council (October 2020 – To date)
2. Dr. Gumato Ukur Yatani	Former Chairperson, Board of Directors & JKUAT Council (July - Oct 2020)
3. Prof. Philip Kibet Langat	Ag. Managing Director JKUAT Industrial Park Limited
4. Prof. Victoria Wambui Ngumi	Director, JKUAT Industrial Park Limited & Vice Chancellor, JKUAT
5. Prof. Mary Oyiela Abukutsa	Director, JKUAT Industrial Park Limited & Deputy Vice Chancellor (Research, Production and Extension), JKUAT
6. Prof. Robert Kinyua	Director, JKUAT Industrial Park Limited & Deputy Vice Chancellor (Academic Affairs), JKUAT
7. Prof. Bernard Ikua	Director, JKUAT Industrial Park Limited & Deputy Vice Chancellor (Administration), JKUAT
8. Mr. Richard Wokabi	Ag. Chief Legal Officer, JKUAT

Registered Office and Corporate Headquarters

Jomo Kenyatta University of Agriculture & Technology
L.R. No 13094 Thika Road
P.O Box 62000 - 00200
Nairobi, Kenya

Corporate Contacts

Telephone: (254) 67 5870001-4 ext. 1043/1026/1031
E-mail: nitp@jkuat.ac.ke
Website: www.jkuatindustrialpark.com

Corporate Bankers

Kenya Commercial Bank
JKUAT Branch
P.O. Box 737 -01001
KALIMONI

Independent Auditors

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

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

Principle Legal Advisers


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

2. Chief Legal Officer,
Jomo Kenyatta University of Agriculture and Technology
P.O. Box 62000
City Square 00200
Nairobi, Kenya

II. THE BOARD OF DIRECTORS

Board Member	Key Qualifications
	<p>Amb (Eng) Mahboub Maalim, Board Chairman, Chairman - JKUAT Council</p>
	<p>Prof. Philip Kibet Langat, Ag. Managing Director, JKUAT Industrial Park Limited</p>
	<p>Prof. Victoria Wambui Ngumi, Director, Vice Chancellor - JKUAT</p>
	<p>Prof. Mary Oyiela Abukutsa Director, Deputy Vice Chancellor (Research, Production and Extension) – JKUAT</p>
	<p>Prof. Robert Kinyua Director, Deputy Vice Chancellor (Academic Affairs) – JKUAT</p>
	<p>Prof. Bernard Ikua Director, Deputy Vice Chancellor (Admin) - JKUAT</p>

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

	Mr. Richard Wokabi, Ag. Chief Legal Officer, JKUAT
---	--

III. MANAGEMENT TEAM

Name of the Staff	Responsibility
Prof. Philip Kibet Langat	Ag. Managing Director
Mr. Michael Munyua Waititu	Deputy Director
Ms. Natalie Leiyan	Ag. Operations Manager
Mr. Tobias Wachira	Senior Assistant Accountant

IV. CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements for the Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited as the Board's Chairperson for the year ended 30 June 2021. JKUAT Industrial Park Limited was set up to promote the collaboration between the University, Government, and the private sector with the aim of facilitating the growth and development of knowledge and technology-based enterprises in line with the Vision 2030.

The company continued to implement its many projects started in the previous years under the Nairobi Industrial and Technology Park (NITP) department and also additionally engaged new ones during the year in order to achieve greater financial performance and improvement.

Businesses were worst hit in the FY 2020/2021 due to covid-19 which was declared a world pandemic. The inflation rate increased affecting the liquidity and purchase power of the consumers. JKUAT Industrial Park's revenues reduced from kes.1.933B in the FY 2019/2020 to kes.54.54 m in the year under review and subsequently incurring a loss of Kes.18.83 m.

The Board is however committed to ensure prosperity of the company by collectively directing its affairs whilst meeting the diverse interests of its Stakeholders. The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the company.

As we look to the next fiscal year, we are committed to continue delivering on our mandate and strategic plan and aim to develop strategic partnerships so as to achieve our goals.

Appreciation

On behalf of the Board of Directors, I wish to thank all the Stakeholders for the confidence placed on the Board during my first year as chair and look forward to serving even better. In a special way, I thank the Government through the ICT Authority, Communication Authority of Kenya and other partners who have stood with us during the financial year under review. Your continued support is highly appreciated. Further, I thank Management and Staff for their dedication and commitment towards the growth of the company.



AMB (ENG) MAHBOUB MAALIM
CHAIRMAN, BOARD OF DIRECTORS

V. REPORT OF THE MANAGING DIRECTOR

It gives me great pleasure in presenting the Annual Report and Financial Statements for the Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited for the year ended 30 June 2021.

Operational and Financial Performance

The Company supported Communication Authority of Kenya (CA) in their pilot project of digitization of police stations through supplying of computers in Nairobi region. During the year under review, the company received KES. 52 Million of revenue from sale of computers. Sales and servicing income from Taifa laptops and tablets received by the company amounted to KES. 2.5 Million.

During the year under review, the Company reported a deficit of KES 18,833,186 against an EBIT of KES 40,574,740 reported in 2019/2020. The financial performance in the current year was realized in an environment where COVID-19 pandemic affected operations not only for the Company but also the prospective clients resulting in delayed commencement of some potential business engagements.

Achievements and Challenges

Despite the new revenue streams, the company is still facing some challenges such as its location which is situated in the University's premises in one of the buildings posing operational risks. The Board and Management plan to relocate the company's offices to its allocated 21-acre site within Juja in the near future.

Compliance with Statutory Guidelines

In the year under review, Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited diligently fulfilled its entire statutory obligations and guidelines set by Government agencies and Commissions.

Appreciation

I would like to appreciate the guidance of the Board of Directors in ensuring the Management is kept on the move towards attainment of the set targets. The Company also acknowledges the support accorded to Management by the Staff who worked tirelessly in ensuring smooth operation of the Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited.



PROF. PHILIPH KIBET LANGAT, Ph.D.,
AG. MANAGING DIRECTOR

**VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR
 FY 2020/2021**

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

JKUAT Industrial Park Limited has several strategic objectives within the current Strategic Plan for the first phase of operations.

JKUAT Industrial Park Limited develops its annual work plans based on the above themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The company continued to pursue its performance targets set for the FY 2020/2021 period for its strategic pillars, as indicated in the diagram below:

Strategy	Objective	Key Performance Indicators	Activities	Achievements
Theme 1:	Assembly	Device assemblage	Conducted various device assembly operations	Satisfied our clients
Theme 2:	Industrial Park	Construction	Masterplan design	Engaged experts who came up with an actionable masterplan

-VII. CORPORATE GOVERNANCE STATEMENT

The Board of Directors is accountable to the University, which is the sole shareholder in ensuring that the company complies with the law and the best practices in corporate governance and business ethics. The Board is also responsible for providing overall leadership through oversight, review and guidance in addition to setting the strategic and policy direction of the company.

Board Composition

During the year under review, the Board of Directors comprised of 5 non-executive members and the Managing Director who is secretary to the Board. The Directors are drawn from the main University. They are however considered to be independent, and free from any business, interest or other relationship that could interfere with the exercise of their independent judgement.

Functions of the Board of Directors

The functions and powers of the Board of Directors are:

- i. Exercise their role collectively and not individually.
- ii. Determine the organization's mission, vision, purpose and core values.
- iii. Set and oversee the overall strategy and approve significant policies of the organization.
- iv. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders.
- v. Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- vi. Approve the organizational structure.
- vii. Approve the annual budget of the organization.
- viii. Monitor the organization's performance and ensure sustainability
- ix. Enhance the corporate image of the organization
- x. Ensure availability of adequate resources for the achievement of the organization's objectives
- xi. Hire the Managing Director, on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- xii. Ensure effective communication with stakeholders.

Board Meetings Attendance and Members' Participation

The Board holds regular meetings to transact planned business of the company. Special meetings may also be called when there is significant business to discuss. During the year under review, the Board held 3 mandatory meetings and 1 special meeting attended by the members. Board members receive adequate notices and detailed issues for discussion in order for them to prepare for the meetings in advance.

Board Remuneration

Members of the Board are paid taxable sitting allowances for meetings attended as well as travel allowances while carrying out duties on behalf of the company as per the guidelines provided by Salaries and Remuneration Commission. The allowances are included in the Board expenses in the Annual Reports and Accounts.

Board committees

The Board is yet to form its sub committees.

Conflict of Interest

The company has a conflict of interest policy which applies to all members of the Board, key management and other employees. They are obligated to disclose and remove themselves from discussion or decision making authority in matters which they may have material personal interest that could result in impairing their objectivity or interfere with the execution of their duties.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Operational and Financial Performance

The company continued implementing its projects, which include: Taifa Electronics, and REHAU Home-Gas as well as facilitating the University's Digital Literacy Programme (DLP) Phase I project. New project undertaken during the year was support of occurrence book (OB) digitization project within Nairobi County undertaken by National Police Service in collaboration with Communications Authority of Kenya (CA).

Total reported revenue for the financial year 2020/2021 KES. 54,542,340.19. Sales and servicing income from Taifa laptops and tablets received by the company amounted to KES. 2,535,033.00.

Direct costs relating to the various projects amounted to KES 41,551,693.00. Total operating costs for the year were KES. 28,461,266 majorly relating to employment costs. The deficit as at the end of the financial year was KES. 18,833,186.

Key projects or Investments Decision Implemented or Ongoing

Kenya Vision 2030 recognizes SME industrial and technology parks as important vehicles through which the growth of Kenya's manufacturing sector can be fast-tracked. Industrial and technology parks are key elements of the infrastructure supporting the growth of today's global knowledge economy. It is because of this that the University designated 21 acres of land in Juja for setting up the necessary structures in the Industrial Park which will be partly leased out to start ups and other innovative companies. The University also erected a perimeter wall to secure the property. The company's Board and Management plan to relocate the company's offices to its site in the future.



Figure 1 Ariel View of the JKUAT Industrial Park

The company has been utilising computer assembly lines since 2015 acquired by the University. The assembly lines are capable of producing laptops, tablets and mobile phones. They have a capacity to produce at least 2,400 laptops per day.

Compliance with Statutory Requirements

Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited has a duty to ensure that all the relevant laws and regulations are adhered to and complied with. In addition, the company does acknowledge its obligation to have all statutory dues such PAYE, NHIF, NSSF, HELB, withholding tax, and VAT levies processed and remitted before the set timelines. There are no non-compliance issues that may expose the company to potential contingent liabilities neither are there ongoing or potential court cases and defaults that could expose the company to adverse liability.

Major risks facing the Organisation

The company's activities expose it to a variety of strategic and operational risks:

- i) **Strategy risk** - the risk associated with the company's inability to formulate and/or execute a successful strategy. The risk has been mitigated by having a Board in place whose members are professional and highly experienced in their fields.

- ii) **Operational risk** - the risk of failure or loss resulting from inadequate or failed processes, people, or systems failure. This risk has been managed through defining and embedding internal controls in all the processes. These internal controls include but not limited to obtaining authorizations for all transactions and ensuring compliance with laws and regulations.

Material arrears in Statutory and other Financial Obligations

Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited has no existing material financial obligations and has been able to settle all statutory obligations as at the yearend.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

JKUAT Industrial Park was set up to accelerate innovation and commercialization towards the achievement of the aspirations of Kenya under the Kenya Vision 2030 through the creation of an environment that fosters collaboration and innovation through cooperation of the government, private sector, and the University.

JKUAT Industrial Park also facilitates the transformation of research finding and innovations into sustainable enterprises by availing an incubation process and translating Government policies into sectoral strategies and action plans.

i) Sustainability strategy and profile

The company's management undertakes business development, which involves creating innovative products and services through extensive research and development for markets within Kenya and beyond. Management also regularly studies the macroeconomic trends both domestic and internationally and strategize accordingly. They also ensure continuous conformity to best practices by complying with all necessary standards. Key achievements include design and development of a locally assembled laptop and tablet, which have been positively accepted in the market.

ii) Environmental performance

The company is committed to protecting the environment by complying with relevant laws and government policies. The company while facilitating the University in the implementation of the Digital Literacy Programme (DLP) project has ensured the collection and proper disposal of E-waste resulting from the deployed devices in public primary schools. Therefore, the company continues to contribute towards the reduction of environmental impact from E-waste and improve end-of-life management of electronic devices.

iii) Employee welfare

The company is an equal opportunity employer that does not discriminate against any employee or job applicant because of race, color, religion, ethnic or national origin, sexual orientation, disability, age or any other basis.

iv) Market place practices-

a) Responsible competition practice.

The company does not, either directly or indirectly, impose unfair purchase or selling prices or other unfair trading conditions.

b) Responsible Supply chain and supplier relations

The Company complies with relevant procurement laws and regulations in engaging its suppliers and other stakeholders.

c) Responsible marketing and advertisement

The company has implemented a marketing strategy for its products and services that is built on segmentation, targeting and positioning. The strategies are customer centered and ensures there is transparency in information that is shared with the customers.

d) Product stewardship

The company ensures its consumers are advised to know and understand their rights, and to insist that they are respected at all times. The company also ensures that its products are of best quality, affordable and are easily accessible.

Corporate Social Responsibility / Community Engagements

During the year under review, Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited did not carry out any Corporate Social Responsibility activities.

X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 30 June, 2021 which show the state of affairs of JKUAT Industrial Park Limited.

i) Principal activities

The principal activities of the entity are those of assembling, incubation and innovations.

ii) Results

The results of the entity for the year ended 30 June, 2021 are set out from page 1 to 26 which comprises of notes to the financial statements.

iii) Dividends

The directors do not recommend the declaration of a dividend for the year.

iv) Directors

The members of the Board of Directors who served during the year are shown on pages iii - v.

v) Auditors

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

By Order of the Board



Mr. Richard Wokabi
Ag. Chief Legal Officer
JKUAT

Date: 23/8/22.....

XI. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Kenyan Companies Act, 2015 require the Directors to prepare financial statements in respect of JKUAT Industrial Park Limited which give a true and fair view of the state of affairs of JKUAT Industrial Park Limited at the end of the financial year and the operating results of JKUAT Industrial Park Limited for that year. The Directors are also required to ensure that JKUAT Industrial Park Limited keep proper accounting records which disclose with reasonable accuracy the financial position of JKUAT Industrial Park Limited. The Directors are also responsible for safeguarding the assets of JKUAT Industrial Park Limited.

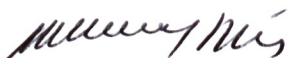
The Directors are responsible for the preparation and presentation of JKUAT Industrial Park Limited financial statements, which give a true and fair view of the state of affairs of JKUAT Industrial Park Limited for and as at the end of the financial year ended on 30 June, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for JKUAT Industrial Park Limited financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and Kenyan Companies Act, 2015. The Directors are of the opinion that JKUAT Industrial Park Limited's financial statements give a true and fair view of the state of its transactions during the financial year ended 30 June 2021, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for JKUAT Industrial Park Limited which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

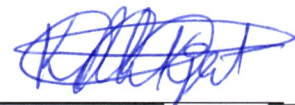
Nothing has come to the attention of the Directors to indicate that JKUAT Industrial Park Limited will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

JKUAT Industrial Park Limited financial statements were approved by the Board on **30th September 2021** and signed on its behalf by:



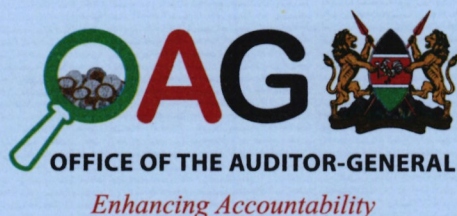
AMB (ENG) Mahboub Maalim
Chair, Board of Directors



Prof. Kibet Langat, (Ph.D.)
Ag. Managing Director

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 INDUSTRIAL PARK LIMITED FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited set out on pages 1 to 26, which

comprise of the statement of financial position as at 30 June, 2021, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Companies Act, 2015.

Basis for Qualified Opinion

1. Property, Plant and Equipment

1.1 Non-Maintenance of a Comprehensive Fixed Assets Register

The statement of financial position and Note 13 to the financial statements reflects property, plant and equipment balance of Kshs.11,987,683. The fixed assets register provided did not indicate the identification numbers of the various assets owned by the Company. Further, a physical verification revealed that the Company's assets which include computers, office equipment, furniture and fittings were not tagged posing a challenge on their identification and security.

In the circumstances, the existence and ownership of computers, office equipment, furniture and fittings with a netbook value of Kshs.6,359,179 could not be confirmed.

2. Unsupported Trade and Other Receivables

The statement of financial position and Note 14 to the financial statements reflects trade and other receivables balance of Kshs.127,125,514 which includes an amount of Kshs.125,100,000 being receivables from Jomo Kenyatta University of Agriculture and Technology (JKUAT). The receivables were advanced to JKUAT in two tranches of Kshs.25,000,000 on 17 June, 2019 and Kshs.125,000,000 on 31 October, 2019 through a request by memo Ref. No. JKU/2/72/40. However, no records detailing terms of the advances or transactions, including the period of repayments, were provided for the audit. The University has not paid up its share capital of Kshs.100,000 to date since the Company was incorporated in 2017. Further, the entire debt of Kshs.125,100,000 is not recognized in the University's financial statements and there are no efforts that have been made to recover this debt.

The Company's assets - cash - are not managed prudently since such advances are not earning interest and their recoverability is in doubt.

In the circumstances, the accuracy, validity and completeness of trade receivables balance of Kshs.125,100,000 could not be confirmed.

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 Industrial Park Limited Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the Company had a budgeted income of Kshs.303,828,199 against an actual amount of Kshs.54,579,153 resulting to an under collection of Kshs.249,249,046 or 82% of the budget. Similarly, the Company planned to spend Kshs.299,769,736 but utilized Kshs.73,412,338 resulting in an under expenditure of Kshs.226,357,398 or 76% of the budget.

The under-collection and under-expenditure affected the planned activities of the Company and may have negatively impacted on service delivery to the public.

2. Establishment and Operation of the Industrial Park

Review of non-financial information on the establishment and operation of JKUAT Industrial Park on page ii contained in the annual reports and financial statements for the year ended 30 June, 2021 revealed that under Kenya Vision 2030, Small and Medium Enterprises (SME) Industrial and Technology parks are recognized as important vehicles through which the growth of the country's manufacturing sector can be fast tracked. As a result, through mutual Memorandum of Understanding (MoU) between the Jomo Kenyatta University of Agriculture and Technology and the Ministry of Industrialization and Enterprise Development signed in 2012 a department was started under the name Nairobi Industrial and Technology Park. This department was set up in 2013 to accelerate innovation and commercialization towards the achievement of the aspiration of Kenya under the Kenya Vision 2030. However, the MoU between the University and the Ministry was not provided for audit review.

This department was later registered as a Company wholly owned by the University and incorporated in November, 2017 under the Kenya Companies Act, 2015 as Jomo

Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited and became operational in May, 2018.

An Industrial park ordinarily would be a section or part of the University zoned out and developed as a site for factories and other light industrial businesses. However, JKUAT Industrial Park Limited seemed to have been formed for trading purposes with target sectors in electric and electronics, ICT, agro-machinery, agro-processing, metal, bio-technology and packaging. The Company made losses during the year under review of Kshs.18,833,186 as its expenditure exceeded its revenues.

Even though twenty-one (21) acres of land was donated to the Company by the University, ownership documents and the actual land itself seem not to have been surrendered leaving the Company housed in one of the buildings within the University.

In the circumstances, the purpose for which the Industrial Park was established may not be achieved and the University may continue to make losses on this venture.

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 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. Irregular Procurement of 210 Laptops

The Company sourced for 210 laptops on behalf of Communications Authority of Kenya at a contract sum of Kshs.19,740,000. The purchase from a local Company was done through the restricted tender method. However, upon requisition to tender opening, only five days elapsed as evidenced by the requisition memo and the minutes of the tender opening committee meeting of 8 July, 2020. This is contrary to Regulation 89(7) of the Public Procurement and Asset Disposal Regulations, 2020 which allows a seven days' period as the minimum time for preparation of tenders. Further, only seven (7) bidders were invited from an unapproved list from the University as opposed to at least ten contrary to Regulation 89(5) of the Public Procurement and Asset Disposal Regulations, 2020.

Negotiation minutes dated 10 July, 2020 revealed that the supplier acknowledged to have quoted for a higher version of HP G 6 instead of HP G 4 that was required. The firm was awarded this tender despite quoting specifications different from what the Company needed clearly disadvantaging the other bidders.

The Company requested from the University the list of bidders through a letter dated 27 October, 2020 yet the procurement was initiated on 7 July, 2020 and therefore did not meet the requirements of the procurement laws outlined in Section 56 of the Public Procurement and Asset Disposal Act, 2015 which provides for the use of the list of another state organ or public entity.

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

2. Failure to Hold Annual General Meeting

The Company did not hold an annual general meeting during the year as required by Section 310(1) of the Companies Act, 2015 which provides that every public company shall hold a general meeting as its annual general meeting within six months from and including the day following its accounting reference date in each year.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities 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 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 overall governance were not effective.

Basis for Conclusion

Lack of Board Committees

The Board of Directors of the Company is yet to establish any Board committee since it was incorporated in 2017. This is contrary to the Mwongozo code of governance for State Corporations that Boards establish a maximum of four (4) committees to discharge functions in governance, risk, compliance, finance, technical matters, strategy and human resources.

In the circumstances, the Company has no proper oversight of financial reporting and related internal controls.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenya Companies Act, 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) In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and
- (iii) The Company's financial statements are in agreement with books of account.

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the accrual 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Company's policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 September, 2022

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021


XIII. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2021


		2020/2021	2019/2020
	Note	KES	KES
REVENUES			
Revenue	6	54,542,340	1,933,204,540
Cost of Sales	7	41,551,693	1,859,843,187
Gross Profit (loss)		12,990,647	73,361,353
Other Income	8	36,813	-
Total Other income		36,813	-
TOTAL REVENUES		13,027,460	73,361,353
OPERATING EXPENSES			
Employment costs	11	20,381,411	27,838,131
Remuneration of directors	9	547,935	551,000
Administration costs	10	7,531,921	2,805,340
Depreciation expense - Property, plant and equipment	13	3,399,380	1,592,142
TOTAL OPERATING EXPENSES		31,860,647	32,786,613
PROFIT (LOSS) BEFORE TAXATION		(18,833,186)	40,574,740
INCOME TAX	12	-	12,172,422
PROFIT (LOSS) AFTER TAXATION		(18,833,186)	28,402,318

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

	Note	2020/2021	2019/2020
		KES	KES
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	11,987,683	15,333,060
Total Non-Current Assets		11,987,683	15,333,060
Current Assets			
Trade and other receivables	14	127,125,514	141,166,437
Bank and cash balances	15	215,068,088	275,770,367
Total Current Assets		342,193,602	416,936,804
Total Assets		354,181,285	432,269,864
EQUITY AND LIABILITIES			
Capital and Reserves			
Ordinary share capital	16	100,000	100,000
Capital Fund		84,000,000	84,000,000
Unrealized FX Gain/Loss Reserve		19,495,891	14,728,685
Retained earnings	17	163,283,814	180,821,163
Capital and Reserves		266,879,705	279,649,848
Current Liabilities			
Trade and other payables	18	87,301,580	152,620,016
Total Current Liabilities		87,301,580	152,620,016
TOTAL EQUITY AND LIABILITIES		354,181,285	432,269,864

The financial statements were approved by the Board on 30th September 2021 and signed on its behalf by:


Ag. Managing Director:
Prof. Kibet Langat, (Ph.D.,)


Head of Finance:
Tobias Wachira Ikinya
ICPAK M/NO:


Chair, Board of Directors:
AMB (ENG) Mahboub Maalim

XV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

		Ordinary Share Capital	Retained Earnings	Capital Fund	Total
At July 1, 2019		-	152,418,845	-	152,418,845
Issue of new share capital		100,000	-	-	100,000
Seed Capital received during the year		-	-	84,000,000	84,000,000
Total Profit(loss) for the year		-	28,402,317	-	28,402,317
At June 30, 2020		100,000	180,821,163	84,000,000	264,921,163
At July 1, 2020		100,000	180,821,163	84,000,000	264,921,163
Issue of new share capital		-	0	0	0
Seed Capital received during the year		-	0	0	0
Total Profit(loss) for the year	12(b)	-	(18,833,186)	-	(18,833,186)
At 30th June 2021	16	100,000	161,987,977	84,000,000	246,087,977

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2021

	Note	2020-2021	2019-2020
		KES	KES
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Profit (loss)		(18,833,186)	28,402,318
Depreciation	13	3,399,378	1,592,142
Operating profit before working capital changes		(15,433,808)	29,994,460
(Net Increase) in trade and other receivables	14	14,040,923	(101,533,253)
(Net Decrease) Increase in trade and other payables	18	(65,318,436)	(174,234,932)
Net changes in working capital		(51,277,513)	(275,768,185)
Net Cash generated from operations		(66,711,321)	(245,773,725)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(54,001)	(12,798,776)
Net cash generated from/(used in) investing activities		(54,001)	(12,798,776)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from seed capital			
Proceeds from issues of new share capital			
Net cash generated from/(used in) financing activities			
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(66,765,322)	(258,572,501.00)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		275,770,367	524,608,535.00
Effects of foreign exchanges rate fluctuations	19 (i)	3,795,331	9,734,333.00
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	215,068,088	275,770,367.00

Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation	Remarks
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue From Sale of goods	120,048,652.00	-	120,048,652.00	2,629,846.00	117,419,806.00	-98%	Fewer sales than forecasted
Project Income	183,778,547.00	-	183,778,547.00	51,949,307.00	131,829,240.00	-72%	Fewer Projects actualized
Total Revenue	303,828,199.00	-	303,828,199.00	54,579,153.00	249,249,046.00	-82%	
Expenses							
Direct Costs	70,338,811.00	-	70,338,811.00	41,551,693.00	28,787,118.00	-41%	Fewer Activities Handled
Employment Costs	48,815,350.00	-	48,815,350.00	20,381,411.00	28,433,939.00	-58%	Fewer Activities requiring minimal staffing
Directors' Emoluments	2,000,000.00	-	2,000,000.00	547,935.00	1,452,065.00	-73%	Fewer BoD activities than projected
Operations & Maintenance	95,364,075.00	-	95,364,075.00	7,531,921.00	87,832,154.00	-92%	Fewer activities Handled
Developments Costs	83,251,500.00	-	83,251,500.00	-	83,251,500.00	-100%	Industrial park construction yet to commence
Depreciation	-	-	-	3,399,378.00	(3,399,378.00)		
Total Expenses	299,769,736.00	-	299,769,736.00	73,412,338.00	226,357,398.00	-76%	
Surplus(Deficit) for the period	4,058,463.00	-	4,058,463.00	(18,833,185.00)	22,891,648.00		

Note: PFM Act section 81(2) ii and iv requires a National Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available. However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements.

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited is established by and derives its authority and accountability from the Kenyan Companies Act, 2015. The entity is wholly owned by Jomo Kenyatta University of Science and Technology (JKUAT) and is domiciled in Kenya. The entity's principal activity is that of assembling, incubation and innovations.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 14.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the JKUAT Industrial Park Limited.

The financial statements have been prepared in accordance with the PFM Act, Kenyan Companies Act, 2015 and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Title	Description	Effective Date
IAS 39-Financial Instruments: Recognition and Measurement	IAS 39 "Financial Instruments: Recognition and Measurement" outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Special rules apply to embedded derivatives and hedging instruments.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 4- Insurance Contracts (Superseded)	IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to consider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

Title	Description	Effective Date
IFRS 7- Financial Instrument Disclosures	IFRS 7 "Financial Instruments: Disclosures" requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 16- Leases	IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements. Or the following has been assessed to be significant for the company and has been addressed as follows....

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June, 2021.*

Title	Description	Effective Date
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the	Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

Title	Description	Effective Date
	latter also being subject to a 'probable profits' test.	
IAS 16 — Property, Plant and Equipment	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 37 — Provisions, Contingent Liabilities and Contingent Assets	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 41 — Agriculture	IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 1 — First-time Adoption of International Financial Reporting	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is

Title	Description	Effective Date
IFRS 3 — Business Combinations	<p>of its first IFRS reporting period.</p> <p>IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.</p>	<p>The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.</p>
IFRS 17 — Insurance Contracts	<p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.</p>	<p>The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. [The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.]</p>

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

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020/2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle 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 the fair value of consideration received or expected to be received in the ordinary course of the entity's activities, net of value-added tax (VAT), where applicable, and when specific criteria have been met for each of the *entity's* activities as described below.

- i) **Revenue from the sale of goods and services** is recognized in the year in which the entity 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) Trade and other receivables

Trade and other receivables are recognized at fair values 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 yearend. Bad debts are written off after all efforts at recovery have been exhausted.

c) Taxation

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.

Deferred tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are 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.

d) Cash and cash equivalents

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

e) Trade and other payables

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

f) 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 recognized in profit or loss.

g) Budget information

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

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited
Annual Reports and Financial Statements
For the year ended 30 June, 2021

in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

h) Comparative figures

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

i) 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 30 June, 2021.

j) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations. Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Freehold Land	Nil
Buildings and civil works	25 years or the unexpired lease period
Plant and machinery	12.5 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	12.5 years

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 judgments, estimates and assumptions made: e.g. Depreciation rates.

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
- Changes in the market in relation to the asset

c) Provisions

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

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.

6. REVENUE

	2020/2021	2019/2020
	KES	KES
Project Income	51,949,307.19	1,927,530,371.00
Taifa laptop and tablets sales	1,832,960.00	4,721,154.00
Taifa Laptop and tablet servicing	631,366.00	416,575.00
Taifa Laptop (leasing)	70,707.00	344,440.00
Rehau Home Gas	58,000.00	192,000.00
Total	54,542,340.19	1,933,204,540.00

7. COST OF SALES

	2020/2021	2019/2020
	KES	KES
KNBS Project costs	-	1,551,779,154.00
Taifa product costs	-	11,392,321.00
DLP Project	-	2,729,760.00
Call Centre Services – Nandi County	-	4,287,415.00
VAT A/c	-	244,157,504.00
Payment of direct service providers	-	45,497,033.00
COGS	41,551,693.00	-
Total	41,551,693.00	1,859,843,187.00

8. OTHER INCOME

	2020/2021	2019/2020
Description	KES	KES
Interest income from commercial banks and financial institutions	36,813	-
Total	36,813	-

9. REMUNERATION OF DIRECTORS

	2020/2021	2019/2020
	KES	KES
Directors' emoluments	547,935	551,000
Total	547,935	551,000

10. ADMINISTRATION COSTS

	2020/2021	2019/2020
Description	KES	KES
Medical Cover	4,283,185.60	3,873,045.10
Internet		144,910.95
Marketing	325,414.00	714,456.00
Consultancy fees		165,000.00
Office float	270,669.00	311,510.00
Other office expenses	2,575,487.00	951,492.00
Bank charges	77,165.44	299,974.00
KRA Penalties	-	191,098.00
Computer Software	-	26,900.00
Total	7,531,921.04	6,678,386.05

11. EMPLOYMENT COSTS

	2020/2021	2019/2020
	KES	KES
Salaries and wages employees	17,343,039.00	19,907,020.46
Compulsory national health insurance schemes	453,550.00	564,600.00
Compulsory national social security schemes	164,800.00	222,000.00
PAYE	2,398,942.00	3,260,931.00
HELB	21,080.00	10,534.73
Total	20,381,411.00	23,965,086.19

12. INCOME TAX

(a) Current taxation

	2020/2021	2019/2020
	KES	KES
Current taxation based on the adjusted profit for the year at applicable rates	(5,649,956)	12,172,422
Current tax: prior year under/(over) provision	-	-
Current year deferred tax asset	-	-
Prior year under-provision for deferred tax	-	-
Total	(5,649,956)	12,172,422

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

	2020/2021	2019/2020
	KES	KES
Profit (Loss) before taxation	(18,833,186)	40,574,739
Tax at the applicable tax rate		12,172,422
Tax b/f	77,494,784	65,322,362
Total	77,494,784	77,494,784

13. PROPERTY, PLANT AND EQUIPMENT

2021	Computers & related equipment	Office equipment, furniture & fittings	Motor Vehicle	Total
COST OR VALUATION				
At July 1, 2020	2,623,959	5,204,428	7,504,673	15,333,060
Additions	0.00	54,001	0.00	54,001
Transfers	0.00	0.00	0.00	0.00
Disposal	0.00	0.00	0.00	0.00
At 30 June, 2021	2,623,959	5,258,429	7,504,673	15,387,061
DEPRECIATION				
At July 1, 2020	1,559,799	1,049,106	41,926	2,650,831
Charge for the year	865,906	657,304	1,876,168	3,399,378
Impairment loss	0.00	0.00	0.00	0.00
Eliminated on disposal	0.00	0.00	0.00	0.00
Total Depreciation	865,906	657,304	1,876,168	3,399,378
NET BOOK VALUE				
As at 30 June, 2021	1,758,053	4,601,126	5,628,505	11,987,682.78

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. TRADE AND OTHER RECEIVABLES

	2020/2021	2019/2020
	KES	KES
Performance Security Paid	0	1,082,739
Receivables from JKUAT	125,100,000	139,633,184
Other receivables	2,025,514	450,514
Total	127,125,514	141,166,437

15. BANK AND CASH BALANCES

	2020/2021	2019/2020
	KES	KES
Cash at bank	214,868,088.00	275,770,367.00
Cash in hand	200,000.00	
Total	215,068,088.00	275,770,367.00

The make – up of bank balances is as follows:

Detailed analysis of the cash and cash equivalents

		2020/2021	2019/2020
Financial institution	Account number	KES	KES
Current account			
Kenya Commercial Bank - KES	A/c No. 1232906875	46,712,022.09	8,488,333.00
Kenya Commercial Bank - KES	A/c No. 1254510834	5,056,754.61	(163.00)
Kenya Commercial Bank - USD	A/c No. 1254519238	163,099,310.64	267,282,197.00
Total		214,868,087.34	275,770,367.00

16. ORDINARY SHARE CAPITAL

	2020/2021	2019/2020
	KES	KES
Authorized:		
1,000 ordinary shares of KES.100 par value each	100,000	100,000
Issued and fully paid:		
1,000 ordinary shares of KES.100 par value each	100,000	100,000

17. RETAINED EARNINGS

The retained earnings amounting to **KES 163,283,813** represent amounts available for distribution to the shareholders of Jomo Kenyatta University of Agriculture and Technology (JKUAT) Industrial Park Limited. Undistributed retained earnings are utilised to finance the company's business activities.

18. TRADE AND OTHER PAYABLES

	2020/2021	2019/2020
	KES	KES
Trade payables	100,311	13,175,694
Other payables	2,226,920	2,226,920
Gross Salaries Payable	2,132,541	1,626,751
VAT Payable	(416,476)	252,464
Accrued Expenses DLP	4,023,500	56,683,403
Payable: Audit Fees	1,740,000	1,160,000
Payable: Corporate Tax	77,494,784	77,494,784
Total	87,301,580	152,620,016

19. NOTES TO THE STATEMENT OF CASH FLOWS

	2020/2021	2019/2020
	KES	KES
(a) Reconciliation of operating (loss) to cash generated from operations		
Operating Profit (loss)	(18,833,187)	28,402,318
Depreciation	3,399,380	1,592,142
Operating (loss) before working capital changes	(15,433,808)	29,994,460
(Increase) in trade and other receivables	14,040,923	(101,533,253)
Increase in trade and other payables	(65,318,436)	(174,234,932)
Net changes in working capital	(51,277,513)	(275,768,185)
Net Cash generated from operations	(66,711,321)	(245,773,726)
(b) Analysis of cash and cash equivalents		
Cash at bank	214,968,771.79	275,770,367
Cash in hand	200,000.00	-

19 (i)

Date	USD Balances	Bal as per book	USD Rate	Converted balances	FX Difference	
30/06/2021	1,512,279.19	159,303,978.74	107.85	163,099,310.64	3,795,331.90	To FX Revaluation reserve
					15,700,559.00	Bal b/d
					19,495,890.90	Bal c/d

20. CAPITAL FUND

	2020/2021	2019/2020
	KES	KES
At start of year:	84,000,000	84,000,000
Capital funds received:		
At end of year:	84,000,000	84,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY DISCLOSURES

(a) Government of Kenya

The Government of Kenya through Jomo Kenyatta University of Agriculture and Technology (JKUAT) is the principal shareholder of the company, holding 100% of the entity's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) Jomo Kenyatta University of Agriculture and Technology (JKUAT)
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

Transactions with related parties

	2020/2021	2019/2020
	KES	KES
a) Key management compensation		
Directors' emoluments	547,935.00	551,000.00
Total		

22. 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's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has no 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 (deposits with banks), as well as trade and other receivables.

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:

	Total amount KES	Fully performing KES	Past due KES	Impaired KES
At 30 June 2021				
Receivables from non- exchange transactions				
Bank balances	214,968,771.79	214,968,771.79		
Total				

The credit risk associated with these receivables is minimal and therefore no allowance for uncollectible amounts has been recognised in the financial statements.

The Board of Directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(ii) Liquidity risk management

Liquidity risk is the risk that the entity will not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive costs. This arises due to the mismatching of the timing of cash flows from revenue and capital/operational outflows.

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

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

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.

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

Foreign currency risk – is the risk from 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 after 30 - 60 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The company manages foreign currency risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

(iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The company did not have any borrowing from external parties as at the yearend and therefore it is lowly geared.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INCOPORATION

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

24. EVENTS AFTER THE REPORTING PERIOD

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

25. CURRENCY

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