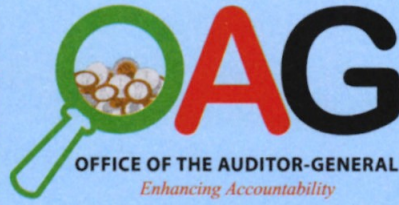



REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**KENYA NATIONAL ASSURANCE COMPANY (2001)
LIMITED**

**FOR THE YEAR ENDED
31 DECEMBER, 2025**



KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

DECEMBER 31, 2025

Prepared in accordance with the IFRS Accounting Standards

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

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KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

1. Acronyms and Glossary of Terms

IFRS	International Financial Reporting Standards
NT	National Treasury
PFM	Public Finance Management Act.
PSASB	Public Sector Accounting Standards Board
OSHA	Occupational Safety and Health Act of 2007
PPADA	Public Procurement and Assets Disposal Act
PPADR	Public Procurement and Assets Disposal Regulations
MBA	Masters in Business Administration
ICPAK	Institute of Certified Public Accountants of Kenya
CPS	Certified Public Secretary
CBK	Central Bank of Kenya
KCB	Kenya Commercial Bank
FIFO	First in First Out
FVTPL	Fair Value through Profit or Loss
FVTOCI	Fair Value through other Comprehensive Income
NSSF	National Social Security Fund
FY	Financial Year
SHIF	Social Health Insurance Fund

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

2. Key Company Information

a) Background information

The Kenya National Assurance Company (2001) Limited was incorporated under the Companies Act Cap 486 of the Laws of Kenya on the 26th October 2001.

b) Principal Activities

The principal activity of Kenya National Assurance Company (2001) Limited is to dispose of the assets of the Life Fund, settlement of claim liabilities, conclusion of court cases and preparation for voluntary winding up of the Company. Kenya National Assurance Company (2001) Limited commits to continued implementation of the Work Plan 2025. The operationalization of the plan will greatly help the Company achieve its mandate in a cost-effective manner that is responsive to the environmental changes.

Our vision is “**To be efficient in the sale of Life Funds Assets**” while the mission is to “**To be the best in safeguarding shareholders’ value in the disposal of the Life Fund Assets.**” Our values are customer care, team spirit, individual commitment and accountability. Over the plan period, the Company will be guided by two strategic objectives: conclusion of the outstanding court cases and sale of the remaining life fund assets while containing management expenses.

c) Directors

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

- | | | | |
|----|------------------|-----------------------|---|
| 1. | Mr. Protus Sigei | - Director | - Retired on 30 th November 2025 |
| 2. | Mr. Daniel Mutua | - Director | - Reappointed on 12 th February 2026 |
| 3. | Cheryl Majiwa | - Director | - Appointed on 12 th February 2026 |
| 4. | Tabitha Mwaniki | - Ag. Chief Executive | - Appointed on 1 st January 2019 |

d) Corporate Secretary

Mrs. Tabitha Mwaniki
P.O. Box 20425 00200
Nairobi, Kenya

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

Key Company Information (continued)

e) Registered Office

Bima House, Harambee Avenue
11th Floor Room 1114
P.O. Box 20425-00200
Nairobi, Kenya

f) Corporate Headquarters

P.O. Box 20425-00200
Bima House, Harambee Avenue
Nairobi, Kenya

g) Corporate Contacts

Telephone: (254) 0727751024
E-mail: knac2001ltd@gmail.com

h) Corporate Bankers

Kenya Commercial Bank Limited
Moi Avenue Branch
P.O. Box 30081-00100
Nairobi, Kenya

i) Independent Auditors



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

j) Principal Legal Advisers

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

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

3. The Board of Directors

SN	Directors	Details
1.	 <p>Mr. Daniel Mutua Director Alternate, CS The National Treasury</p>	<p>Daniel Mutua is a Senior Deputy Director, Investments in the Directorate of Public Investment & Portfolio Management in the National Treasury. He has over 35 years of public sector experience having worked in various Ministries in Government and currently working in the National Treasury & Planning since 2004. His Key Competencies include Finance & Investment Analysis and appraisal, Enterprise Risk analysis, corporate Governance, Project Management Public-Private Partnerships Management, Public Policy analysis, Trusteeship, Public Finance and Leadership.</p> <p>Mr. Mutua studies on Unclaimed Assets Management, Assets & Liabilities Management, Risk Management, Public Policy among others in these Countries- USA, South Africa, Singapore, China, Sweden, Turkey, Canada, Ireland, India, Rwanda, Uganda and Tanzania.holds a B.Ed. (Economics/Business Studies)-Kenyatta University (1991) and MBA-ESAMI/Maastricht (2006). He has attended many international forums and participated in trainings and benchmarking</p>
2.	 <p>Mr. Protus Sigei Alternate, CS The National Treasury</p>	<p>Mr. Protus Sigei is a Senior Deputy Director of Investments at the National Treasury who has built his career largely within the public sector in Kenya. He has worked with the National Treasury for the last twenty-five years, initially in the Budget Department and currently in the Department of Government Investments and Public Enterprises. Earlier in his career, he worked as an Economist with the Ministry of Agriculture and later, Office of the President (HQ), on deployment from the Treasury.</p> <p>He holds a B.A (Hons) degree in Economics (with Mathematics) from the University of Nairobi and a Master of Science from the University of York, U.K. He is also an alumnus of Queen's University, Canada (<i>Program on Investment Appraisal and Risk Analysis</i>), and INSEAD (<i>Competitive Strategy</i>).</p> <p>Courtesy of the National Treasury, he has over the last twenty one years served in the boards of directors of several entities linked to the Government of Kenya; such as KCB (both in Kenya and Uganda), Kenya Reinsurance Corporation, Kenya Broadcasting Corporation (KBC) and Kenya Tourist Development Corporation (later renamed Tourism Finance Corporation), Telkom Kenya and Kenya National Highways Authority (KeNHA) – during which he has been a member of various board committees and chaired the HR and Credit Committees.</p> <p>He is a member of the Society for Benefit-Cost Analysis (SBCA), a professional society of academics and practitioners, headquartered at the University of Washington at Seattle, USA. He is also a Graduate of the Australian Institute of Company Directors (GAICD)</p>

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

3.	 <p>Tabitha Mwaniki Ag. Chief Executive Officer and Company Secretary</p>	<p>Mrs. Mwaniki is currently the acting CEO. She was appointed as Principal Legal Officer and Company Secretary on 1st November 2005. Prior to joining the Company Mrs Mwaniki worked at the State Law Office as a State Counsel from the years 1997. She holds MBA, Executive from Moi University, and Post Graduate Diploma in Public Relations from Kenyatta University, Bachelor of Laws Degree from Nairobi University and a Diploma in Law from the Kenya School of Law. She is an Advocate of the High Court of Kenya of 30 years' experience, and a Certified Public Secretary (Kenya). Mrs. Mwaniki is a member of the Law Society of Kenya and the Institute of Certified Secretaries of Kenya.</p>
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KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

4. Key Management Team

SN	Management	Details
1.	 Tabitha Mwaniki	Ag. Chief Executive Officer /Company Secretary (MBA, LLB, CPS)
2.	 David N. Bundi	Head of Accounts Department

5. Fiduciary Management

The key management personnel who held office during the financial year ended 31st December 2026 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Chief Executive Officer /Company Secretary	Tabitha Mwaniki
3.	Head of Finance	David Bundi

6. Fiduciary Oversight Arrangements

The company has dealt with all the key and fiduciary oversight requirements through the board due to the lean nature of the Board due to the reducing company operations. Other oversight arrangements

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

Director's Statement

We are pleased to present the annual report and financial statement for the period ended 31st December 2025.

Performance Review

In the year 2025 the Company continued in the sale of the 1448 individual plots derived from L.R Number MN/1/397 Bamburi Mombasa (Kwa Bulu) through competitive bidding and the conclusion of the pending court cases. There are six court cases which are yet to be concluded and two out these cases are due for hearing and determination while the other four cases are in various stages of execution of decrees granted by the courts. During the year the company has sold 33 plots and there are 179 at various stages of completion. The company has also been able to process Certificates of title for 932 out of the 1448 plots.

Financial Review

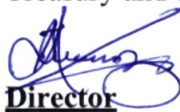
The Company's main sources of revenue are proceeds from the sale of Kwa Bulu Plots, mortgage recovery and interest on investments in call deposits. During the year the slow pace of sale of the Kwa Bulu Plots and delay in concluding court cases adversely affected the financial performance of the company. The decrease in the amounts collected over the years has reduced the amounts available for investments. In order to ensure business continuation, cost containment has been critical in enabling the company to continue working towards achievement of its mandate.

Outlook and 2026 Focus

The company has made progress in the implementing its mandate, although progress has been made a lot still remains to be done in the Sale of Kwa Bulu and in concluding the outstanding court cases. With diminishing financial resources, the company has requested the National Treasury as shareholder to take over the remaining activities in the sale of the Kwa Bulu Plots and in concluding the remaining court cases.

Acknowledgement

We take this opportunity to thank the Management and Staff for the dedicated service to the company in the implementation of its mandate. We further appreciate the support of the National Treasury and the Board for their invaluable insights and unwavering dedication.


Director

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

7. Report of the Ag. Chief Executive Officer

I am pleased to present the 2025 annual report and financial results. The Year 2025 started with renewed focus to conclude the outstanding court cases and actualize the sale of the remaining Life Fund Assets. In particular, achievements in the implementation of our mandate as follows: -

Court Cases

There are (6) pending court cases as at the end of the year 2025, Four cases have been heard and determined by the courts in favour of the company and what is pending are the execution proceedings, and collection of decretal sums. There are only two cases pending for hearing and determination. The execution proceedings have been slow due to relentless litigation by the third parties but alternative dispute resolution methods are being pursued.

Sale of the Remaining Assets

There are two remaining assets of the Life Fund namely, 1448 Plots derived from MN/1/397 Bamburi, Mombasa (Kwa Bulu) and shares in Consolidated Bank of Kenya. The company has been selling the Kwa Bulu plots through competitive bidding since March 2024. Progress has been made in sale of the plots despite protracted litigation initiated by the squatters and other stakeholders. At the end of the year, the company had sold 33 plots and 179 plots are in various stages of completion of payment. The sale of the Kwa Bulu plots has been affected by the reluctance of the squatters to pay for the plots they occupy due to political interference. The disposal of the shares in Consolidated Bank of Kenya may take longer as the bank is not listed.

Financial Review

The sale of the Kwa Bulu plots is the main source of revenue for the company as it recovers monies expended in the sub-division, titling and the costs of sale. The delay in the sale of the Kwa Bulu plots resulted in the company running low on funds as the company spent its reserves in subdivision and preparation of the plots for sale but the position has started to change as the sales have started picking up. Cost containment and aggressive push towards mortgage recovery and sale of remaining assets have been the focus by Management. All funds not immediately required are invested in call deposits to earn interest since; it is the only remaining source of revenue.

Appreciation

I take this opportunity to express my sincere gratitude to the shareholder, fellow board members, staff and other stakeholders for their dedicated contribution and support towards the implementation of the mandate of the company. Thank you and God bless you.

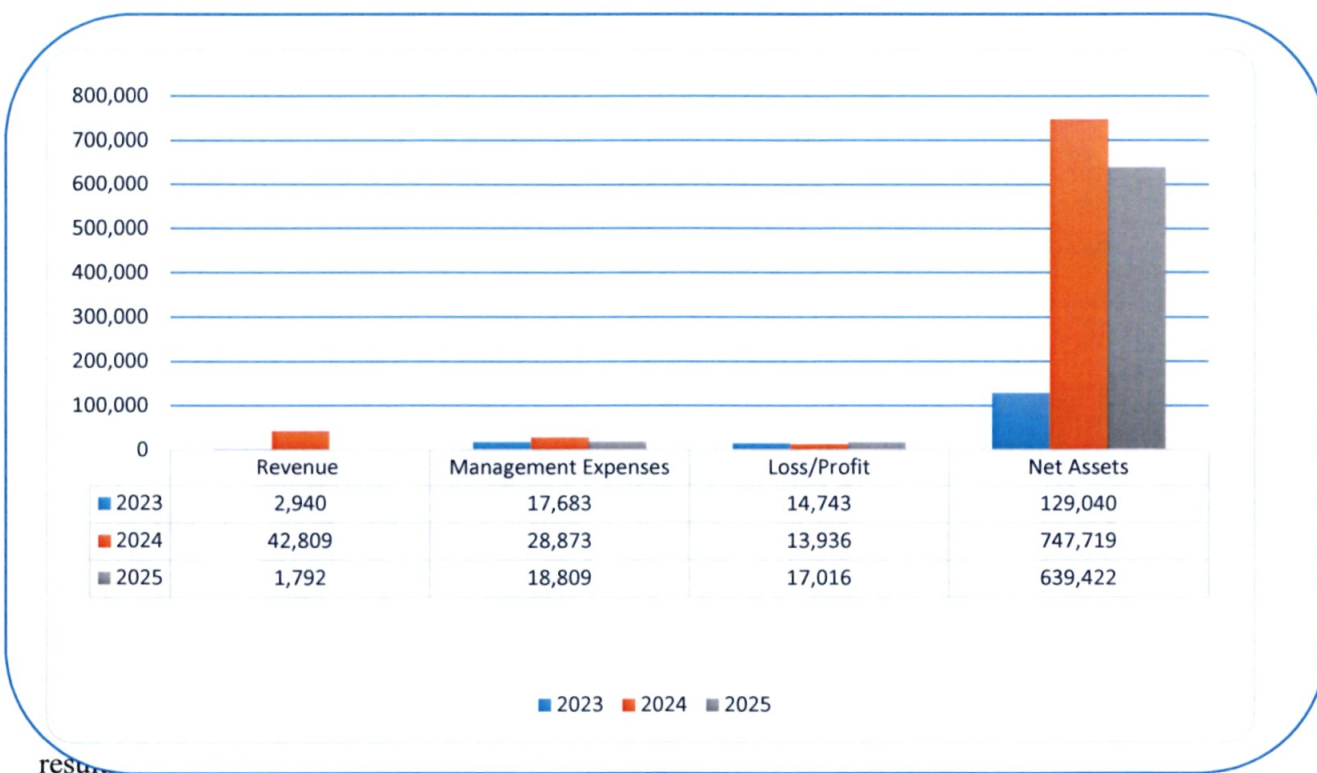

Tabitha Mwaniki
Ag. Chief Executive Officer

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

8. Statement of Performance against Predetermined Objectives for FY 2025

The Management Accounts show that total assets and total liabilities of the Company have increased due to the recognition of the expected proceeds from the sale of L.R Number MN/397/1(Kwa Bulu) Bamburi after protracted litigation. Comparative data for the years 2023, 2024 and 2025 is as follows: -

Management expenses for 2025 amounted to Kshs 19 million against income of Kshs 2 million



(a) Claims Settlement

The Company has had no outstanding claims due to policyholders from the year 2014 onwards when the outstanding claims were sent to the Unclaimed Financial Assets Authority in accordance with the Law. However, unreported claims can still be reported anytime where the beneficiaries of the Policyholders had not presented their claims before. The claim would be admitted and settled from the contingency reserves.

Disposal of remaining Assets

There are three remaining assets of the Life Fund whose disposal is yet to be completed.

The disposal has been slow due to a variety of reasons as explained below -

i. Bamburi Plot - L.R MN/1/397

The Company sold the above property in 2005 to Kencent Holdings Limited for Kshs43,945,000/= but the full sale proceeds were not received because squatters invaded the property and the Company has not been able to hand over vacant possession to the purchaser. After many years of litigation where the court issued eviction orders and the Company was unable to evict the squatters but sought subsequent orders not to evict but sell the land to the squatters. The court on 31st October 2019 issued orders to enumerate the squatters on the land, carry out physical planning, survey, and valuation and sale the property to the squatters. The property was valued at Kshs 810,000,000/=. Once the proceeds of sale are received it will be shared on the ratio of 20:80 being 20% to Kencent Holdings Limited who had paid 20% deposit for the land and 80% of the proceeds to KNAC (2001) limited representing the unpaid balance of the purchase price. The process of squatter enumeration, Physical Planning, Survey and Valuation was completed and letters of offer issued in December 2021. The squatters however, refused to respond to the letters and moved to court seeking to set aside the valuation, the application was heard and determined on the 14th November 2023, and the court allowed the Company to continue selling the plots to the squatters. Due to the reluctance by the squatters to pay for their plots the company decided to sell the plots through competitive bidding through adverts made in the local dairies with widest circulation in Kenya in March, May, August, October and November 2024 and in May 2025. The proceeds of sale less the costs of selling are being deposited in a joint account between Kenya National Assurance Company (2001) Limited and Kencent Holdings Limited as directed by court and the relevant authority was obtained before the account was opened. At the end of the year, 32 plots have been paid for in full and 187 plots are in various stages of completion out of the 1448 through the competitive bidding process.

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

ii. Investment in Consolidated Bank Limited

The Company has 3,958,300 4% preference shares and 1,094,487 Ordinary shares in Consolidated Bank of Kenya Limited together with a book value of Kshs 14 million.

The shares are unquoted. The Bank has increased its share capital and is currently looking for a strategic investor. This is one of the surplus assets likely to be transferred to the National Treasury when all the other assets are disposed, obligations settled and the Company dissolved.

iii. Mortgage Debts

Only one-mortgage debt amounting Kshs. 2,671,000/= is yet to be collected because of on-going litigation in court. Recovery of mortgage debts in general has been slow but steady. Relentless effort is being made in pursuing speedy conclusion of this case.

The progress report on the work plan for the year 2025 is as indicated in the diagram below: -

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
This strategy involves working with the Advocates representing the Company in various cases to speed up conclusion of the court cases by 31 st December 2025.	To conclude all of the 9 outstanding Court cases	Number of cases concluded	<ul style="list-style-type: none"> - Court hearings - Out of Court Negotiations and settlements - Execution of decrees 	Three cases were concluded during the year. Six cases have been heard and determined and are in various stages of execution of the Judgement. There are two cases yet to be heard.
Complete sale of the remaining Life Fund Assets	- Conclude sale of the 1448 subplots derived from Bamburi Plot through the Court assisted process	Transfer of the Property and collection of the sale proceeds.	<ul style="list-style-type: none"> - Collection of the sale proceeds - Processing of Transfer of Land documents 	32 Plots have been sold and the sale proceeds collected in full. 187 plots are in various stages of completion.

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

7. Corporate Governance Statement

Kenya National Assurance (2001) Limited was incorporated on 26 October 2001 under the provisions of the Kenya Companies Act as an insurance Company to take over the assets and liabilities of the Closed Life Fund of the former Kenya National Assurance Company Limited (In Liquidation). The Company remained dormant until 1 August 2002 when a Board of Directors was appointed to run its affairs.

The Board of Directors implements the mandate of the Company, which was to conclude all the outstanding court cases, sell the Life Fund assets and wind up the Company by 31st December 2025.

Corporate Governance defines the process and structure used to direct and manage the business affairs of the Company with the aim of enhancing corporate accountability and shareholders long-term value while taking into account the interests of other stakeholders.

The Board of Directors is responsible for governance of the Company and is committed to ensuring that its business operations are conducted with integrity and in compliance with the Law, internationally accepted principles and best practices of Corporate Governance and business ethics. To this end, the Company has put in place systems, practices and procedures, which are frequently reviewed and updated embracing the changing corporate environment and world trends. Due to the nature of the declining operations the Company, the Company confirms that it complies with applicable legislation including the relevant provisions of the Mwongozo Code of Good Governance.

Business Ethics

The Company conducts its business in compliance with high ethical standards of business practice. In this respect, the transactions with its clients, intermediaries, insiders, employees and other stakeholders are conducted at arm's length, with integrity and transparency. The business is conducted with high levels of transparency and accountability.

Board of Directors

The names of the directors who held office in the year and at the time of this report are set out on Page iii. The Board fulfils its fiduciary responsibility to the Company by maintaining control over strategic, operational and compliance issues of the Company. Whilst the Board provides direction and guidance on strategic and general policy matters, establishing and maintaining overall internal controls over financial, operational and compliance issues, it has delegated its authority to the Ag. Chief Executive Officer to conduct the day-to-day business of the Company.

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

The Board consists of two non-executive directors and the Ag. Chief Executive Officer. The composition of the Board reflects the declining operations of the Company as it prepares for winding up. The two non-executive directors possess extensive experience in a variety of disciplines in insurance, business and financial management, all of which are applied in overall management of the Company. The Board meets bi-monthly and has a formal schedule of matters reserved for it. The directors are given appropriate and timely information so that they can perform their fiduciary responsibilities effectively.

The two non-executive directors on the Board are independent of management and are free from any business or other relationships, which could materially interfere with the exercise of their independent judgement.

(a) Directors' Emoluments and Loans

The remuneration of all directors is subject to the guidelines issued by the Office of the President on terms and conditions of service for Chairmen and Directors of State Corporations. Information on the compensation received and dealings with the Company is included in the notes to the financial statements.

(b) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or, Management except as those disclosed in **Note 25** to the Financial Statements for the year ended 31 December 2025.

Board Committees

Due to the reduced number of Board Members, the Board has not set up working committees but has discharged all its duties and responsibilities including the duties of the Audit Committee as the full Board.

Board Meeting Attendance

During the year under review, the Board held Ten (10) meetings. The Board Members attendance for 2024 was as follows:

Name	Number of Meetings Attended	Percentage Attended
Protus Sigei	10/10	100%
Daniel Mutua	10/10	100%

Shareholders

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

The list of Shareholders and their individual holding at the year ending 31 December 2025 was as follows:

Name	No. of Ordinary Shares	Percentage
Cabinet Secretary, The National Treasury	1,499,999	99.9%
Principal Secretary National Treasury	1	0.1%

Compliance

The Company operates within the requirements of the Companies Act, 2015 of the Laws of Kenya that are still relevant despite the reduced nature of Company operations, among other legal requirements, and adopts the universally acceptable principles in areas of human rights, labour standards and in its commitment to best practices. Additionally, the Company prepares its Financial Statements in accordance with International Financial Reporting Standards (IFRS).

8. Management Discussion and Analysis

i) Financial Performance

The results for the year 2025 show the net assets have increased to Kshs 796 million from Kshs 700 million as at 31st December 2024. The reason for the increase is the recognition if the Asset held for sale.

ii) Compliance with Statutory Requirements

During the period under review, the Company complied with all its statutory obligations by remitting all required statutory deductions within the statutory timelines.

iii) Major Risks facing the Company

The major risk facing the Company is the delay in the sale of Life Fund assets due to the slow court process and the lack of co-operation by the debtors in the settlement of disputes out of court.

9.Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile -

Our sustainability strategy involves being able to manage the financial, operational and social aspects of our operations to enable us achieve our goals which is to prepare the Company for winding up by completing the sale of remaining assets of the Life Fund and concluding the pending court cases through innovative ways such as out of Court settlements.

ii) Environmental Performance

In the day-to-day operations of the Company, the Company promotes measures that conserve power such as not using electricity for lighting during the day and having a near paperless office in order to help conserve the environment.

iii) Employee Welfare

The safety of our employees, clients and the public is a great concern to the Company. The staff have been sensitized in the key areas of statutory safety and Company ensures compliance with Occupational Safety and Health Act of 2007, (OSHA)

iv) Market Place Practices

We ensure that we comply with the various regulations that govern our business and provide services in an ethical manner devoid of prejudice. The Company is not trading and is currently involved in disposing off the life fund assets. However, all our clients are treated with courtesy and consideration and our staff are helpful at all times. Customer questions and needs are attended to promptly.

a) Responsible Business Practices.

The Company is currently not trading but has an anti-corruption policy in place and ensures that all the operations of the Company are conducted in compliance with the law.

b) Responsible Supply Chain and Supplier Relations

The Public Procurement and Asset Disposal Act (PPADA), 2015 and the Public Procurement and Asset Disposal Regulations (PPADR) 2020 govern the Company's supply chain processes. The procurement and asset disposal processes are enshrined in the Company's procurements guidelines that are anchored on the principle of value for money, professionalism, competitiveness, transparency, accountability, fairness, ethical approach and sustainability as emaciated under Article 227 of the Constitution of Kenya, 2010.

c) Corporate Social Responsibility / Community Engagements

Due to the terminal nature of the mandate of the Company, the Company has not been able to participate in any CSR activities during the year.

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

9. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended December 31, 2025, which show the state of the Company's affairs.

i) Principal activities

The Company continues to operate as a Closed Life Fund. The Company's main activity is to pursue the conclusion of remaining Court cases, sale of the remaining assets and preparation the Company for voluntary winding up and to transfer all surplus assets to the National Treasury. The Company does not underwrite new insurance policies.

ii) Results

The results of the Company for the year ended December 31, 2025, are set out on page 1 Below is summary of the profit or loss made during the year.

	Kshs '000'
Profit before Taxation	<u>(17,016)</u>
Loss for the Year transferred to the Statutory Reserve	<u>(17,016)</u>

iii) Dividends

The Directors do not recommend the payment a dividend in the current year (2024: Nil)

iv) Directors

The members of the Board of Directors who served during the year are shown on page iii in accordance with Articles of Association, Mr Protus Sigei retired in November 2025.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Kenya National Assurance Company (2001) Limited in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Tabitha Mwaniki (Mrs)

Company Secretary

Date: 26th February 2026

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

10. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act and the Companies Act, 2015 require the Directors to prepare financial statements in respect of that Company, which give a true and fair view of the state of affairs of the Company at the end of the financial year/period and the operating results of the Company for that year/period. The Directors are also required to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation and presentation of the Company's financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year (period) ended on December 31, 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 Company, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Company, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

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

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025


Statement of Directors' Responsibilities (Continued)


The Directors are of the opinion that the Company's financial statements give a true and fair view of the state of Company's transactions during the financial year ended December 31, 2025 and of the Company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Company, which have been relied upon in the preparation of the Company's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Krnya National Assurance Company (2001) Limited financial statements were approved by the Board on 26th February, 2026 and signed on its behalf by:


.....
Name DANIEL MUIJA
Director


.....
Name
Ag. Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED FOR THE YEAR ENDED 31 DECEMBER, 2025

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya National Assurance Company (2001) Limited set out on pages 1 to 49, which comprise of the statement of financial position as at 31 December, 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 Kenya National Assurance Company (2001) Limited as at 31 December, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Erroneous Preparation of Financial Statements on a Going Concern Basis

As previously reported, the financial statements have been prepared on a going concern basis. However, as disclosed in Note 5(a) to the financial statements, the Board of Directors was mandated to spearhead conclusion of all outstanding court cases and to ensure winding up of the Company and transfer of surplus assets to The National Treasury by 30 June, 2026. This was an indication of intention to cease operations of the Company. The financial statements as prepared and presented are, therefore, in breach of the provisions of Paragraph 25 of International Accounting Standard (IAS) No.1 which requires Management to assess an entity's ability to continue as a going concern and if Management concludes that an entity is not a going concern, the financial statements should not be prepared on a going concern basis.

In the circumstances, the financial statements were not prepared in accordance with the requirements of IAS No.1.

2. Accuracy of the Financial Statements

The statement of changes in equity reflects unappropriated surplus of Kshs.4,118,000 under revaluation reserve. However, this amount was not supported and could not be traced in the statement of profit /loss and other comprehensive income or the statement of financial position. Further, Note 25 to the financial statements on reconciliation of operating profit/loss to cash generated from operations reflects decrease in trade and other payables of Kshs.21,612,000. However, re-computation of the balance results in an increase of Kshs.117,394,000 resulting in unexplained variance of Kshs.119,404,000.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya National Assurance Company (2001) 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.40,000,000 and Kshs.1,792,000 respectively, resulting to under-funding of Kshs.38,208,000 or 96% of the budget. Similarly, the Company spent total actual amount of Kshs.18,809,000 against approved budget of Kshs.40,000,000 resulting in under-performance of Kshs.21,191,000 or 53% of the budget.

In the circumstances, the significant unapproved under-expenditure and under-realization of receipts affected the planned activities and may have adversely affected service delivery to the public.

My opinion is not modified in respect of this matter.

Other Matter

1. Asset Held for Sale

As previously reported, the statement of financial position and as disclosed in Note 14 to the financial statements reflects a balance of Kshs.741,347,000 under assets held for sale in respect of unsold Company land at Kwabulo. Review of the valuation report from the Ministry of Lands and Physical Planning Ref No. MSA/VAL.GEN/VOL 2/49 dated 6 October, 2021 indicates that the land was valued at Kshs.810,734,000 in October, 2021, having been subdivided into 1,448 individual plots. Further, review of records revealed that the sale of the land was first executed in year 2005 at a price of Kshs.43,945,000. However, informal settlers invaded the land and the buyer could not take possession. After several years of litigation, the court in October 2019 issued orders for the land to be sold to the informal settlers under its supervision. The court also issued additional orders that the Company and the initial buyer open a joint account, where proceeds of the sale would be deposited and shared in the ratio of 20:80 after payment of costs, representing the buyer's and Company's interest in the land, respectively.

Although the court order dated 31 October, 2019 mandated the sale of specific land parcels to identified informal settlers within 300 days, as of the date of the audit report, the Company had not been able to fully comply with the court order due to challenges in securing the necessary cooperation from all affected parties. This unresolved situation poses potential legal and financial risks to the Company, including the possibility of further litigation and penalties.

2. Long Overdue Mortgage Loans

The statement of financial position reflects a balance of Kshs.2,708,000 in respect of mortgage loans, as disclosed in Note 13 to the financial statements. The balance has

remained the same from the previous year and management has not explained why it is unable to collect the long outstanding mortgage loans.

Key Audit Matters

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

Other Information

Directors are responsible for the Other Information set out on page iii to xix which comprise of Key Company Information, The Board of Directors, Key Management Team, Fiduciary Management, Fiduciary Oversight Arrangements, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, 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 on the Company's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on page xvii is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on pages xiv 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 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 is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2026

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

12. Statement of Profit/Loss & Other Comprehensive Income for the Year Ended 31st December 2025.

Description	Note	2025	2024
		Kshs '000'	Kshs '000'
Revenues			
Finance Income	6	965	451
Other Income	7	828	42,462
Total Revenues		1,792	42,913
Operating Expenses			
Administrations Costs	8	18,809	28,874
Total Operating Expenses		18,809	28,874
Profit/(loss) before taxation	9	(17,016)	14,039
Income tax expense/(credit)	10	0	0
Profit/(loss) after taxation		(17,016)	14,039
Total comprehensive income/Loss for the year		(17,016)	14,039


KENYA NATIONAL ASSURANCE COMPANY(2001) LIMITED
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13. Statement of Financial Position as at 31st December 2025

Description	Note	2025	2024
		Kshs '000'	Kshs '000'
Assets			
Non-Current Assets			
Leasehold land Property, Plant and Equipment	11	4	8
Unquoted Investments	12	13,893	101,056
Mortgages Loans	13	2,708	2,708
Total Non-Current Assets		16,604	103,772
Current Assets			
Asset held for Sale	14	741,347	648,587
Trade and other Receivables	15(a)	18,389	35,454
Joint Account Investments	15(d)	25,215	
Short-Term Deposits	16	8,175	16,158
Bank And Cash Balances	17	3,071	17
Total Current Assets		796,197	700,216
Total Assets		812,801	803,988
Equity and Liabilities			
Capital and Reserves			
Ordinary Share Capital	18	50,000	50,000
Revaluation Reserve	19	614,415	705,696
Revenue Reserve	20	(24,993)	(7,977)
Capital and Reserves		639,422	747,719
Non-Current Liabilities			
Contingency Reserve	21	5,000	5,000
Total Non-Current Liabilities		5,000	5,000
Current Liabilities			
Bank And Cash Balances	17	-	2,297
Trade and other Payables	23	164,878	47,484
Retirement Benefit Obligations	24	3,498	1,488
Total Current Liabilities		168,380	51,269
Total Equity and Liabilities		812,801	803,988

The financial statements were approved by the Board on 26th February 2026 and signed on its behalf by:


 Name: DANIEL MUTEA
 Director


 Name: TABITHA MWANIKI
 Ag. Chief Executive Officer


 ICPAK M/NO:17620
 Head of Finance DAVID BWALA

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
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14. Statement of Changes in Equity for the year ended 31 December 2025

Description	Ordinary Share Capital	Revaluation Reserve	Fair value adjustment Reserve	Revenue Reserve	Proposed Dividends	Capital/ Development Grants/Fund	Total
	Kshs'000'	Kshs'000'	Kshs'000'	Ksh'000'	Kshs '000'	Kshs '000'	Kshs '000'
As at January 1, 2024	50,000	101,056		(22,016)	-	-	129,040
Revaluation of Asset held for sale		604,640					604,640
Surplus/Deficit for the Year	-	-	-	14,039	-	-	14,039
At December 31,2024	50,000	705,696		(7,977)			747,719

As at January 1, 2025	50,000	705,696		(7,977)	-	-	747,719
Unappropriated Surplus		(4,118)					(4,118)
Revaluation loss on unquoted Shares	-	(87,163)	-		-	-	(87,163)
Surplus/Deficit for the Year	-	-	-	(17,016)	-	-	(17,016)
At December 31, 2025	50,000	614,415	-	(24,993)	-	-	639,422

KENYA NATIONAL ASSURANCE COMPANY (2001) LIMITED
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15. Statement of Cash Flows for the year ended 31 December 2025

Description	Note	2025	2024
		Kshs '000'	Kshs '000'
Cash flows from operating activities			
Cash generated from/(used in) operations	25	2,632	9,742
Net cash generated from/(used in) operating activities		2,632	9,742
Increase/(decrease) in cash and cash equivalents		(2,632)	9,742
Cash and cash equivalents at beginning of year		13,878	4,136
Cash and cash equivalents at end of the year		11,246	13,878

16. Statement of Comparison of Budget & Actual amounts for the period ended 31 December 2025

Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a + b	d	E= c - d	d/c%
Revenue	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	
Finance Income	-	-	-	965	965	100%
Other Income	40,000	-	40,000	828	39,172	2%
Total income	40,000	-	40,000	1,792	38,208	4%
Expenses						
Compensation of employees	11,338	-	11,338	11,863	-525	1%
Use of goods and services	22,214	-	22,214	6,348	15,866	27%
Rent paid	596	-	596	597	(1)	100%
Total Expenditure	34,148	-	34,148	18,809	15,641	54%
Surplus/Loss for the period	5,852	-	5,852	(17,016)		

Notes to the comparison of Budget and Actual Performance

(a) Revenue

(i) Finance Income

In the 2025 FY Budget the company had not budgeted to raise any Finance Income. The company raised Kshs 965,000/- because it had more funds invested than anticipated due to the delay in conclusion of the court cases.

(ii) Other Income

The company had projected to raise Kshs 40 million from the Mortgage recovery and sale of the Kwa Bulu Plots. The company was only able to receive Kshs 828,000/- being costs awarded to the company from one of the court cases.

(b) Expenses- Use of Goods and Services

The company had made provisions in the budget for payment for processing of 1448 leases and certificates of title by the Department of Lands and Physical Planning. The processing of the leases has taken longer than anticipated and so the funds budgeted for registration of the leases were not utilized. The company had also budgeted to settle legal fees at the end of the cases but the cases have taken longer than anticipated to conclude.

17. Notes to the Financial Statement

1. General Information

Kenya National Assurance Company (2001) Limited is a Limited liability company incorporated in accordance with the Companies Act, 2015. The company is wholly owned by the Government of Kenya and is domiciled in Kenya. The Company's principal activity is to manage and liquidate the Closed Life Fund of the defunct Kenya National Assurance Company (2001) Limited (In Liquidation). 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in *Note xx*. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Companies Act, 2015, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

KENYA NATIONAL ASSURANCE COMPANY(2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

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 31 December 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 a Company to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: <ul style="list-style-type: none"> i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and 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 the impact of the application of the above, they do not expect that there will be a significant impact on the company's financial statements.

KENYA NATIONAL ASSURANCE COMPANY(2001) LIMITED
Annual Report and Financial Statements for the year ended December 31, 2025

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 31 December 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 a Company's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	An Company may elect to apply this Standard for reporting periods beginning on or after 1 January,2027. Earlier application is permitted.

iii. Early adoption of standards

The Company did not early – adopt any new or amended standards in the financial year.

4. Summary of Accounting Policies

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

a) Revenue recognition

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

- i) Revenue from the sale of goods and services** is recognized in the year in which the *Company* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government** are recognized in the year in which the *Company* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. 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 *Company* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Company* includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, Plant and Equipment

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

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

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

d) Depreciation and Impairment of Property, Plant and Equipment

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

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

Item	Years	Rates
Freehold Land	Nil	Nil
Computers and related equipment	4 years	25%
Office equipment, furniture and fittings	10 years	10%

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal. Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

e) Intangible Assets

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

f) Amortization and Impairment of Intangible Assets

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

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 Company 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 Company, 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 Company 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 Company 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 have been revalued as per the audited Financial Statements of the concerned entity as at 31st December 2024, and comprise shares held in other Government owned controlled entities that are not quoted in the Securities Exchange.

m) 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.

n) 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.

o) 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 Company 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 Company 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.

p) 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 Company and the same taxation authority.

q) 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.

r) Cash and Cash Equivalents

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

Restricted Cash

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

s) 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.

t) 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 Company or not, less any payments made to the suppliers.

u) Retirement benefit obligations

The company does not operate a defined contribution scheme but have an annual provision of gratuity which is payable at the end of the contract period. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at an average of Kshs 2,771 per employee per month.

v) Provision for staff leave pay

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

w) Exchange rate differences

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

Summary of Accounting Policies

x) Budget Information

The original budget for FY 2025 was approved by the National Assembly on 30th June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under paragraph 18 of these financial statements.

y) Service Concession Arrangements

The Company 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 Company 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 Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

z) Comparative Figures

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

aa) 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 December 31, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Company'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) Going Concern Assumption

The mandate of the company is as follows: -

- (i) To spearhead conclusion of all outstanding court cases
- (ii) To conclude sale of 1448, individual plots derived from L.R MN/1/397 in Bamburi
- (iii) To ensure voluntary winding up of the company and transfer of all surplus assets to the National Treasury by 31 December 2025.

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and on a going concern basis of preparation until the year 2025, which is the projected year for voluntary winding up the company. For the purposes of reporting under the Kenyan Companies Act, 2015 the balance sheet in these financial statements is represented by equivalent to the Statements of Financial Position and the Profit and loss is represented in the statement of profit or loss and other comprehensive Income.

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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

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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 Company
- 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 are measured at the management’s best estimate of the expenditure required to settle the obligations at the reporting date, and are discounted to present value where the effect is material. The company has no provisions during the reporting period.

Notes to the Financial Statements (Continued)

6. Finance Income

Description	2025	2024
	Kshs ‘000’	Kshs ‘000’
Interest Income from Commercial Banks and Financial Institutions	959	437
Interest on Staff loans	6	14
Total	965	451

7. Other Income

Description	2025	2024
	Kshs ‘000’	Kshs ‘000’
Sale of Malindi Plot	-	2,500
Interest income on Mortgage Recovery	-	10,441
Disposal of Waste Paper, Scrap Metal and Unserviceable Stores	-	554
Provision of Recoverable Expenses from Sale of Kwa Bulu Plots	-	31,467
Recovery of Costs awarded by Court	828	-
Total	828	42,462

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8. (a) Administration Costs

Description	2025	2024
	Kshs '000'	Kshs '000'
Staff Costs (note (8b))	11,863	12,108
Directors' Emoluments	420	360
Internet Expenses /(EDP Costs)	126	58
Transportation, Travelling and Subsistence	94	539
Advertising, Printing, Stationery and Photocopying	64	78
Rent Expenses	143	1,888
Staff Training Expenses	225	55
Hospitality Supplies and Services	99	105
Bank Charges and Commissions	68	66
Telephone, Postage and Services	24	19
Auditors' Remuneration	300	300
Legal Fees	236	1,415
Repairs and Maintenance	126	279
Depreciation	4	4
Reversal of Over Provision	(15)	402
Other Operating Expenses	5,030	11,019
Total	18,809	28,874

8(b) Staff Costs

Description	2025	2024
	Kshs '000'	Kshs '000'
Salaries and allowances of employees	8,324	8,447
Wages of temporary employees	-	175
Medical insurance schemes	583	449
Employer's contributions to National Social Security Fund	257	143
Contributions to SHIF	220	102

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Description	2025	2024
	Kshs '000'	Kshs '000'
Housing Levy	240	240
Leave pay	188	450
Gratuity provisions	2,010	2,047
Staff welfare	40	50
Total	11,863	12,108
The average number of employees at the end of the year was:		
Contracted employees(All employees are on contract)	5	6
Total	5	6

8(c) Other Operating Expenses

Description	2025	2024
	Kshs '000'	Kshs '000'
Government Fees for processing Leases and Certificates of Lease	2,780	6,894
Publishing & Advertisements	271	1,673
Transport, Travel & Accommodation	1,304	1,749
Office Rent -Mombasa	453	478
Casual Employees	6	143
Other Office Expenses, Photocopy, Printing of Maps and Stationary	217	82
Total	5,030	11,019

9. Operating Profit/ (Loss)

Description	2025	2024
	Kshs '000'	Kshs '000'
The operating profit/(loss) is arrived at after charging/(crediting):		
Staff Costs (Note 8b)	11,863	12,108
Depreciation of Property, Plant and Equipment	4	4
Directors' Emoluments – Fees	420	593
Auditors' Remuneration - Current Year Fees	300	300
Other Expenses	5,030	15,869

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Description	2025	2024
	Kshs '000'	Kshs '000'
Finance Income	(975)	(451)
Other Income	(828)	(42,462)
Total Profit (Loss)	15,815	14,039

10. Income Tax Expense

(a) Income Tax Charge

Description	2025	2024
	Kshs '000'	Kshs '000'
Current taxation based on the adjusted Profit for the year at 30%	(5,105)	4,212
Current tax: Prior Year Under/(Over) provision	-	-
Current year deferred tax charge	5,105	-
Prior Year Under-provision for deferred tax	-	-
Total	-	4,212

(b) Reconciliation of Tax Expense to the expected Tax based on Accounting Profit

Description	2025	2024
	Kshs '000'	Kshs '000'
Profit before taxation	(17,016)	14,039
Tax at the applicable tax rate of 30%	(5,105)	4,212
Prior Year Under-Provision	-	1
Deferred tax Prior Year Over-Provision	5,105	4,212
Total	-	-

10. Property, Plant and Equipment

Description	Computers & Related Equipment	Office Equipment, Furniture & Fittings	Total
Depreciation rate	25%	10%	
	Kshs	Kshs	Kshs
Cost As At 1 January 2024	485	1,460	1,945
Additions	-	-	-
Disposals	-	-	-
Transfers/Adjustments	-	-	-
Revaluation Adjustments	-	-	-
Depreciation as at 1st January 2024	485	1448	1,933
Depreciation charge for the Year	-	4	4
Depreciation As at 31 December 2024	485	1452	1,937
NBV As At 31, December 2024	-	8	8
Cost As At 1 January 2025	485	1,460	1,945
Additions	-	-	-
Disposals	-	-	-
Depreciation as at 1st January 2025	485	1,452	1,937
Depreciation charge for the Year	-	4	4
Depreciation As at 31 December 2025	485	1,456	1,941
NBV As at 31 December 2025	-	4	4

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Property plant and Equipment include the following assets that are fully depreciated:

Description	Cost Valuation	Normal Annual Depreciation charge
	Kshs '000'	Kshs '000'
Computers And Related Equipment	485	485
Office Equipment, Furniture And Fittings	1,460	1,456
Total	1,945	1,941

11. (a) Unquoted Investments

Description	2025	2024
	Kshs '000'	Kshs'000'
Cost		
At January 1	101,056	101,056
Additions	-	-
Disposals	-	-
Fair value gains/(losses)	(87,163)	-
At 31 December	13,893	101,056

(b) Detailed Analysis of Unquoted Investment

Name of Company where investment is held	No of shares					
	Direct shareholding	Indirect shareholding	Effective shareholding	Nominal value of shares/purchase price	Value of shares less impairment Current year	Value of shares before impairment Prior year
	%	%	%	Kshs '000'	Kshs '000'	Kshs '000'
Consolidated Bank of Kenya (Ordinary Shares)	0.7	-	0.7	20	3,009	21,890
Consolidated Bank of Kenya (Preference Shares)	2.7	-	2.7	20	10,884	79,166
	3.4	-	3.4		13,893	101,056

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12. Mortgage Loan

Description	2025	2024
	Kshs '000'	Kshs '000'
Maturity within One Year	367,641	367,641
Less: Provisions	(364,933)	(364,933)
Total	2,708	2,708

13. Asset Held for Sale

Description	2025	2024
	Kshs '000'	Kshs '000'
Bamburi Plot (Kwa Bulo)	741,347	648,587
Total	741,347	648,587

15. (a) Trade and Other Receivables

Description	2025	2024
	Kshs '000'	Kshs '000'
Trade Receivables (Recoverable Expenses) Note 15 (a)	18,388	35,068
Deposits and prepayments	-	355
Staff Receivables Note 15 (b)	1	31
Net Trade and Other Receivables	18,389	35,454

(b) Trade Receivables

Description	2025	2024
	Kshs '000'	Kshs '000'
Gross Trade Receivables	18,389	35,068
Additional provisions	-	355
Less: Receivables from Kwa Bulo	-	31
Provision for Doubtful Receivables	-	35,454
Net Trade Receivables	18,389	35,068

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Ageing analysis of gross Trade Receivables

Description	2025	% of the Total	2024	% of the Total
	Kshs '000'		Kshs '000'	
Under one Year				-
1-2 Years		-	-	-
2-3 Years			35,068	100
Over 3 Years	18,389	100	-	-
Total	18,389		35,068	-

(c) Staff Receivables

Description	2025	2024
	Kshs '000'	Kshs'000
Gross staff advances and other staff receivables	1	31
Net staff loans and other staff receivables	1	31
Less: Amounts due within one year	(1)	(31)
Amounts due after one year	1	-

(d) Joint Account Investments

Description	2025	2024
	Kshs '000'	Kshs'000
Amounts deposited into the Joint Account	25,215	-
Total	25,215	-

The Court on 31st January 2022 ordered that the proceeds of sale from the Kwa Bulu Plots should be deposited into an account held jointly between Kenya National Assurance Company (2001) Limited and Kencent Holdings Limited. The proceeds of sale are to deposited once the plots are fully paid for and title documents issued. The opening of the account was duly authorized by the National Treasury. The amount in the joint account at the end of the sale will be apportioned at the ratio of 20% to Kencent Holding Limited: 80% to Kenya National Assurance Company (2001) Limited in accordance with the court order dated 31st October 2019.

16. Short Term Deposits

Description	2025	2024
	Kshs '000'	Kshs'000
Kenya Commercial Bank	8,175	16,158
Total	8,175	16,158

The average effective interest rate on the short term deposits as at December 31, 2025 was 5% (2024: 5.5%).-

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17. Bank and Cash Balances

Description	2025	2024
	Kshs '000'	Kshs '000'
Cash at Bank	3,054	(2,297)
Cash in Hand	17	17
Total	3,071	(2,280)

The bulk of the cash at Bank was held at KCB Bank Kenya Limited , the company's main banker

Detailed Analysis of the Cash and Cash Equivalents

Description	2025	2024
Financial Institution	Kshs '000'	Kshs '000'
a) Current Account		
	2,162	(4,437)
KCB Kenya Limited	892	2,140
Sub- Total	3,054	(2,297)
b) On - Call Deposits		
KCB Kenya Limited	8,175	16,158
Sub- Total	8,175	16,158
c) Others (Specify)		
Cash in Hand	17	17
Sub- Total	17	17
Grand Total	11,246	4,136

18. Ordinary Share Capital

Description	2025	2024
	Kshs '000'	Kshs '000'
Authorized:		
1,500,000 Ordinary Shares of Kshs 3.3 par value each	50,000	50,000
Issued and Fully Paid		
1,500,000 Ordinary Shares of Kshs 3.3 par value each	50,000	50,000

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19. Revaluation Reserve

The revaluation reserve relates to the revaluation of certain items of investments, 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.

Description	2025	2024
	Kshs '000'	Kshs '000'
Cost		
At January 1	705,696	101,056
Unappropriated Surplus	(4,118)	-
Revaluation loss on unquoted Shares	(87,163)	604,640
At December 31	614,415	705,696

20. Revenue Reserve

Description	2025	2024
	Kshs '000'	Kshs '000'
Revenue Reserve at the beginning of the Year	(7,977)	(22,016)
Less: Operating Profit(loss) for the Year	(17,016)	14,039
Revenue Reserve at the end of the Year	(24,993)	(7,977)

21. Contingency Reserve

Description	2025	2024
	Kshs '000'	Kshs '000'
Contingency Reserve at the end of the Year	5,000	5,000

Kenya National Assurance Company (2001) Limited is a Life Assurance company which took over the Closed Life Fund of the former Kenya National Assurance Company Limited (In Liquidation). The Company did the last Actuarial Valuation in the year 2010. In the Actuarial Valuation of 2010, the Actuaries had made a provision of Kshs 5 million for HIV&Aids, Data Discrepancy and Contingency Reserve. The reason for this provision was to cushion the company in the event new claims are presented. Due to the nature of life insurance sometimes, the policyholder dies and premiums stop being remitted to the company. The company treats the policy as a lapsed/Written off policy. When the beneficiaries find out the deceased had a policy, they place a claim which converts the policy from a paid up or lapsed policy to a death claim with

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full benefits. Claims may also arise from policies, which had earlier been written off when evidence of premium payment is presented. There is no time limit in the Insurance Act Cap 487 within which such claims can be presented.

22. Deferred Tax Liability

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

Description	2025	2024
	Kshs '000'	Kshs '000'
Tax losses carried forward	(5,105)	4,211
Provisions for liabilities and charges	5,105	(4,211)
Net deferred tax liability	-	-
Balance at the end of the Year	-	-

23. Trade and Other Payables

Description	2025	2024
	Kshs '000'	Kshs '000'
Accrued Expenses & Audit Fees	571	300
Deposits	-	47,184
Interest from Joint Account	942	-
Proceeds from Sale of Bids	1,011	-
Kencent Holdings Limited	162,349	-
Total	164,874	47,484

Aging analysis for Trade and other Payable

	2025 Kshs '000'	% of the Total	2025 Kshs '000'	% of the total
Under one year	2,525	2	1,788	4
2-3 years	162,349	98	47,184	96
Total	165,874	100	48,972	100

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24. Retirement Benefit Obligations-Staff Gratuity.

Description	2025	2024
Terminal dues/gratuity	Kshs '000'	Kshs '000'
Current benefit obligation	1,488	4,918
Additional Provisions	2,010	3,088
Reversal of over Provisions	-	-
Provision utilized	-	(6,518)
Total Employee Benefits Obligation	3,498	1,488

Recognition of Retirement Benefit Asset/ Liability

The Company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs 1080 per employee per month. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

25. Statement of Cash Flows

Description	2025	2024
	Kshs '000'	Kshs '000'
(a) Reconciliation of Operating Profit/ (Loss) to Cash Generated from/ (Used in) Operations		
Profit or Loss before Tax	(17,016)	14,039
Depreciation	4	4
Operating Profit/(Loss) before Working Capital changes	(17,011)	14,043
Profit on Recovery of Mortgages (Note 15)	-	(10,995)
Reversal of Over Provision	15	402
Proceeds from Recovery of Mortgages	-	12,013
Recoverable Expenses	18,389	(8,287)

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(Increase)/Decrease in Trade and Other Receivables (Note 25c)	17,065	(34,955)
Increase/(Decrease) in Trade and Other Payables	(21,612)	40,951
Increase/(Decrease) in Provision for Staff Gratuity	(2,010)	(3,430)
Cash Generated from/(used in) operations	(2,632)	9,742
(b) Analysis of Cash and Cash Equivalents		
Short Term Deposits	8,175	16,158
Cash at Bank	3,054	(2,297)
Cash in Hand	17	17
Balance at end of the year	11,246	13,878

(c) (Increase)/Decrease in Trade and Other Receivables

Description	Amount '000'
Opening Balance as at 1.1.2025	35,454
Net Amount as at 1.1.2025	35,454
Less: Recoverable Expense Attributable to Kencent Holdings Limited	17,065
Net Amount as at 31.12.2025	18,389

26. Related Party Disclosures

Government of Kenya

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

Other related parties include:

- i) The National Treasury & Economic Planning

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- ii) County Government of Nairobi
- iii) Central Bank of Kenya
- iv) Kenya Commercial Bank
- v) Consolidated Bank of Kenya
- vi) Key management
- vii) Board of Directors

Transactions with Related Parties

Description	2025	2024
	Kshs '000'	Kshs '000'
a) Sales to related Parties		
Interest income from Government Commercial Banks	969	355
Total	969	355
b) Purchases from related parties		
Bank charges paid to Govt Commercial Banks	68	66
Total		66
c) Key Management Compensation		
Directors' Emoluments	420	360
Compensation to Key Management	8,703	9,042
Total	10,092	9,823

27. Financial Risk Management

The Company 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 Company 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.

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Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Company maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:-

Description	Total Amount Kshs '000'	Fully Performing Kshs '000'	Past Due Kshs '000'	Impaired Kshs '000'
At 31 December 2025				
Receivables	18,389	18,389	-	-
Mortgage Loans	2,708	-	-	-
Bank balances	3,071	3,071	-	-
Total	24,168	21,460	-	-
At 31 December 2024				
Receivables from exchange transactions	283,689	35,454	-	248,235
Mortgage Loans	2,708	-	-	-
Bank balances	(2,280)	(2,280)	-	-
Total	284,117	33,174	-	248,235

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 Company has significant concentration of credit risk because it is not trading. 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 Company's directors, who have built an appropriate liquidity risk management framework for the management of the Company short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 31 December 2025				
Trade payables - Joint A/C Interest	-	-	942	942
Trade Payables - Proceeds from Sale of Bids and Plots	-	-	163,360	163,360
Provisions (Contingency Reserve)	-	-	5,000	5,000
Employee Benefit Obligation	-	3,498	-	3,498
Accrued Expenses	571	-	-	571
Total	571	3,498	169,303	173,372
At 31 December 2024				
Trade payables -Deposits	47,184	-	-	47,184
Provisions (Contingency Reserve)	5,000	-	-	5,000
Employee Benefit Obligation	1,488	-	-	1,488
Accrued Expenses	300	-	-	300
Total	53,972	-	-	54,872

(iii) Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Company 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 Company income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market

risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Company's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies. There has been no change to the Company exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

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

i) Management of interest rate risk

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

ii) Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

iii) Fair Value of Financial Assets and Liabilities

a) Financial instruments measured at Fair Value

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company market assumptions. These two types of inputs have created the following fair value hierarchy:

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- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

At 31 December 2025	Level 1	Level 2	Level 3	Total
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'
Non- Financial Assets				
Land and Buildings	-	-	-	-
Total	-	-	-	-
At 31 December 2024				
Land and Buildings	-	-	-	-
Total	-	-	-	-
At 31 December 2025				
Non-Financial Assets				
Property Plant and Equipment	-	-	4	4
At 31 December 2024				
Non-Financial Assets				
Property Plant and Equipment	-	-	8	8
Total	-	-	8	8

There were no transfers between levels 1, 2 and 3 during the year.

Financial instruments not measured at fair value

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Company capital risk management is to safeguard the Board’s ability to continue as a going concern. The Company capital structure comprises of the following funds:

Description	2025	2024
	Kshs ‘000’	Kshs ‘000’
Revaluation Reserve	614,415	705,696
Revenue Reserve	(24,993)	(7,977)
Capital Reserve	50,000	50,000
Total Funds	639,422	747,719
Total Borrowings	-	-
Less: Cash and Bank balances	3,071	(2,280)
Net Debt/(Excess Cash and Cash Equivalents)	(636,351)	745,439
Gearing	0%	0%

28. Incorporation

Kenya National Assurance Company (2001) Limited is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya.

29. Events after the Reporting Period

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

30. Currency

The financial statement are presented in Kenya Shillings (Kshs)

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Non-Compliance with International Financial Reporting Standards</p> <p>The statement of financial position reflects unquoted investments of Kshs 101,056,000/- as disclosed in Note 12 to the financial statements. The investment balance was in respect to investment in Consolidated Bank of Kenya of 1,094,487 ordinary shares at Kshs 20 per share amounting to Kshs 21,890,000 and 3,953,300 preference shares at Kshs 20 per share amounting to Kshs 79,166,000 all totalling to Kshs 101,056,000. However, no evidence of share valuation was provided to support the balance contrary to International Financial Reporting Standards (IFRS) No.9 on Financial Instruments which requires financial assets to be assessed for impairment at each reporting date at each reporting date.</p> <p>In the circumstances, the valuation of the unquoted investments amounting to Kshs 101,056,000/- could not be confirmed</p>	<p>The company has valued the shares and adjusted the stated value of the shares</p>	<p>Resolved</p>	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>Variiances in the Mortgages Loans Balance</p> <p>The Statement of finance position reflects a balance of Kshs 2,708,000 in respect of mortgage loans which, as disclosed in Note 13 to the financial statements, is made up of Kshs 367,641,000 loans maturing within one year and a debt balance of Kshs 364,933,000 in respect of provision for impairments loss. However, the supporting schedule reflects loan balance of Kshs 384,341,409 and impairment provision of Kshs 363,361,206 resulting in unexplained and unreconciled variiances of Kshs 16,700,409 and 1,571,794, respectively.</p> <p>In the circumstances, the Accuracy and completeness of the Mortgage loans balance of Kshs 2,708,000 could not be confirmed.</p>	<p>The balances in the Mortgage loans account have been properly reconciled and adjusted.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	<p>Misstatement of Other Income</p> <p>The statement of profit or loss and other comprehensive income reflects an amount of Kshs 42,462,000 in respect of other income which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs 31,467,000 in respect of provision of recoverable expenses from sale of Kwa Bulu plots recognized as revenue in the year contrary to the Company’s own revenue recognition policy and prudence principle on revenue recognition. The company had, recognized expenses incurred in processing titles as anticipated revenue. Further, review of the financial statements and as disclosed in Note 8© to the Financial Statements indicate that an amount of Kshs 11,019,000 was incurred in the sale of Kwa Bulu Plots which differs with the amount of Kshs 31,467,000 reflected as provision of recoverable expenses by Kshs 20,448,000.</p>	<p>The Company has changed the mode of treatment of the amounts receivable from the costs of the sale of Kwa Bulu Plots.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of the other income amounting to Kshs 42,462,000 could not be confirmed.			
4.	<p>Erroneous Preparation of Financial Statements on a Going Concern Basis</p> <p>As previously, reported, the financial statements have been prepared on a going concern basis. However, as disclosed in Note 5(a) to the financial statement, the Board of Directors was mandated to spearhead conclusion of all outstanding court cases and to ensure winding up of the company and transfer of surplus assets to the National Treasury by 31st December 2025. This is an indication of intention to cease operations of the Company. The financial statement as prepared and presented are therefore, in breach of the provisions of Paragraph 25 of International Accounting Standard (IAS) No.1 which requires</p>	The mandate of the company is to complete the sale of the remaining Closed Life Fund Assets and conclude all the pending court cases by 31 st December 2025, subsequent to which the process of voluntary winding up of the company will be initiated. The company, therefore, remains a going concern until it completes the disposal of its assets and formally begins its voluntary winding up process. The voluntary winding up process is,	Unresolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Management to assess an Company's ability to continue as a going concern and of Management concludes that an Company is not a going concern, the financial statement should not be prepared on a going concern basis. In the circumstances, the financial statements were not prepared in accordance with the requirements of IAS No.1</p>	<p>essentially, aspirational at this point in time. In the meantime, the company exists, as a going concern, to sell the remaining properties and conclude the court cases. That notwithstanding, the company's Financial Statements for the year 2025 have been prepared on a basis other than that of a going on concern, which includes where appropriate, restating the company's assets to net realizable value.</p> <p>The company has three assets, which are held at book value as</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>follows: -</p> <p>a) The interest in Bamburi Plot (Kwa Bulu) which is held at the fair value less the costs of sale.</p> <p>b) Mortgage loans held at book value because the recovery is subject to determination of pending court cases.</p> <p>Investment Shares held in Consolidated Bank of Kenya Limited held have been valued in accordance with the Banks audited results as at 31st December 2024.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.	<p>Variances in Trade and Other Payables</p> <p>The statement of financial position as disclosed in Note 23 to the financial statements reflects trade and other payables balance of Kshs 47,484,000 which include a deposits balance of Kshs 47,184,000 in respect of deposits paid towards purchase of Kwa Bulu plots. However, the related deposits bank account reflects a balance of Kshs 16,158,000/-. Management has attributed the deference, amounting to Kshs 31,467,000/- to deposits received and used to finance the plot selling costs. However, the recoverability of these costs from the buyers remains uncertain due to persistent difficulties in obtaining their co-opertaion. In the circumstances, the accuracy of trade and other payables could not be confirmed.</p>	<p>This issue of reporting the amounts received from the costs of selling the Kwa Bulu Plots has been resolved.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	<p>Budgetary Control and Performance</p> <p>The statement of comparison of Budget and actual amounts reflects a final receipt and actual on comparable basis of Kshs 20,000,000 and Kshs 42,913,000 respectively resulting to an over-realization of Kshs 22,913,3000 or 115% of the budget. Similarly, the Company spent a total Kshs 28,874,000 against an approved budget of Kshs 12,378.000/= resulting to unapproved over-expenditure of Kshs 16,094,000/- or 130%. In the circumstances, the significant unapproved over expenditure and over realization of receipts directly violates the regulations and the company may have over collected and over spent without requisite approval.</p>	<p>The core mandate of the company is to conclude pending court cases and sale of remaining Life Fund assets. The pending court cases relate to the sale of the remaining assets, mortgages, and rent and service charge arrears recoveries. The budget for the year 2025 made provision for expected recoveries for the sale of the mortgage securities and the expenditure in settling of legal fees at the conclusion of the court cases. However, due to the busy court diaries the cases were not concluded as envisaged. Two mortgage recoveries in particular were near conclusion as judgment</p>	Not Resolved	2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		had already been entered but execution of the decrees was not completed in 2025. Subsequent litigation in the cases delayed collection of the budgeted amounts and Management has no control of the court		
7.	<p>Assets Held for Sale</p> <p>The Statement of Financial position as and as disclosed at Note 14 to the financial statements reflects a balance of Kshs 648,587,000/- under assets held for sale which represent 80% of the valuation of Kshs 810,734,000/= as directed by Court. Review of the valuation report from the Ministry of Lands and Physical Planning Ref No. MSA/VAL.GEN/VOL 2/49 dated 6 October 2021 indicates that the land was valued at Kshs 810,734,000/- in October, 2021 having</p>	<p>The company continues to pursue the sale of the Kwa Bulo plots to the squatters as it seeks a mutually agreeable solution to the delays. The squatters have requested for a period of three years to pay for their plots which is being considered.</p>	Not Resolved	2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>been subdivided into 1448 individual plots. Further, review of records revealed that the sale of the land was first executed in year 2005 at a price of Kshs 43,945,000. However, informal settlers invaded the land and the buyer could not take possession. After several years of litigation, the court in October 2019 issued orders for the land to be sold to the informal settlers under its supervision. The court also issued additional orders that the company and the initial buyer open a joint account, where proceeds of the sale would be deposited and shared in the ration of 20:80 after payment of costs, representing the buyer's and the company's interest in the land.</p> <p>Although the court order dated 31 October 2019 mandated the sale of specific land parcels to identified informal settlers within 300 days, as of the date of the audit report the company had not been able to fully comply with the court order due to challenges in</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	securing the necessary cooperation from all affected parties. This unresolved situation poses potential legal and financial risks to the company, including the possibility of further litigation and penalties.			



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Tabitha Mwaniki (Mrs)
Ag. Chief Executive Officer
Date: 26th February 2026.