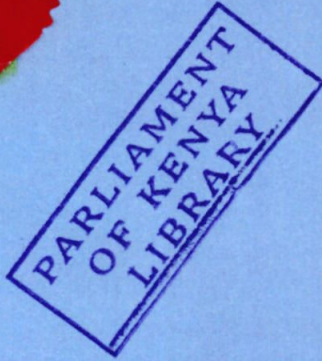


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 APR 2025	DAY: Wednesday
TABLED BY: Hon. Njau Wago, MP Deputy Majority Party Whip	
CLERK-AT-THE-TABLE: Halima Ahmed	

OF

THE AUDITOR-GENERAL

ON

LANDS LIMITED

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

13 DEC 2024



LANDS LIMITED

LANDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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LANDS LIMITED
Annual Report and Financial Statements
For the year ended June 30, 2024.

Table of Contents.....	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Directors	vi
4. Key Management Team	xii
5. Chairman’s Statement	xiv
6. Report of the Managing Director	xv
7. Corporate Governance Statement	xvi
8. Management Discussion and Analysis	xvii
9. Environmental and Sustainability Reporting	xviii
10. Report of the Directors	xix
11. Statement of Directors Responsibilities	xx
13. STATEMENT OF FINANCIAL PERFORMANCE.....	1
14. STATEMENT OF FINANCIAL POSITION.....	2
15. STATEMENT OF CHANGES IN NET ASSETS	3
16. STATEMENT OF CASHFLOWS	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	5
18. NOTES TO THE FINANCIAL STATEMENTS	6
19. Appendices.....	13

1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

MD	Managing Director
NBK	National Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment

2. Key Entity Information and Management

(a) Background information

The Lands Limited is a wholly owned company by Agricultural Development Corporation which is a state Corporation. It was established in 1957 under the Companies Act Cap 486; to facilitate the land transfer programme from European settlers to locals after independence.

(b) Principal Activities

The Company's principal activity was to facilitate the land transfer from European settlers to locals after independence.

(c) Key Management

The Lands Limited day-to-day management is under the following key organs:

No.	Designation	Name
1.	Managing Director	Dr. Wilson Tonui
2.	Corporation Secretary	Mr. Rodgers Karumpu
3.	Financial Controller	Mr. Jonathan Keitany
4.	Legal Assistant	Mr. Nicholas Ayugi

(d) Fiduciary Management

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

No.	Designation	Name
1.	Managing Director	Dr. Wilson Tonui
2.	Head of Corporate Services	Mr. Rodgers Karumpu
3.	Head of Finance	Mr. Jonathan Keitany
4.	Legal Assistant	Mr. Nicholas Ayugi

Part I: Corporate Information and Management

(e) Headquarters & Registered Office

P.O. Box 47101 - 00100
Development House 10th Floor
Moi Avenue
Nairobi, KENYA

(f) Company's Contacts

Telephone: (254) 20-2250695/185
E-mail: info@adc.co.ke
Website: www.adc.co.ke

(g) Company's Bankers

National Bank of Kenya
Harambee Avenue
P.O. Box 41862 - 00100
NAIROBI, KENYA

Key Entity Information and Management (continued)


(h) Independent Auditor



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

(i) Principal Legal Adviser

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

A. The Board of Directors

Ref	Directors	Details
1.	 <p>Mr. Tom Atingo Profession: Senior Administrator Academics: Diploma in Human Resource Management</p>	<p>Prior to his current position, Mr. Atingo served as the Constituency Office Manager for Larger Emuhaya, where he gained valuable experience in managing administrative tasks, coordinating projects, and engaging with the local community.</p> <p>His exceptional organizational skills and ability to work collaboratively with diverse stakeholders have contributed to his effectiveness in delivering services and addressing the needs of the constituents. With his background in Human Resource Management, Mr. Atingo possesses a strong understanding of employee relations, recruitment, and personnel management.</p> <p>This knowledge provides him with valuable insights into fostering positive working environments and ensuring the effective utilization of human capital.</p> <p>Mr. Atingo's commitment to public service and his desire to make a positive impact on the community make him a valuable asset. He is driven by a genuine dedication to improving the lives of the people he serves and is constantly seeking opportunities for growth and development.</p>

<p>2.</p>	 <p>Dr. Wilson Tonui Managing Director Profession: Veterinary Surgeon Academics: Master of Business Administration (MBA) , Strategic Management</p>	<p>Dr. Wilson Tonui is a professional in the Agricultural sector with a proven track record and a wealth of experience spanning over 29 years working in various capacities in different ADC farms spread across the country.</p> <p>A Successful leader and a manager with an in-depth knowledge in livestock and crop production.</p> <p>He has previously served as Regional Manager in charge of ADC Kitale, Technical Manager Strategy Investment and Planning, Technical Manager Operations and Livestock. Dr. Wilson holds Master’s degree in Business Administration (Strategic Management Option) from St. Paul’s university, Bachelor’s degree in Veterinary Medicine from University of Nairobi.</p> <p>He also holds other professional courses that include: International Certificate in Dairy Cattle Production from Israel, Strategic Leadership and Management skills, Corporate governance, Finance for non-finance managers, Human Resource for non-human resource managers, Performance management and ISO internal quality auditing skills</p>
<p>3.</p>	 <p>Mr. Elisha Mwei Profesional: Business Engineer Academics: Diploma in Business Engineering.</p>	<p>Mr. Elisha Mwei is a dedicated professional with a diploma in business engineering with a strong background in business management and engineering principles.</p> <p>He brings a unique perspective to his role as a board member at St. Patrick Waitaluk Secondary School.</p> <p>In addition to his professional pursuits, Mr. Mwei is also an enthusiastic and passionate farmer.</p> <p>He has always had a deep connection and a keen interest in agricultural practices. Mr. Mwei’s commitment to agriculture goes beyond his personal endeavours.</p>



Mr. John Gitari

Profession: Information Systems and Technology expert.

Academics: Bachelor of Science degree in Information Systems and Technology at Alliant International University, California, USA.

Mr. John Gitari is a dedicated professional specializing in information systems and technology.



He completed his Bachelor of Science degree in Information Systems and Technology at Alliant International University in California, USA. As an expert in system support and administration, Mr. Gitari plays a crucial role in providing technical assistance to end-users. He ensures that systems and applications are functioning optimally by offering support and troubleshooting services.


Additionally, he is proficient in conducting new installations and upgrades for applications, ensuring that users have access to the latest features and enhancements. Mr. Gitari also excels in providing comprehensive application training to both new and existing users. His ability to effectively communicate complex technical concepts allows users to confidently navigate and utilize applications to their full potential.


In addition to his application support responsibilities, Mr. Gitari extends his expertise to general maintenance services for applications. This includes activities such as system updates, data backups, and performance monitoring to maintain the smooth functioning of applications.

Furthermore, Mr. Gitari possesses an extensive knowledge of network support, enabling him to assist users with any connectivity or general network-related issues they may encounter.



With his well-rounded skill set and dedication to ensuring optimal system functionality, Mr. John Gitari is a valuable asset in the field of information systems and technology support.


<p>5.</p>	 <p>Mr. Isaac Maiyo Profession: Senior Public Administrator. Academics: Bachelor degree in Public Administration and Political Science</p>	<p>With a deep understanding of public administration and political science, Mr. Maiyo has Successfully led the North Rift Valley Water Works Development Agency as its Director.</p> <p>In this role, he has played a crucial part in the planning, implementation, and oversight of water works projects in the region. His responsibilities have included ensuring the efficient delivery of clean water to communities, managing the maintenance and expansion of water infrastructure, and collaborating with various stakeholders to address water scarcity challenges.</p> <p>Overall, Mr. Isaac Maiyo brings a wealth of expertise in public administration.</p>
<p>6.</p>	 <p>Ms. Brenda Engomo Profession: Educationist & Development studies specialist. Academics: Bachelors degree in Development Studies</p>	<p>Ms. Brenda Engomo is a highly motivated educationist and development studies specialist, committed to making a positive impact in her field with a solid track record of success. She has consistently delivered results that have garnered employer satisfaction.</p> <p>As an educationist, Ms. Engomo is dedicated to maximizing opportunities and minimizing unnecessary expenses within educational settings. She excels in providing administrative support, ensuring smooth operations and effective management of resources. Additionally, Ms. Engomo has a talent for training and mentoring new personnel, empowering them to excel in their respective roles.</p> <p>One of Ms. Engomo notable strengths lies in organizing and facilitating practical skills learning sessions. Her expertise in creating engaging and impactful learning experiences has</p>

		<p>contributed significantly to the development and growth of individuals in various educational settings. Equipped with excellent communication skills, Ms. Engomo demonstrates an innate ability to lead and coordinate teams effectively.</p> <p>Her approachability and strong interpersonal skills foster collaborative environments necessary for successful outcomes. Moreover, she possesses exceptional time management skills, allowing her to handle multiple tasks efficiently and meet deadlines effectively.</p> <p>Ms. Engomo ability to remain calm in stressful situations is a testament to her resilience and adaptability. This valuable trait ensures that she can navigate challenging circumstances while maintaining a composed and professional demeanour.</p>
7.	 <p>Col (Rtd) Iya Jillo Gababo</p> <p>Profession: Kenya Military Officer.</p> <p>Academics: Masters of Arts degree in International Studies, Bachelors of Arts degree with honours in International Politic and Bachelor of Arts degree in international relations and diplomacy.</p>	<p>Following his retirement from the military, Col Gababo held a managerial position as the Aviation Security Manager at the Kenya Civil Aviation Authority for five years. During this time, he played a crucial role in assisting the state of Kenya in achieving a remarkable mean score of 88.7% in the International Civil Aviation Organization (ICAO), Universal Security Audit Program (USAP).</p> <p>This achievement stands as one of the highest scores on the continent, reflecting Col. Gababo exceptional leadership and expertise in aviation security. Under Col Gababo guidance, the aviation security sector in Kenya became one of the best in Africa. His strategic approach and leadership skills played a significant role in ensuring the implementation of effective security measures within the aviation industry, Contributing to enhanced safety and compliance with international standards.</p> <p>Col. Gababo academic qualifications further reinforce his professional accomplishments. He holds Masters of Arts degree in International Studies, a Bachelor of Arts degree with honours in International Politics and a Bachelor of Arts</p>

		degree in International Relations and Diplomacy.
8.	 <p>Mr. Hiram Gachugi Wanjohi Profession: Advocate Academics: Bachelor of Law Degree (LLB) and Diploma in Law</p>	<p>Mr Hiram Gichugi is a Deputy Registrar at the Bussiness Registration Centre. He ensures efficient and effective administration and operation of the service’s legislation – Companies Act, Registration of Business Names Act, Limited Liability Partnerships Act.</p> <p>He was the immediate Senior State Counsel at the Attorney General's Office.</p> <p>Mr Hiram Gichugu holds an LLB from the Moi University, Diploma School of Law.</p> <p>He is an active member of the Law Society of Kenya, The East African Law Society, the International Commission of Jurists, and The Commonwealth Lawyers Association. As a practicing lawyer, Mr. Hiram has handled many cases on behalf of the state and has a keen interest in Public Interest Litigation.</p>

4. Key Management Team

	Management	Details
1.	 <p>Dr. Wilson Tonui Profession: Veterinary Surgeon Academics: Masters of Business Administration (MBA), Strategic Management</p>	<p>Managing Director MD</p>
2.	 <p>CPA. Jonathan Keitany Academics: MBA (accounting), a Certified Public Accountant of Kenya and a member of ICPAK</p>	<p>Financial Controller FC</p>

3.	 <p>Mr. Rodgers Karumpu Academics: Bachelors of Law degree (LLB)</p>	<p>Corporation Secretary & Head of Legal Services CS</p>
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5. Chairman's Statement

Once again I am pleased to present to you the annual financial statement and report for Lands Ltd for the year ended 30th June, 2024.

Business environment

The Company's operations have remained dormant since the management of the parcels of Land owned by the company remains under full control and utilization by its parent company ADC.

Corporate Governance

Corporate governance is the process by which Companies are directed, controlled and held accountable. The Board of Directors of ADC, the parent Company of Lands Ltd is responsible for the governance of the Company and is accountable in ensuring that the Law is complied with and that the highest standards of corporate governance and business ethics to the stakeholders are complied with.


Board members continued to attach great importance to ensuring the company embraced the principles and code of best practices of good governance.

The Board of Directors follows principles of openness, integrity and accountability in its stewardship of the Company. It recognizes the developing nature of corporate governance on a regular basis; this is fundamental to appropriately discharging of duties and responsibilities of the Board.

Future Outlook

The Board is considering winding up the Company since it completed its mandate of facilitating transfer of land from European settlers to locals. Though the land that remained unallocated is still under Lands Ltd ownership, it is being utilized fully by Agricultural Development Corporation a state Corporation that owns the Company 100%.

Mr. Tom Atingo
Chairman of the Board


.....
Sign

11/12/2024
.....
Date

6. Report of the Managing Director

Technology and automation

The company continues to undertake and embrace technology through automation of its operations. Currently the company uses (sera system) for its accounts reporting. The company has also digitized its titles for quick recovery and it's in the process of acquiring an ERP system.

Title documentation

The company has instituted measures to ensure that all the lands under its custody and its mother corporation ADC have titles.

Securing of land boundaries

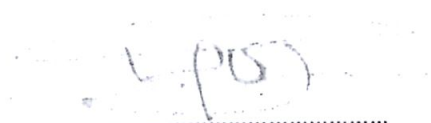
The company has instituted measures to secure our land boundaries by replacing beacons which have been missing in some of our farms. Our survey section which is under legal department has constantly sorted out boundary disputes with our neighbors with the assistance of various county surveyors and administrations.

Future plans

The company intends to put permanent fences to all its land so as to permanently secure the land from illegal invaders and squatters.

Dr. Wilson Tonui

MANAGING DIRECTOR



SIGN

11/12/2024

DATE

Corporate Governance Statement

Lands Ltd regards Corporate Governance as key to the success of its business operations and is unreservedly committed to applying the principles necessary to ensure that good governance is practiced in all of its business dealings in respect of its Customers, Stakeholders and Partners.

Our Corporate Governance policy functions are built in self-regulating mechanism which provides a framework to monitor and ensure statutory compliance, foster a culture of values and rewards the highest ethical standards and personal integrity.

We place a great deal of importance on the robust corporate governance practices and are committed to applying the highest standards of business integrity and professionalism in all our activities. The Company achieves this by using a risk based approach to establish a system of internal control and by reviewing the effectiveness of these controls on a regular basis.

The Company has formulated and applies corporate governance guidelines, which stipulates the responsibilities of management and the Board and relationships with stakeholders

B. Management Discussion and Analysis

The entity's operational and financial performance

The total turnover achievement was at 22% of the overall budget. The company's revenue is reliant on payment of old land debts where survey fees on allocated parcels of land is charged upon payment. During the year collection was low thus the Low revenue achieved.

Entity's compliance with statutory requirements

The Company has remained compliant in filing of the statutory returns by remitting monthly deduction within the set timelines.

Major risks facing the entity

The main risks are:

- I. Court cases relating to land matters.
- II. Invasion and encroachment by Squatters on the company's Land.
- III. Over-dependence on Parent Company ADC for support on its operations.

9. Environmental and Sustainability Reporting

Lands Ltd has continued to ensure land held in its custody is secure and free from grabbers and encroachment.

i) Sustainability strategy and profile

Lands Ltd management has ensured the Company's assets are secure through strategies such as;

- i) Processing of title deeds
- ii) Gazettement of all parcels of land
- iii) Ensuring the land is put under productive use.

ii) Environmental performance

Despite the above policies, the company has continued to face challenges of encroachment and grabbing that has resulted in litigations and unwarranted costs of evictions. However, the Company in collaboration with the Ministry of Agriculture and Livestock Development and the Office of the Attorney General is working to ensure a permanent solution is found for this menace.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Lands Limited affairs.

i) Principal activities

The principal activities of the Lands Limited is to safeguard the government land under its name.

ii) Results

The results of the Company for the year ended 30th June, 2024 was a Loss of Ksh 1.46 Million as set out on pages 1 and the notes thereof.

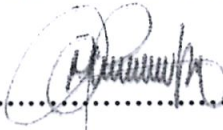
iii) Directors

The members of the Board of Directors who served during the year are shown on page VII & X.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the Company in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, the Auditor General to continue in office.

By Order of the Board


.....

Mr. Rodgers Karumpu

Corporation Secretary/Secretary to the Board

11. Statement of Directors Responsibilities

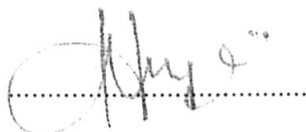
The Lands Limited established under Companies Act, Cap. 486 of the Laws of Kenya requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. It also requires the directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and the related operating profit. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

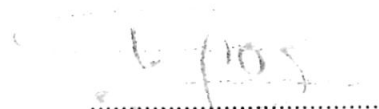
Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of these statements.

Approval of the financial statements

The Company's financial statements were approved by the Board of Directors on 14/06/2024 and signed on its behalf by:



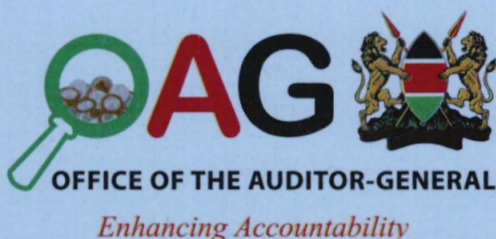
Mr. Tom Atingo
Chairman of the Board



Dr. Wilson Tonui
Managing Director

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LANDS LIMITED FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Lands Limited set out on pages 1 to 17, which comprise the statement of financial position as at 30 June, 2024 and the statement of comprehensive income, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Lands Limited as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Anomalies in the Financial Statements

A review of the financial statements submitted for audit revealed the following anomalies;

- i. In the statement of financial position, Net assets was not computed as required by the financial reporting template.
- ii. Reflected in the statement of financial position is current account with parent Corporation of Kshs.554,764,000 which was fully supported under Note 8 of the financial statements
- iii. In the statement of cash flows for the year, cash and cash equivalent at the end of Kshs.68,000 and cash from parent company (Agricultural Development Corporation) of negative Kshs.94,164,000 that did not have corresponding notes.
- iv. Note 5 on cash and cash equivalents did not contain the bank account number.

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

2.0 Cash and Cash Equivalent

2.1 Lack of a Board of Survey

The financial statements reflect cash and cash equivalent reflects Kshs.682,000 and as disclosed under Note 5 to the financial statements. However, Company operated one bank account in a commercial bank but the board of survey to confirm the cash on hand and bank balance as at the close of the financial year was not provided for audit. This is

contrary to circular ref AG.3/88/vol.II(32) dated 25 May 2024 which directed that all accounting officers should appoint a board of survey to examine and verify the cash on hand and the bank balances as the close of business on the last working day 30 June 2024.

In the circumstances, accuracy and completeness of cash and cash equivalent of Kshs.682,000 could not be confirmed.

3.0 Long Outstanding Receivables from Exchange Transactions

The financial statements reflect receivables from Exchange transactions totalling Kshs.20,276,000 and as disclosed under Note 6 to the financial statements. The balance includes trade debtors, specific provision and non-trade debtors totalling to Kshs.20,291,000, Kshs.537,000 and Kshs.522,000 respectively. A review of the supporting schedules and aging analysis indicated that there were long outstanding trade debtors amounting Kshs.19,754,190 of which there was no evidence that any mitigation measures had been taken during the financial year to recover these long outstanding debts.

In the circumstances the accuracy and recoverability of Kshs.20,276,000 could not be confirmed

4. Unconfirmed Land Ownership

The financial statements reflect property, plant and equipment balance of Kshs.483,861,000 and as disclosed under Note 7 to the financial statements. As previously reported, included in the balance are farms belonging Lands Limited managed by Agricultural Development Corporation and leased lands with net book value of Kshs.483,602,000 and Kshs.220,000 respectively whose valuation report and documents were not provided for verification.

Further, the three (3) parcel of lands located in Kitale and Naivasha were not included in the asset register yet the title deed indicated that Land Limited owned it.

In the circumstances, ownership of the property, plant and equipment with net book value of Kshs.483,861,000 could not be confirmed.

5. Unsupported Grants

The statement of financial position reflects grants balance of Kshs.55,694,000 whose documentation was not provided for audit review. Although the Management has explained that the amount relates to long term financing provided by the Government of Kenya to facilitate the initial acquisition of land from the white European settlers for redistribution to the local population after independence. It is not clear how the grant was approved.

In the circumstances, the accuracy and regularity of the grant of Kshs.55,694,000 could not be confirmed.

6. Failure to Separate Activities of Lands limited from the Parent Company

The statement of financial position reflects current account balance with the parent Corporation of Kshs.554,764,000. This relates to payment of expenses and other transactions with the parent corporation as previously reported, the cashbook for the National Bank account revealed that the recorded transactions were for the Agricultural Development Corporation's (ADC's) and not Lands Limited.

Management has not provided any explanation why Lands Limited operated as directorate operations of ADC instead of a separate subsidiary.

In the circumstances, rights to the balances could not be confirmed and no segregation between the parent company and the subsidiary (Lands limited) was seen.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Lands 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.

Key Audit Matters

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

Other Information

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

In connection with my audit on the Corporation'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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

As required by the Kenyan 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. In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and
- iii. The Company's financial statements are in agreement with accounting records and returns.

Responsibilities of the Management and Board of Directors

The 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 the 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, the 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 the Management is aware of the intention to cease operations.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


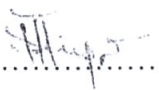
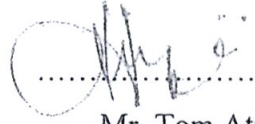
31 December, 2024

LANDS LIMITED
Annual Report and Financial Statements
For the year ended June 30, 2024.

THE GOVERNMENT OF KENYA
 MINISTRY OF LANDS AND PHYSICAL DEVELOPMENT

		2023-2024	2022-2023
Revenue from exchange transaction	Notes	KSH '000'	KSH '000'
Miscellaneous Income	1	445	-
Total Revenue		445	-
Expenses			
Employment Costs	2	2,203	1,422
Provision for Audit Fees	3	120	120
Bank Charges	4	180	585
Depreciation Expense	7	23	28
Total expenses		2,526	2,155
Net Profit/ (Loss)		(2,081)	(2,155)

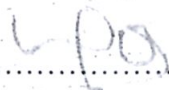
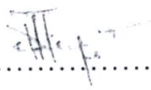
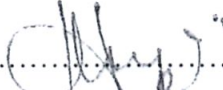
The notes set out on pages 6 to 12 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

		
.....
Dr. Wilson Tonui	Mr. Jonathan Keitany	Mr. Tom Atingo
Managing Director	Head of Finance	Chairman of the Board
	(ICPAK M/NO. 15114)	
Date: 11/12/2024	Date: 11/12/2024	Date: 11/12/2024

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2024

ASSETS	NOTE	2023-2024	2022-2023
		KSH '000'	KSH '000'
Current assets			
Cash and cash equivalents	5	682	96,783
Receivables from exchange transaction	6	20,276	20,276
		20,959	117,059
Non-current assets			
Property, Plant and Equipment	7	483,861	483,884
Current Account with Parent Co.	8	554,764	460,601
		1,038,625	944,485
Total Assets		1,059,584	1,061,544
Liabilities			
Current liabilities			
Trade & other payables from exchange	9	3,334	3,214
		3,334	3,214
Total Liabilities		3,334	3,214
Net Assets		1,056,250	1,058,330
Ord. Shares @20		20	20
Grants		55,694	55,694
Capital Reserves	10	12,775	12,775
Revaluation Reserves	11	447,701	447,701
Accumulated Surplus/ (Deficit)		540,059	542,140
Total		1,056,250	1,058,330
Total net assets and liabilities		1,059,584	1,061,544

The notes set out on pages 6 to 12 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

		
Dr. Wilson Tonui	Mr. Jonathan Keitany	Mr. Tom Atingo
Managing Director	Head of Finance	Chairman of the Board
	(ICPAK M/NO. 15114)	
Date: 11/12/2024	Date: 11/12/2024	Date: 11/12/2024

LANDS LIMITED
Annual Report and Financial Statements
For the year ended June 30, 2024.

17 STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Grant Reserves	Capital Reserves	Revaluation Reserve	Profit/ Loss	Total
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'
Balance As At 30th June 2022	20	55,694	12,775	447,701	544,295	1,060,485
Surplus/ (Loss) for the year	-	-	-	-	(2,155)	(2,155)
Balance As At 30th June 2023	20	55,694	12,775	447,701	542,140	1,058,330
Transfers to/from accumulated	-	-	-	-	(2,081)	(2,081)
Balance as at 30th June 2024	20	55,694	12,775	447,701	540,059	1,056,249

16. STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2023-2024 KSH '000'	2022-2023 KSH '000'
Net Surplus/(Loss) for the year		(2,081)	(2,155)
Adjustments for:			
Depreciation	7	23	28
Operating profit before working capital changes		(2,058)	(2,127)
Increase/(decrease) in debtors & creditors			
Debtors	6	-	1
Creditors	9	120	120
		120	121
Cash generated from operations		(1,938)	(2,006)
Cashflows from financing activities			
Cash from parent Company ADC	8	(94,164)	93,987
Net increase in cash and cash equivalents		(96,100)	91,981
Cash & Cash equivalent at Beginning		96,782	4,801
Cash & Cash equivalent at the end		682	96,782

LANDS LIMITED
Annual Report and Financial Statements
For the year ended June 30, 2024.

	Original Budget	Adjustments	Final Budget	Actual	Variance	% of Utilization
Revenue	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	
Rendering of Services	2,000	-	2,000	445	1,555	22
	2,000	-	2,000	446	1,554	22
Expenses						
Employees Cost	1,794	-	1,794	1,428	366	80
Audit Fees	120	-	120	120	0	100
General Expenses	1,110	-	1,110	180	930	16
Depreciation	71	-	71	23	48	
Total expenditure	3,095	-	3,095	1,751	1,344	57
Surplus/(Loss) for the period	(1,095)	0	(1,095)	(1,305)	210	

III. NOTES TO THE FINANCIAL STATEMENTS
Summary of significant accounting policies

1. Statement of compliance and basis of preparation

The Company's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the company and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

Reporting Company

Lands Ltd is a company incorporated under the company's Act Cap 486 and it's fully owned by Agricultural Development Corporation which is a body corporate incorporated in Kenya under Cap 444 of the laws of Kenya and is domicile in Kenya.

(a) Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost. All the property, plant and equipment are stated at historical cost less depreciation.

Depreciation has been charged on the book value of fixed assets at the following rates:-

Land	Nil
Motor vehicles and tractors	25% p.a.
Leased Farm	2.5% p.a.

b) Property, plant and equipment

All Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment require to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Contingent liabilities

The Company didn't have any contingent liability. However, in case of any contingencies details are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Company did not have any contingent asset. However, In case of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company discloser is made in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

c) Nature and purpose of reserves

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

d) Changes in accounting policies and estimates

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

e) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENT (CONT'D)

f) Related parties

The Company regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Company, or vice versa.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances is at National bank of Kenya.

j) Comparative figures

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

k) Significant judgments and sources of estimation uncertainty

The preparation of the Company financial statements in conformity with IPSAS 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.

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. IPSAS 1.140

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

l) Subsequent events

There have been no material non-adjusting events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

j) Statement of Comparison of Budget

The Company prepared a statement of comparison of budget and actuals though all its operations are budgeted and fully financed by the Parent Company (ADC)

LANDS LIMITED

Annual Report and Financial Statements
 For the year ended June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

1. Miscellaneous Income

This relates to income paid to the company by
 Land allottees as settlement of allotment fees.

	2023-2024 Kshs '000'	2022-2023 Kshs '000'
Miscellaneous Income	445	-

2. Employee costs

	2023-2024 Kshs '000'	2022-2023 Kshs '000'
Salaries	812	735
NSSF	37	14
Leave Expenses	8	8
House Allowance	360	343
Commuter allowance	156	149
Responsibility allowance	-	-
Travelling & Subsistence	620	-
Pension contribution	62	57
Gratuity	129	116
NITA	1	-
Affordable Housing Levy (AHL)	18	-
Total	2,203	1,422

3. Provision for Audit fees for the Office of the Auditor General

	2023-2024 Kshs.'000'	2022-2023 Kshs.'000'
Audit fees	120	120

4. Bank Charges

	2023-2024 Kshs.'000'	2022-2023 Kshs.'000'
Bank Charges	180	585

NOTES TO THE FINANCIAL STATEMENTS (CONT)

5. Cash and cash equivalents

	2023-2024 Kshs 000	2022-2023 Kshs 000
National Bank of Kenya A/c no:	682	96,782

6. Receivables from exchange transactions

	2023-2024 Kshs '000	2022-2023 Kshs '000
Trade Debtors	20,291	20,291
Specific provision	(537)	(537)
	19,754	19,754
Non - Trade	522	522
	20,276	20,276

7. PROPERTY, PLANT & EQUIPMENT (PPE)

COST	Farms Kshs '000'	Leased Kshs '000'	Vehicles Kshs '000'	Totals Kshs '000'
At 1st July 2022	483,602	454	5,400	489,456
At 30th June 2023	483,602	454	5,400	489,456
At 30th June 2024	483,602	454	5,400	489,456
DEPRECIATION				
At 1st July 2022	-	234	5,310	5,544
Charge for the year	-	6	22	28
At 30th June 2023	-	240	5,332	5,572
Charge for the year	-	6	17	23
Disposals	-	-	-	-
At 30th June 2024	-	246	5,349	5,595
NET BOOK VALUE				
As At 30th June 2024	483,602	208	51	483,861
As At 30th June 2023	483,602	214	68	483,884

LANDS LIMITED

Annual Report and Financial Statements
for the year ended June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

8. Current Account- Lands Ltd

This is a control account that reflects the financial transaction between the Subsidiary Company (Lands Ltd) and Its Parent Company ADC (Agricultural Development Corporation). Kshs 194,164,000 reflects all the money transacted through the account that links the subsidiary and the parent company.

9. Trade and other payables from exchange transactions

	2023- 2024 Kshs'000	2022- 2023 Kshs'000
Non-trade creditors	3,334	3,214
Total trade and other payables	3,334	3,214

10. Capital Reserve

Reserves comprise the General Reserve Fund taken over from Agricultural Settlement Fund - 1976 net of Government Trust Fund on farms taken over from Agricultural Settlement Trust.

11. Revaluation Reserves

Revaluation reserves relates to a revaluation surplus on two farms LR. Nos. 5337,5345, 855/3,0297, 5345/2,5345/3,8855/R in ADC Olngatongo Farm and L.R No. 2043/2 ADC Sabwani

19. Appendices

Appendix I: Implementation Status of Auditor General's 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>Failure to Separate Activities of Lands Limited from the Parent Company</p> <p>The statement of financial position reflects cash and cash equivalent balance of Kshs. 96,783,000 as disclosed in Note 5 to the financial statements. As previously reported, the cashbook for the National Bank account revealed that the recorded transactions were for the parent company – Agricultural Development Corporation and not Lands Ltd.</p> <p>Management has not provided any explanation why Lands limited operated as directorate of ADC instead of a separate subsidiary.</p> <p>In the circumstances the accuracy and ownership of the cash and cash equivalent balance of Kshs.96,783,000 and transactions in the account could not be confirmed</p>	<ul style="list-style-type: none"> • Cash & Cash equivalent <p>The cash and cash equivalent reflected in the financial statements of Kshs.96,783,000 held at National Bank of Kenya was revenues received by Lands Ltd on behalf of ADC. This relates to payment of transactions that belonged to ADC but at the same time, the ADC as parent company, facilitated payment of salaries, allowances and other staff benefits on behalf of Lands Ltd which stands at Kshs 1.5 Million as stated in the statement of financial performance.</p> <ul style="list-style-type: none"> • Lands Ltd as a subsidiary <p>Lands Ltd is a subsidiary of ADC with full control of its activities. Ownership of cash and cash equivalent balance held by Lands Ltd at end of the financial year</p>	Resolved	

LANDS LIMITED

Annual Report and Financial Statements
For the year ended June 30, 2024.

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)
		belonged to ADC.		
2.	<p>Unconfirmed Ownership of Land</p> <p>The statement of financial position reflects property, plant and equipment a balance of Kshs.483,884,000 as disclosed in Note 7 to the financial statements. As previously reported, Included in the balance are farms belonging to Lands Ltd managed by Agricultural Development Corporation and leased lands with a net book value of Kshs.483,602,000 and Kshs.220,000, respectively whose valuation report and documents were not provided for verification.</p> <p>In the circumstances, ownership of the Property, Plant and Equipment with net book value of Kshs.483,884,000 could not be confirmed.</p>	<p>As disclosed under Note 7 of the financial statements, the Farms belonging to Lands Ltd managed by Agricultural Development Corporation are valued at NBV of Kshs 483,602,000 and those leased are valued at NBV of Kshs. 214,000 while vehicles are valued at Kshs 68,000 all totaling to Kshs 483,884,000.</p> <p>The fixed asset register for Movable assets that belong to Lands Ltd were all availed during audit.</p> <p>Title deeds for lands Ltd were also availed during audit review.</p>	Resolved	
3.	<p>Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position reflects receivables from exchange transactions balance of Kshs.20,276,000 and as disclosed in Note 6 to the</p>	<p>Long outstanding receivables</p> <p>The long outstanding receivables are amounts owed by land allottees who were given allotment letters but they have not cleared the required allotment fees.</p>	On-going	30 th June 2025

LANDS LIMITED

Annual Report and Financial Statements

For the year ended June 30, 2024.

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>financial statements. As previously reported, the aging analysis provided revealed that the balance has been outstanding for more than one year and amounts totaling Kshs.14,542,464 owing from twelve (12) debtors had been outstanding for over sixteen (16) years. In addition, the receivables balance includes non-trade debtors amounting to Kshs.522,000 out of which, an amount of Kshs.315,117 described as loss of cash and stores has been long outstanding.</p> <p>In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs 20,276,000 is doubtful and the accuracy and fair statement of the balance could not be confirmed.</p>	<p>The Corporation has not been able to demand these debts for reason that the management is in the process of reviewing the rates in view of escalated value of the land over the years. The management is in the process of seeking board approval to write off the long outstanding amounts of Kshs 315,117 which is reflected as loss of cash and stores.</p>		
4.	<p>Unsupported Grant Reserves</p> <p>The statement of financial position reflects grants reserves balance of Kshs.55,694,000. However, as previously reported, details on source and purpose of the grants that has been appearing in the ledgers since 1994 were not provided.</p>	<p>Grant balance of Kshs. 55,694,000.</p> <p>These amount relates to money provided by the Government of Kenya to facilitate the initial acquisition of Land from the white settlers for re distribution to the local population after independence.</p>		

LANDS LIMITED

Annual Report and Financial Statements
 For the year ended June 30, 2024.

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 balance of Kshs.55,694,000 in respect of grants received could not be confirmed.			
5	<p>Long outstanding Payables</p> <p>The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs 3,094,000 and as disclosed in Note 9 to the financial statements. As previously reported, Included in the balance are accrued audit fees of Kshs 3,040,000 that have been outstanding since 1995. No explanation was provided on why the company has not paid audit fees for over 28 years.</p> <p>In the circumstances, Management control over liabilities were not effective.</p>	<p>We concur with the Auditor General's observation.</p> <p>The Company has not been generating enough revenue from its operations and has mainly relied on the parent Company ADC for support. The Management is considering liquidating this company and transferring the parcels of land to ADC to avoid further accumulation of this debt. Nonetheless, the management remains committed to ensuring this debt is settled as the process of dissolving the subsidiary is still underway.</p>	On-going	30 th June 2026
6.	<p>Lack of Strategic Plan</p> <p>As previously reported, it was noted that the entity did not have a strategic plan to guide its operations for optimal resources utilization.</p>	<p>Since lands Ltd is a subsidiary of ADC, its operations were mainly aligned with those of ADC. The strategic plan that was developed by</p>	Resolved	

LANDS LIMITED
Annual Report and Financial Statements
For the year ended June 30, 2024.

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 Corporation's risk management practices may not be effective.	ADC to guides its operations equally applies to Lands Ltd and thus no specific strategic plan for lands ltd.		

(Handwritten signature)

Dr. Wilson Tonui

Managing Director

Date: 11/12/2024