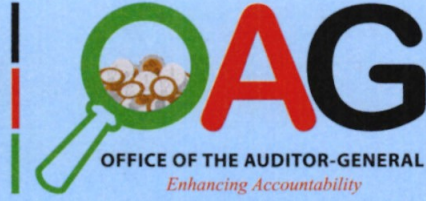



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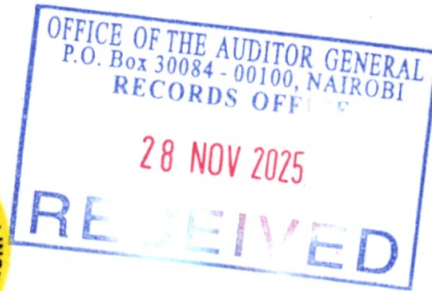
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	
DAY: WEDNESDAY	
TABLED BY:	LEADER OF MAJORITY PARTY (Hon. KIMANI ICHUNGWAA)
BY-TABLE:	J. LEMPELLE

THE AUDITOR-GENERAL

ON

**KENYA VETERINARY VACCINES
PRODUCTION INSTITUTE**

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



KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Prepared in accordance with the IFRS Accounting Standards

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Table of Contents

1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information	iii
3. The Board of Directors	vi
4. Management Team	xvi
5. Fiduciary Management	xx
6. Fiduciary Oversight Arrangements	xx
7. Chairman’s Statement	xxi
8. Report of the Managing Director	xxii
9. Statement of Performance Against Predetermined Objectives for FY 2024/2025.....	xxiii
10. Corporate Governance Statement	xxvii
11. Management Discussion and Analysis	xxix
12. Environmental and Sustainability Reporting.....	xxxiv
13. Report of the Directors	xxxvi
14. Statement of Directors’ Responsibilities.....	xxxvi
15. Report of the Independent Auditors on the Financial Statements for KEVEVAPI FY 2024/25	xxxvii
16. Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June, 2025.....	1
17. Statement of Financial Position as at 30 June 2025.....	2
18. Statement of Changes in Equity for the Year Ended 30 June 2025.....	3
19. Statement of Cash Flows for the Year Ended 30 June 2025	4
20. Statement of Comparison of Budget and Actual Amounts for the Period Ended 30 June 2025.	5
21. Notes to the Financial Statements.....	7
22. Appendices.....	30
Appendix 1 Progress on Follow up of Auditor Recommendations	30
Appendix II: Projects Implemented by Entity.....	39
Appendix III: Inter-Entity Transfers	39
Appendix IV: Reporting of Climate Relevant Expenditures.....	40
Appendix V: Disaster Expenditure Reporting Template.....	41

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

1. Acronyms and Definition of Key Terms

A. Acronyms

FY	Financial Year
GMP	Good Manufacturing practices
GOK	Government of Kenya
IFRS	International Financial Reporting Standards
KALRO	Kenya Agricultural and Livestock Research Organization
KEVEVAPI	Kenya Veterinary Vaccines Production Institute
M	Million
MD	Managing Director
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
VMD	Veterinary Medicine Directorate

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information

(a) Background information

The Kenya Veterinary Vaccines Production Institute (KEVEVAPI) was established under State Corporation Act, Cap 446 of the laws of Kenya on 5th March 1990 through legal notice No. 223 of 4th June, 1990. The Institute was subsequently put under KARI management in July 2003 through Presidential Circular No. 3/2003 until July 2008 when it reverted to its original status. It falls under the Ministry of Agriculture and Livestock Development, State Department of Livestock.

(b) Principal Activities

The mandate of The Institute is to perform the following functions: -

- 1) Co-ordinate and take charge of all veterinary vaccines production in the country.
 - 2) Research, either alone or in collaboration with other research institutions, into new innovations of veterinary vaccines production.
 - 3) Develop and produce chemicals, media and laboratory products for use in the production of vaccines and other veterinary products.
 - 4) Market and distribute veterinary vaccines locally and abroad.
 - 5) Provide information in the field on the suitability and effectiveness of veterinary vaccines.
- The vision of the Institute is to be an Institution of excellence and the preferred provider of high quality, affordable veterinary vaccines and services contributing to an improved quality of life for all Kenyans. Its mission is to develop safe, efficacious and affordable veterinary vaccines for the improvement of the livestock industry. It further strives to contribute complementary products and services in control of livestock diseases.

(c) Directors

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

1. Prof. Kimathi Mbogori Kigatiira	Chairman	Appointed on 20/04/2023 – 7/03/2025
2. Dr. Alex Sabuni	Managing Director	Appointed on 10.02.2023
3. Mr. Humphrey Itotia	Independent Director	Appointed on 20/04/2023
4. Dr. Daniel Senerwa	Independent Director	Appointed on 20/04/2023
5. Dr. Jerono Kiptanui	Independent Director	Appointed on 20/04/2023
6. Dr. Sam Okuthe	Independent Director	Appointed on 20/04/2023
7. Ms Mary Kamau	Independent Director	Appointed on 20/04/2023
8. Mr. Stephen Lenarokushu	Independent Director	Appointed on 20/04/2023
9. Mr. Protus Sigei	Alternate Director	Principal Secretary National Treasury

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

10. Dr. Romona Ndanyi	Alternate Director	Principal Secretary State Department of Livestock
11. Dr. Everlyne Cheptarus Kirwa	Alternate Director	Director General, Kenya Agricultural and Livestock Research Organization –KALRO.
12. Dr. David Changwony	Alternate Director	Director General, Kenya Agricultural and Livestock Research Organization –KALRO.
13. Mr. Victor Momanyi	Alternate Director	Inspector-General (Corporations)

(d) Legal Officer

Ms. Leah Kiarie
P.O. Box 53260-00200
Nairobi

(e) Registered Office

Kenya Veterinary Vaccine Production Institute
Road 'A', Off Enterprise Road, Industrial Area
P.O. Box 53260-00200
Nairobi. Kenya

(f) Corporate Headquarters

Kenya Veterinary Vaccine Production Institute
Road 'A', Off Enterprise Road, Industrial Area
P.O. Box 53260-00200
Nairobi. Kenya

(g) Corporate Contacts

Telephone Number: 020 3540071 Cell 0724651895
vaccines@kevevapi.or.ke
www.kevevapi.or.ke

(h) Corporate Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 0020
Nairobi, Kenya

2. Other Bankers

Kenya Commercial Bank
KICC Branch
P.O. Box 46950-00100
Nairobi.
Tel.020214778, Fax 337650
Account No. 1109016492
Account No 1102301108

Kenya Commercial Bank
Moi Avenue Branch
P.O. Box 30081-00100
Nairobi.
Tel: 20244939, Fax.20244939
Account No.1107172764

i Independent Auditors



Auditor-General

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

j. Principal Legal Adviser

The Attorney General
State law office, Harambee Avenue
P.O. Box 40112 - 00200
Nairobi, Kenya

3. The Board of Directors



 <p>Hon. Abdi Mude Ibrahim Chairman Board of Directors Key Academic Qualifications MBA (Health) - Keele University (UK), Bachelors in Health Service Management - Birmingham University UK</p>	<p>Date of Birth: 15.06.1956 Work Experience:</p> <ul style="list-style-type: none"> Chairman, Board of Directors, KEVEVAPI – 11 July 2025 Member of Parliament, Lafey Constituency - 2017 - 2022 Commissioner, Electoral Commission of Kenya 2007 - 2008 Regional Coordinator, National AIDS Control Council - 2003 - 2006 Chairman, Kenya National Library Services - 2002 - 2004 Programme Officer, EPAG - 2001 - 2002 Project Manager, Catholic Relief Services Kenya - 1997 - 2000 Project Manager, AMREF - 1993 - 1995 Health Manager, Ministry of Health - 1982 - 1991 General Nurse, Ministry of Health - 1978 – 1981
 <p>Prof. Kimathi M. Kigatiira Chairman Board of Directors Key Academic Qualifications MD, MMED, MB, CHB, (UoN), MA (ADELAIDE), MMHS (Coventry), Dip CC Psych, Dip. Psychoth. (UD), AM (Emoly), QIHO, HOBS, BMHO, HDHS (Rotigers), PPP (Illinois).</p>	<p>Date of Birth: 6.02.1953 Work Experience:</p> <ul style="list-style-type: none"> Chairman, Board of Directors, KEVEVAPI – 2023 to March 2025 Professor of Medicine – Mount Kenya University Consultant Psychiatrist and Mental Health Specialist Neuroscientist, Neuroanatomist and Addiction Medicine Specialist Psychotherapist Consultant Psychiatrist – Apex Specialist – Thika Accredited Specialist Psychiatrist and Mental Health by Kenya Medical Practitioners and Dentist Board Registered Medical Practitioner by Kenya Medical Practitioner and Dentist Council <p>Other Positions Held</p> <ul style="list-style-type: none"> 1981 – 1982: Intern, Provincial Hospital, Nyeri 1982 – 1984: MOH, Gatundu Hospital 1984 – 1986: Medical Officer In-charge of Medical Department Chogoria Hospital 1986 – 1990: Senior House Officer – Mathari Hospital

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<ul style="list-style-type: none"> • 1986 – 1990: Registrar (MMED) University of Nairobi • 1990 – 1993: Medical Officer In-charge of Medical and Mental Health Nkubu Hospital • 1993 – 1996: Consultant in-charge of Meru Medical Center • 1996 – 2004: Consultant, Meru Medical Center and Nursing Home • 2005 – 2010: Founding Dean, Faculty of Health Sciences - KEMU • 2007 - 2010: Chairman, Department of Clinical Medicine - KEMU • 2010 – 2011: Academic Head, Health Science Programs – Mount Kenya University • 2011 – 2014: Principal, Nairobi Campus - Mount Kenya University • 2014 – 2017: Founding Dean, Medical School – Mount Kenya University • 2017 – 2020: Chairman, Alcohol Board – Meru County • 2017 to Date: Head Mental Health Department - Mount Kenya University • Member, Njuri Ncheke Council of Elders
 <p>Dr. Daniel Senerwa Key Qualifications: Master of Science in Veterinary Public health; Bachelor of Veterinary Medicine.</p>	<p>Date of Birth: 20.03.1959</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023) & Chairperson, Finance, Human Resource and Administration Committee. Of the Board. • Lecturer in Veterinary Public health at Department of Veterinary Public health, Pharmacology and Toxicology, Faculty of Veterinary Medicine, University of Nairobi from 1989 to date.

 <p>Mr. Humphrey Itotia Key Qualification- MBA from The Institute of Technology Australia, BA-Limkokwing University, Malaysia, CPA</p>	<p>Date of birth: 15.11.1958</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023) & Chairperson, Audit committee of the Board. • 2015-current- Managing Director, Relanko Limited- A construction company dealing in both general construction and civil works and advising startups in financial management. • 2013-2014: Finance Manager- Kenya Veterinary Production Institute. • 1990-2013: Senior Accountant-KEVEVAPI • 1981-1989: Accountant-Welcome Institute for research on foot and mouth disease • 1979-1980: Trainee Accountant-Longman Publishers <p>Skills</p> <ul style="list-style-type: none"> • Financial Monitoring and Evaluation • Strategic decision-making impacting on current and future planning • Good analytical skills to interpret information for effective decision making • Adaptable to change
 <p>Dr. Jerono Kiptanui</p> <p>Key Qualification: (BVM, MPH, MKVB), PhD in Veterinary Public Health (University of Nairobi), Masters in Public health (Epidemiology</p>	<p>Date of Birth: 20.1.1971</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023) & Chairperson, Technical and Strategy Committee of the Board. • A veterinarian with over 18 years of experience in civil service where she worked as a veterinary officer for the Ministry of Livestock from 1997-2015. Her exemplary performance in the livestock sector saw her rise the ladder from being a divisional Veterinary Officer to being a County Director of Veterinary Services- Nandi County. • 2015- to date -A lecturer and researcher at the School of Agriculture and Natural Resources (Animal Science and Management), Moi University.

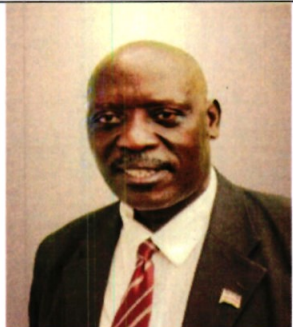
**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

<p>and Disease control option) from Moi University.</p>	<ul style="list-style-type: none"> • Competencies include infectious disease epidemiology, surveillance, diagnosis and prevention/control. She also has demonstrated skills in community livestock outreach programs where she works with various actors in public and private sectors in development of support tools for managing disease risks and increased livestock productivity. • She is a reliable hard working and an excellent team player.
 <p>Mr. Protus Sigei, EBS Key Qualification: Masters of Science (University of York), B.A (Hons) Degree in Economics (with Mathematics) (University of Nairobi).</p>	<p>Date of Birth: 1st December 1965</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • November 2023: Appointed to KEVEVAPI Board as Alternate to PS Treasury; • Senior Deputy Director, Investment Division • Member of the Society for Benefit-Cost Analysis • Graduate of Australian Institute of Company Directors (GAICD). • He is also an alumnus of Queen’s University, Canada (Program on Investment Appraisal and Risk Analysis), and INSEAD (Competitive Strategy). • He has served in the boards of directors of several entities, during which he has served in various board committees, and chaired the HR and Credit Committees. • More than 30years of professional experience in management.
 <p>Mary W. Kamau, OGW Key Qualification:</p> <ul style="list-style-type: none"> • Bsc. Agriculture (Upper Second Class) - University of Nairobi (UoN) 	<p>Date of Birth: 15.7.1956</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023). • 1980 - Agriculture Officer II - Kitui District • 1980 - 1983 - Agriculture Officer II - Kitui district • 1983 - 1986 - Agriculture Officer I - Kitui district • 1986 - 1992 - Senior Agricultural Officer • 1992 - 1994 - Senior Agricultural Officer (As the District Agricultural Officer (DAO) Makueni) • 1994 - 1997 - Senior Agricultural Officer (Head of Beverage Crops) - Kilimo HQ • 1998 - 2004 - Assistant Director of Agriculture • 2004 - Senior Assistant Director of Agriculture (SADA)

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

<ul style="list-style-type: none"> • Post Graduate Diploma In Tropical Sericulture - Central Sericulture Research and Training Institute, Mysore - India • Senior Management Course - Kenya Institute of Administration (K.I.A.) • Sustainable Agriculture - Svalof Weibull Sweden • Strategic Leadership - Kenya Institute of Administration (K.I.A.) 	<ul style="list-style-type: none"> • 2005 - Deputy Director of Agriculture • 2006 - 2007 - Deputy Director of Agriculture Research Liaison Division (Deputizing the SDDA RELD) • April 2007 - June 2016 - Director of Extension and Training Ministry of Agriculture, Livestock & Fisheries <p>Previous Board Memberships</p> <ul style="list-style-type: none"> • Board Member of Agricultural Finance Corporation (AFC) • Board Member of Agriculture Development Cooperation (ADC) • Board Member of National Cereal and Produce Board (NCPB) • Board Member of Tea Board of Kenya (TBK) • Board Member of Coffee Board of Kenya (CBK) • Board Member of Cotton Board of Kenya (CBK) • Chairperson - Access Agriculture, an international NGO based in Belgium. • Chairperson - African Forum for Agriculture Advisory Services (AFAAS)
 <p>Dr. Sam Okuthe</p> <p>Key Qualification:</p> <p>BVM, (UON), MSc. in Applied Animal Health and Epidemiology, PhD. in Veterinary epidemiology and economics (both from Reading University, UK).</p>	<p>Date of Birth: 1961</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023) • 2021 to Date: The eastern and southern Africa regional epidemiology training coordinator since January 2021. • Since 1999, worked with the University of Nairobi as an external and internal examiner, supervising several MSc and PhD students successfully both in wildlife and veterinary science studies. • worked as a wildlife veterinarian for five years during my tenure at the National Veterinary Research Institute, Kenya. • Worked with the Department of Veterinary Services in the Ministry of Livestock Development within the Central Veterinary Laboratory (CVL) in Kenya and the national Veterinary Research Institute in Muguga, Kenya for 15 years. Rising from Veterinary officer to a Senior Research Officer heading the Veterinary and



**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<p>Epidemiology Unit within the Kenya Agriculture Research Organization.</p> <ul style="list-style-type: none"> • Worked for 6 years of duty in Somalia where I worked with an NGO Terra Nuova where I was involved in the establishment of a Ministry of Livestock in Somaliland and training of Veterinarians in the whole of Somalia followed by surveillance of major transboundary animal diseases that included Rift Valley fever, Rinderpest, FMD, CBPP, CCPP and PPR among others. • Worked for 2 years as a National Epidemiologist for FAO-Kenya during the avian influenza scare. • Regional ECTAD epidemiologist for Eastern Africa for 11 years before relocating to Uganda as a country team leader for ECTAD for 3 years.
 <p>Mr. Victor M. Momanyi, OGW</p> <p>Key Qualification: Master of Public Sector Management-Africa University (AU)-Zimbabwe (2010-2012), Leader- East African Community Students BED-(Economics) KU</p>	<p>Date of Birth: 21.9.1967</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • KEVEVAPI Board member -Representing State Corporations Advisory Committee (SCAC) • 2017-Date: Deputy Inspector General (Investigations)-Inspectorate of State Corporations Cabinet Affairs Office. • 2012-2016- Senior Efficiency Monitoring Officer, Efficiency Monitoring Unit Cabinet Affairs Office- Spearheaded Efficiency and Effectiveness as well as Accountability in Public Resources Management in MDAs • 2007-2011 Assistant Director- Quality Assurance and Standards-MOE • Real time oversight on Management Practices, induction/ training of staff, participate in task Forces, attendance of Public Investment Committee (PIC) meetings, Project inspection, Surcharge and Restitution, Restructuring/ Re-establishment of Public Enterprises and restructuring of Departments.


**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

 <p>Dr. Harry Oyas</p> <p>Key Qualification: BVM (UON), MSc (University of London)</p>	<p>Date of Birth: 29.9.1959</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • 2020- 2024- KEVEVAPI Board member (Alternate to PS State Department of Livestock) • 2016-2020- Deputy Director Veterinary Services, Head: Epidemiology and Economics Section, Directorate of Veterinary Services • 2008-2016- Senior Assistant Director of Veterinary Services, deputy head Epidemiology and Economics Section • 2014- Country focal person for Standard Methods and Procedures in Animal Health project • 2004 - 2006 – Project coordinator, Pan African Control for Epizootics Kenya, • 1990 – 1996- District Veterinary Officer, Nyamira District • 1983- 1990- Field Veterinarian, Department of Veterinary Services.
 <p>Dr. Mary Romona Ndanyi</p> <p>Key Qualification: BVM (UON), MSc (University of Copenhagen).</p> <ul style="list-style-type: none"> • Senior Management Course - Kenya School of Government. • Strategic Leadership - Kenya School of Government 	<p>Date of Birth: 12.08.1971</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • 2024- Appointed KEVEVAPI Board member (Alternate to PS State Department of Livestock). • National Antimicrobial resistance (AMR) focal point for Animal Health. • Deputy Director Veterinary Services, Head: The National Veterinary Reference Laboratories, Kabete. • Over 25 years of extensive experience in the Ministry of Agriculture and Livestock Development as a field veterinarian, animal health researcher, and laboratory manager. • Instrumental in the fields of diagnostics and research, Laboratory Quality Management Systems (LQMS), disease control, and the advancement of antimicrobial stewardship. • A member of the National Antimicrobial Stewardship Interagency Committee (NASIC), she has made significant contributions in coordinating the



**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
• FOR THE YEAR ENDED JUNE 30, 2025.**

	<p>implementation of national policies and action plans to combat AMR.</p> <ul style="list-style-type: none"> • Certification as a TOT in Biorisk (Biosafety and Biosecurity) management and AMR surveillance and LQMS.
 <p>Dr. David Changwony</p> <p>Key Qualification:</p> <p>PhD Animal Nutrition (University of Bonn, Germany), MSc Animal Nutrition (University of Sydney, Australia), BSc Animal Production and Diploma Animal Health (Egerton University)</p>	<p>Date of Birth: 23.10.1966</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • 2019-2025: KEVEVAPI Board as Alternate to Director General, KALRO • 2023- Current: Director of Livestock systems at KALRO • 2014-2023: Institute Director, KALRO Sheep, Goats and Camel Research Institute • 2014: Deputy Centre Director, KARI Perkerra • 1999-2014: Research Officer, KARI Lanet /Perkerra • 1990-1999: Technical Officer, KARI Lanet
 <p>Dr. Everlyne Cheptarus Kirwa.</p> <p>Key Qualification:</p> <p>PhD Genetics and Plant breeding (UoN) MSc. Range Management, ecology option, BSC Range Management.</p>	<p>Date of Birth: 22.12.1978</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • 2025- Appointed to KEVEVAPI Board as Alternate to the Director General, KALRO. • March 2003 to Date: Working with Kenya agricultural and livestock research organization (KALRO) Currently, Chief Scientist. • 2018 to 2024: Assistant Director, Partnership and Business development. Formerly based at KALRO-Genetic Resources Research Institute (GeRRI). • 2003 to 2024: Project leader in APRP and AgriFI CS-APP and coordinator in KASAL. In response to the challenges of informal marketing and the lack of quality seed for range grasses in the local markets, I led the ASAL APRP project.





**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<ul style="list-style-type: none"> • 2003 to March 2018: KALRO Arid & Rangelands research Institute, range Resource Management & Ecology section. • 2012-2017: Focused on developing improved varieties from farmer preferred grass species. In collaboration with the then National gene bank of Kenya and National Museums of Kenya (NMK), I coordinated germplasm collection for various ASAL grass species, their conservation, characterization, evaluation and selection for variety registration. <p>Key Skills</p> <ul style="list-style-type: none"> • Project management, • Budgeting and financial management, • Project monitoring and evaluation, • Team management and stakeholder engagement. <p>These have been acquired through experience in project leadership and trainings attended.</p>
 <p>Mr. Stephen Lenarokushu Key Qualification: BSc. Applied statistics with computing</p>	<p>Date of Birth: 08.07.1996</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • An Independent Director of KEVEVAPI (wef 20/04/2023) & sales and marketing committee of the Board. • Food for the hungry: M&E Officer • USAID (NHP Plus): M&E Officer • Intern, National Drought Management Authority.





**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

 <p>Dr. Alex Sabuni</p> <p>Managing Director (MD) and Secretary to the Board, Key Qualification: MSc (UoN), BVM (UON)</p>	<p>Date of Birth: 26.9.1982</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • 2023/02 to date: Managing Director-KEVEVAPI; • 2021/11 to 2023/01: Deputy Director, Technical services, KEVEVAPI; • 2015- 2021: Chief Veterinary Officer and County Project Monitoring and Evaluation Officer, RPLRP, Narok County; • 2013/04-2015: District Veterinary Officer, Narok South; • 2011/05- 2013/03: Veterinary Officer, Narok South; • 2009/08- 2011/04: Livestock Programs Coordinator, Samaritan’s Purse International Relief; • 2009- 2009/07: Programs Manager, Kenya Veterinary Association, National Office;
 <p>MS. Leah Kiarie</p> <p>Key Qualification: LLM, LL. B, Post graduate Diploma (PgD), MCIArb, Advocate of the High Court.</p>	<p>Date of Birth: 17.8.1991</p> <p>Work Experience;</p> <ul style="list-style-type: none"> • April 2023-Date-Legal Officer KEVEVAPI • Jan 2018 – March 2023-Associate Advocate Jan 2018 – March 2023, Kiarie & Company Advocates • 2014 to 2015- Advocate Trainee, Kinyanjui Njuguna & Company Advocates




4 Management Team

MANAGEMENT	DETAILS
 <p>Dr. Alex Zephania Sabuni Lucheli MSc, BVM</p>	<p>Managing Director</p>
 <p>Mr. Peter Macharia Gitau MBA-Finance ((UoN), BCOM - Finance, FA, CPA, K</p>	<p>Head of Finance</p>
 <p>Dr. Michael Muthamia Kiraithe PhD (University of Freiburg) MSc. Biomedicine BSc. Biomedicine</p>	<p>Head of Research and Development Manager</p>
 <p>Mr. Frank Kibii Chepkilot BSC. Human Resource Management Diploma Personnel Management Certified Member IHRM</p>	<p>Ag. Head of Human Resource Management and Administration</p>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
▲ FOR THE YEAR ENDED JUNE 30, 2025.**

 <p>Ms. Leah Kiarie LLM, LL. B, Post graduate Diploma, (PgD), MCI Arb</p>	<p>Head, Legal Department</p>
 <p>Dr. Jones Mutua MSc- Applied Microbiology BVM,</p>	<p>Senior Production Officer- Kabete</p>
 <p>M/s Andia A. Khaseke MBA-((UoN), BED-Business Studies & Economics, CPAK,CIA,IRM.</p>	<p>Head of Internal Audit</p>
 <p>Mr. Phera Atieno Ouma MSc. Forensic Biochemistry, BSc in Biotechnology</p>	<p>Quality Assurance Manager</p>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

 <p>M/S Susan Mirugi MBA Marketing</p>	<p>Head of Sales and Marketing</p>
 <p>Mr. Charles Kiptoo MBM, BBM, DSCM, MKISM</p>	<p>Head of Supply Chain Management</p>
 <p>Mr. Bernard Kuria B. Philosophy-Mechanical Engineering Technology- Higher Dip. Mechanical Engineering-Plant Option. Dip. Mechanical Engineering-Plant Option.</p>	<p>Head of Engineering</p>
 <p>Mr. Moses Orwe MSc. Molecular Biology and Bioinformatics BSc. Biochemistry (Kenyatta University)</p>	<p>Ag. Senior Production Officer- Embakasi</p>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**



Mr. Samwel Mburu
BSC. Computer Information System, Cisco
Certified Network Associate (CCNA), CCNA-
Security, Application Security Specialist (IBM
Security Appscan V8.7)

Head of Information
Technology

5. Fiduciary Management

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

No.	Designation	Name
1	Managing Director	Dr. Alex Zephania Sabuni Lucheli
2	Head of Finance	Peter Macharia
3	Head of Research & Development	Dr. Michael Muthamia Kiraithe
4	Head of Internal Audit	Andia A. Khaseke
5	Head of Sales and Marketing	Susan Mirugi
6	Head of Administration	Geoffrey Simwa
7	Head of Procurement	Charles Kiptoo
8	Head of Production Embakasi	Phera Ouma
9	Head of Production Kabete	Dr. Jones Mutua
10	Head of Quality Control	Moses Orwe
11	Head of ICT	Samuel Mburu
12	Head of legal	Leah Kiarie

6. Fiduciary Oversight Arrangements

KEVEVAPI key fiduciary oversight arrangements include: -

- Audit, Risk and Compliance Board committee: This Board Committee hold meetings on a quarterly basis and help to monitor and give assurance on the activities of the institute.
- Finance, Human Resources and Administration Board Committee: This Board Committee hold meetings on a quarterly basis and oversight on the Financial performance and administration of the institute.
- Technical and Strategy Board Committee- This is a technical committee of the board holding its meetings quarterly and any other time as need arises and monitors the production activities of the institute.
- Sales and Marketing Board Committee: This is a technical committee of the board holding its meetings quarterly and any other time as need arises and monitors the sales and marketing activities of the institute.
- Full board- The Board holds meetings to provide direction and monitor management activities in every quarter of a financial year.
- Ministry of Agriculture and Livestock Development- Supervises operation of the Institute through the office of the PS and Director of Veterinary Services.
- Parliamentary Agricultural Committee: This is a parliamentary committee that provision of oversight over the budgeting process and appropriate estimates of revenue and expenditure on Assets and Liabilities;
- Parliamentary Investment Committee: Examines financial statements and other documents submitted to the National Assembly and make appropriate recommendations.

7. Chairman's Statement

Kenya Veterinary Vaccines Production Institute (KEVEVAPI) remains a leading entity in animal health innovation in Africa, with significant involvement in the production and distribution of veterinary vaccines. As the relationship between animal, human, and environmental health becomes increasingly acknowledged—reflected in the “One Health” approach—the Institute is strategically positioning itself to advance from a regional presence to an internationally recognized player in vaccine manufacturing. This development is underpinned by commitment to scientific rigor, sustainable practices, collaborative partnerships, and proactive engagement with emerging health challenges.

The Annual Report and Financial Statements for the year ended June 30, 2025 provide a thorough account of KEVEVAPI's activities, governance framework, financial performance, and strategic direction. Operating as a state corporation under the Ministry of Agriculture and Livestock Development, KEVEVAPI's mandate encompasses the production, marketing, and distribution of veterinary vaccines, conducting research, and disseminating information regarding vaccine efficacy in support of livestock health and productivity within Kenya and the broader region.

The Institute is governed by a Board of Directors appointed by the Cabinet Secretary of the Ministry of Agriculture and Livestock Development, with the Chairman appointed by the President. The Board comprises a non-executive chairman, independent directors, and representatives from the National Treasury, State Department of Livestock, and Kenya Agricultural and Livestock Research Organization (KALRO). The Board operates through four committees; Finance, Human Resource and Administration; Technical and Strategy; Sales and Marketing; and Audit, Risk Management and Assurance. During FY 2024/25, the Board held multiple meetings including full board and committee sessions, ensuring oversight of strategic and operational matters.

The Institute's strategic vision is aligned with prevailing global health imperatives. By advancing innovation, cultivating international partnerships, investing in workforce development, and upholding high standards of quality and sustainability, KEVEVAPI aims to transition from regional stewardship to global leadership. These initiatives are expected to enhance animal health, contribute to food security, foster economic growth, and support overall well-being.

For the financial year 2024/25, KEVEVAPI reported a pre-tax profit of Kshs. 93.514 million, representing a considerable turnaround from a loss of Kshs. 213.547 million in the previous year. This improvement resulted primarily from increased vaccine sales and the recovery of foreign markets.

The FY 2024/25 report notes enhanced financial outcomes attributed to market recovery, ongoing infrastructure improvements, and strengthened governance and institutional capacity. Sustained investment and government backing remain vital for modernizing operations, maintaining international certifications, and broadening access to vaccines in support of Kenya's livestock industry and regional trade.


.....
Chairman, Board of Directors: Hon. Abdi Mude Ibrahim

Date


.....

8. Report of the Managing Director

The Kenya Veterinary Vaccines Production Institute (KEVEVAPI) Annual Report for FY 2024/25 details key operations, governance, and financials. KEVEVAPI operates under the Ministry of Agriculture and Livestock Development, producing and distributing veterinary vaccines, conducting research, and supporting livestock health in Kenya and the region.

KEVEVAPI, founded in 1990 under the State Corporation Act, coordinates national veterinary vaccine production, research, and marketing. Its mission is to provide high-quality vaccines supporting livestock health, food security, and agricultural livelihoods in Kenya and neighboring regions. KEVEVAPI's vaccine portfolio covers major diseases like foot-and-mouth, lumpy skin, contagious bovine and caprine pleuropneumonia, *Peste des petits ruminants*, and poultry diseases.


Strategic objectives include enhancing production capacity, market access, research, governance, HR, financial sustainability, and ICT integration.

In FY 2024/25 saw improved finances, ongoing upgrades, and stronger governance at KEVEVAPI. Continued support and investment are needed for further modernization and growth in vaccine access and trade. In the reporting period, KEVEVAPI produced 33.9 million vaccine doses (target: 37 million), with maintenance and reagent delays affecting output. Sales revenue reached Kshs. 658.4 million (target: Kshs. 482 million), driven by successful re-entry into the Ugandan market.

Initiatives included R&D investment, Board training, risk reviews, and ICT upgrades. KEVEVAPI posted a pre-tax profit of Kshs. 93.5 M, reversing the previous year's loss; liquidity and margins improved, though production costs remain high due to energy and currency challenges. Assets exceed Kshs. 12.9B, but much of the infrastructure is outdated. Modernization, estimated at Kshs. 1.75B, is underway, funded internally where possible.

Key issues include old facilities, high production costs, market competition, legal disputes over land, and dependency on government campaigns and grants. KEVEVAPI upholds ethical standards, regular audits, compliance reviews, and transparent governance as per Kenyan regulations. Commitments include sustainable production, workplace safety, biosafety, farmer outreach, and inclusive procurement practices.

With the support of the Government in the rehabilitation of our aging plant and equipment, the Institute can compete competitively with other vaccine Institutes in Africa, Middle East, Asia and Europe.


Dr. Alex Zephania Sabuni
Managing Director

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

During the period under review, KEVEVAPI had key achievements which included enhancing/strengthening availability of animal vaccines and information on animal vaccines, market access and products utilization. Research and Innovation, Governance and Corporate Affairs, Human Resource Capacity, financial sustainability of The Institute and leveraging ICT in all operations. This is summarized below

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
To increase capacity for quality vaccine production	1) To enhance availability of animal vaccines and information on animal vaccines	Doses of vaccines produced Vaccines brochures distributed to stakeholders	-Increase Vaccine doses produced annually -Introduce new vaccines -Increase partnerships with reputable laboratories on franchising for vaccines - Upgrade plant and equipment - Improve energy management - Widen the scope of marketing - Install biometric access controls -Maintain and improve ISO 9001:2015 -Comply with Good - Manufacturing Practices (GMP) -Work towards achieving ISO 17025 Accreditation	KEVEVAPI was able to produce 33.9 million doses of vaccines against a target of 40.8 million doses. This fell short because there were dry spells experienced by our major Clients- County Governments in Kenya where the animals became weak to be vaccinated thus the low demand of vaccine. In addition, the delay in supply of critical vaccine blending reagents affected vaccine production Upgrading of infrastructure including tapping of solar energy The Institute maintained

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

				continuous improvement in ISO 9001:2015 and worked towards good manufacturing practices and ISO 17025 accreditation.
To increase market access for KEVEVAPI vaccine	To enhance market access and products utilization	vaccines sale Farmers engaged	Increased sales Participate in Farmers forums	Sales were Kshs. 658.4 million against a target of Kshs 482 m because the institution recovered its Uganda market where sales for the year to the market was Kshs. 483.321million.
Increase Investment in Research and Innovation	1) Upscale research in vaccines	-No. of qualified staff under research -Collaboration with other institutions and labs	Deployment of addition staff to R&D department Vaccine failure investigation Engage other organizations	More staff deployed to work in R&D e Held forums to educate farmers and stakeholders on handling vaccines. The forums included ASK shows and Farmers field days. Collaborated with KALRO
To strengthen Institutional Capacity	1) To strengthen Governance and Corporate Affairs	good corporate governance Improved institute visibility Minimized risks	Training Board of management on Governance, Finance, and Procurements Improving Institute Website Identifying Areas of Risks and minimization	Board Directors sensitized and trained on Governance, Finance, and procurements. Improve Institute Website

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

				Departments identified risks and sensitization of staff
To strengthen Institutional Capacity	2) To strengthen Governance and Corporate Affairs	good corporate governance Improved institute visibility Minimized risks	Training Board of management on Governance, Finance, and Procurements Improving Institute Website Identifying Areas of Risks and minimization	Board Directors sensitized and trained on Governance, Finance, and procurements. Improve Institute Website Departments identified risks and sensitization of staff
	3) To Strengthen Human Resource Capacity	optimal human resource levels No of staff trained Improve work environment and staff welfare Mainstream cross cutting issues.	Recruitment Training Conduct cross cutting sensitization Motivate staff	MD recruited and more staff recruited to help in vaccine production and support services. Staff trained on professional courses, GMP certification. Medical insurance in place
	4) To strengthen financial sustainability of the Institute	Enhance resource mobilization Manage resources prudently	Participate in resource bidding at the sector level Effect cost cutting measures	KEVEVAPI was not given a development grant in the year under audit. Reduced costs as evidenced in the financial statements

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025.**

	5) To leverage ICT in all operations	Automate KEVEVAPI's operations Enhance security of information systems	ERP Implementation Use of e citizen platform	Sales & Marketing, Procurement and Finance and Accounts Departments are fully integrated.
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10. Corporate Governance Statement

KEVEVAPI upholds the principles of good governance, emphasizing transparent management and effective oversight as foundational elements for the creation of long-term value. These principles benefit the Institute, its employees, stakeholders, and society at large by supporting sustainable and enduring value generation. Clearly defined roles and responsibilities foster trust among stakeholders through consistency and reliability by promoting predictability, integrity, and accountability.

Furthermore, the Institute is committed to open and accessible communication, which is essential for maintaining constructive relationships with both the general public and those directly affected by the Institute's operations. In line with these commitments, KEVEVAPI ensures that Board meetings are conducted in a transparent manner and that Board member attendance is regularly monitored as part of its broader governance framework.

The Institute is governed by a Board of Directors, which is responsible for providing strategic leadership and oversight. The key functions of the Board include- defining the Institute's mission, vision, purpose, and core values; formulating and overseeing the implementation of the overall strategy; and approving key organizational policies. The Board ensures that the strategic direction aligns with the Institute's long-term sustainability goals. Additionally, the Board is responsible for approving the organizational structure and annual budget, monitoring performance, and promoting sustainable operations. The Board also ensures the availability of adequate resources to support the achievement of the Institute's objectives, facilitates effective communication with stakeholders, and oversees the appointment of the Managing Director.

During the Financial year 2024/25, the Board held 4 Full Board meetings, 16 Board Committee meetings (one per quarter for each of the Four Board Committees) and Four Special Full Board meetings to handle urgent matters, one special joint Finance Human Resources & Administration and Internal Audit & Risk Management, One Special and Finance Human Resources & Administration and one Ad hoc Committee meeting. All the meetings attained the requisite quorum.

The Board also reviewed and approved the revised Board Charter that is currently in use in with effect from 7th February 2025.

The Institute's Board members are appointed by the Cabinet Secretary, Ministry of Agriculture and Livestock Development while the Board Chairman is appointed by the President in line with Article 27 of the Constitution.

A formal induction is conducted for all newly appointed Board members before they assume their official responsibilities. As part of this process, the Institute ensures that all Board members undergo orientation on the Code of Governance for State Corporations (Mwongozo), facilitated by the State Corporations Advisory Committee (SCAC).

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Corporate governance best practices require that Board of Directors conduct self-evaluation of its performance on an annual basis. This performance evaluation is conducted by SCAC to promote accountability, effectiveness, and continuous improvement in governance practices. For FY 2024/25 the Board Performance evaluation was conducted on the 23rd August 2024.

The Institute further requires all Board members to declare any potential or actual conflicts of interest prior to the commencement of each Board meeting. This is done through the signing of a Conflict-of-Interest Register, which is maintained as a key governance control measure. Any declared conflicts are formally recorded in the minutes of the meeting to ensure accountability and transparency. This reinforces the Board's commitment to ethical leadership and the protection of the Institute's interests.

The Institute remunerates Board members through payment of attendance allowances as per the Circular Ref. No. OP/CAB.9/21/2A/LII/43 dated 23rd November 2004 and OP/SACA.9/21.2 VOL.1(164) of 28th April, 2015 vis Accommodation & Subsistence Allowance for Chairmen & Board Members of State Corporations.

The institute's value base is described in KEVEVAPI's code of conduct, and the guidelines for ethics and corporate responsibility have been designed on the basis of the code. KEVEVAPI adheres to the State's principles for sound corporate governance as described in the State Corporation Act Cap 446, The Constitution of Kenya 2010 and The Code of Governance for State Corporations (Mwongozo), and is subject to the reporting requirements relating to corporate governance pursuant to Public Finance Management Act. The Board developed and adopted the Code of Conduct and Ethics that is currently in use, in January 2018. The code aims at guiding board directors in order to help them carry out their roles with integrity and compliance with the law. All the Board members have all signed the code and are all bound by it.

The Institute conducted a governance audit to enable it to assess the effectiveness of its governance structures, systems, and practices in line with the Mwongozo and provide a structured evaluation of the Board's oversight role, internal controls and risk management practices.

11. Management Discussion and Analysis

The entity's operational and financial performance

Kenya's livestock sector contributes about 12% of the country's Gross Domestic Product (GDP) and accounts for nearly 50% of the agricultural sector's GDP. It is the main source of livelihood to the people in the ASALs accounting for 90% employment and more than 95% of family incomes for the people in these areas. In the high potential areas, the sector provides employment and incomes through dairy production.

The rural-based nature of livestock activities makes livestock keeping a suitable enterprise to improve household incomes and contribute to sustainable livelihoods for many people in rural areas. The sector therefore contributes significantly to poverty reduction in the country.

The 2019 population and housing census revealed that Kenya has a massive livestock resource comprising 3.36 million exotic cattle, 14.1 million indigenous cattle, 17.1 million sheep, 27.7 million goats, 2.9 million camels, 25.8 indigenous chickens and 6.1 million exotic chickens. This is an important resource that if tapped could create more wealth and employment in the country thereby contributing significantly to poverty reduction. The Kenya Veterinary Vaccine Production Institute (KEVEVAPI) is mandated to protect this important resource. As the country gears up towards the realization of the goals of the Kenya Vision 2030, many challenges are bound to arise, key among them being the outbreak of livestock diseases.

The Institute has the expertise and facilities to produce fifteen livestock vaccines that are considered to be important in the region. Currently we are producing 14 vaccines. Rinderpest vaccine is no longer produced because the disease has been eradicated. Our Laboratories at Embakasi in the Industrial area produces the Foot and Mouth Disease vaccine. All our other vaccines are produced at our Kabete vaccine production Laboratory. In order to meet emerging demands, The Institute has embarked on production of three new products. These are an oil-based Foot and Mouth disease vaccine, a thermos stable Newcastle disease vaccine and *Peste Petits des Ruminants* (PPR) vaccine. Other approaches include signing of Memoranda of Understanding with relevant sister institutions.

SECTION A

The Institute performance in terms of Sales and profitability for the year was good because the institution recovered its Uganda market where sales for the year was Kshs. 483.321 million.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Management Discussion and Analysis (Continued)

The Institute performance is as follows in Kshs 'Millions:

Financial Year	2024/ 25	2023/ 24	2022/ 23	2021/ 22	2020/ 21
Sales	658.4	258.8	206.1	363.1	375.2
Production Costs	423.3	334.5	295.4	372.2	344.1
Gross Loss	235.1	(75.7)	(89.3)	(9.1)	31.1
Other Incomes	6.7	12.0	53.7	40.7	24.9
Administration Expenses	(148.3)	(149.8)	123.7	131.2	134.4
Net Profit(Loss)	93.5	(213.5)	(159.3)	(99.6)	(78.4)

The institute vaccine sales amounted to Kshs.375.2 m in FY 2020/21, 363.1m in FY 2021/22. This dropped to Kshs 206.1 m in FY 2022/23 and Kshs 258.8 in FY 2023/24 due to the dry spells the country experienced where the animals became weak and could not withstand vaccination leading to low demand of vaccine. Further, the institute lost its Uganda and Sudan foreign markets. The vaccines sales greatly improved to Kshs 658.4 m in FY 2024/25 because the institution recovered its Uganda market where sales for the year to the market was Kshs. 483.321million.

Cost of production has also risen proportionately to the increase in production and sales of vaccines. Vaccine production is also electricity and fuel intensive thus the high cost of fuel and electricity has eaten into the gross profit of the institute (Refer to note 7 of the Financial statement.

In terms of Ratios indicators, the performance was as follows compared to Budget and Prior Year:

	Ratios	Budget 2024/25	Actual 2024/25	Actual 2023/24
i.	Gross Profit Margin	29%	35.72%	(3.86 %)
ii.	Net Profit Margin	1%	14.20%	(55.32%)
iii.	Current Asset Ratio	12.54:1	12.48:1	14.33:1
iv.	Assets Turnover	1.9%	5.07%	10.53%
v.	Return on Assets	0.02%	0.72%	(5.83%)

Management Discussion and Analysis (Continued)

Explanations On Ratios

i. Gross Profit Margin-

Gross profit margin is gross income (revenue less cost of goods sold) divided by net revenue. The ratio reflects pricing decisions and product costs. In this case our score is high as compared to the budget due to the increased levels of sales revenues because the institution recovered its Uganda market where sales for the year to the market was Kshs. 483.321million.

ii. Net Profit Margin-

Net profit margin compares a company's net income to its net revenue. This ratio is calculated by dividing net income, or a company's bottom line, by net revenue. It measures a firm's ability to translate sales into earnings for shareholders. We are high on this because of the high vaccine sales as per (1) above.

iii. Current Asset Ratio-

The current ratio measures a company's current assets against its current liabilities. The current ratio indicates whether a company can pay off its short-term liabilities in an emergency by liquidating its current assets. The ideal is 2:1 and therefore 12.48:1 is good for the institute. It may also show underutilization of institutes assets; this is likely to change due to the revision of bad debt policy where the receivables of the institute will either be written off or provided for at a higher rate

iv. Assets Turnover:

Asset turnover measures how efficiently a company uses its total Assets to generate revenues. The formula to calculate this ratio is simply net revenues divided by average total assets. We are high on this because of the high level of sales revenue.

v. Return on Assets

Return on assets is calculated as net income divided by total assets. It is a measure of how efficiently a firm utilizes its assets. We are high on this as a result of the increased level of sales and net profit as a result of (i) above.

SECTION B

Entity's compliance with statutory requirements

The entity's financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied in 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 indirect method. The financial statements are prepared on accrual basis

Included in the value of land of Kshs 10,945,000,000 above on Property, Plant and Equipment is two parcels of land with civil cases in court that had been grabbed in prior years. The cases in court are as follows: -

- I. ELC 939 of 2014-KEVEVAPI -vs- The AG & 14 Others
- II. ELC 175 of 2010, Kimeo Stores Ltd -vs- KARI & 3 Others-Limuru farm
- III. HCC ELC No.454 of 2009 Tuguta Enterprises Limited -vs- KARI, KEVEVAPI & 2 Others
- IV. ELC 455 of 2009 Trust land Developers Ltd -vs- KARI, KEVEVAPI & 2 Others at Embakasi
- V. Civil Application Sup 5 of 2018 / JR No. 28 of 2010 - R -vs- Commissioner of Lands & Another Exparte Renege Project Ltd

SECTION C

Key projects and investment decisions the entity is planning/implementing

(a) Poor State of Plant and Equipment

The main constraint arises from the use of old production systems. The process of upgrading of the old production system is ongoing in phases to uplift the standards of the laboratories. Upgrading of the plant requires Kshs 5.6 billion. For the current phase, Kshs 1.750 billion was required. For the reporting period, KEVEVAPI was allocated Kshs. 70 million which was not received to enable the Institute maintain GMP/ISO standards resulting in the Institute being able to access the outside market. We also ploughed back Kshs. 89.390 million from the reserves. We sincerely hope that the government will consider availing more grants in the 2025/26 financial year.

SECTION D

Major Risks/Assumptions facing the entity

The risks and assumptions made are as follows:

- a) Vaccination of Livestock is basically under the County Governments and Director of Veterinary Services and KEVEVAPI is only a producer. The survival of The Institute is very much tied in with the activities of the Counties and DVS. We assume that the GOK will continue to facilitate the vaccination activities of the DVS and the County Governments in the coming years and especially the full activation of the disease-free zones. The Livestock Industry supports a lot of families in Kenya and is a big contributor to the National economy.

Management Discussion and Analysis (Continued)

- b) KEVEVAPI has court cases affecting its 77.67 hectares' land in Embakasi and part of its 151.2 hectares at Limuru. Assumption is made that The Institute will get a favorable ruling and reclaim its land in full.
- c) It is assumed that the regional market remains stable to enable KEVEVAPI retain the current market and access new markets within the region.
- d) We also assume that economic performance within Kenya and the region will remain stable, so that our vaccines remain affordable to all farmers, big and small.
- e) The assumption is also made that the institute will be allocated development Grant by the Ministry.

SECTION E

Material arrears in statutory/financial obligations

Though we expected to generate Pre-tax profits of Kshs. 31.17million in the financial year 2024/2025, The Institute surpassed this target and made a pre-profit of Kshs. 93.514million because during the year, the institution recovered its Uganda market where sales for the year was Kshs. 483.321 million leading to more sales than budgeted. This was possible as the Institute attained GMP certification therefore being able to access more foreign markets.

To maintain the GMP certification, the Institute has come up with a five-year plan to revamp KEVEVAPI and transform it into a modern bio-secure institution for production of high-quality vaccines for both domestic and international markets. The phased project cost will be approximately, Kshs. 1.75 billion, spread over 5 years. We sincerely hope that the government will grant to the institute to enable it upgrade and thus maintain GMP standards thereby accessing further international markets and avoiding over-reliance on local markets.

12. Environmental and Sustainability Reporting

KEVEVAPI will be a good corporate citizen in all its activities. In brief, this means that The Institute will produce, and market veterinary vaccines based on environment-friendly sources of energy, use sustainable, safe, and efficient production methods, and behave in a responsible and ethical manner in the production, supply and marketing of veterinary vaccines.

KEVEVAPI shall be a safe place to work. All work shall be planned and executed so that the objective of zero injuries is achieved. KEVEVAPI's safety culture shall be characterized by transparency and a desire to learn, both from own mistakes and from successful improvement measures. Biosafety and biosecurity will be a priority of The Institute through an elaborate bio-risk management system.

As a veterinary vaccine producer, KEVEVAPI is involved in several corporate social responsibility activities in different parts of the country. These are mostly rural-based livestock activities geared to making livestock keeping a suitable enterprise to improve household incomes and contribute to sustainable livelihoods for many people in the rural areas. KEVEVAPI participates in field days to sensitize farmers on available products.

KEVEVAPI allocates a minimum 30% of its procurements to youth, women and persons with disabilities and allocates at least 2% of the 30% of the budget to Persons with Disabilities (PWDs). The Institute pre-qualify the registered groups as an affirmative action in all quarters, builds the capacity of the target groups youth, women, and persons with disabilities groups through sensitization on: government procurement procedures; the requirements for accessing government procurement opportunities; and the specific opportunities available. KEVEVAPI promotes the consumption of Local Content by reserving a minimum of 40% of the procurement.

For the Financial Year 2024/25, KEVEVAPI sponsored several Kenya Veterinary Association field days where Dairy farmers and professionals were sensitized on how to improve the health of livestock thus sustain farmer's livelihood.

KEVEVAPI shall be a safe place to work, maintain a hiring process that considers the gender ratio, engage stakeholders and is under continuous improvement. Staff are under continuous improvement through technical and professional training to improve skills and managing careers.

The institute was involved in National tree planting exercise in her Limuru farm and in Embakasi. The institute also participated in vaccination in Samburu County and sensitization of farmers in the same county, Nyandarua and Nakuru counties on the benefits of vaccination to the farmers.

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ending June 30, 2025 which show the state of the institute's affairs.

Principal activities

The principal activities of the Institute are to: coordinate and undertake production of veterinary vaccines in the country, market and distribute veterinary vaccines locally and abroad, undertake research with respect to vaccine development and production alone or in collaboration with other institutions, develop and produce chemicals, media, and laboratory materials for use in the production of vaccines and other veterinary products and to provide information in the field on the suitability and effectiveness of veterinary vaccines.

Results

The results of the entity for the year ended June 30, 2025 are set out on page 1-5.

Dividends

KEVEVAPI made a pre-tax profit of Kshs. 93.514 million during FY 2024/25. The Institute intends to plough back the profits for Capital investment as done in the previous years when profits was made. This allows The Institute maintain Good Manufacturing Practices (GMP) certification which is a requirement to access international markets for vaccines. Further, The Institute is continuously improving its infrastructure through a five-year plan as a project. The project requires heavy investment in infrastructure development and The Institute intends to plough back the profits generated towards the project as per its dividend policy. This will enable the government, the only shareholder, to earn capital gain rather than dividend payout

Directors

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

Auditors

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

By Order of the Board

Sign 

Dr. Alex Sabuni

Secretary to the Board

Date ... 26/11/25

14. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year ended 30 June 2025 and the operating results of The Institute for that year. The Directors are also required to ensure that The Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Directors are also responsible for safeguarding the assets of the institute.

The Directors are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of The Institute for and as at the end of the financial year ended June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (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 institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the institute's 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 (IFRS), and in the manner required by the PFM Act and the State Corporations Act.

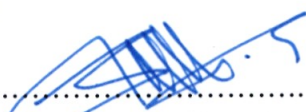
The Directors are of the opinion that the institute's financial statements give a true and fair view of the state of the institute's transactions during the financial year ended June 30, 2025, and of the institute's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The Institute's financial statements were approved by the Board on 22nd August, 2025 and signed on its behalf

by:


.....
Hon. Abdi Mude Ibrahim
Chairman of the Board


.....
Dr. Alex Sabuni
Managing Director

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA VETERINARY VACCINES PRODUCTION INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Veterinary Vaccines Production Institute set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of Profit or Loss and other comprehensive income, statement of changes in equity, statement of cash flows and

statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Veterinary Vaccines Production Institute as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Public Audit Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions of Kshs.275,774,000 as disclosed in Note 19 to the financial statements. As previously reported, this amount includes Kshs.130,428,007 or 47 %, which relates to debts owed by customers that are over 5 years and some were clients domiciled outside the country.

In the circumstances, the recoverability of the accounts receivable balance of Kshs.130,428,007 could not be confirmed.

2. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.11,699,248,000 as disclosed in Note 16 to the financial statements. However, the following anomalies were noted:

2.1. The Institute's Land Parcels with Ownership Disputes

The statement of financial position reflects property, plant and equipment balance of Kshs.11,699,248,000. Included in the balance is land valued at Kshs.10,945,000,000 comprising five parcels of land currently subject to ongoing civil cases before various courts, as detailed below.

- i. ELC 939 of 2014- KEVEVAPI vs The Attorney General & 14 Others- Land 77.67 Ha at Embakasi
- ii. Civil Application Sup 5 of 2018 / JR No. 28 of 2010- R vs Commissioner of Lands & Another Exparte Renege Project Ltd-Land 151.2 Ha in Limuru
- iii. ELC 175 of 2010 Kimeo Stores Ltd vs KARI & 3 Others Land 70.594 Ha in Limuru
- iv. ELC 454 of 2009 Tuguta Enterprises Ltd vs KARI, KEVEVAPI & 2 Others Land 1.87 Ha at Embakasi
- v. ELC 455 of 2009 Trustland Developers Ltd vs KARI, KEVEVAPI & 2 Others Land 2.023 Ha at Embakasi

These cases have remained pending in court for an extended period, thereby exposing the Institute to the risk of permanent loss of ownership of approximately 232.757 hectares of land. Further, the Institute is continuously losing economic value on the use of land since it cannot develop, utilize or derive economic benefit from affected parcels due to ownership uncertainties.

2.2. Failure to Transfer Logbooks to the Institute

The property, plant and equipment balance include an amount of Kshs.15,219,000 relating to motor vehicles. Review of related records held by the Institute revealed that the Kenya Veterinary Vaccines Production Institute was established under State Corporation Act, cap 446 of the laws of Kenya on 5 March, 1990 through legal notice No. 223 of 4 June, 1990. The Institute was subsequently put under KARI Management in July 2003 through Presidential Circular No. 3/2003 until July 2018 when it reverted to its original status. However, the audit revealed that the ownership documents of two motor vehicles and one tractor are still registered in the defunct institution. Evidence of Management effort to register the vehicles in the Institute's name was not provided.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.11,699,248,000 could not be confirmed.

3. Unsupported Long Outstanding Trade Payables

The statement of financial position reflects trade payables balance of Kshs.36,148,000 as disclosed in Note 26 to the financial statements. Included in this balance is an amount of Kshs.6,789,000 relating to trade payables that have been outstanding for a period exceeding one year. Further, there were no binding agreements between the entity and the respective suppliers to guide the settlement of these outstanding obligations. In addition, supporting documentation and reconciliations for the outstanding supplier balances were not provided for audit verification.

In the circumstances, the validity of trade payables amounting to Kshs.36,148,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Veterinary Vaccines Production Institute 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 performance reflects approved revenue estimates of Kshs.535,500,000 against actual revenue collection of Kshs.665,139,133,000 resulting in over collection of Kshs.128,640,000 or 124% of the approved budget. Similarly, the statement total operating expenditure amounted to

Kshs.571,626,000 against an approved expenditure budget of Kshs.504,330,000, representing an overspend of Kshs.67,277,000 or 13% above the approved estimates.

The over collection is an indication of unrealistic budget process.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved some of the issues or given any explanation for failure to resolve them as at 30 June, 2025 as shown below;

- i. Property, plant and equipment; land parcels with ownership disputes, failure to transfer logbooks in the defunct institutes
- ii. Long outstanding receivable from exchange transactions
- iii. Unsupported long outstanding creditors
- iv. Budgetary control and performance
- v. Noncompliance with the law on one third rule on basic pay
- vi. Irregular payment of allowances
- vii. Failure to periodically renew board charter
- viii. Irregular board committees' composition and functionality
- ix. Lack of IT strategy plan

Other Information

The Directors are responsible for the Other Information set out on page i to xxxvi which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Managing Director, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute'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 THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Affirmative Action on Gender

Review of the Institute's workforce revealed total staff of 152; 9 on contract and 143 on permanent and pensionable terms. It was noted that of the 152 total workforce 111 were male and 41 were female indicating the workforce composition did not meet the required threshold as the ratio between male to female was high.

In the circumstances, the distribution on gender is uneven and the entity has not adhered to rule on affirmative action on gender.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Non- Compliance on Board Rotation

Review of Board Committees composition revealed that five (5) Board members remained in their previous years' Committees of Audit, Finance, Technical and Sales and Marketing, contrary to the requirements of Circular from Office of the President

Re: OP/CAB.9/1A which states that Board Committee members shall serve for 12 months and thereafter be subject to rotation.

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

2. Failure to Fill Corporate Secretary Position

Review of the Institute's Human resource position revealed that there was no substantive Corporate Secretary to support the Board in carrying out its mandate. Instead, the Board relied on the corporation's legal officer, the sole officer in the Legal Department. This is contrary to Chapter 1.20 of the Mwongozo Code of Governance which states that a Board should appoint a Corporate Secretary who should provide guidance on their role and responsibilities.

In the circumstances, Management was in breach of Mwongozo Code of Governance.

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.

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 Institute'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 Institute's, financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

**16. Statement of Profit or Loss and Other Comprehensive Income for the
Year Ended 30 June, 2025**

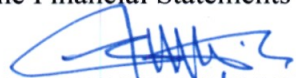
		2024/25	2023/24
	Notes	Kshs'000	Kshs'000
Revenue			
Sale of Vaccines	6	658,442	258,815
Cost of Goods Sold	7	423,267	334,563
Gross Profit		235,175	(75,748)
Finance income –Bank Interest earned	8	8,972	12,399
Other income-Sundry income	9	794	1,153
Other Gains (Foreign exchange)	10	(3,068)	(1,574)
Total Revenue		241,873	(63,770)
Operating Expenses			
Administration costs	11	130,621	126,119
Selling and distribution costs	12	4,994	7,953
Finance costs	13	-	-
Board Expenses	14	12,744	15,705
Total Operating Expenses		148,359	149,777
Profit(Loss) before tax	15a	93,514	(213,547)
Taxation	15b	-	-
Profit(Loss) for the period		93,514	(213,547)

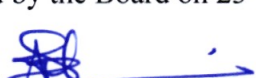
KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.

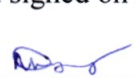
17. Statement of Financial Position as at 30 June 2025

	Notes	2024/25	2023/24
		Kshs'000	Kshs'000
Assets			
Non-current assets			
Property, plant and equipment	16	11,699,248	11,678,361
Intangible Assets	17	5,557	9,261
Total Non-current assets		11,704,805	11,687,622
Current assets			
Inventories	18	599,589	602,435
Trade and other Receivables	19	275,774	205,956
Prepayment	20	10,375	12,344
Bank and cash Balances	21	405,187	476,156
Total Current Assets		1,290,925	1,296,891
Total assets		<u>12,995,730</u>	<u>12,984,513</u>
Equity and Liabilities			
Capital and Reserves			
Capital fund	22	367,249	367,249
Capital grant	23	1,166,274	1,166,274
Revaluation reserve	24	11,383,607	11,383,607
Retained Earnings	25	(24,839)	(33,202)
Capital and Reserves		<u>12,892,291</u>	<u>12,883,928</u>
Current liabilities			
Trade and other payables	26	36,148	29,359
Payments received in advance	27	67,291	71,226
Total liabilities		<u>103,439</u>	<u>100,585</u>
Total Equity and Liabilities		<u>12,995,730</u>	<u>12,984,513</u>

The Financial Statements were approved by the Board on 23rd August 2025 and signed on its behalf by:


Date..... 25/11/2025
Name: Hon. Abdi M. Ibrahim
Chairman of the Board


Date..... 26/11/2025
Name: Dr. Alex Sabuni
Managing Director


Date..... 26/11/2025
Name: Peter M. Gitau
Head of Finance

ICPAK M/NO: 15878

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

18. Statement of Changes in Equity for the Year Ended 30 June 2025

	Ordinary Share Capital	Revaluatio n Reserve	Retained Earnings	Capital /Development Grant	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Balance as at 30 June 2023	367,249	272,829	188,345	1,166,274	<u>1,994,6967</u>
Surplus/Deficit for the period	-	-	(213,547)	-	(213,547)
Revaluation		11,110,778			11,110,778
Additional GOK Grant	-	-	(8,000)	-	(8,000)
Balance as at 30 June 2024	367,249	11,383,607	(33,203)	1,166,274	<u>12,883,927</u>
Surplus/Deficit for the period	-	-	93,514	-	93,514
Revaluation					
Additional GOK Grant (Tax)	-	-	(85,150)	-	(85,150)
Balance as at 30 June 2025	367,249	11,383,607	(24,839)	1,166,274	<u>12,892,291</u>

See note 20,21,22 and 23

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

19. Statement of Cash Flows for the Year Ended 30 June 2025

Description	Note	2024/25	2023/24
		Kshs'000	Kshs'000
Cash flows from operating activities			
Cash generated from/(used in) operations	28	103,571	-221,205
Interest received		Nil	Nil
Interest paid		Nil	Nil
Taxation paid		(85,150)	Nil
Net cash generated from/(used in) operating activities		18,421	-221,205
Cash flows from investing activities			
Purchase of property, plant and equipment		(89,390)	-15,412
Net cash generated from/(used in) investing activities		(89,390)	-15,412
Cash flows from financing activities			
Proceeds from issues of new share capital		Nil	Nil
Proceeds from borrowings		Nil	Nil
Repayment of borrowings		Nil	Nil
Dividends paid		Nil	-8,000
Net cash generated from/(used in) financing activities		Nil	-8,000
Increase/(decrease) in cash and cash equivalents		(70,969)	-244,617
Cash and cash equivalents at beginning of year 2024/25		476,156	720,773
Cash and cash equivalents at end of the year 2024/25	28	405,187	476,156

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

**20. Statement of Comparison of Budget and Actual Amounts for the Period
Ended 30 June 2025.**

	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Performance Difference	% of utilization
	Kshs'000	Kshs'000	Kshs '000	Kshs '000	Kshs '000	%
Revenue	A	B	C=(a+b)	D	e=(c-d)	F=d/c
Other Income	8,500	-	8,500	794	7,706	9
Finance Income	30,000	-	30,000	(3,068)	33,068	-10
Interest Income	15,000	-	15,000	8,972	6,028	60
Sale of vaccines	482,000	-	482,000	658,442	(176,442)	137
Total Revenue	535,500	-	535,500	665,140	(129,640)	124
Expenses						
Depreciation	23,861	-	23,861	72,207	(48,346)	303
Repair and Maintenance	13,700	-	13,700	10,944	2,756	80
Administrative Expenses	7,220	13,900	21,200	29,849	(8,649)	141
Contracted Services	13,500	5,200	18,700	14,576	4,123	78
Medical & Insurance	28,500	5,000	33,500	27,697	5,803	83
Board Expenses	9,000	11,000	20,000	12,744	7,256	64
Compensation of employees	189,300	18,762	208,062	224,598	(16,536)	108
Cost of Sales	159,307	6,000	165,307	179,011	(13,704)	108
Total expenditure	444,468	59,862	504,330	571,626	(67,277)	113
Pre-tax Profit for the period	91,032	59,862	31,170	93,514	(80,683)	300
Capital Expenditure	254,643	(90,000)	164,643	89,390	75,253	54

Statement of Comparison of Budget and Actual Amounts Notes;

- 1) Other Income – The Institute earned sundry income of Kshs 794,000 from investment at Limuru farm, sale of eggs, hay, Napier grass and attachment fee.
- 2) Finance Income – The value of the Kenya shilling at the end of the year compared to the Dollar has been strengthening therefore the foreign exchange loss. (The rate of change of \$.1 to Kenya shilling was 129.2500 on 30/06/2024 compared to 129.2343 on 30/06/2025.
- 3) Interest Income – The Institute earned interest of Kshs 8.972 million bank interest from a call account it had opened and placed amounts received in advance from clients.
- 4) Sale of vaccines- The institute surpassed its target at 137% achievement because the institution recovered its Uganda market where sales for the year to the market was Kshs. 483.321million.
- 5) Depreciation –The institute provision for depreciation was above the target since her assets were revalued as at 01/01/2024 therefore a sharp increase in the depreciation amount
- 6) Repair and maintenance – This was within the budget.
- 7) Administrative Expenses -This was high as a result of liquidation of a call account that attracted a withholding tax of Kshs. 7,699,758.95 and increased prices of goods and services. i.e. the cost of fuel and transportation costs.
- 8) Contracted Services - This was less because of cost cutting measures by the institute. Management negotiated for favorable rates from service providers.
- 9) Insurance and Medical- This was less because of the cost-cutting measures the Institute had put in place through negotiations with service providers.
- 10) Board Expenses – This was within the budget because of the cost cutting measures the Board had put in place.
- 11) Compensation to employees- This was slightly higher than the budget because of the introduction of housing levy, higher rate of Social Health Authority Fund and Social Security Fund.
- 12) Cost of sales - This was high because of the increased demand of vaccine which led to the increase in production material required.
- 13) Capital expenditure –The institute had expected a development grant from the government which was not received. Further, the Institute spend less on equipment and machinery due to the nature of the specialized equipment and most of the equipment and machinery have to be imported or customized and manufactured specifically for the institute. The low spends on capital denied the institute future efficiency in production as a result of using old infrastructure.

21. Notes to the Financial Statements

1. General Information

Kenya Veterinary Vaccines Production Institute (KEVEVAPI) is established and derives its authority and accountability from Cap 446 of the laws of Kenya on 5th March 1990 through legal notice No. 223 of 4th June, 1990. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide high quality, affordable veterinary vaccines and services contributing to an improved quality of life for all Kenyans

2. Statement of compliance and basis of preparation

The entity's financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity 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 indirect method. The financial statements are prepared on an accrual basis.

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

The Institute did not early adopt any new or amended standards in the year 2024/25.

4. Summary of significant accounting policies

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

a) Revenue recognition

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

- i) Revenue from the sale of goods and services** is recognized in the year in which the entity delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Notes to the Financial Statements (Continued)

- ii) Grants from the National Government** are recognized in the year in which the entity actually receives such grants. Development/capital grants are recognized in the statement of financial position.
- 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.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

- iv) **Dividend income** is recognized in the income statement in the year in which the right to receive payment is established.
- v) **Other income** is recognized as it accrues.

b) In-kind contributions

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

c) Property, Plant and Equipment

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

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

Increases in the 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

Summary of accounting policies

d) Depreciation and impairment of property, plant and equipment

Freehold land, biological assets 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	Rates
Freehold Land	Nil
Buildings and civil works	2%
Plant and machinery	12.5%
Motor vehicles, including motorcycles	25%
Computers and related equipment	12.5%
Office equipment, furniture and fittings	12.5%

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. The annual rate is 33.33%

g) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor 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

Summary of accounting policies (Continued)

cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

h) Trade and other receivables

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

e) Taxation

Current income tax

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

Summary of Accounting Policies (Continued)

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

f) Taxation

Current income tax

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

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

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

g) 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.

h) Trade and other payables

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

i) Retirement benefit obligations

The entity operates a defined contribution scheme for all full-time employees. 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.

j) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the

Summary of Accounting Policies (Continued)

dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

k) Budget information

The original budget for FY 2024/25 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget and financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

m) Comparative figures

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

n) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

a) Estimates and assumptions

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

Summary of Accounting Policies (Continued)

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

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:

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 11. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Example: provision for bad debts and provisions of obsolete stocks

d) Contingent liabilities

The Institute does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

e) Employees Costs:

Salaries, Pension & National Social Security Fund payment for and Commuter Allowances paid to employees are apportioned between Cost of production and Administration at the ratio of 0.67: 0.33. This was based on the assignment of the employees' costs to the staff working in the two respective classes.

6. Revenue

Description	2024/25			2023/24		
	US \$ '000	Kshs '000	Total Kshs' '000	US \$ '000	Kshs '000	Total Kshs' '000
Sales on Account	3,803	135,747		58.912	185,352	
Cash Sales	16	28,569		90.744	50,583	
Sub Total	3.819	164,316		149.656	235,935	
Conversion Rates	Various	-		Various	-	
Total Kshs	494,126	164,316	658,442	22,880	235,935	258,815

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

7. Cost of Sales

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Production Materials	41,849	31,398
Vaccines for resale	12,454	9,054
Direct Labour	105,748	90,024
Other Staff Benefits	24,257	21,007
General Expenses attributable to production	115,909	89,578
Power, water, Fuel & Gases attributable to production	37,453	37,922
Maintenance, Repairs & Security attributable to Production	17,266	25,758
Depreciation attributable to production	64,626	27,970
Amortization attributable to production	3,705	1,852
Total production and Manufacturing Expenses	423,267	334,563

8. Finance Income

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Interest earned from KCB MOI AVENUE Call Account	8,485	11,869
Interest earned from Car and Mortgage Kshs account	472	427
Interest earned from KCB KICC Kshs Account (1109016492)	15	103
Total	8,972	12,399

9. Other Income

Description	2024/25	2023/24
	Ksh'000	Kshs '000
Limuru Farm	263	888
Sundry income	531	265
Total	794	1,153

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements Continued)

10. Other Gains and Losses- Gain on Foreign Exchange Transactions

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Foreign exchange gains / (losses)	(637)	2,827
Unrealized foreign exchange gains/(losses)	(2,431)	(4,401)
Total	<u>(3,068)</u>	<u>(1,574)</u>

11. Administration Costs

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Staff costs (note 11a)	85,311	77,529
Communication services and supplies	6,215	6,354
Local Travel and subsistence	6,594	10,250
Foreign Travel and subsistence	1,222	1,005
Motor vehicles	2,349	4,151
Advertising, printing, stationery and photocopying	181	3,304
Staff training expenses	3,859	5,214
Office, Hospitality supplies and services	3,774	4,514
Bank charges and commissions	400	309
Auditors' remuneration	580	580
Legal fees	3,584	893
Consultancy fees	3,237	6,434
Subscription	289	1,403
Repairs and maintenance	853	1,820
Additional Provision for bad & doubtful debts(note 11b)	597	188
Depreciation	3,876	1,657
Other Operating Expenses-Withholding tax	7,700	-
Other Operating Expenses-Donation		463
Miscellaneous Expenses-Limuru		51
Total	130,621	126,119

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements Continued)

11a Staff Costs

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Salaries	47,029	40,665
Pensions & NSSF	8,242	6,786
Medical	22,510	23,575
Housing Levy	877	668
Commuter Allowance	2,829	2,893
Leave Travelling Allowance	3,296	2,092
Recruitment	-	205
Staff welfare	528	645
Total	<u>85,311</u>	<u>77,529</u>
The average number of employees at the end of the year was:		
Permanent employees – management	39	34
Permanent employees – unionsable	103	117
Temporary and contracted employees	9	20
Total	151	171

11b Provision for Bad Debts

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Trading debtors as at year end	262,972	203,287
Impairment at 1%	2,630	2,033
Provision as at 30/6/2023/24	2,033	1,845
Savings/Increase in provision	<u>597</u>	<u>188</u>

12. Selling and Distribution Costs

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Marketing and Promotional expenses	4,994	7,953
Total	4,994	7,953

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

13. Finance Costs

The Institute has no loan, bank overdraft or lease liability.

14. Board Expenses

Description	2024/25	2023/24
	Ksh'000	Ksh'000
Sitting allowances	5,500	7,440
subsistence allowances	3,775	3,689
Transport expenses	1,393	1,584
Training/Token and other expenses	1,396	1020
Chairman Honoraria	680	1,972
Total	12,744	15,705

15. Operating Profit/ (Loss) and Corporate Taxation

a. Operating Profit

Description	2024/25	2023/24
	Ksh'000	Ksh'000
The operating profit/(loss) is arrived at after charging/(crediting):		
Staff Costs (Note 11a)	85,311	77,529
Depreciation of property, plant and equipment	68,503	29,627
Amortization of intangible assets	3,705	1,852
Provision for bad and doubtful debts	597	188
Directors' emoluments	12,744	15,705
Auditors' remuneration - current year fees	580	580
Net foreign exchange loss	(3,068)	1,574

b. Corporate Taxation

Description	2024/25	2023/24
	Kshs	Kshs
Accumulated loss at Begging	(308,814,750)	(118,143,750)
Profit/Loss for the year	93,514,000	(190,671,000)
Accumulated loss at End of the year	(215,300,750)	(308,814,750)
Corporate Tax for the Year	Nil	Nil

****KEVEVAPI made losses for FY 2020/21-2023/24 totaling to Kshs. 308,814,750 and therefore the current Profit will help reduce the loss effect. KEVEVAPI therefore will not pay tax on the profit.**

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.

16. Property, Plant and Equipment

	Land	Buildings	Plant & Machinery	Office Equipment	Furniture & Equipment	Motor Vehicles	ICT	Biological	Totals
Depreciation rate	-	2%	12.5%	12.5%	12.5%	25%	25%	-	
Cost	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000
As at 1 July 2023	343,000	282,655	563,039	43,446	17,239	32,463	-	-	1,281,842
Addition	0	3,215	879	600					4,693
AT 31 Dec 2023	343,000	285,870	563,918	44,046	17,239				1,286,536
Revaluation reserve	10,602,000	129,337	342,206	-10,935	3,711	24,350	1,299	13,744	11,105,711
Revalued Amount	10,945,000	356,300	350,626	2,240	3,711	24,350	1,299	13,744	11,697,269
Additions	-	3,000	6,770	-	-	-	948	-	10,718
AT 30th June 2024	10,945,000	359,300	357,396	2,240	3,711	24,350	2,247	13,744	11,707,987
Additions		18,329	66,566		4,495				89,390
AT 30th June 2025	10,945,000	377,629	423,962	2,240	8,205	24,350	2,247	13,744	11,797,378
	DEPRECIATION								
As at 1 July 2023	-	56,049	554,936	29,172	16,524	32,463	-		689,144
Depreciation	0	2,859	561	1,698	715	0			5,833
AT 31 Dec 2023	0	58,908	555,497	30,870	17,239	32,463	0		694,977
Revalued write off	-	(58,908)	(555,497)	(30,870)	(17,239)	(32,463)	0		(694,977)
Charge for the year	-	3,593	22,337	140	232	3,044	281	-	29,627
As at 30 June 2024	-	3,593	22,337	140	232	3,044	281	-	29,627
Charge for the year	-	7,553	52,995	280	1,026	6,087	561		68,503
As at 30 June 2025	-	11,146	75,332	420	1,258	9,131	842	-	98,130
As at 30 June 2024	10,945,000	355,707	335,059	2,100	3,479	21,306	1,967	13,744	11,678,360
As at 30 June 2025	10,945,000	366,483	348,630	1,820	6,947	15,219	1,405	13,744	11,699,248

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

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Note: Included in the value of land in the Property, Plant and Equipment movement schedule are the following parcels of land belonging to the institute which have been illegally encroached:

- I. ELC 939 of 2014-KEVEVAPI -vs- The AG & 14 Others
- II. ELC 175 of 2010, Kimeo Stores Ltd -vs- KARI & 3 Others-Limuru farm
- III. HCC ELC No.454 of 2009 Tuguta Enterprises Limited -vs- KARI, KEVEVAPI & 2 Others
- IV. ELC 455 of 2009 Trust land Developers Ltd -vs- KARI, KEVEVAPI & 2 Others at Embakasi
- V. Civil Application Sup 5 of 2018 / JR No. 28 of 2010 - R -vs- Commissioner of Lands & Another Exparte Renege Project Ltd

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

Valuation

Land, buildings and other non-current assets were valued by ArdHITECH Consulting limited independent valuer on 10th January 2024. These amounts were adopted on 30th June 2024

Property, Plant and Equipment at Cost

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

17. Intangible Assets

Description	2024/25	2023/24
	Kshs'000	Kshs'000
Cost		
As at 01/07/2024	11,114	11,114
Additions	-	-
As at 30/06/2025	11,114	11,114
Amortization		
As at 01/07/2024	1,852	-
Charge for the Year up to 30/06/2025	3,705	1,852
As at 30/06/2025	5,557	1,852
Net book value	5,557	9,262

The intangible asset is composed of an ERP system procured for the institute.

The Revaluation of intangible asset took effect from 01/01/2024 at Kshs 11.114. The Depreciation of Kshs. 1,852 is for the revalued asset as at 30/06/2024.

18. Inventories

Description	2024/25	2023/24
	Kshs 000	Kshs 000
Bulky and Filled vaccines	353,186	353,002
Chemicals, Glassware & Filtration	224,903	230,753
Engineering, livestock and lab Equipment	3,856	4,936
Fuel Oil	706	460
Others	16,938	13,284
Total inventories at the lower cost and net realizable value	<u>599,589</u>	602,435

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

19. Trade and other Receivables

Description	2024/25	2023/24
Current Receivables (Exchange Transactions)	Kshs 000	Kshs 000
Ministry of Livestock	6,181	105
MTK Uganda	59,091	59,091
Ministry of Agriculture Rwanda	26,029	26,029
Ministry of Agriculture Uganda	38,681	38,681
Sanga Vet Chem	53,632	-
Others	79,358	79,381
Sub-Total current receivables	<u>262,972</u>	203,287
Receivables from non – exchange contracts		
Staff advances and Imprest (non-exchange Transactions)	1,526	2,078
Staff Debtor -car and Mortgage	11,282	
Deposits	2,624	2,624
Sub-Total Non-Trade receivables	15,432	4,702
Total Receivables	278,404	207,989
Less provision for Impairment	2,630	2,033
Total Net Receivables	275,774	205,956
Ageing analysis of gross Trade Receivables		
Less than 30 Days	53,632	10,466
Between 30 and 60 Days	1,882	4
Between 61 and 90 Days	1,484	2,965
Between 91 and 120 Days	12,047	17,849
Over 120 Days	193,927	172,004
Total	262,972	203,287

20. Prepayment

Description	2024/25	2023/24
	Kshs 000	Kshs 000
Production Reagents	930	2,464
Furniture	248	
Medical scheme	9,021	9,880
Professional charges	176	-
Totals	10,375	12,344

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

21. Bank and Cash Balances

Description	2024/25	2023/24
	Kshs 000	Kshs 000
Bank	277,529	168,669
Mortgage and Car loan	25,400	21,210
Cash-on-hand	-	-
Call on deposit (KCB Bank)	102,258	286,277
Total cash and cash equivalents	<u>405,187</u>	<u>476,156</u>

NB: Bank Figure Breakdown

Mpesa Balance	-	101.00
KCB Account No. 1109016492 Kshs	4,957,587.66	6,533,297.66
KCB Account No 1102301108 Kshs. (Foreign		
Exchange Account for inputs purchase)	140,771,774.84	56,266,269.37
KCB Account No.1107172764 Kshs	131,799,553.22	83,729,844.53
Bank Guarantee	-	9,214,329
Letter of Credit	-	12,925,000
Grand Total	<u>277,528,915.72</u>	<u>168,668,841.56</u>

22. Share Capital Fund

	2024/25	2023/24
	Kshs 000	Kshs 000
Issued Fund	367,249	367,249

23. Capital Grant

This represents an accumulated amount of funds received from the government towards modernization of KEVEVAPI to attain GMP Standards. For the current phase, Kshs 1.750 billion was required. For the budget period, KEVEVAPI did not receive capital grant from the government. The Institute ploughed back Kshs. 89.39 million from the reserves to retain GMP/ISO standards resulting in the Institute being able to access outside market.

24. Revaluation Reserve

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

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

25. Retained Earnings

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

26. Trade and Other Payables from Exchange Transactions

Description	2024/25	2023/24
	Kshs 000	Kshs 000
Trade payables	11,684	6,604
Accruals rates	13,180	13,180
Accruals- Statutory	7,240	-
Accruals-Electricity bill	2,010	2,037
Accruals-Water bill	145	185
Audit fee	1,160	580
Staff Creditors	729	6,773
Total Trade payables	<u>36,148</u>	<u>29,359</u>

27. Payment received in Advance

Description	2024/25	2023/24
	Kshs 000	Kshs 000
Payments received in advance by counties	59,016	63,203
Resilience Project	131	131
Unallocated funds	2,120	2,120
Galvmed Project	1,127	1,127
Kasal project	114	114
Asal project	200	200
International Dev't Research	285	285
Zoetis Project	2,771	2,399
University of Nairobi	500	-
Gatsby Africa	1,027	1,647
Total payment in advance	<u>67,291</u>	<u>71,226</u>

Aging Analysis for Trade Payables

	2024/25	% of the total	2023/24	% of the total
Under one year	11,683,660.01	100	753,951.64	13
1-2 years	-	-	-	-

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

2-3 years	-	-	346,339.40	6
Over 3 years	-	31	4,784,832.51	81
Total	11,683,660.01	100	5,885,123.55	100

28. Notes to the Statement of Cash Flows

	<u>Note</u>	2024/25 Kshs'000	2023/24 Kshs'000
Cash flows from operating activities			
Profit for the period		93,514	-213,547
Add Depreciation & Amortization	16&17	72,207	39,531
Provision for bad debts	11c	597	187
Operating profit/loss before working capital changes		166,318	-173,829
Working Capital Changes			
Increase in stocks	18	2,846	-13,797
Increase in Receivables	19	(70,416)	-19,411
Decrease in Payables	26&27	2,854	-5,155
Decrease in prepayment	20	1,969	-9,013
Net cash outflow from operating activities		103,571	-221,205

29. Financial Risk Management

Exposure to currency, commodity, interest rate, liquidity and credit risk arises in the normal course of the institute's operations. This note presents information about the institute's exposure to each of the above risks, policies and processes for measuring and managing risk, and the institute's management of capital. Further quantitative disclosures are included throughout these financial statements.

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the institute's financial instruments.

Financial Assets	Carrying Amount	Fair value
At 30 June 2025	Kshs,000	Kshs,000
Receivables from non-exchange transactions	4,150	4,150
Receivables exchange transactions	262,972	260,342
Cash and cash equivalents	<u>405,153</u>	<u>405,153</u>
Total	672,275	669,645

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

i. Credit risk

Credit risk is the risk of financial loss to the Institute if customers or counterparties to financial instruments fail to meet their contractual obligations. The institute's credit risk is primarily attributable to its receivables and cash and cash equivalents. The company's management assesses the credit quality of each customer, considering its financial position, past experience and other factors before extending credit. The carrying amount of financial assets represents the maximum credit exposure. The credit risk on liquid funds with financial institutions is low, because the counterparts are banks with high credit-ratings. The maximum exposure to credit risk as at 30 Jun 2025 was:

	Fully performing	Past due	Impaired	Total
	Kshs,000	Kshs,000	Kshs	Ksh,000
Trade receivables	72,785	192,817	(2,630)	262,972
Cash and cash equivalents	<u>405,153</u>	-	-	<u>405,153</u>
Maximum exposure to credit risk	<u>477,938</u>	<u>192,817</u>	<u>(2,630)</u>	<u>668,125</u>

The average credit period on services rendered is 90 days from date of invoice. Debts above 90 days old are classified as past due. The customers under the fully performing category are paying their debts as they continue dealing with the institute. The default rate is low. Trade debtors are provided for impairment at the rate of 1% as approved by the Board of Directors though the Board is currently reviewing the rate to a flexible rate based on aging analysis.

Credit quality

Credit quality is assessed risk of default attached to counterparties to which the Institute extends credit and also those parties with whom the Institute invests. As such, the credit quality assessed extends to the customers, donors and banks of the institute. For financial statement purposes, the investments and balances with banks are limited to the receivable and cash and cash equivalents line items in the statement of financial position. The Institute determines credit quality of the banks from past dealings with them and from information readily available from the regulatory authority, the Central Bank of Kenya. The client base of the Institute is diverse and consists mainly of counties and east African countries. For the purpose of determining the credit quality of clients, the Institute applies its past experience with them in determining the risk of default they pose.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Receivables

Receivable's amount is owed by clients and the government of Kenya and are presented net of any impairment losses. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The institute's exposure to credit risk is monitored on an ongoing basis. The institute's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance.

Cash and cash equivalents

The Institute limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating. Consequently, the Institute does not consider there to be any significant exposure to credit risk.

ii. Liquidity risk

Liquidity risk is the risk of The Institute not being able to meet its obligations as they fall due. The institute's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the institute's reputation. Prudent liquidity risk management includes maintaining sufficient cash to meet the institute's obligations.

The table below analyses the institute's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than	Between	Over	
	1 month	1-3 months	3 months	Total
	Kshs 000	Kshs 000	Kshs 000	Kshs 000
At 30 June 2024				
Trade payables from exchange transactions	85,137	5,122		90,259
Trade payables from Non exchange transactions			13,180	13,180
	85,137	5,122	13,180	103,439

iii. Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the institute's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

(i) Price risk

The Institute does not hold investments that would be subject to price risk; hence this risk is not relevant.

(ii) Interest rate risk

The Institute does not hold any interest-bearing liabilities or assets; hence this risk is not relevant.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

(iii) Foreign currency risk

The Institute is exposed to foreign-currency risk through foreign currency denominated bank balances. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are shown below.

	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Description	USD	USD	Kshs	Kshs'
Assets	-	-	-	-
Bank and cash balances	1,089,275.64	435,328.97	140,771,774.84	56,266,269.37
Receivables	1,385,860.01	970,812.01	<u>179,100,648.19</u>	<u>125,477,451.73</u>
	2,771,183.54	1,406,140.98	319,872,423.03	181,743,721.10

At 30th June 2025 an increase/decrease of 10% on the US dollar exchange rates would have resulted in an increase/decrease in surplus of Sh. 31,987,242.30

iv. Capital risk management policies

The primary objective of managing the institute's capital is to ensure that there is sufficient cash available to support the institute's funding requirements, including capital expenditure, to ensure that the Institute remains financially sound. The Institute monitors capital using a gearing ratio, which is net debt, divided by total capital, plus net debt. As at the end of the year, the Institute had no debt. The capital structure of the Institute consists only of a general fund. The gearing ratio of the Institute is therefore 0%.

30. Related Party Disclosures

Government of Kenya

The Government of Kenya is the principal shareholder of the entity, holding 100% of the entity's equity interest.

The entity is related to

- i) The National Government;
- ii) The Parent Ministry-Agriculture, Livestock and Fisheries;
- iii) County Governments
- iv) Key management;
- v) Board of directors;

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Transactions with related parties

Description	2024/25	2023/24
	Kshs'000	Kshs'000
a) Due from related parties		
Due from Parent Ministry	6,181	185
Due from County Government	25,463	21,007
Sales of vaccines to govt agencies		
Others (specify)		
Total	21,192	21,192
b) Due to related parties		
Purchases of electricity from KPLC	2,010	2,037
Purchase of water from govt service providers	145	185
Training and conference fees paid to govt. Agencies	-	-
Due to County Governments	59,015	57,601
Total	61,170	59,823
c) Grants from the government		
Grants from national govt	Nil	Nil
Donations in kind		
Total	Nil	Nil
d) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	Nil	Nil
Payments for goods and services	Nil	Nil
Total	Nil	Nil
e) Key management compensation		
Directors' emoluments	12,744	14,685
Chairman's Honoraria	680	1,020
Compensation to key management	4,755	4,995
Total	<u>18,155</u>	<u>20,700</u>

31. Capital Commitments

Capital commitments	2024/25	2023/24
	Kshs 'Millions	Kshs' Millions
Authorized for	254,643	220,000
Authorized and contracted for	89	50

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Notes to the Financial Statements (Continued)

32. Contingent Assets and Contingent Liabilities

Contingent liabilities	2024/25	2023/24
	Kshs	Kshs
HCC ELC No.454 Of 2009 Tuguta Enterprises Limited vs KARI, KEVEVAPI	Not Valued	Not Valued
HCC ELC No.455 Of 2009 TRUSTLAND developers' Limited vs KARI, KEVEVAPI	Not Valued	Not Valued
ELC 939/2014 KEVEVAPI VS. The AG & 14 Others	Not Valued	Not Valued
ELC 175/2010 Kimeo Stores LTD VS. AG & KEVEVAPI	Not Valued	Not Valued
Civil Application Sup 5 of 2018 / JR No. 28 of 2010 - R -vs- Commissioner of Lands & Another Exparte Renege Project Ltd	Not Valued	Not Valued
Total	Not Valued	Not Valued

Note

Included in the value of land of Kshs 10,945,000,000 above on Property, Plant and Equipment is land with Civil cases in court that had been grabbed in prior years. The cases currently in in court are as follows: -

- I. ELC 939 of 2014-KEVEVAPI -vs- The AG & 14 Others
- II. ELC 175 of 2010, Kimeo Stores Ltd -vs- KARI & 3 Others-Limuru farm
- III. HCC ELC No.454 Of 2009 Tuguta Enterprises Limited -vs- KARI, KEVEVAPI & 2 Others
- IV. ELC 455 of 2009 Trust land Developers Ltd -vs- KARI, KEVEVAPI & 2 Others at Embakasi
- V. Civil Application Sup 5 of 2018 / JR No. 28 of 2010 - R -vs- Commissioner of Lands & Another Exparte Renege Project Ltd

33. Surplus Remittance to The National Treasury

On 18/11/2018, the Institute paid surplus funds through RTGS of Kshs. 200 million To The National Treasury. Further, on 16th of April 2024, KEVEVAPI paid Kshs 8 million as part of Savings from its retained earnings.

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a State Corporation under the Ministry of Agriculture and Livestock Development. Its ultimate parent is the Government of Kenya.

36. Currency

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

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

22. Appendices

Appendix 1 Progress on Follow up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No.	Issue/Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe:
2024/1.1 Land Parcels with Ownership Disputes	<p><i>Included in the balance is land valued at Kshs. 10,945,000,000 which further include two parcels of land with civil cases in court that had been grabbed in prior years. The cases in court are as follows:</i></p> <p><i>i.ELC 939 of 2014-KEVEVAPI -vs- The AG & 14 Others</i></p> <p><i>ii.ELC 175 of 2010, Kimeo Stores Ltd -vs- KARI & 3 Others-Limuru farm</i></p> <p><i>iii.ELC 455 of 2009 Trust Land Developers Ltd -vs- KARI, KEVEVAPI & 2 Others at Embakasi.</i></p> <p><i>These cases have been in court for too long and the Institute risks losing ownership. Further, the Institute is continuously losing economic value on the use of land since it cannot fully develop and utilize the parcels with ownership contention</i></p>	<p><i>Management is in possession of the two title deeds i.e. LR 209/13409 (Embakasi) measuring 29.05 ha and LR. No. 27628 (Limuru) measuring 151.2 ha even as the cases are ongoing.</i></p> <p><i>Civil Application Sup 5 of 2018 (UR 4/ 2018) KARI vs Commissioner of Lands & Republic. Limuru farm and ELC 454 of 2009 Tuguta Enterprises Limited -vs- KARI, KEVEVAPI & 2 Others at Embakasi were concluded and we therefore have 3 ongoing cases i.e. ELC 939 of 2014 - KEVEVAPI -vs- The AG & 14 Others, ELC 175 of 2010 - Kimeo Stores Ltd -vs- KARI & 3 Others and ELC 455 of 2009 - Trust Land Developers Ltd -vs- KARI, KEVEVAPI & 2 Others at Embakasi.</i></p> <p><i>The duration of the cases is beyond the Institute's control as case management</i></p>	Ongoing	31/12/2025

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

		<i>is done by the Judiciary and we can only have the matters allocated hearing dates subject to the Court's diary</i>		
2024/1.2 Failure to Transfer Logbooks in the Name of the Defunct Institutes	<p><i>The property, plant and equipment balance includes an amount of Kshs. 21,306,000 relating to motor vehicles. Review of related records held by the Institute revealed that The Kenya Veterinary Vaccines Production Institute (KEVEVAPI) was established under State Corporation Act, Cap 446 of the laws of Kenya on 5th March 1990 through legal notice No. 223 of 4th June, 1990. The Institute was subsequently put under KARI management in July 2003 through Presidential Circular No. 3/2003 until July 2008 when it reverted to its original status. However, audit revealed that the ownership documents of 3 motor vehicles are still registered in the defunct institution. Evidence of Management effort to register the vehicles in the Institute's name was not provided.</i></p> <p><i>In the circumstances, the accuracy, completeness and ownership of property, plant equipment balance of Kshs. 11,678,360,000 as at</i></p>	<p><i>KEVEVAPI five vehicles are registered under Kenya Agricultural Research Institute (KARI). KEVEVAPI and KARI have had good working relationship where KEVEVAPI was a center under KARI. Following the transfer of KARI assets to Kenya Agriculture and Livestock Research Organization (KALRO) the management of the organizations have had several meetings to settle the transfer of assets and staff. Currently, the Board of Management of KEVEVAPI is discussing with the Management of KALRO on the Assets of KARI in KEVEVAPI and this will be sorted out soonest.</i></p> <p><i>Further, since the vehicles are registered in the name of KARI, KEVEVAPI cannot dispose them. KALRO and KEVEVAPI are in communication to sort out the ownership issues and make formal the transfer of the serviceable vehicle while KARI disposes of the grounded vehicles as per the attached</i></p>	Ongoing	31/12/2025

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

		<i>30 June, 2024 could not be confirmed</i>	<i>communications. This is disclosed in note c) Property, plant and equipment.</i>		
2024/2- Long Outstanding Receivables		<i>The statement of financial position reflects trade receivables net of provisions balance of Kshs, 205,956,000. Included in this balance is receivables from exchange transactions of Kshs. 203,287,000 as disclosed in Note 19 to the financial statements. The balance further includes an amount of Ksh. 130,571,000 or 64 % of the total receivables as detailed in Appendix I which relates to debts owed by customers that are over 5 years and some were clients domiciled outside the Country. As a result, carrying unrecoverable or nonexistent receivable distorts the net current assets position.</i> <i>In circumstances, the accuracy and recoverability of the accounts receivable balance of Kshs. 130,571,000 could not be confirmed.</i>	<i>Management has initiated serious efforts in collecting these debts and this has yielded good results. Management intended to exploit all avenues on collecting debts. Currently the Board has approved use of diplomacy to collect Uganda and Rwanda government debts. Further, the Board is considering legal action and referring the defaulters to credit bureau to enhance recovery. After all these efforts, the management will consider making further provisions and writing of the debts.</i> <i>Further, to be able to collect much of the debts, management has created a Debt recovery section to lead the exercise of debt collection. This is covered under Note 23 Financial Risk Management –Credit Risk.</i>	Ongoing	31/12/2025.
2025/3- Unsupported Long Outstanding Creditors		<i>The statement of financial position as disclosed in Note 26 to the financial statements reflects trade and other payables from exchange transaction of Kshs. 29,359,000. Included in this balance is an amount</i>	<i>The creditors arose due to withheld payment while paying the supplier/contractor as a result of unfinished work due to various reasons as per the attached list Annex 3. Currently, the institute has</i>	Ongoing	31/12/2025.

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<p><i>of Kshs. 6,604,000 relating to trade payables, out of which Kshs. 5,125,992 or 78% has been outstanding for more than 1 year as detailed in Appendix II indicating that the entity has not been able to honor its obligations as and when they fall due. Further, there is no creditors policy or any binding agreement between the entity and the suppliers for purpose of settling debts owed to suppliers was provided during the audit. In circumstances the accuracy of trade payables amounting to Kshs.5,125,992.00 could not be confirmed.</i></p>	<p><i>circularized to the creditors for concurrence and reconciliation. When the amounts are reconciled with the creditors, they will either be written off or paid. All the suppliers were issued with LPOs/LSOs which they did not fully service.</i></p>		
<p>2024/1.0 Budgetary control and performance</p>	<p>The statement of comparison of the budget and actual amounts reflects a total revenue budget and actual on comparable basis of Kshs. 475,500,000 and Kshs. 270,793,000 respectively resulting to an under collection of Kshs. 204,700,000 or 42% of the budget.</p>	<p>The low level of revenue collected compared to the budget was due to the dry spells in Kenya where the animals became weak and could not be vaccinated. The institute also did not secure the tender to supply Uganda as was the case in the previous year and budgeted for thus lowering the levels of vaccine sales. Further, the instability in Northern Sudan also denied us that foreign market. In the FY 2024/25, the institute has regained its Ugandan market and the revenue for the first quarter alone is Kshs. 169 million. The Institute has also acquired Good Manufacturing</p>	<p><i>Resolved</i></p>	<p><i>Resolved</i></p>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

			Certification which has been a big impediment to accessing foreign and international market. This will eventually lead to increased vaccine sales. See Annex 1.0		
2.0 Over-Expenditure	During the year under review the Institute's actual expenditure exceeded the budget in some expenditure items. Repair and Maintenance by 43%, Administrative Expenses by 26% and Cost of Sales	Repair and maintenance – The old nature of the Plant requires frequent repair after breakdown and maintenance to prevent break downs. During the year, the breakdown of boiler, compressors, refrigerators and the borehole that supplies water to the laboratory necessitated a lot of repair work thus over expenditure. Administrative Expenses - This was high because of the increased cost of vehicle fuel and vaccine transportation costs which was not anticipated while budgeting. Further, the need for the institute to acquire GMP certification necessitated training of staff. Most of these trainings took place outside the institute premises thus increased the staff travelling costs. Cost of sales- This was higher than budget because during the year, the dollar was strong compared to the dollar and since most of the vaccines reagents are		<i>Resolved</i>	<i>Resolved</i>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

		imported, the institute paid more than the amount budgeted for. Further, the rise in cost of electricity, Fuel oil used to operate the machinery and boiler negatively affected the cost of production		
2024/1 Non-Compliance with One Third of Basic Salary Rule	<p><i>Review of the entity's payroll for the year under review revealed that sixteen (16) staff were being paid less than one third (1/3) of their basic salary contrary to section 19(3) of the Employment Act, 2007 that provides that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds</i></p> <p><i>In the circumstances, Management was in breach of the law</i></p>	<i>The introduction of higher rates of statutory deduction cost SHA, NSSF and housing levy lead to the net salaries falling below one third of the basic pay.</i>	<i>Resolved</i>	<i>Resolved</i>
2024/1.1 Failure to Periodically Review the Board Charter	Review of the Institutes Board charter indicated that the Board had been using a charter that was developed and approved for implementation in August 2020. This was contrary to the Mwongozo code of conduct for state Corporations issued under	Unfortunately, the board was unable to conduct a governance audit due to limited budget. The Board will ensure that the same is conducted in the subsequent financial year	<i>Resolved</i>	<i>Resolved</i>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<i>presidential Executive Order No.7 dated 25 March, 2015, under chapter 1 item1.11 which states that the Board of Directors should develop and periodically review its charter. Further, the Board Charter indicates it will be reviewed at least annually.</i>			
2024/1.2 Failure to Conduct Governance Audit	The Board did not initiate governance audit during the year under review contrary to the requirement of Mwongozo code of conduct for state Corporations issued under presidential Executive Order No.7 dated 25 March,2015 ,under item1.13 which states that the board of directors in consultations with the State Corporation Advisory Committee is required to initiate governance audit of the company through an institute of certified public secretaries of Kenya (ICPSK) member and that the governance audit should among other areas cover the governance practices of the organization. In circumstances, the institute was in contravention with Presidential Executive Order no.7 of 25 March,2015.	<i>Unfortunately, the board was unable to conduct a governance audit due to budget constraints. The Board will ensure that the same is conducted in the subsequent financial year</i>	<i>Resolved</i>	<i>Resolved</i>
2024/1.3 Irregular	Review of the composition and function of the Board of	<i>In the previous instances, there were quorum hitches</i>	<i>Resolved</i>	<i>Resolved</i>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

<p>Board Committees Composition and Functionality</p>	<p>Directors revealed the following anomalies: - Four board committees of Audit Risk and Compliance Committee, Sales and Marketing Committee, Finance and Human resource and Administration Committee and Audit Risk and Compliance Committee had 5 members each instead of the recommended four being a third of total board composition of 11 members.</p> <p>Further three (3) out of the four (4) sub-committees did not have charters except for Audit Committee that had a charter contrary to Circular ref. no. OP/CAB.9/1A on management of state corporation of 11 March 2020 Section B on establishment of board committees (2) each committee shall have a charter that outlines roles and responsibilities as guided by SCAC</p> <p>In circumstances the Board Committees are irregularly constituted and contrary to circular no. OP/CAB.9/1A on Board committees</p>	<p><i>due to some Board members having other commitments elsewhere and this necessitated having five Board members so that when one or two Board members miss the meeting could still take place. Some of the Board members come from far and if they travel and then the meeting(s) fail it becomes very expensive for the Institute</i></p>		
<p>2024/2.0 Lack of an Approved IT Strategic Plan</p>	<p>During the year under review the entity did not have an approved I.T strategic plan, contrary to (Section 165 Subsection (1)</p>	<p><i>The Institute has a draft IT strategic plan which shall be presented to the Board for approval</i></p>	<p><i>Resolved</i></p>	<p><i>Resolved</i></p>

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

	<p>of the Public Finance Management Act, 2012 which states that the accounting officer; shall ensure that the national government entity develops (b) a system of risk management and internal control that builds robust business operations.</p> <p>In the circumstances, the absence of this critical document reflects weak internal IT controls that expose the entity to significant operational, reputational and compliance risks.</p>			
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Managing Director 

Date 26-11-2025

Chairman of the Board 

Date 26/11/2025

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

**Appendix II: Projects Implemented by Entity
Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Modernize the FMD Laboratory to attain GMP Standards	1.75 Billion	1,166,273,860	66.64 %	50 Million	Nil	G.O.K Committed

Appendix III: Inter-Entity Transfers

	ENTITY NAME:	KENYA VETERINARY VACCINES PRODUCTION INSTITUTE		
	Breakdown of Transfers from the State Department of Livestock, Ministry of Agriculture, Livestock and Fisheries			
	FY 24/25	Bank Statement Date	Amount (Kshs)	FY the Amounts Relate
a.	Recurrent Grants		Nil	N/A
b.	Development Grants		Nil	N/A
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total	Nil	
c.	Direct Payments		Nil	N/A
d.	Donor Receipts		Nil	N/A

The above amounts have been communicated to and reconciled with the parent Ministry

Head of Accounting Department

KEVEVAPI

Sign



Date

26/11/2025

Name: Peter Macharia

Head of Accounting Department

Ministry of Agriculture, Livestock and Fisheries,
Department of Livestock.

Sign

Date

Name:

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: Kenya Veterinary Vaccines Production Institute

Telephone Number

Email Address: vaccines@kevevapi.or.ke

Name of CEO/MD/Head: Dr. Alex Sabuni

Name and contact details of contact person (in case of any clarifications)

Engineer Bernard Kuria 0725536477

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
	Effluent Plant	Provide sewerage services to KEVEVAPI Embakasi	Renovation of effluent plant at KEVEVAPI Embakasi	-	-	-	-	GoK, A-I-A and DITRA	KEVEVAPI

**KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025.**

Appendix V: Disaster Expenditure Reporting Template

Date: 30/06/2025

Entity -Kenya Veterinary Vaccines Production Institute

Period to which this report refers (FY)	Financial Year 2024/2025			Quarter 1,2,3,4		
Name of Reporting Officer	Dr Michael Kiraithe					
Contact details of the reporting officer:	Email <u>michael.kiraithe@kevevapi.or.ke</u>			Telephone 0790563166		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disast er Type	Category of disaster related Activity that requires expenditure reporting (response/recovery/mitigation/prepar edness)	Expendit ure item	Amount (Kshs'00 0)	Comme nts
		Huma n diseas e contro l	Purchase of mask and sanitizers	Masks and sanitizers	176	