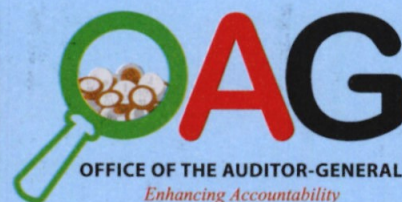
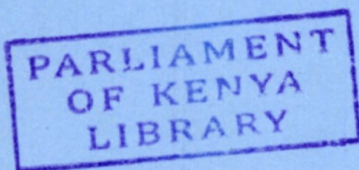


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

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

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

 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



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Prepared in accordance with the IFRS Accounting Standards

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1. Acronyms and Definition of Key Terms

A. Acronyms

CEO	<i>Chief Executive Officer</i>
DG	<i>Director General</i>
IAS	<i>International Accounting Standards</i>
IASB	<i>International Accounting Standards Board</i>
IFRS	<i>International Financial Reporting Standards</i>
ICS	<i>Institute of Certified Secretaries</i>
MD	<i>Managing Director</i>
NT	<i>National Treasury</i>
PFMA	<i>Public Finance Management Act.</i>
PSASB	<i>Public Sector Accounting Standards Board</i>

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information

a) 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.

b) Principal Activities

The principal activity of the company is to fill the role of technology and agriculture through local assembly, incubation and innovation so as to contribute to the economic development of Kenya. The company's mission is to create an environment that fosters collaboration and innovation through cooperation of the Government, private sector and the University (JKUAT) towards the achievement of vision 2030. The company also aims in facilitating the growth and development of knowledge and technology based enterprises in line with vision 2030.

The strategic objectives are to:

- Facilitate incubation of innovations/ businesses into sustainable commercial enterprises.
- Facilitate transfer of technology and promote local knowledge-based enterprises.
- Create an environment for inventiveness and innovativeness.
- Stimulate and manage the flow of knowledge and technology amongst University, R&D, institutions, companies and markets.

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- Provide other value-added services together with high quality space and services.
- Translate Government policies into sectoral strategies and action plans.

c) Directors

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

1.	Dr. James Micah Onsando	Chairman	Appointed - 28.11.2023
2.	Prof. Philip Kibet Langat	Ag. MD	Appointed - 1.09.2018
3.	Prof. Victoria Wambui Ngumi	Director	Appointed – 2018
4.	Prof. Robert Kinyua	Director	Appointed – 2018
5.	Prof. Bernard Wamuti Ikuu	Director	Appointed – 2018
6.	Prof. Jackson Kioko Kwanza	Director	Appointed -2024

d) Registered Office

JKUAT
L.R. No 13094 along the Nairobi-Thika Superhighway
Off Exit 15
P.O. Box 62000
City Square 00200
Nairobi, KENYA

e) Corporate Headquarters

4th Floor, COHES Building
JKUAT Main Campus, Juja
Along the Nairobi-Thika Superhighway
Off Exit 15
P.O. Box 62000
City Square 00200
Nairobi, KENYA

f) Corporate Contacts

Telephone: (254) 67 5870001-4 (ext.1043, 1025)
Mobile :0782 362 636
E-mail: nitp@jkuat.ac.ke
Website: jkuatindustrialpark.com/

Key Entity Information (continued)

g) Corporate Bankers

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

h) Independent Auditors

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

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

3. The Board of Directors

S/NO.	Directors	Details
1.	 <p data-bbox="639 459 914 633">Dr. James Micah Onsando Chairman Board of Directors</p>	<p data-bbox="938 459 1519 817">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 endeavours.</p> <p data-bbox="938 862 1519 1512">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 data-bbox="938 1556 1519 2020">Dr. Onsando’s passion however was not confined to a single sector. He drove deep into the complex world 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</p>




		<p>Plant Health Inspectorate Service (KEPHIS), a testament to his dedication to the field of Agricultural Development and Regulation. 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.</p> <p>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. 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.</p> <p>His understanding of plant breeding, variety registration and protection, seed regulation, phytosanitary 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>
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		<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>
2.	 <p>Prof. Philip Kibet Langat, PhD., Ag. Managing Director</p>	<p>Prof. Langat is currently the Acting Managing Director of JKUAT Industrial Park Limited.</p> <p>He has a PhD in Electronics Engineering from Stellenbosch University, South Africa, a Master of Science in Telecommunication Engineering from JKUAT, and a Bachelor of Science in Electrical and Electronic Engineering also from JKUAT</p> <p>He is a member of the Engineers Board of Kenya, and a member of the Institution of Engineers of Kenya.</p> <p>Prof. Langat, as the MD of the company, runs the day-to-day operations of the company, He oversees the overall implementation of various projects handled by the Industrial Park, which include the Digital Literacy Programme (DLP) Project, Taifa electronics project, Biogas project among others.</p> <p>He leads teams across broad technical, financial and business disciplines to ensure projects milestones are completed on time, on budget and with the desired results.</p>

<p>3.</p>	 <p>Prof. Victoria Wambui Ngumi, PhD., EBS</p> <p>Director</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.</p> <p>She had earlier won another Japan based <i>Mombusho</i> scholarship, that enabled her to pursue a Master of Science degree in Botany at Hiroshima University, successfully graduating in 1989.</p> <p>She is an alumna 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.</p> <p>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 Agroforestry and Natural Resource Management Education.</p> <p>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>Until her appointment as Vice Chancellor in August 2018, Prof. Ngumi was serving as the Deputy Vice Chancellor in charge of Administration, a position she had held since October 2014.</p>
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4.		<p>Prof. Robert Kinyua, PhD., Director</p>	<p>Prof. 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.</p> <p>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.</p> <p>Prior to his appointment, Prof. Kinyua, was the Director, Institute of Energy and Environmental Technology, JKUAT.</p>
5.		<p>Prof. (Eng), Bernard Wamuti Ikua, PhD., P.E. Director</p>	<p>Prof. 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.</p> <p>With his research interests on machine designs and dynamics; modelling and control machining process; and manufacturing systems and precision engineering, he has posted over 22 papers in scholarly international journals.</p> <p>Prior to his appointment, Prof Ikua was the Principal, College of Engineering and Technology, JKUAT</p>
6.		<p>Prof. Jackson Kioko Kwanza, PhD., Director</p>	<p>Prof. Kwanza is a holder of a Ph.D. in Applied Mathematics from Jomo Kenyatta University of Agriculture and Technology (JKUAT, 2002). He also has two Masters degrees: Executive Master of Business Administration (EMBA) and Master of Science in Mathematics. Prof. Kwanza is a professional teacher having pursued a Bachelor of Education (Science), B.Ed. (Science) at Kenyatta University and graduated in 1988. As a professor of</p>

		<p>Applied Mathematics with specialization in Fluid Dynamics, he has carried out extensive research in his area of specialization and has published many research articles in peer reviewed Journals world-wide. He has supervised many postgraduate students both at Masters and Ph.D. levels.</p>
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4. Key Management Team

S/NO.	Management	Details
1.	 <p>Prof. Philip Kibet Langat, PhD., Ag. Managing Director</p>	<p>Prof. Langat is currently the Acting Managing Director of JKUAT Industrial Park Limited.</p> <p>He has a PhD in Electronics Engineering from Stellenbosch University, South Africa, a Master of Science in Telecommunication Engineering and a Bachelor of Science in Electrical and Electronic Engineering from JKUAT</p> <p>He is a member of the Engineers Board of Kenya, and a member of Institution of Engineers of Kenya.</p>
2.	 <p>Mr. Michael Munyua Waititu Ag. Deputy Managing Director</p>	<p>Mr. Michael Munyua Waititu Langat is currently the Acting Deputy Managing Director of JKUAT Industrial Park Limited.</p> <p>He is also the Projects, Innovation and Incubation Manager, at the Company, and the Chairman-JKUAT Tech Expo, an annual student-led event established in 2009 that aims to foster innovation, collaboration, and education by supporting and promoting students' innovative ideas nationwide.</p>

3.		<p>Mr. Tobias Ikinya Wachira Finance Lead</p>	<p>Mr. Tobias Ikinya Wachira is the Finance Lead at JKUAT Industrial Park Limited.</p> <p>He is currently pursuing a Master of Science, Commerce (Accounting) option, he is also pursuing a CPA III. He holds a Bachelor's degree in Business Administration (Accounting) option from JKUAT.</p>
4.		<p>Everlyne Wanjiru Kamau Chief Procurement Officer.</p>	<p>Miss CPAK. Everlyne Wanjiru Kamau is the Chief Procurement Officer at JKUAT Industrial Park</p> <p>She holds a Mcips [Chartered Institute of Purchasing & Supply] and an MBA From JKUAT University.</p>
5.		<p>Ms. Natalie Naisiae Leiyan Ag. Operations Manager</p>	<p>Ms. Natalie Naisiae Leiyan is the Ag. Operations Manager at JKUAT Industrial Park Limited. She holds a Master of Science in Human Resource Management from JKUAT, and a Bachelor of Education degree (Arts) from the University of Nairobi.</p> <p>She is a highly seasoned Human Resource Professional with a strong Administrative background and 10+ years spearheading organizational growth through streamlining key operations and proactively dealing with complex scheduling constraints.</p>

5. Fiduciary Management

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

Name of the Staff	Responsibility
Prof. Philip Kibet Langat	Ag. Managing Director
Mr. Michael Munyua Waititu	Deputy Director
Ms. Natalie Leiyen	Ag. Operations Manager
Mr. Tobias Wachira	Finance Lead
Ms. Everlyne Kamau	Procurement Lead

6. Audit, Risk and compliance committee activities

The Company Board of management has established an audit committee which provides oversight on the Company's financials and other key strategic areas. The Company also has also incorporated the University's Internal Audit Department that reports to the audit committee.

7. Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements for the JKUAT Industrial Park Limited as the Board's Chairperson for the year ended June 30, 2025. 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 additionally engaged new ones during the year in order to achieve greater financial performance and improvement.

Business was mainly affected in the FY 2024/2025 due to a depressed economic environment which has adversely affected the liquidity and purchasing power of the consumers. This impacted the uptake of the company's products and services. JKUAT Industrial Park's revenues increased from KES.10.5M in the FY 2023/2024 to KES.86M in the year under review. However due to the settlement of outstanding debts mainly KRA taxes and personnel costs, the company has subsequently recorded a loss of KES.30.1M.

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 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 tenure as the Chairperson and look forward to serving even better. In a special way, I thank the Government and our other partners like The Life Ministry/Jesus Film 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.



DR. JAMES MICAH ONSANDO
CHAIRPERSON, BOARD OF DIRECTORS

8. Report of the Managing Director

It gives me great pleasure in presenting the Annual Report and Financial Statements for the JKUAT Industrial Park Limited for the year ended June 30, 2025.

Operational and Financial Performance

The company's income mainly comprises of sales and servicing of Taifa laptops and tablets, and executing projects that generated incomes of KES 86 Million.

During the year under review, the Company reported a deficit of KES. 30Million Against a deficit of KES. 56 Million Reported in 2023/2024. The reported deficit was mainly attributable to the high cost of operations and a recent additional tax assessments by the KRA. The financial performance in the current year was affected mainly due to the depressed economic environment, which affected operations not only for the Company but also prospective clients resulting in delayed commencement of potential business engagements.

Achievements and Challenges

Over the period JKUAT Industrial Park has successfully collaborated with various organizations, receiving commendations for our impactful projects. Notable partnerships include the Kenya National Bureau of Statistics, where we supplied about 100,000 mobile devices; the ICT Authority, also with about 385,000 devices; and the Communications Authority of Kenya, for which we provided 521 desktop computers. Attached are their reference letters.

Devices varieties

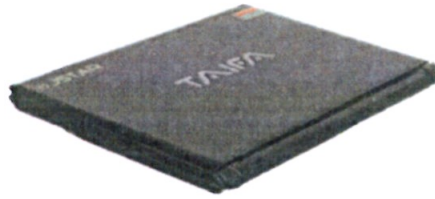
TAIFA Electronics



Taifa Electronics are the devices developed, assembled, manufactured, packaged and delivered by JKUAT Industrial Park in pursuit of the goal for local manufacturing of electronic devices. These devices include; Taifa Laptops and Taifa Elimu Tablets.

Taifa Laptops

Taifa Laptop Version 1



The Taifa Laptop is a resilient, robust, light weight fit for use assembled by JKUAT-Industrial Park. The laptop is assembled in options for high-end users, Medium-duty users and general purpose use with the below specifications:

- Core i3
- 4GB RAM
- 500 GB Storage
- Windows 10
- KICD Content
- Classroom Management System (CMS)
- 1 Year Warranty

Taifa Laptop Version 2



The Taifa Version 2 features improved specifications, including a faster processor, increased memory, and upgraded graphics capabilities, ensuring smooth multitasking and an exceptional user experience. The Taifa Version 2 is engineered to meet diverse needs with reliability and efficiency making it an ideal choice for students, business professionals, and casual users alike.

The device has the below feature:

- Intel Core i3 10th Gen
- Windows 11
- 14" 1920*1200p (UHD) Graphics
- Slim Design
- 4 GB RAM Expandable to 16GB
- 256 GB SSD Expandable to 1 TB

- Fingerprint Recognition
- Backlit & Spill Resistant Keyboard
- Dual Charging Port - Type C & 3.5mm Power Jack
- 1-year Warranty

Tablets

Taifa Elimu Windows Tablet



TaifaTablet is tablet designed and assembled for learners, as the perfect companion to be used by to access educational digital content and increase digital literacy.

The device has the below features:

- 10.1 Inch
- Windows 10
- RAM 2 GB
- STORAGE 64 GB
- CBC Content
- Over 1000 story books in English and Kiswahili
- 1-year warranty

Taifa Android Tablet



The Taifa Android Tablet is a custom-made solution designed specifically to meet the unique specifications provided by one of our valued clients. After fulfilling a bulk order of 1,000 tablets, our technical team enhanced the design and performance to ensure it exceeds expectations. With a sleek design, powerful features, and a user-friendly interface, the Taifa Tablet is perfect for education, business, and entertainment.

Other Projects Devices

Under various project, JKUAT Industrial Park Limited has been able to assemble and supply other devices pictured below under major projects for some of our clients.



Embosser



Content Access Point (CAP)



Learners Digital Device



Teacher's Digital Device



Projector



2019 Census Tablet

The company has also managed to build a finished goods warehouse where the Board and Management plan to relocate some of the company's activities in the near future.

Compliance with Statutory Guidelines

In the year under review, JKUAT Industrial Park Limited diligently fulfilled its 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 its smooth operation.



PROF. PHILIP KIBET LANGAT, Ph.D.,
Ag. MANAGING DIRECTOR

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

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 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategy	Objective	Key Performance Indicators	Activities	Achievements
Theme 1:	Assembly	Device assembly	Conducted various device assembly operations	Satisfied our clients
Theme 2:	Industrial Park	Construction of industrial park facilities	Started construction of finished goods warehouse and related external works	Engaged a contractor who started the constructions. The implementation was at 97 % complete by the end of the financial year. The remaining work is to be completed in the next financial year

10. 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 mainly 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, 1 special meeting and 1 training and 1 Board evaluation 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 has established a risk and audit committee. The committee held 1 meeting during the year under review.

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.

11. Management Discussion and Analysis

Operational and Financial Performance

The company continued implementing its projects, which include: Taifa Electronics, and REHAU Home-Gas, industrial park facilities' construction as well as facilitating the University's Digital Literacy Programme (DLP) Phase I project.

Total reported revenue for the financial year 2024/2025 was KES. 86 million which was mainly from projects, sales and servicing of Taifa laptops and tablets.

Direct costs relating to the various projects amounted to KES. 20 million. Total operating costs for the year were KES. 92 million majorly relating to employment costs and statutory obligations. The deficit as at the end of the financial year was KES. 26 million.

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 some of the company's activities to its site in the newly constructed warehouse very soon.



Figure 1 A satellite Aerial View of the JKUAT Industrial Park

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

Compliance with Statutory Requirements

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, SHIF, NSSF, Housing Levy, 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.
- iii) **Sustainability risk**- A **sustainability risk** for a government commercial enterprise (GCE) facing competition from private companies arises from its potential inability to remain financially viable and operationally effective in a competitive market. Unlike private firms, GCEs often face bureaucratic constraints such as rigid administrative procedures, slower decision-making, and limited flexibility in resource allocation. These inefficiencies can hinder their ability to innovate, reduce costs, or respond quickly to market changes. As private competitors typically operate with more agility and customer focus, the GCE risks losing market share, experiencing declining revenues, and becoming increasingly dependent on government support — ultimately threatening **its** long-term sustainability.

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The company is however in the process of developing a policy manual for improving its direct purchases in business production, manufacturing and processing.

Material arrears in Statutory and other Financial Obligations

JKUAT Industrial Park Limited has no existing material financial obligations and has been able to settle all statutory obligations as at the year end.

12. 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 centred 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.

v) Corporate Social Responsibility / Community Engagements

During the year under review, the Company did not carry out any Corporate Social Responsibility activities.

JKUAT Industrial Park 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 June 30, 2025, which show the state of the JKUAT Industrial Park Limited affairs.

i) Principal activities

The principal activity of the company is to fill the role of technology and agriculture through local assembly, incubation and innovation so as to contribute to the economic development of Kenya. The company's mission is to create an environment that fosters collaboration and innovation through cooperation of the Government, private sector and the University (JKUAT) towards the achievement of vision 2030. The company also aims in facilitating the growth and development of knowledge and technology based enterprises in line with vision 2030.

The strategic objectives are to:

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

ii) Results

The results of the entity for the year ended June 30, 2025, are set out on page 1-33. Below is summary of the profit or loss made during the year.

iii) Dividends

The directors do not recommend the declaration of a dividend for the year ended June 30, 2025

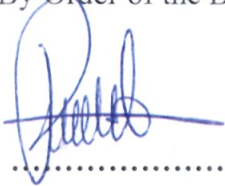
iv) Directors

The members of the Board of Directors who served during the year are shown on page iv, vi – xi.

v) Auditors

The Auditor-General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the JKUAT Industrial Park Limited for the year ended June 30, 2025, in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Richard Wokabi
Chief Legal Officer
JKUAT

Date.....

28/8/2025

14. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Kenya 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 keeps 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's 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 June 30, 2025. 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 JKUAT Industrial Park Limited, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for JKUAT Industrial Park Limited's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and Kenya Companies Act 2015.

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY INDUSTRIAL PARK 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited set out on pages 1 to 33, which

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

comprise of the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Jomo Kenyatta University of Agriculture and Technology Industrial Park 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 Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position reflects trade and other receivables balance of Kshs.11,245,227 as disclosed in Note 13 to the financial statements. However, Management has not made provision for bad and doubtful debts. In addition, the balance includes trade receivables balance of Kshs.2,176,003 which had been outstanding for more than 120 days. Further, there was no documentary evidence provided in form of correspondences with the customers showing efforts made by Management to recover the outstanding amounts from the debtors.

In the circumstances, the accuracy and full recoverability of the trade receivables balance of Kshs.11,245,227 could not be confirmed.

2. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.81,430,024 as disclosed in Note 19 to the financial statements. However, the balance includes Kshs.2,395,795 which had been outstanding for more than one (1) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates. Failure to remit the deductions to the relevant authorities is a breach of the law, and may attract penalties and interests.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.81,430,024 could not be confirmed and the Company is exposed to loss of funds through, fines, penalties and litigation as a result of delayed payments.

3. Lack of Land Ownership Documents

The statement of financial position and as disclosed in Note 11 to the financial statements reflects property, plant and equipment net book value balance of Kshs.77,007,740 in respect of fixed assets which includes capital work in progress balance of Kshs.71,714,024 that relate to building works. However, the ownership documents and valuation of the land where the building works are ongoing were not provided for audit.

In the circumstances, the accuracy, completeness, valuation and ownership of property, plant and equipment balance of Kshs.77,007,740 could not be confirmed.

4. Unsupported Bank and Cash Balances

The statement of financial position reflects bank and cash balances of Kshs.824,828 as disclosed in Note 14 to the financial statements. However, the bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy and completeness of the bank and cash balances of Kshs.824,828 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 the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Going Concern

The statement of profit or loss and other comprehensive income reflects deficit for the year amounting to Kshs.30,957,862 (2023/2024: Kshs.56,067,347). In addition, the Company's current liabilities balance of Kshs.81,430,024 exceeded its current assets of Kshs.41,672,644 by Kshs.39,757,380. Therefore, the Company is technically insolvent raising significant doubt on its ability to meet immediate financial obligations as they fall due and this may lead to dependence on creditors to meet the Company's day-to-day operations.

My opinion is not modified in respect of this matter.

Emphasis of Matter

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.287,765,000 and Kshs.86,254,226 respectively, resulting to an under-funding of Kshs.201,510,774 or 70% of the budget. However, the Company spent an amount of Kshs.121,816,004 against actual receipts of

Ksh.86,254,226 resulting to an over-utilization of Kshs.35,561,778 or 41% of actual receipts.

The underfunding may have adversely affected the Company's planned activities and may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit reports, several issues were raised under the Report on the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited in 2024/2025 revealed that the following matters remained unresolved;

	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Receivables
2	2023/2024	Unsupported and Long Outstanding Payables
3	2023/2024	Material Uncertainty in Relation to Sustainability of Services
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Failure to Convene Recommended Board Meetings
6	2023/2024	Non-Compliance with Composition of Board
7	2023/2024	Non-Compliance with Public Sector Accounting Standards Board Reporting Template
8	2023/2024	Staff Acting Beyond the Stipulated Period
9	2023/2024	Non-Compliance with Affirmative Action on Ethnicity and Regional Distribution
10	2023/2024	Lack of Staff Establishment

Other Information

The Directors are responsible for the Other Information set out on page iii to xxxi, which comprise of Key Entity Information, the Board of Directors, Key Management Team, Fiduciary Management, Chairman's Statement, Report of the Managing Director,

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

Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Template

The financial statements do not disclose the ICPAK membership number of the Head of Finance and status of implementation or progress on follow up of the Auditor-General recommendations of previous years audit. This was contrary to the disclosure requirements prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the financial statements are not in compliance with the template as prescribed by the Public Sector Accounting Standards Board.

2. Staff on Acting Capacity Beyond the Stipulated Period

Review of data provided for audit revealed that the Managing Director and the Operations Manager have been serving in acting capacities since September, 2018 and October, 2018, respectively. According to their initial appointment letters, the officers have held acting positions beyond the stipulated period and have not been earning acting allowances during this time. No explanation was provided to justify the extended acting

duration contrary to Section 34(3) of the Public Service Commission Act, 2017, which provides that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding six months.

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

3. Irregular Secondment of Officers

Review of the payroll records revealed that ten (10) officers were seconded from Jomo Kenyatta University of Agriculture and Technology (JKUAT). However, the University did not specify the duration of secondment for the Officers contrary to Section B.33 of Public Service Commission Human Resource Policies and Procedures Manual, 2016.

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

4. Failure to Provide Directors Appointment Letters

The statement of profit or loss and other comprehensive income reflects administration costs amount of Kshs.98,282,999 which further includes directors' emoluments of Kshs.543,800 as disclosed in Note 8 to the financial statements. Review of Board records provided for audit revealed that there were no appointment letters for the Board of Directors, making it difficult to confirm the legitimacy of their appointment. In addition, no acceptance letters were provided for the Board members who served during the year.

In the circumstances, the legitimacy of the Board of Directors of the Company could not be confirmed.

5. Non-Submission of Bank Reconciliation Statements

The statement of financial position and as disclosed in Note 14 to the financial statements reflects bank and cash balances of Kshs.824,828. However, Management did not submit monthly bank reconciliation statements to The National Treasury with a copy to the Auditor-General by 10th of the subsequent month. This was contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which require Accounting Officers to ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to The National Treasury with a copy to the Auditor-General.

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

6. Unpaid Outstanding Audit Fees

Documents provided for audit revealed that the Company has an outstanding audit fee of Kshs.1,160,000 payable to the Office of the Auditor-General. However, no evidence was provided to confirm the settlement or justification for the non-payment of the amount. 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, the Company was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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

Lack of an Approved Staff Establishment

Review of documents provided for audit revealed that the Company operated without an approved staff establishment that would ensure provision of efficient, quality and productive services for the Company.

The lack of a staff establishment may lead to unauthorized recruitment, irregular salary payments and inefficiencies in the management of human resources.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Companies Act, 2015, I report, based on my audit, that except for the matters described in the Basis for Qualified Opinion, I confirm 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 my audit;
- ii. Information given in the Directors' report on pages xxviii to xxix is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration 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 the 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 the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Directors are responsible for overseeing the 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 also 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

15 December, 2025

Statement of Directors' Responsibilities (Continued)

The Directors are of the opinion that JKUAT Industrial Park Limited's financial statements give a true and fair view of the state of JKUAT Industrial Park Limited's transactions during the financial year ended June 30, 2025, and of JKUAT Industrial Park Limited's 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 JKUAT Industrial Park Limited's 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's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:



.....
Dr. James Micah Onsando
Chairperson of the Board



.....
Prof. Philip Kibet Langat, Ph.D.,
Accounting officer

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

Description	Note	2024/2025	2023/2024
		Ksh	Ksh
Revenues			
Revenues from contracts with customers	5	86,191,282.11	10,512,353
Cost of sales	6	18,753,462.02	16,807,215
Gross Profit		67,437,820.09	(6,294,862)
Other Profit			
Other income			
Other gains- FX gains	7	62,943.61	5,904,195
Total Revenues		67,500,763.70	(390,667)
Operating Expenses			
Administration costs	8	98,282,998.80	55,563,774
Selling and distribution costs		-	-
Finance costs	9	175,627.20	112,906
Total operating expenses		98,458,626.00	55,676,680
Profit(loss) before taxation		(30,957,862)	(56,067,347)
Other comprehensive income			
Profit(loss) after taxation		(30,957,862)	(56,067,347)

JKUAT Industrial Park Limited
Annual Report and Financial Statements for the year ended June 30, 2025

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	77,007,740	73,673,892
Total Non-Current Assets		77,007,740	73,673,892
Current Assets			
Inventories	12	29,602,589	33,075,056
Trade and other receivables	13	11,245,227	13,686,852
Bank and Cash Balances	14	824,828	16,131,373
Total Current Assets		41,672,644	62,893,281
Total Assets		118,680,384	136,567,172
Equity and Liabilities			
Capital and Reserves			
Ordinary Share Capital	15	100,000	100,000
Revaluation Reserve		84,000,000	84,000,000
Retained Earnings		(46,849,640)	(15,891,778)
Proposed Dividends			
Capital and Reserves		37,250,360	68,208,222
Current Liabilities			
Trade and other payables	19	81,430,024	21,284,167
Provisions	19		580,000
Tax payable		-	46,494,784
Total current liabilities		81,430,024	68,358,951
Total equity and liabilities		118,680,384	136,567,172

The financial statements were approved by the Board on 18th August 2025 and signed on its behalf

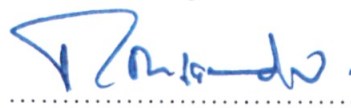
by:



Prof. Philip Kibet Langat
Ag. Managing Director



Tobias Ikinya Wachira
Head of Finance



Dr. James Micah Onsando
Chairman of the Board

ICPAK M/NO:

JKUAT Industrial Park Limited
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2023	100,000	-	40,175,569	-	84,000,000	124,275,569
Issue of new share capital	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-
Profit for the year	-	-	(56,067,347)	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
Transfer to Capital Expenditure work in Progress	-	-	-	-	-	-
At June 30, 2024	100,000	-	(15,891,778)	-	84,000,000	68,208,222
As at July 1, 2024	100,000	-	(15,891,778)	-	84,000,000	68,208,222
Issue of new share capital	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-
Profit for the year	-	-	(30,957,862)	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
At June 30, 2025	100,000	-	(46,849,640)	-	84,000,000	37,250,360

JKUAT Industrial Park Limited

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

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

Description	Note	2024/2025	2023/2024
		Ksh	Ksh
Cash flows from operating activities			
Cash generated from(used in) operations	20	(15,243,601)	(97,399,113)
Interest received			
Net Cash generated from(used in) operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment			
Net cash generated from(used in) operating activities	20	(15,243,601)	(97,399,113)
Increase(decrease) in cash and cash equivalents	20	(15,243,601)	(97,399,114)
Cash and cash equivalents at the beginning of the year		16,131,373	113,530,486
Foreign Exchange (Gains)/Losses		(62,944)	
Cash in Hand			100,000
Cash and cash equivalents at the end of the year		824,828	16,131,373

JKUAT Industrial Park Limited
Annual Report and Financial Statements for the year ended June 30, 2025

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
	A Kshs	b Kshs	c = a + b Kshs	d Kshs	E = c - d Kshs	d/c %
Revenue						
Sale of goods	267,765,000	-	267,765,000	28,682,968	239,082,032	10.71
Sale of services	20,000,000	-	20,000,000	57,508,314	-37,508,314	287.54
Finance income	-	-	-	62,944	-62,944	
Other income						
Total income	287,765,000	-	287,765,000	86,254,226	201,510,774	29.97
Expenses						
Compensation of employees	50,400,000	-	50,400,000	47,013,526	3,386,474	93.28
Use of goods and services	156,670,000	-	156,670,000	18,753,462	137,916,538	11.97
Finance cost						
Other payments	80,539,784	-	80,539,784	51,445,100	-18,815,100	58
Grants and subsidies paid	-	-	-	-	-	-
Total expenditure	287,609,784	-	287,609,784	117,212,088		
Surplus for the period	155,216	-	155,216	-30,957,862		
Capital Expenditure	11,012,012	-	11,012,012	4,603,916		

21. Notes to the Financial Statements

1. General Information

JKUAT Industrial Park Limited is established by and derives its authority and accountability from the Kenya Companies Act 2015. The company is wholly owned Jomo Kenyatta University of Agriculture and Technology, and is domiciled in Kenya. The entity's principal activity is to fill the role of technology and agriculture through local assembly, incubation and innovation so as to contribute to the economic development of Kenya.

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 financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of JKUAT Industrial Park Limited, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, the Kenya Companies Act, 2015, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.

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

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

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

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

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

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

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early*



Summary of Accounting Policies

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

a) Revenue recognition

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

- i) Revenue from the sale of goods and services** is recognized in the year in which the *entity* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government** are recognized in the year in which the *entity* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income** is recognized as it accrues.

Summary of Accounting Policies

b) In-kind contributions

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

c) Property, plant and equipment

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

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

d) Depreciation and impairment of property, plant and equipment

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

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, at reducing balance as per the company's financial policy.

Freehold Land	Nil
Buildings and civil works	25% capital deduction or the unexpired lease period
Motor vehicles, including motor cycles	25%
Computers and related equipment	33%
Office equipment, furniture and fittings	12.5%

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.

e) Intangible assets

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

a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortisation and impairment of intangible assets

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

g) Investment property

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

h) 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.

i) 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.

j) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. These bonds are measured at amortized cost/ at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL)

k) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

l) Unquoted investments

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

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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.

r) 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.

s) 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.

t) 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 prevailin 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.

u) Budget information

There were no revisions or additional appropriations made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

v) 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.

w) 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.

4. 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.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

5. Revenue from contract with customers

Description	2024/2025	2023/2024
	Kshs	Kshs
Sales Of Goods	28,682,968	8,877,179
Sales Of Services	57,508,314	1,635,174
Total	86,191,282	10,512,353

6. Cost of Sales

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost of goods sold	18,753,462	16,807,215
Cost of sales on services	-	-
Total	18,753,462	16,807,215

7. Other Gains and Losses

Description	2024/2025	2023/2024
	Kshs	Kshs
Foreign exchange gains / (losses)	62,944	5,904,149
Loss/gain on disposal on sale of investments	-	-
Unrealized foreign exchange gains/(losses)	-	-
Total	62,944	5,904,149

8. Administration Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Staff costs (note 8a)	52,826,494	39,633,378
Directors' emoluments	543,800	154,350
Transportation, travelling and subsistence	2,806,306	951,208
Advertising, printing, stationery and photocopying	1,472,445	2,250,269
Staff training expenses	576,838	304,620
Office Float, water and beverages, other office expenses, computer expenses and admin other costs	1,330,308	355,946
Auditors' remuneration	580,000	580,000
Legal fees	69,550	2,615,200
Consultancy fees	18,818,188	4,059,605
Licenses and permits	429,629	187,508
Repairs and maintenance	18,160	1,329,570
Depreciation	1,376,951	1,662,926
Amortization		-
Other Operating Expenses(additional Assessment Tax)	17,434,330	1,479,193
Total	98,282,999	55,676,680

9. Finance Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank charges and commissions	175,627	112,906

8(a) Staff Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and allowances of permanent employees	47,013,526	33,173,748
Medical insurance schemes	5,812,968	6,459,630
Total	52,826,494	39,633,378
The average number of employees at the end of the year was:		
Permanent employees – management	5	5
Permanent employees – union sable	10	10
Temporary and contracted employees	22	26
Total	34	36

10. Operating Profit/ (Loss)

Description	2024/2025	2023/2024
	Kshs	Kshs
The operating profit/(loss) is arrived at after charging/(crediting):		
Staff Costs (Note 10a)	52,826,494	39,633,378
Depreciation of property, plant and equipment	1,376,951	1,662,926
Depreciation of right-of-use asset		-
Amortization of intangible assets		-
Provision for bad and doubtful debts		-
Directors' emoluments – fees	543,800	154,350
Auditors' remuneration - current year fees	580,000	580,000
Prior year under-provision		-
Loss on disposal of property, plant and equipment		-
Net foreign exchange loss	62,944	-5,904,149

11. Property, Plant and Equipment

	Computers & related equipment	Office equipment, furniture & fittings	Motor Vehicle	Capital Expenditure work in Progress	Total
COST OR VALUATION					
At July 1, 2023	4,412,827	6,607,535	7,546,599	58,996,760.00	77,563,721
Additions		65,083	0	8,195,708.00	8,260,791
At June 30, 2024	4,412,827	6,672,618	7,546,599	67,192,468.00	85,824,512
DEPRECIATION					
At July 1, 2023	3,197,519	3,237,032	4,380,645	-	10,815,196
Charge for the year	401,052	470,305	791,569	-	1,662,926
Accumulated Depreciation	3,598,571	3,707,337	5,172,215	-	12,478,122
At June 30, 2024					
NET BOOK VALUE (As at 30/06/2024)	814,256	2,965,281	2,374,384	67,192,468	73,346,390.29

	Computers & related equipment	Office equipment, furniture & fittings	Motor Vehicle	Capital Expenditure work in Progress	Total
COST OR VALUATION					
At July 1, 2024	4,412,827	6,672,618	7,546,599	67,192,468	85,824,512
Additions	516,744	0	0	4,521,556.28	5,038,300
At June 30, 2025	4,929,571	6,672,618	7,546,599	71,714,024.28	90,862,812
DEPRECIATION					
At July 1, 2024	3,598,571	3,707,337	5,172,215	-	12,478,123
Charge for the year	342,301	440,972	593,677	-	1,376,950
Accumulated Depreciation	3,940,871	4,148,309	5,765,891	-	13,855,072
At June 30, 2025					
NET BOOK VALUE (As at 30/06/2025)	988,699	2,524,309	1,780,708	71,714,024	77,007,740

The capital expenditure relates to construction of raw materials, finished goods warehouses and extension of the fence securing the warehouse.

JKUAT Industrial Park Limited**Annual Report and Financial Statements for the year ended June 30, 2025****Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings work in progress	71,714,024	-	71,714,024
Motor Vehicles, Including Motorcycles	7,546,599	5,765,891	1,780,708
Computers And Related Equipment	4,929,571	3,940,871	988,699
Office Equipment, Furniture, And Fittings	6,672,618	4,148,309	2,524,309
	90,862,812	13,855,072	77,007,740

12. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Raw materials		33,075,056
Goods in transit	-	-
Finished goods	29,602,589	-
Work In Progress	-	-
Less: Impairment of Stocks	-	-
Total	29,602,589	33,075,056

13. Trade and Other Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Receivables (Note 27 (a))	11,245,227	13,686,852
Deposits and prepayments	-	-
Vat recoverable	-	-
Staff receivables (Note 27 (a))	-	-
Other receivables	-	-
Gross Trade and Other Receivables	-	-
Provision for Bad And Doubtful Receivable	-	-
Net Trade and Other Receivables	11,245,227	13,686,852

JKUAT Industrial Park Limited
Annual Report and Financial Statements for the year ended June 30, 2025

13 (a) Trade Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Gross Trade Receivables	11,245,227	13,686,852
Provision for Doubtful Receivables		-
Net Trade Receivables	11,245,227	13,686,852
ageing analysis of gross Trade Receivables		
Less than 30 Days	9,069,224	11,817,181
Between 30 and 60 Days		-
Between 61 and 90 Days		-
Between 91 and 120 Days		-
Over 120 Days	2,176,003	1,869,671
Total	11,245,227	13,686,852

13 (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	13,686,852	55,275,554
Additional provisions during the year	9,069,224	11,817,181
Recovered during the year	11,510,849	53,405,883
Written off during the year		-
At the end of the year	11,245,227	13,686,852

14. Bank and Cash Balances

Description	2024/2025	2023/2024
	Kshs	Kshs
Cash at bank	824,828	16,031,373
Cash in hand	-	100,000
Total	824,828	16,131,373

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
Current account			
Kenya Commercial Bank - KES	A/c No. 1232906875	98,642	4,207,643.48
Kenya Commercial Bank - KES	A/c No. 1254510834	205,624	11,688,284.86
Kenya Commercial Bank - USD	A/c No. 1254519238	520,562	135,444.82
Cash in Hand			100,000.00
Total		824,828	205,350,025.85

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15. Ordinary Share Capital

Description	2023/2024	2022/2023
	Kshs	Kshs
Authorized:		
1000 Ordinary Shares of Kshs. 100 par value each	100,000	100,000
Issued and Fully paid:		
1000 Ordinary Shares of Kshs.100 par value each	100,000	100,000

16. 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.

17. 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.

18. Retained Earnings

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

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19. Trade and Other Payables

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	53,348,538	17,368,851
Accrued expenses- Income tax arrears	-	46,494,784
Retention/ Contract monies		-
Provisions (Audit Fees)		580,000
Audit fees	1,160,000	1,160,000
Employee payables	25,457,576	835,454
Grants payable	1,235,795	1,723,792
Other payables	228,116	196,071
Total	81,430,024	68,358,951

Aging Analysis for Trade and other Payables]

	2023/2024	% of the total	Insert Comparative FY
Under one year	79,034,229	97	3,139,246
1-2 years	2,395,795	%	18,528,851
2-3 years	-	%	-
Over 3 years	-	-	46,494,784
Total	81,430,024		68,162,880

JKUAT Industrial Park Limited**Annual Report and Financial Statements for the year ended June 30, 2025****20. Notes to the Statement of Cash Flows**

Description	2024/2025	2023/2024
	Kshs	Kshs
(a) Reconciliation Of Operating Profit/(Loss) To Cash Generated From/(Used In) Operations		
Profit or Loss before tax	(30,957,862)	(56,067,347)
Depreciation	1,376,951	1,662,926
(Gain)/Loss on investment of Property, Plant And Equipment	(4,647,855)	(8,260,791)
Operating Profit/(Loss) before Working Capital changes	(34,228,766)	(62,665,212)
(Increase)/Decrease in Inventories	3,472,467	(33,075,056)
(Increase)/Decrease in Trade and Other Receivables	2,441,625	58,957,593
Increase/(Decrease) in Trade and Other Payables	13,071,073	(60,616,438)
Cash Generated from/(used In) operations	(15,243,601)	(97,399,113)
(b) Analysis of Changes in Loans		
Balance at beginning of the year	16,131,373	113,530,486
Foreign Exchange (Gains)/Losses	(62,944)	-
Increase(decrease) in cash and cash equivalents	16,068,429	113,530,486
Balance at end of the year	824,828	16,131,373
(c) Analysis of Cash and Cash equivalents		
Short Term Deposits		-
Cash At Bank	824,828	16,031,373
Cash In Hand	-	100,000
Balance At End Of The Year	824,828	16,131,373

21. Related Party Disclosures

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry
- ii) County Government of Kiambu
- iii) Jomo Kenyatta University of Agriculture and Technology
- iv) Key management
- v) Board of directors

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 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

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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:

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

The 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.

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.

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

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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 after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

23. Incorporation

Jomo Kenyatta University of Agriculture and Technology Industrial Park Limited 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 per