

REPUBLIC OF KENYA



REPORT

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BY:

Dep. Leader of the
Majority Party
Hon. Okey Blamp

CLERK-AT
THE-TABLE:

MERCY OTINO

THE AUDITOR-GENERAL

ON

NYAYO TEA ZONES DEVELOPMENT CORPORATION

FOR THE YEAR ENDED 30 JUNE, 2025



NYAYO TEA ZONES DEVELOPMENT CORPORATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

Prepared in accordance with the International Financial Reporting Standards (IFRS)

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1. ACRONYMS AND DEFINATION OF KEY TERMS

A. ACRONYMS

LN – Legal Notice
CEO – Chief Executive Officer
NEMA – National Environment Management Authority
NTZDC – Nyayo Tea Zones Development Corporation
KTDA – Kenya Tea Development Agency
ICT – Information and Communications Technology
CSR – Corporate Social Responsibility
GOK – Government of Kenya
KTF – Kipchabo Tea Factory (a wholly owned subsidiary)
GTF – Gatitu Tea Factory (a wholly owned subsidiary)
IFRS – International Financial Reporting Standards
CTC – Crush, Tear and Curl
EATTA - East Africa Tea Traders Association

B. DEFINATION OF KEY TERMS

Forest - Land area of more than 0.5ha, canopy cover of at least 15% and with trees of minimum 2m height in-situ.

Buffer - Any area peripheral to a protected area with a predetermined width intended for conservation along the boundaries of a fragile ecosystem.

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

Plucking - The process of harvesting the tea by picking the flush from the bush. This is often done by hand for high-quality teas.

Comparative Year- Means the prior period.

CTC (Crush, Tear, and Curl) - A machine-based manufacturing process where leaves are put through a series of rollers with serrated blades to create small, even-shaped pellets. This results in a strong, quickly infusing tea commonly used in tea bags.

Green leaf - The fresh, raw tea leaves (and buds) that have been recently harvested from the *Camellia sinensis* plant

Orthodox - A traditional processing method that involves plucking, withering, rolling, oxidation, and drying, generally resulting in larger, whole-leaf teas with more complex flavor profiles.

Nyayo Tea Zones Development Corporation

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2. KEY ENTITY INFORMATION

a) Background information

Nyayo Tea Zones Development Corporation was established in 1986 through a Gazette Notice No. 30 of 2002 (initial Gazette Notice LN265/1986 was revoked) as a parastatal and is resident in Kenya, while its wholly owned subsidiaries (Kipchabo Tea Factory Ltd and Gatitu Tea Factory Ltd) are registered in Kenya under the companies Act (Cap.486) registration certificates number CPR/2010/33168 and PVT/2016/021858 respectively. At cabinet level, the entity is represented by the Cabinet Secretary for Agriculture Livestock & Fisheries, who is responsible for the general policy and strategic direction of the entity. The entity is domiciled in Kenya and has 18 Zones in the tea growing regions in the country.

b) Principal Activities

The Corporation principal activity is conservation of gazetted forests through establishment of tea buffers and fuelwood plantations.

c) Directors

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

Mr. Joseph G. M'Limbiine – Chairperson - Appointed in Apr 2023

Mr. Peter K. Korir – CEO - Appointed to the board in 2012, left Nov 2024

Dr. David Chepkwony (PhD) – CEO - Appointed in January 2025

Mr. Raymond Kemei – Director - Appointed in Oct 2015, left in May 2025

Mr. Andrew Nyanchoga – Director - Appointed in Dec 2018, left in May 2025

Mr. Andrew N. Karumbo – Director - Appointed in May 2022, left in May 2025

Ms. Joyce Njogu – Director - Appointed in May 2022, left in May 2025

Ms. Beatrice Nkirote Baariu – Director - Appointed in Jan 2024

Mr. Paul Kering Kiprop – Director - Appointed in Apr 2024

Mr. Evans N. K. Obote – Director (Alternate to Principal Secretary National Treasury), appointed Nov 2023

Leonard Kubok – Director (Alternate to Principal Secretary Ministry of Agriculture), appointed in Apr 2024, left in January 2025

Mr. Mayone Matunke David – Director - Appointed in May 2025

Mr. Geoffrey Wachira Mahinda – Director – Appointed in May 2025

Mr. Patrice Jomo Chumba – Director – Appointed in May 2025

Ms. Malika Ali Omar – Director – Appointed in May 2025

FA, CPA Isabella Kogei – Director (Alternate to Principal Secretary Ministry of Agriculture)– Appointed in January 2025

Mr. John Karanja – Director (Representative to Inspector- General (Corporations) Inspectorate of State Corporations- Appointed in June 2025

d) Corporate Secretary

Ms. Irene Kamanda

Kenyatta Avenue

P.O. Box 48552 - 00100

NAIROBI

Nyayo Tea Zones Development Corporation

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

e) Registered Office

Nyayo House - 11th Floor
Kenyatta Avenue
P.O. Box 48552 - 00100
NAIROBI

f) Corporate Headquarters

Nyayo House – 11th Floor
Kenyatta Avenue
P.O. Box 48552 - 00100
NAIROBI

g) Corporate Contacts

Telephone: (254) 2217489, Mobile+254 722 509801
E-mail: info@teazones.co.ke
Website: www. teazones.co.ke

h) Corporate Bankers:

1. Kenya Commercial Bank Ltd
Kipande House Branch
P.O. Box 30012
NAIROBI
2. Credit Bank Plc
P O Box 61064 – 00200
Nairobi
3. UBA Kenya Bank Limited
P O Box 34154 – 00100
Nairobi

i) Independent Auditors

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

j) Principal Legal Advisers

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


Nyayo Tea Zones Development Corporation

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3. THE BOARD OF DIRECTORS

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

- Mr. Joseph G. M'Limbiine – Chairperson – Appointed in Apr 2023
Mr. Peter K. Korir – Chief Executive Officer - Appointed to the board in 2012
Dr. David Chepkwony, (PhD) – Chief Executive Officer - Appointed in January 2025
Mr. Raymond Kemei – Director - Appointed in Oct 2015, Reappointed May 2022, Left in May 2025
Mr. Andrew Nyanchoga – Director – Appointed in Dec 2018, Reappointed May 2022, Left in May 2025
Mr. Andrew N. Karumbo – Director – Appointed in May 2022, Left in May 2025
Ms. Joyce Wambui Njogu – Director – Appointed in May 2022, Left in May 2025
Ms. Beatrice Nkirote Baariu – Director – Appointed in Jan 2024
Mr. Paul Kering Kiprop – Director – Appointed in Apr 2024
Mr. Evans N. K. Obote – Director (Alternate to Principal Secretary National Treasury), appointed Nov 2023
Leonard Kubok – Director (Alternate to Principal Secretary Ministry of Agriculture), appointed in Apr 2024-Left in January 2025
Mr. Mayone Matunke David – Director – Appointed in May 2025
Mr. Geoffrey Wachira Mahinda – Director – Appointed in May 2025
Mr. Patrice Jomo Chumba – Director – Appointed in May 2025
Ms. Malika Ali Omar – Director – Appointed in May 2025
FA, CPA Isabella Kogei – Director (Alternate to Principal Secretary Ministry of Agriculture–Appointed in January 2025
Mr. John Karanja – Director (Representative to Inspector- General (Corporations) Inspectorate of State Corporations- Appointed in June 2025

1	 <p>Mr. Joseph Gitonga M'Limbiine – Chairperson</p>	<p>Mr. Joseph Gitonga M'Limbiine is 54 years old and was appointed as the Board Chair NTZDC in April 2023. He has previously served in various government Boards between 2013 and 2022 - notably Pwani University, Kisii University, NTSA and JKUAT. Mr. M'Limbiine is a lawyer by profession with over 25 years post-admission experience in the legal practice. He is currently a Senior Partner at the law firm of M'Limbiine and Mungai Advocates. Mr. M'Limbiine holds an MBA in Strategic Management and a Bachelor of Laws from the University of Nairobi and a post graduate Diploma from Kenya School of Law. He is an Advocate of the High Court of Kenya and a Certified Public Secretary. He has worked at EACC, Attorney General's office, High Court Judges Tribunal and the Judges and Magistrates Vetting Board as the Assisting Counsel. He brings a lot of experience in corporate governance and law.</p>
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2	 <p>Mr. Peter K. Korir – Chief Executive Officer</p>	<p>Mr Peter Korir is 56 years and joined the board in November 2012. He holds a Bachelor of Science degree in Mathematics from Egerton University and MBA (Strategic Management) from University of Nairobi. He is also a graduate of IESE Business school in Advanced Management. He has over 23 years’ experience in management having previously worked with East African Portland Cement and Unilever Kenya in various management positions. He exited as the CEO of the Corporation on 15th November, 2024 after expiry of his term.</p>
3	 <p>Mr. Raymond Kemei – Independent Member</p>	<p>Mr. Reymond Kemei is 52 years old was appointed to the board in Oct 2015, reappointed in Dec 2018. He holds a MBA degree in strategic management and BA degree in economics. He also has a diploma in project management. He is currently a production manager with KTDA and has over 15-year experience in tea industry. Mr Kemei Chairs the Finance, HR and ICT Committee. He exited as a member of the board in May 2025 after expiry of his term.</p>
4	 <p>Mr Andrew Nyanchoga – Independent Member</p>	<p>Mr. Andrew Nyanchoga is 67 years old and joined the NTZDC Board in December 2018 and left in May 2025. He holds MSc degree in Human Resource Management from Manchester University (UK) and a BA from the University of Nairobi. He has more than more than 30 years experience in human resource development and practice gained while working in various government ministries where he rose to the position of Director of Human Resources and Development in the Ministry of Education, State Department of Basic Education. His interests and areas of expertise include human resources planning, recruitment and placement of staff, performance appraisal, pay and benefits, discipline, schemes of service and career progression and implementation. He is currently a consultant in the HR field. He exited as a member of the board in May 2025 after expiry of his term.</p>
5	 <p>Ms Joyce Wambui Njogu- Independent Member</p>	<p>Ms. Joyce Njogu is 56 years old and is an independent member and was appointed in May 2022. She holds a Bachelor of Education Degree from Kenyatta University and Diploma in Business Management from Kenya institute of Management. She has over 25 years’ experience in Sales and Marketing and in Customer Care. She has worked at PaperHouse of Kenya, Skanem Interlabels and TNT Express Worldwide. She exited as a member of the board in May 2025 after expiry of his term.</p>

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6		<p>Mr Andrew Njenga Karumbo - Independent Member</p>	<p>Mr. Andrew Karumbo is 47 years old and was appointed as an independent member in May 2022 and left in May 2025. He holds a Bachelor of Arts Degree in Economics from University of Nairobi. He is also a Certified Public Accountant – CPA(K) and a Certified Public Secretary – CPS(K). He has over 20 years’ experience in accounting, banking and management. He has previously worked at Genghis Capital, Chase Bank and Ecological Safaris. He exited as a member of the board in May 2025 after expiry of his term.</p>
7		<p>Mr. Leornard Kubok – Alternate to PS Agriculture</p>	<p>Mr. Leornard Kubok is 56 years old and was appointed in April 2024 as an Alternate to Principal Secretary Ministry of Agriculture. He holds Master of Science in Agricultural Extension from Egerton University and Bachelor of Science (Hons) in Agriculture from University of Nairobi. He is Currently Deputy Director, Crop Resources Management Division at the Ministry of Agriculture. He has over 31 years’ experience in agriculture policy, research and extension. He exited as a member of the board in January 2025.</p>
8		<p>Mr Paul Kiprop - Independent Member</p>	<p>Mr. Paul Kiprop is 50 years old and was appointed as an independent member in April 2024. He holds Diploma in County Governance from Daytek Computer Technologies and is pursuing a degree in Public Administration and Leadership from Jomo Kenyatta University of Agriculture and Technology. He has previously worked as Sales Executive at Bayer Chemicals and Manager and Senior Property Consultant at Maestro Properties Ltd. From 2008 to 2013 an elected Councilor of Kaptagat Word and served as Chairman of County Council of Wareng. He has experience of over 16 years in management</p>
9		<p>Mrs Beatrice Baariu- Independent Member</p>	<p>Mrs. Baariu is 67 years old and was appointed as an independent member in Jan 2024. She holds a Diploma in Teache Education from Kenya Science Teachers College. She previously served as a Board Member at Kiegoi Tea Factory and has also served as a Board member of Several Secondary Schools. She is an entrepreneur and is engaged in private business. She has experience of over 41 years in management</p>
10		<p>Mr. Evans Obote – Alternate to Ps National Treasury & Planning</p>	<p>Mr. Evans Obote the Alternate to Principal Secretary National Treasury has been a member of the Board since Nov 2023. He is an economist by profession and holds Bachelor of Arts in Economics and Statistics degree from University of Nairobi. He also holds a Certificate in Project Management form University of California, Irvin. He is currently a Senior Investment Officer at the National treasury has over 10 years’ experience in economics and management.</p>



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<p>11</p>	 <p>Mr. Mayone Matunke David</p>	<p>Mr. Mayone is 42 years old and was appointed as an independent member in May 2025. He holds a degree in Bachelor of Commerce (Accounting) from Daystar University. Mayone has worked with Narok County Government as an Accountant. He was also elected as the Chairman Maji Moto Group Ranch. He has the expertise and ability to effectively coordinate and oversee meetings and articulate issues on land matters, wild life conservation, developmental and educating citizens on economic issues.</p>
<p>12</p>	 <p>Mr. Geoffrey Wachira Mahinda</p>	<p>Mr Mahinda is 68 years old and was appointed as an independent member in May 2025. He holds a degree in Bachelor of Commerce from University of Nairobi. Mahinda has been a member and chair board audit committee of Numerical Machining Complex, board member Nyeri County Public Service Board, director at Kenya Bureau of Statistics, director at Tana Water Services Board, Acting Chairman of Nyeri County Service Board, Acting Chairman Kenya Bureau of Statistics, Founder Chairman of Osmosys Solutions Ltd, he also has business experience in Insurance and Consultancy.</p>
<p>13</p>	 <p>Mr. Patrice Jomo Chumba</p>	<p>Mr Chumba is 63 years old and was appointed as an independent member in May 2025. He holds Bachelor of Arts Degree in Bible Theology from ICI University, USA. He has also worked with several schools across the country.</p>
<p>14</p>	 <p>Ms. Malika A. Omar</p>	<p>Ms. Malika is 49 years old and was appointed as an independent member in May 2025. He holds a Masters in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology. Ms. Malika has served in various positions including County Government of Lamu as the Chief Officer -Public Service Management and Administration/ICT, Karwa Trading Ventures Ltd, Modern Maritime Services Ltd. She has over 16 years in management.</p>

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15	 FA, CPA Isabella Kogei	<p>Ms. Isabella is 42 years old and was appointed as a Representative to Principal Secretary Ministry of Agriculture and Livestock in January 2025. She holds a Master of Science (Finance) from Kenyatta University. She is currently an Accountable Chief Finance Officer (CFO)/Deputy Director of Budget (DDB) and has proven leadership record by providing leadership as the head of finance at the Ministry of Agriculture and Livestock Development and has over 17 years of experience in financial and management leadership both in private and public sectors.</p>
16	 Mr John Karanja	<p>Mr. Karanja is years old and was appointed as a Representative to Inspector-General (Corporations), Inspectorate of State Corporations in June 2025.</p>

Nyayo Tea Zones Development Corporation



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4. KEY MANAGEMENT TEAM

1	 <p>Dr. David Chepkwony – CEO</p>	<p>Dr. David Chepkwony is 55 years old and he joined the Board in January 2025. He holds a Doctor of Philosophy and a master’s degree in business administration (Marketing), and a Bachelor of Commerce degree in Marketing. He has over 28 years’ experience in management having joined the corporation in 2014 as head of Commercial unit and previously worked with Ketepa, Del Monte Kenya Ltd, Reckitt Benckiser EA Ltd and Unilever Kenya Ltd in various management positions. He is a member of Marketing Society of Kenya – Membership No. M2035/MSK. Previously he served as the Director, Operations and Commercial Services.</p>
2	 <p>Peter K. Korir – CEO</p>	<p>Mr. Peter Korir is 55 years and joined the board in November 2012. He holds a Bachelor of Science degree in Mathematics from Egerton University and MBA (Strategic Management) from University of Nairobi. He is also a graduate of IESE Business school in Advanced Management. He has over 24 years’ experience in management having previously worked with East African Portland Cement and Unilever Kenya in various management positions. He exited the Corporation in November 2024 following expiry of his term.</p>
3	 <p>Samuel Njire – Director Finance & Accounts</p>	<p>Mr Samuel Njire joined the corporation in 2009 to 15th October 2024 as Director Finance & Accounts. He holds a Bachelor of Commerce (Accounting) and MBA (Finance) degrees both from University of Nairobi. He is also a certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 6527. He is responsible for overall financial stewardship of the corporation. He has over 32 years’ experience in finance in both public and private institutions. He exited the Corporation in October 2024 after expiry of his term.</p>
4	 <p>Charles Mucheke – Director of Conservation Services</p>	<p>Mr. Charles Mucheke joined the Corporation in 2005 and is the Head of Operations. He holds a Bachelor of Science (Agriculture) and MBA (Operations Management) degrees both from University of Nairobi. He is responsible for all agronomy operations in the Corporation. Prior to joining the Corporation, he worked with KTDA and has over 31 years’ experience in the tea industry.</p>
5	 <p>CPA Moses Wamae Wanjohi – Director, Finance & Accounts</p>	<p>Mr Moses Wamae joined the corporation in 2006 and was appointed as Director, Finance & Accounts effective January 2025. He holds a Bachelor of Commerce (Accounting) and MBA (Finance) degrees both from University of Nairobi. He is also a certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 4362. He has held various positions in the Corporation including Deputy Director - Finance, Finance Manager – Operations and Financial Accountant. He is responsible for overall financial stewardship of the corporation. He has over 24 years’ experience in finance and management in both public and private institutions</p>

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6	 William Togom – Director Human Resources and Administration	<p>Mr. Togom joined the corporation in 2003 and is the head of human resources and administration. He holds a Bachelor of Arts degree in Anthropology. He also holds a Diploma in Human Resource Management from Kenya Institute of management (KIM). He is a member of Human Resource Management Institute of Kenya – Membership No. 03386. He has over 26 years’ experience in human resource and administration.</p>
7	 Pius Kipkurui – Acting Director, Operations and Commercial Services	<p>Mr. Pius Kipkurui joined the Corporation in 2009 and was appointed as Acting Director of Operations and Commercial Services. He holds a Bachelor of Agricultural Economics degree from Egerton University and a Master of Business Administration degree in Strategic Management. He is responsible for operations and tea marketing in the Corporation. Prior to joining the Corporation, he worked with KTDA and Ministry of Agriculture and has over 28 years’ experience in the tea industry.</p>

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

5. FIDUCIARY MANAGEMENT

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

No.	Designation	Name
1.	Chief Executive Officer (Upton 15 th November 2024)	Mr. Peter Korir
2	Chief Executive Officer (From 1 st January 2025)	Dr. David Chepkwony, PhD
3.	Director, Finance & Accounts (Upton 15 th October 2024)	CPA Samuel Njire
4	Director, Finance and Accounts (From 16 th Oct 2024)	CPA Moses Wamae
5.	Director, Conservation Services	Mr. Charles Muccheke
6.	Ag. Director, Operations and Commercial Services	Pius Kipkurui
7.	Director Human Resources & Administration	Mr. William Togom

6. FIDUCIARY OVERSIGHT ARRANGEMENTS

The following are the key fiduciary oversight arrangements in the Corporation.

(i) Production, Business Development & Strategy Committee:

This committee ensures that new business strategies, product developments, and operational changes are sound and aligned with the Corporation's long-term objectives. It evaluates the financial feasibility of new initiatives to ensure that resources are used efficiently, safeguarding the Corporation's financial interests. The committee assesses the potential risks of business development activities, ensuring they do not pose unnecessary financial or operational risks. When considering new products or services, the committee ensures they will deliver an acceptable return on investment and contribute to the Corporation's overall strategy.

(ii) Audit & Risk Management Committee:

This committee oversees the financial and risk management systems. They monitor risk management systems and ensure that the Corporation's risks—whether financial, operational, or legal—are identified, assessed and mitigated. The committee is also responsible for ensuring that internal controls are effective and that the Corporation complies with relevant laws, regulations and industry standards. In case of financial discrepancies or audit findings, the committee ensures that corrective actions are implemented to safeguard the Corporation.

(iii) Finance & ICT Committee:

This committee oversees the financial health of the Corporation, ensuring that financial resources are allocated effectively and sustainably. The committee plays a crucial role in overseeing IT systems, ensuring they are secure, efficient, and aligned with the Corporation's strategic

Nyayo Tea Zones Development Corporation

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

objectives. By monitoring financial and ICT decisions, the committee helps safeguard the Corporation's long-term success.

(iv) Human Resource Committee:

The Committee ensures fair treatment of employees and provides oversight and guidance on HR strategies, policies, and practices, ensuring they align with the organization's overall goals and legal requirements

Nyayo Tea Zones Development Corporation

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7. CHAIRMAN'S STATEMENT

I am pleased to present to you the Annual Report and financial statements of Nyayo Tea Zones Development Corporation for the year ended 30 June 2025.

The Corporation closed the 2024/25 financial year with a notable decline in green leaf production, recording 28.8 million kilograms—a significant drop from the previous year's record high of 41 million kilograms. This reduction was primarily driven by unfavorable weather conditions and labour challenges experienced in some of our operational zones. Despite these setbacks, the Corporation remained steadfast in fulfilling its conservation mandate, with a strong focus on sustainability and livelihood support.

The decline in green leaf production was largely due to reduced rainfall and drought conditions experienced during the third quarter (January to March). Additionally, the drop in processed tea volumes was attributed to lower deliveries to Kipchabo Tea Factory, particularly in the final quarter of the year.

Throughout the year, the Corporation intensified its conservation efforts and aligned its environmental initiatives with the Government's Bottom-up Economic Transformation Agenda (BETA). Key activities included the expansion of tea buffer zones, establishment and maintenance of tea nurseries, and afforestation efforts across various forest blocks including Aberdares, Mt. Kenya, Nyambene, Mau Complex, Kakamega, Mt. Elgon, Cherangani, Kaptagat, and Nandi. Maintenance of tree seedling nurseries was also enhanced, contributing to the continued increase in forest cover and the rehabilitation of previously deforested areas.

In terms of livelihood support, the Corporation provided employment to an average of 10,766 individuals per month. These workers were engaged in various field activities such as plucking, land preparation, weeding, pruning, guarding, fertilizer application, and nursery operations.

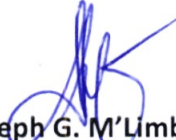
During the financial year, the Corporation also initiated efforts to strengthen its legal framework in light of the impending expiry of its legal notice. This included the development of a draft National Buffer Policy and a Draft Bill for Parliament. By the end of the reporting period, the Draft Policy was under review in preparation for public participation.

Our Commercial and Value Addition Division recorded improved performance during the year. The Commercial Unit undertook marketing, sales, and distribution activities across the North Rift, Central Rift, South Rift, Western, Nyanza, Nairobi, and parts of the Mt. Kenya region. The introduction of new product lines, including Najma and flavored teas, is expected to enhance revenue generation and overall organizational performance. Plans are also underway to introduce Orthodox teas to further diversify our product portfolio.

Looking ahead, the Corporation remains committed to expanding its domestic market share to cushion against the volatility of global tea prices, which continue to be influenced by economic and geopolitical factors.

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In conclusion, I wish to express my sincere appreciation to our dedicated staff for their commitment, to the Board of Directors and the Government for their steadfast support, and to our esteemed customers, without whom this progress would not have been possible.


Joseph G. M'Limbiine
Chairperson of the Board
Date.....10/12/2025.....

8. REPORT OF THE CHIEF EXECUTIVE OFFICER

General

I am pleased to present the Annual Report and Financial Statements of Nyayo Tea Zones Development Corporation for the year ended June 30, 2025.

Financial Results

During the year, tea prices at the Mombasa Tea Auction declined significantly compared to the previous year. The average revenue per kilogram of green leaf dropped marginally by 3%. As a result, consolidated revenues fell by 30% to Ksh. 1.85 billion, down from Ksh. 2.63 billion in the previous year. Revenue from green leaf sales declined by 36% to Ksh. 1.17 billion, compared to Ksh. 1.84 billion previously.

Direct costs decreased by 25% to Ksh. 1.25 billion, while indirect costs rose by 9% to Ksh. 887 million. Consequently, the Corporation recorded a consolidated pre-tax loss of Ksh. 260.4 million, compared to a profit of Ksh. 14.8 million in the previous year. This downturn was primarily driven by increased costs and depressed auction prices.

Operations & Commercial Services

Green leaf production declined by 30% to 28.8 million kilograms, largely due to unfavorable weather conditions, particularly in the second and fourth quarters of the year across our tea-growing regions.

Kipchabo Tea Factory received 15.29 million kilograms of green leaf, an 18% decrease from 18.6 million kilograms the previous year. Outgrowers contributed 8.71 million kilograms (57%) of the total intake, with the remainder sourced from the Corporation's zones in Nandi, Kakamega, and Kaptarakwa. Processed tea volumes at Kipchabo declined by 19% to 3.4 million kilograms, down from 4.21 million kilograms.

Gatitu Tea Factory received 5.39 million kilograms of green leaf, a 33% drop from 8.02 million kilograms in the previous year. All green leaf processed at Gatitu was sourced from the Corporation's farms in Kirinyaga, Embu, Mathira, Meru, and Nyeri zones. Processed tea volumes at Gatitu decreased by 26% to 1.26 million kilograms, compared to 1.71 million kilograms the previous year.

Strategic Outlook

The Corporation remains committed to adapting and implementing new strategies to navigate the increasingly challenging operating environment. We will continue to support government-led conservation initiatives and collaborate with local communities.

To enhance revenue performance, we have introduced new product lines, including Najma and flavored teas, which are expected to boost sales. Additionally, we aim to expand our domestic market share to cushion against global tea price volatility. Other strategic measures include the adoption of modern technologies and the expansion of our estates to improve livelihoods and reduce production costs.

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Appreciation

I extend my sincere appreciation to our valued stakeholders—customers, suppliers, financial partners, and local communities—for their continued support. On behalf of the management and staff, I also wish to thank the Board of Directors and the Government for their unwavering commitment to the Corporation. With your continued support, we are confident in our ability to achieve sustainable growth for the benefit of all stakeholders.



Dr. David Chepkwony, PhD

Chief Executive Officer

Date... 10/12/2025

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9. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

In the FY 2024/2025, Corporations projections and actuals are summarized in the table below.

	Budget	Actual	Prior Year	Actual Vs Budget	Actual Vs Prior Year
Nyayo Tea Zones Dev. Corp					
Green leaf produced (Kgs)	44,911,225	28,842,327	41,065,501	-36%	-42%
Revenue (Ksh)	1,222,567,449	1,160,213,791	1,837,423,536	-5%	-58%
Kipchabo Tea Factory					
Green leaf processed(Kgs)	24,771,001	15,297,642	18,552,870	-38%	-21%
Processed Tea (Kgs)	5,697,330	3,435,348	4,217,444	-40%	-23%
Revenue (Ksh)	1,574,862,123	719,242,063	848,811,204	-54%	-18%
Gatitu Tea Factory					
Green leaf Received Tea (Kgs)	7,290,641	5,386,610	8,026,442	-26%	-49%
Processed Tea (Kgs)	1,676,847	1,263,255	1,718,090	-25%	-36%
Revenue (Ksh)	632,171,475.86	381,368,837	622,372,278	-40%	-63%

The Corporation has two Strategic Pillars within the current Strategic plan for 2020-2025 which are as follows;

Strategic Pillar 1 - Build a sustainable Organisation

Strategic Pillar 2 - Improve and leverage our Stakeholder engagement

The achievements are summarized in the table below.

STRATEGIC PILLARS	OBJECTIVE	KEY PERFORMANCE INDICATORS	ACTIVITIES	ACHIEVEMENTS
Build a sustainable Organisation	Generate earnings from GL Tea of Kes. 2.0Bn and Kes. 0.83Bn from the Commercial Unit	-New Organisation Design -Annual Performance Target - 100% of Staff -Cascade & Refresher	-Implement a fit-for-purpose Organisation structure to drive delivery of CSP2025 -Cascade the New CSP to all Staff at onset of the CSP period, conduct a refresher at the mid-term -Develop and sign-off annual staff performance scorecard by end July Annually	- Achieved 61% of earnings - CSP cascaded to 90% of staff - 95% achievement on Staff performance appraisal done
Improve and leverage our Stakeholder	Great Stakeholder relationships that support delivery of organization	Signed-off Strategy and Responsibility assigned Strategy	- Develop and sustain a Digital Engagement Strategy built around the Corporation's Website and other	-90% achieved

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engagement	Goals	Customer Satisfaction score of >85	digital assets such as Social Media platforms Develop a Corporate Stakeholder Engagement strategy with focus on key / Critical stakeholders	-90% achieved
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Nyayo Tea Zones Development Corporation

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10. CORPORATE GOVERNANCE STATEMENT

The Corporation is committed to ensuring compliance with the principles of corporate governance as enshrined in the Constitution of Kenya 2010, the State Corporations Act, Cap 446, Tea Act 2020 and the *Mwongozo* Code of Conduct for State Corporations. The Corporation conducted its operations in adherence to the principles of Corporate Governance such as transparency and disclosure, accountability, risk management, internal controls, ethical leadership and good corporate citizenship.

The Board has established a Board Charter that guides its operations and on an annual basis, sets performance targets through a work plan. In compliance with the provisions of the *Mwongozo*, a Board evaluation was carried out by the State Corporations Advisory Committee.

The following members exited the Board during the financial year following expiry of their term, Mr. Raymond Kemei, Mr. Andrew N. Karumbo, Ms. Joyce Njogu, Mr. Leonard Kubok.

The following members joined the board during the financial year following their appointment Mr. Mayone Matunke David, Mr. Geoffrey Wachira Mahinda, Mr. Patrice Jomo Chumba Ms. Malika Ali Omar, FA, CPA Isabella Kogei, Mr. John Karanja

All the board members except the Chief Executive Officer are non-executive and are appointed for a renewable term of 3 years for a maximum of 2 terms.

The board has established 3 committees, namely (i) Production, Business Development & Strategy Committee (ii) Audit & Risk Management Committee and (iii) Finance, Human Resources & ICT Committee. Each committee meets at least once every quarter before tabling their reports to the full board.

Below is the composition of Board Committees.

		Audit & Risk Management	Production, Business Development & Strategy	Finance & ICT	Human Resource
1	Chairperson	Raymond Kemei	Joyce Njogu	Andrew Karumbo	Andrew Nyanchoga
2	Member	Joyce Njogu	Andrew Karumbo	Andrew Nyanchoga	Andrew Karumbo
3	Member	Isabella Kogei	Andrew Nyanchoga	Joyce Njogu	Isabella Kogei
4	Member	Leonard Kubok	Isabella Kogei	Isabella Kogei	Leonard Kubok
5	Member	Beatrice Bariu	Leonard Kubok	Leonard Kubok	Beatrice Bariu
6	Member	Obote Evans	Beatrice Bariu	Beatrice Bariu	Obote Evans
7	Member	Paul Kiprop	Obote Evans	Obote Evans	Raymond Kemei
8	Member		Paul Kiprop	Paul Kiprop	
9	Member			Raymond Kemei	

During the financial year, 21 Board meetings were held and the attendance is summarized below.

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S/NO.	NAME	ATTENDANCE
Full Board		
1	Joseph G. M'limbine	12/12
2	Peter K. Korir	7/12
3	Andrew Nyanchoga	12/12
4	Raymond Kemei	11/12
5	Andrew Karumbo	12/12
6	Paul Kiprop	12/12
7	Joyce Njogu	12/12
8	Obote Evans	12/12
9	Leonard Kubok	9/12
10	Beatrice Bariu	12/12
11	Isabella Kogei	0
12	William Togom	2/12
13	David Chepkwony	3/12
Finance & ICT Committee		
1	Peter K. Korir	2/4
2	Andrew Nyanchoga	1/4
3	Andrew Karumbo	4/4
4	Joyce Njogu	1/4
5	Isabella Kogei	2/4
6	Leonard Kubok	2/4
7	Beatrice Bariu	3/4
8	Obote Evans	4/4
9	Paul Kiprop	1/4
10	Raymond Kemei	1/4
11	David Chepkwony	2/4
Production, Business Development & Strategy Committee		
1	Peter K. Korir	2/4
2	Andrew Nyanchoga	4/4
3	Andrew Karumbo	1/4
4	Joyce Njogu	4/4
5	Isabella Koga	2/4
6	Leonard Kubok	2/4
7	Beatrice Bariu	1/4
8	Obote Evans	1/4
9	Paul Kiprop	4/4
10	David Chepkwony	2/4
Audit & Risk Management Committee		
1	Raymond Kemei	4/4
2	Joyce Njogu	3/4
3	Isabella Kogei	1/4
4	Leonard Kubok	2/4
5	Beatrice Bariu	1/4
6	Obote Evans	4/4
7	Peter K. Korir	2/4
8	Paul Kiprop	4/4
9	David Chepkwony	2/4
Human Resource Committee		
1	Raymond Kemei	6/6
2	Andrew Karumbo	6/6
3	Isabella Koga	2/6

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4	Leonard Kubok	3/6
5	Beatrice Bariu	6/6
6	Obote Evans	5/6
7	Peter K. Korir	4/6
8	Andrew Nyanchoga	6/6
9	David Chepkwony	2/6

Appointment of Board Members:

The Cabinet Secretary, Ministry of Agriculture and Livestock Development appoints the Board Members. The Chairman is appointed by the President of the Republic. Every appointment is done by name and by notice in the Kenya Gazette.

Appointments cease if a member:

- (a) Serves the appointing authority with a written notice of resignation; or
- (b) Is absent, without the permission of the Chairperson, for three consecutive meetings:
or
- (c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
- (d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- (e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.

- (f) Any removal of a Board Member shall be through formal revocation.
- (g) The Corporation Secretary ensures that a record of the appointment letters, gazette notice and written acceptance by the Board member are kept in personal file of the Board Member.

The roles and functions of the board include the following.

- a) To oversee the implementation of the Corporations' mission, vision, purpose and core values through various programs.
- b) To Exercise their role collectively, not individually
- c) To set and oversee the overall strategy and approve significant policies of the Corporation.
- d) To review, Evaluate and approve, on a regular basis, long-term plans for Corporation.
- e) To review and evaluate and approve Corporation's budget and financial forecasts.
- f) To review and evaluate and approve major resource allocation and capital investments.
- g) To ensure that the procurement processes were cost -effective and delivered value for money.
- h) To review and approve the operating and financial results of the Corporation.
- i) To ensure effective, accurate, timely, and transparent disclosure of pertinent information on the Corporation's operations and performance.

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- j) To Adopt, implement and Monitor compliance with the Corporation's Codes of Conduct and Ethics.
- k) To Review, evaluate and approve the Overall Corporation's structure, the assignment of senior management responsibilities and plans for senior management development and succession.

Conflict of Interest

The Mwongozo code of governance for State Corporations, the Leadership and Integrity Act, Public Officers Ethics Act and other relevant laws have set standards on the management of conflict of interest. The Corporation is in compliance with the requirements set out in the code and the relevant laws. The Directors are required to disclose their areas of conflict. Directors are required to refrain from contributing to or voting on matters in which they have such conflict or influence a decision with respect to such a matter. The Corporation also maintains a register to record conflict of interest.

Board Remuneration

The Board of the Corporation recommends the remuneration and sitting allowances paid to the Chairman and members of the Board in line with the currently prevailing government guidelines on payment of remuneration and allowances for Board members. The Chairman and Board were therefore paid sitting allowance and other allowances in line with the guidelines.

Ethics & Conduct and Governance Audit

The Corporation has adopted high standards and applies strict rules of conduct, based on the best corporate practices. The Board continued to adhere to good corporate governance by embracing the following principles.

- a) Observing high standards of ethical and moral behavior
- b) Acting in the best interests of the organization
- c) Remunerating and promoting staff fairly and responsibly
- d) Ensuring that the Corporation acts as a good corporate citizen.

Succession Plan

Board members shall hold office for a period not exceeding three (3) years and are eligible for reappointment for one term not exceeding 3 years. The renewal of a Board member tenure for a second term is subject to an acceptable evaluation as determined during the Board evaluation.

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11. MANAGEMENT DISCUSSION AND ANALYSIS

The Corporation's mission focusses on conservation. The Conservation objectives include:

1. Establishment and management of Tea Buffer Belts to protect designated gazetted forests
2. Forest Establishment which includes establishment of fuelwood plantations, windbreaks and Protection of Environmentally Sensitive Areas through planting of indigenous trees
3. Stakeholder engagement

The Corporation has continued to manage the tea buffer belts in order to fulfill the buffer belts' conservation functions which include inter alia:

- Provision of a physical barrier which deters forest encroachment and ensures integrity of the forest boundaries
- Provision of alternative livelihoods to peri-forest communities to deter forest destruction and other illegal activities that would otherwise occur
- Provision of vigilance and surveillance on the forest through daily buffer belt management activities such as tea plucking, fuelwood plantation patrols, etc

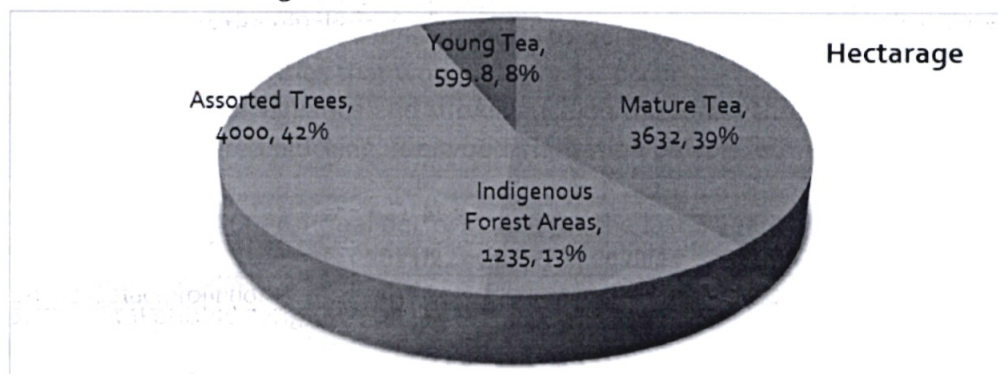
The financial and operational performance for the last 3 years is summarized in the table below.

	2021/22	2022/23	2023/24	2024/25
	<i>Figures in millions</i>			
Green Leaf Production (Kgs)	29.9	35.5	41.0	28.0
Made teas sold (Kgs)	8.6	10.1	6.5	7.0
Consolidated revenues KES.	3,744.4	2,485.8	2,634.4	1,848.1
Consolidated profit (loss) KES	272.5	192.8	14.8	(260.4)

The Corporation's Estates

The Corporation's Estate is categorized in accordance with the land use where about **44.7%** of total buffer zones land is under tea while the remaining **55.3%** is under assorted tree species and indigenous forested areas.

This is illustrated in Figure I below:



Distribution of Corporations Estate

The Corporation's Estate is distributed within the designated buffer belts as per Table I below, and during the quarter there was no change.

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**TABLE I: DISTRIBUTION OF TEA AND FOREST AREAS AS AT END
JUNE 2025 & VALUATION**

Forest Blocks	Zone	Buffer Area Under Tea (ha)	Buffer Area planted with Assorted Trees (ha)	Total (ha) Buffer Area planted under tea and forest	% Consolidated Buffer Coverage
ABERDARES	Kiambu	188.6	436	624.6	11.7
	Murang'a	133	82	215	
	Nyeri	187	80	267	
MT. KENYA & NYAMBENE	Mathira	121	140	261	14.5
	Kirinyaga	244.7	42	286.7	
	Embu	180	62	242	
	Meru South	124	34	158	
	Meru Central	309	118	427	
	Nyambene				
MAU COMPLEX	Olenguruone	246	178	424	13.8
	Nyangores	176	97	273	
	Kericho	220	142	362	
	Kuresoi	244	0	244	
KAKAMEGA	Kakamega	290	584	874	9.2
MT. ELGON	Kapsokwony/ Saboti	278.8	800	1078.8	11.4
CHERANGANI	Kapcherop	143	370	513	5.4
KAPTAGAT	Kaptarakwa	190	612	802	8.5
NANDI	Nandi North	483	710	1,193	25.5
	Nandi South	473.5	748	1,221.5	
	Tinderet				
TOTAL		4,232	5,235	9,467	
PERCENTAGE		44.7	55.3	100.0	100.0

NB: Distribution of land use is based on data available during inception of the Corporation.

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Agronomic Practices and Production

During the year 2024/2025, the weather was fairly conducive for agricultural activities with catchments receiving rainfall almost throughout the year. However, the months of May and June were not as favorable as April for green leaf production.

The following main agronomic activities were undertaken:

- Tea nursery maintenance and planting
- Routine weed control
- Fertilizer application
- Green leaf production

Routine Weed Control

Chemical and manual weeding were done in the quarter under review. Manual weeding was done in the young tea fields while the chemical weeding was done in mature tea fields and young tea above 1 year of age.

Fertilizer Application

1st split application which was skipped in October 2024 was applied in exercise that started on 31st March 2025 extended into the 4th quarter in 2024/25 F/y. Due to early onset of rains, the exercise was completed by mid-April 2025. A total of 22,120 x 50 kg bags of NPK fertilizer were applied in all the zones. Supply of 28,397 bags NPK fertilizer for the financial year 2025/26 through KTDA, is expected in August/September 2025. This is 50% of the normal allocation since we have a balance brought forward from last financial year (2024/25)

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12. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. BACKGROUND INFORMATION

Nyayo Tea Zones Development Corporation (NTZDC) is a state corporation established under State Corporations Act (Cap 466, Revised in 2012). It was first conceived and created in 1986 through Legal Notice (L.N. No.265/1986), which was repealed through another Legal Notice (L.N. 30/2002) of 2002. The corporation's phenomenal growth in revenues generated (sustainability) and expansion of the buffer belt (conservation) over the past 10 years are a clear testimony of its adaptability and agility in a changing internal and external environment. The last 35 years have seen an aggregate length of 925Km NTZDC buffer belt was established, covering a total area of 9,401ha, representing about 0.05% of total area under gazetted forests; two tea processing factories established, one value addition plant for blending & packing of tea for local market established; and over 10,000 livelihoods supported annually through these activities.

Its mandate is stated as establishment of forest buffer zones using tea and fuelwood plantations to protect and conserve gazetted forests and trust lands, as well as, support livelihoods.

i) Sustainability strategy

Nyayo Tea Zones Development Corporation as an institution is committed to act sustainably and responsibly in order to promote the well-being of employees and give back to the society. The Corporation's operates a sustainable Forest buffer model that integrates livelihood support with Conservation.

ii) Environmental performance

The Corporation is committed to reduce our impact on the environment through our mandate of establishment of forest buffer zones using tea and fuelwood plantations to protect and conserve gazetted forests and trust lands.

iii) Employee welfare

The Corporation is also committed to employee welfare by promoting mutually beneficial relationships as the guiding framework for work. The core values that guide operations at our corporation are integrity, professionalism, teamwork, commitment and respect for others.

iv) Market place practices

The Corporation aims at creating sustainability by promoting a commercial enterprise approach, which underscored value addition of the corporation's tea products via processing, packaging, branding and diversified sales in both the local and external markets. This promotes creation of jobs and enhancing contribution to national economy through increased foreign exchange earnings.

v) Corporate Social Responsibility / Community Engagements

Below is a summary of Corporate Social Responsibility activities during the financial year.

1. Bursary scheme to support bright and needy students in secondary schooling from Kipchabo Catchment factory catchment zones. The Corporation is currently sponsoring a total of 12 students under this education scheme
2. The Corporation has also supported community water projects in its areas of operation, including Kombe Dispensary water project at Kipchabo factory catchment in Nandi County.
3. Kipchabo Factory also upgrades and maintains rural access roads in the zones where it operates. This has improved local transport, opened trading centers in the zones and enabled farmers' access to markets with their farm produce.
4. The Corporation has supported re-forestation projects through tree seedlings donations which are distributed in the factory catchment.

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended June 30, 2025

13. REPORT OF THE DIRECTORS

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

i) Principal Activities

The corporation's principal activity is conservation of gazetted forests through establishment of tea buffers and fuelwood plantations.

ii) Results

Below is a summary of the profit or loss made during the year.

	2025/2024 (Ksh)	2023/2024 (Ksh)
Profit / (Loss) before tax	(260,408,623)	14,816,414
Net Profit/ (Loss) for the year	<u>(260,408,623)</u>	<u>14,816,414</u>

iii) Dividends

The Corporation's policy on dividends is to propose 80% of the Net Profit for the year as proposed dividends payable.

iv) Directors

The members of the Board of Directors who served during the year are shown on page vi. In accordance with The State Corporations Act, the directors are appointed by the Cabinet secretary and serve for a renewable term of three (3) years.

v) Auditors

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

By Order of the Board



Dr. David Chepkwony, PhD
Chief Executive Officer

Date..... 10/12/2025

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended June 30, 2025

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 that entity, which give a true and fair view of the state of affairs of Nyayo Tea Zones Development Corporation (the Corporation) at the end of the financial year and the operating results of the Corporation for that year. The Directors are also required to ensure that the Corporation keeps proper accounting records which disclose with reasonable accuracy the financial position of the Corporation. The Directors are also responsible for safeguarding the assets of the Corporation.

The Directors are responsible for the preparation and presentation of the Corporation's financial statements, which give a true and fair view of the state of affairs of the Corporation for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Corporation, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

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


The Directors are of the opinion that the Corporation's financial statements give a true and fair view of the state of Corporation's transactions during the financial year ended June 30, 2025, and of the Corporation's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Corporation, which have been relied upon in the preparation of the Corporation'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 Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Nyayo Tea Zones Development Corporation's financial statements were approved by the Board on 10/12/2025 and signed on its behalf by:


Joseph G. M'Limbiine
Chairperson of the Board


Dr. David Chepkwony, PhD
Chief Executive Officer

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NYAYO TEA ZONES DEVELOPMENT CORPORATION 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 Nyayo Tea Zones Development Corporation set out on pages 1 to 25, which comprise of the consolidated statement of financial position as at 30 June, 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated

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 Nyayo Tea Zones Development Corporation 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 Nyayo Tea Zones Development Corporation Order of 2002 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

The consolidated statement of cashflows reflects effect of exchange loss on cash and cash equivalents of Kshs.9,335,469 as disclosed in Notes 2(c) and 5 to the financial statements. However, the amount excludes Gatitu Tea Factory exchange loss of Kshs.201,759.

In the circumstances, the accuracy of the consolidated cash and cash equivalents balance of Kshs.9,335,469 could not be confirmed.

2.0 Trade and Other Receivables

2.1 Long Outstanding Receivables

The statement of financial position reflects trade and other receivables totalling Kshs.624,221,914 as disclosed in Note 11 to the financial statements. Included in the balance is Kshs.1,385,500 and Kshs.16,195,428 respectively owed by Emrok Tea Factory and Elgon Tea and Coffee which have been outstanding for more than one (1) year. However, Management did not provide measures put in place to recover the outstanding debts.

In the circumstances, the accuracy, completeness and full recoverability of long outstanding debts could not be confirmed.

2.2 Unsupported Trade and Other Receivables

Included in the trade and other receivables balance of Kshs.624,221,914 are insurance claims of Kshs.1,330,819 which have been outstanding since the year 2017. Further, temporary imprest receivables totalling Kshs.2,774,783 had not been surrendered. No explanation was provided as to why the amount was not surrendered or recovered from the salaries of imprest holder during the year under review.

In the circumstances, the accuracy, completeness and fair statement of the trade receivable could not be confirmed.

3.0 Property, Plant and Equipment

The consolidated statement of financial position reflects property, plant and equipment netbook value of Kshs.2,048,336,199 as disclosed in Note 8 to the financial statements. Review of the assets register revealed the following anomalies:

3.1 Inaccuracies in Property, Plant and Equipment

The property, plant and equipment netbook value of Kshs.2,048,336,199 as disclosed in the consolidated statement of financial position differs with the value of Kshs.1,766,503,500 as reflected in the assets register resulting to unreconciled variance of Kshs.281,832,700.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.2,048,336,199 could not be confirmed.

3.2 Unsupported Value of Land and Buildings

Included in the property, plant and equipment balance is Kshs.279,862,960 and Kshs.22,360,526 in respect to building and land respectively. However, the amount was not supported by valuation report that separated land and building since land and building had been accounted at a net book value of Kshs.316,318,132 in the previous year.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.2,048,336,200 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyayo Tea Zones Development Corporation 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects budgeted final revenue of Kshs.2,552,325,433 and actual revenue on comparable basis of Kshs.2,288,134,594 resulting in underfunding of Kshs.264,190,839 or approximately 10% of the budget. Similarly, the statement reflects budgeted expenditure of Kshs.2,530,579,529 and actual expenditure of Kshs.2,558,604,476 resulting to over absorption of Kshs.28,024,947.

In addition, the statement of comparison of budget and actual amounts reflects final budgeted expenditure of Kshs.6,815,220, Kshs.42,395,839 and Kshs.59,699,504 in respect to printing and stationery, finance cost and amortization respectively while the actual on comparable basis was Kshs.7,506,604, Kshs.51,936,287 and

Kshs.108,233,217 resulting in unapproved expenditure of Kshs.691,380, Kshs.202,337,327 and Kshs.48,533,712 respectively.

The underfunding affected the implementation of planned activities and may have impacted negatively on service delivery to the public.

2. Long Outstanding Creditors

The consolidated statement of financial position reflects trade creditors balance of Kshs.517,114,784 as disclosed in Note 15 to the financial statements. However, review of the supporting ledger revealed that creditors totalling Kshs.167,489,780 have remained outstanding for more than one year, with some dating back to the year 2017.

In the circumstances, the ability of the Corporation to meet its financial obligations when they fall due is doubtful.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year 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 the issues or given any explanation for failure to resolve them.

1. Land without title deeds
2. Encroached Land
3. Ownership of Biological Assets.
4. Non-Compliance with one Third Basic Salary Rule.
5. Nyayo Tea Zones Loan Balances

2. Loss of Revenue Through Reclamation of Land Containing Tea Bushes

Review of records provided for audit revealed that the County Government of Tharaka Nithi uprooted 3,221 tea bushes in Meru South Zone to pave way for opening of Kirach - Kiamuriuki - Gitogoto (G4884) road without consultation with the Management of Nyayo Tea Zones Development Corporation. Further, the Department of Agriculture, Livestock and Fisheries of Tharaka Nithi County did valuation of the 3,221 tea bushes that were uprooted and came up with compensation amount of Kshs.2,000 per tea bush totalling Kshs.4,251,720 vide valuation report Ref: MOA/SCAO/MSD/SIU/CROPO/12/VOLII/327

dated 29 August, 2023. However, the County Government through a letter to NTZDC Ref: TNC/CS/FIN/VOL.I/27 dated 7 June, 2024 did not commit to pay the compensation arguing that the tea bushes were on road reserve.

In the circumstances, the Corporation is likely to lose revenue totalling Kshs.4,251,720 as compensation from the County Government of Tharaka Nithi.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Procurement of Monofilament Bags

The statement of profit or loss and other comprehensive income reflects cost of sales totalling Kshs.1,247,406,802 which includes cost of production of Kshs.612,840,891 as disclosed in Note 2(b) to the financial statements. Included in the amount is cost of farm input of Kshs.122,636,484 which further includes Kshs.17,377,589 for supply and delivery of 19,400 bags of Monofilament Green Leaf bags. Review of payment voucher number 006781 revealed that the Corporation procured 19,400 Green leaf UV hygienic monofilament bags (102cm*97cm) at a rate of Kshs.895.752 totalling Kshs.17,377,588.80

vide Local Purchase No.3107 dated 6 October, 2024. The bags were delivered on 8 October, 2024 and taken on charge in the stores the same day vide Counter receipt Voucher Number 0342. However, the Inspection and Acceptance Committee minutes showed that the bags were inspected and accepted on 25 October, 2024 casting doubt as to whether the bags were received in the quantities and quality ordered.

In addition, review of the procurement records revealed that the supplier did not provide performance security as required by Section 135 Sub-Section 1 of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, value for money could be confirmed.

2. Supply and Delivery of Weeding Chemicals

The consolidated statement of profit or loss and other comprehensive income reflects cost of sales totalling Kshs.1,247,406,802 which includes cost of production of Kshs.612,840,891 as disclosed in Note 2(b) to the financial statements. Included in the balance is cost of farm input of Kshs.122,636,484 which further includes Kshs.8,079,100 for weeding chemicals -Glyphosate. The Corporation awarded the supply and delivery of 13,600 litres of weeding chemicals - Glyphosate 480 s/l at a unit cost of Kshs.865 on 6 October, 2023 at a contract value of Kshs.11,764,000 for a period of one (1) year from the signing of the contract.

Review of records revealed that 9,340 litres of weeding chemical with a total cost of Kshs.8,079,100 were delivered on 6 August, 2024 and taken on charge in the stores records on the same day. However, the Inspection and Acceptance Committee minutes showed that the chemicals were inspected and accepted on 11 October, 2024 which was two (2) months after delivery of the chemicals by the Inspection and Acceptance Committee.

In the circumstances, value for money could be confirmed.

3. Lack of a Valid Contract for Green Leaf Sales

The consolidated statement of profit and loss and other comprehensive income reflects revenue amount of Kshs.1,848,088,996 as disclosed in Note 2(a) to the financial statements. Included in the amount is Kshs.1,160,213,791 in respect to green leaf sales which comprises of Kshs.22,964,047 delivered to Sisibo factory. Review of the contract documents revealed that the Corporation entered into a contract agreement with Sisibo Tea Factory Limited on 7 February, 2018 to deliver green leaf to the Factory at a cost of Kshs.32 for a period of two (2) years. The Factory Management agreed to be making payments on the 5th day of every month following the month of delivery of green leaf.

However, the Factory had accrued debt totalling Kshs.12,023,834 from February, 2020 to September, 2024 without a valid contract since the contract expired in February, 2020. Further, the Corporation continued to deliver green leaf totalling Kshs.125,960,964 and payment of Kshs.103,656,272 was made by the Factory to Nyayo Tea Zones Development Corporation during the period leaving a debt of Kshs.22,304,692.

In the circumstances, transactions undertaken outside the contract provisions may render the contract unenforceable or expose the entity to disputes and litigation.

4. Non-Compliance with Law on Ethnic Composition

Review of employees bio data of the Corporation for the year under review revealed that out of the total five hundred and eighty-six (586) employees of the Nyayo Tea Zones Development Corporation, three hundred and one (301) staff or approximately 51% of the total number are from one ethnic community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public Institution shall have more than one third of its staff establishment from the same ethnic community".

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. The Constitution of the Board of Directors

During the period under review, the Board was not fully constituted. The Board was composed of seven (7) appointed Board Members and two (2) Board members representing The National Treasury and the parent Ministry. However, the representatives from the Attorney General's Office (State Law Office) and Inspectorate of State Corporations did not attend the meetings as directed by Executive Order number EOP/CAB.26/4A VOL.VI/(9) issued on the 5th March, 2025 that every Board is constituted of at least four statutory representatives as standing members of the Board. The mandatory members include representatives from The National Treasury, the Attorney General's Office (State Law Office), the Inspectorate of State Corporations and relevant line Ministries.

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

2. Weak Controls in the Information System

Review of the IT Internal Control Systems of the entity revealed that the entity's core system – Navision is an old version system which was acquired and installed in the

year 2017. However, the system cannot operate manufacturing module as well as generate complete and reliable accounting reports for the end user, accounting ledgers retrieved from the system lacks key details such as names of the payee and payment voucher numbers. The entity should consider upgrading the system to Business Central System which is the latest improved version of Navision system.

Further, the Organization has Strategy and Planning Division and Corporate Communications as key stand-alone departments reporting directly to the office of the Chief Executive Officer that are not integrated in the core system. The entity should embrace digitization and integration of ICT in its core operations across all departments and key divisions to support Organization's core functions. This may include but not limited to embracing a system that can monitor the performance of the Organization's various departments and zones, capturing progress of all developmental projects being undertaken by the entity for purposes of tracking progress and easy access by stakeholders and retrieval of all key data which should be centrally done and managed by the ICT department. In addition, the entity lacked an approved Disaster Recovery Plan to provide guidance in cases of data loss.

In the circumstances, the effectiveness of the IT internal controls systems is compromised and the entity's operations are at risk of being affected in case of a disaster.

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 the Board of Directors

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the Corporation ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, the 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 Corporation'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 ISSAI 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

19 December, 2025

Nyayo Tea Zones Development Corporation

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

16. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025.

	Notes	2024/2025 Kshs	2023/2024 Kshs
Revenue	2 (a)	1,848,088,996	2,634,444,288
Cost of Sales	2 (b)	(1,247,406,802)	(1,667,280,728)
Gross Profit		600,682,194	967,163,560
Employment Expenses	3 (a)	(473,471,428)	(510,605,761)
Other Administration Expenses	3 (b)	(75,434,267)	(94,292,196)
Board Expenses	3 (c)	(15,828,479)	(16,530,593)
Other Operating Expenses	4	(271,060,500)	(268,328,405)
		(835,794,674)	(889,756,955)
Operating Profit Before finance Costs		(235,112,481)	77,406,605
Finance Costs	5	(51,936,287)	(87,685,168)
Profit before Exceptional Item		(287,048,767)	(10,278,563)
Other income	2(c)	26,640,145	25,094,977
Net profit/(loss) for theyear		(260,408,623)	14,816,414
Proposed Dividends		-	11,853,131

Nyayo Tea Zones Development Corporation
 Annual Report and Financial Statements for the year ended Jun 30, 2025
 17. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUN 2025

	Notes	2024/2025 Kshs	2023/2024 Kshs
ASSETS			
Non-Current Assets			
Biological Assets	6	884,802,318	871,095,906
Bearer Plants	7	2,638,019,082	2,559,942,028
Property, Plant & Equipments	8	2,048,336,199	2,123,994,264
Long Term Investments	9	71,893,125	71,494,996
Total Non-Current Assets		5,643,050,724	5,626,527,194
Current Assets			
Inventories	10	221,562,510	247,692,415
Trade & Other Receivables	11	624,221,914	801,690,429
Cash & Cash Equivalents	12	55,766,460	111,736,542
Total Current Assets		901,550,884	1,161,119,385
Total Assets		6,544,601,608	6,787,646,579
EQUITY AND LIABILITIES			
General Fund			
Accumulated Fund/Shareholding	13	1,714,068,970	1,714,068,970
Donor Grants	13	741,760,713	741,760,713
Reserves	13	3,095,007,358	3,407,739,656
Proposed Dividend		-	11,853,131
		5,550,837,040	5,875,422,470
Long Term Loans			
Commercial Bank Loans	14	169,810,586	133,708,856
		169,810,586	133,708,856
Current Liabilities			
Long Term Loan due within the year	14	162,176,622	197,741,257
Trade Creditors	15	517,114,784	451,465,889
Accruals	16	144,662,576	129,308,108
		823,953,982	778,515,254
Total Equity and Liabilities		6,544,601,608	6,787,646,579

The financial statements were approved by the Board of Directors on 10/12/2025
 and were signed on its behalf by:-

Dr. David Chepkwony, PhD
 Chief Executive Officer



CPA Moses Wamae
 Director Finance & Accounts
 ICPAK M/No. 4362



Joseph G. M'Limbine
 Chairperson of the Board



Nyayo Tea Zones Development Corporation

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025.

	Notes	2024/2025 Kshs	2023/2024 Kshs
Turnover	2 (a)	1,167,562,041	1,837,423,536
Cost of Production	2 (b)	<u>(612,840,891)</u>	<u>(882,671,956)</u>
Gross Profit		554,721,150	954,751,580
Employment Expenses	3 (a)	(374,063,178)	(406,727,636)
Other Administrative Expenses	3 (b)	(38,006,942)	(37,795,101)
Board Expenses	3 (c)	(15,828,479)	(16,530,593)
Other Operating Expenses	4	<u>(168,852,559)</u>	<u>(166,065,182)</u>
		(596,751,158)	(627,118,512)
Operating Profit Before finance Costs		(42,030,008)	327,633,068
Finance Costs	5	<u>(51,936,287)</u>	<u>(83,193,468)</u>
Profit before Exceptional Item		(93,966,295)	244,439,600
Other income	2(c)	<u>20,740,806</u>	<u>24,823,145</u>
Net profit/(loss) for theyear		(73,225,489)	269,262,745

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended June 30, 2025

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
ASSETS			
Non-Current Assets			
Biological Assets	6	884,802,318	871,095,906
Bearer Plants	7	2,638,019,082	2,559,942,028
Property, Plant & Equipment	8	363,946,905	364,763,308
Long Term Investments	9	2,108,528,961	2,108,130,832
		5,995,297,267	5,903,932,073
Current Assets			
Stocks	10	91,624,330	57,623,274
Debtors & Prepayments	11	589,269,113	809,753,312
Cash & Cash Equivalents	12	46,200,825	99,360,880
		727,094,267	966,737,466
Total Assets		6,722,391,534	6,870,669,539
GENERAL FUND & LIABILITIES			
General Fund			
Accumulated Fund	13	1,714,068,970	1,714,068,970
Donor Grants	13	741,760,713	741,760,713
Reserves	13	3,523,382,673	3,660,784,969
		5,979,212,356	6,116,614,652
Long Term Loans			
Commercial Bank Loans	14	169,810,586	133,708,856
		169,810,586	133,708,856
Current Liabilities			
Long Term Loan due within the year	14	162,176,622	197,741,257
Trade Creditors	15	271,584,521	296,519,897
Accruals	16	139,607,449	126,084,877
		573,368,592	620,346,031
General Fund and Liabilities		6,722,391,534	6,870,669,539

Nyayo Tea Zones Development Corporation

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

**KIPCHABO TEA FACTORY LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025.**

	2024/2025	2023/2024
	Kshs	Kshs
Turnover	719,242,063	848,811,204
Cost of Production	(720,470,051)	(905,252,102)
Gross Profit	(1,227,988)	(56,440,898)
Administrative Expenses	(26,656,552)	(45,234,140)
Other Operating Expenses	(61,328,841)	(62,341,069)
Employment Expenses	(84,694,232)	(90,229,271)
Operating Profit Before finance Costs	(172,679,625)	(197,804,480)
Finance Costs		
Profit before Exceptional Item	(173,907,613)	(254,245,378)
Other income/(Exchange Loss)	6,101,098	(2,667,918)
Net profit/(loss) for the year	(167,806,515)	(256,913,296)

Nyayo Tea Zones Development Corporation

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

**KIPCHABO TEA FACTORY LIMITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	2024/2025	2023/2024
	Ksh.	Ksh.
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	510,871,040	567,562,420
Current Assets		
Inventories	65,508,618	112,735,979
Trade Receivables	478,693,299	319,031,751
Cash & Bank Balances	4,740,622	7,797,840
Total Current Assets	548,942,539	439,565,570
Total Assets	1,059,813,579	1,007,127,990
EQUITY AND LIABILITIES		
Equity & Liabilities		
Ordinary Shares	100,000	100,000
Share Premium	809,171,518	809,171,518
Accumulated Profit	(372,759,126)	(204,952,610)
	436,512,392	604,318,908
Current Liabilities		
Trade and Other Payables	623,301,185	402,809,081
Total Equity & Liabilities	1,059,813,579	1,007,127,989

Nyayo Tea Zones Development Corporation

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

**GATITU TEA FACTORY LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025.**

	2023/2024 Kshs	2023/2024 <u>Kshs</u>
Revenue	381,368,837	622,372,278
Cost of Sales	(334,179,806)	(553,519,400)
Gross Profit	47,189,032	68,852,878
Administrative Expenses	(10,770,773)	(11,262,955)
Other Operating Expenses	(40,879,100)	(39,922,154)
Employment Expenses	(14,714,018)	(13,648,854)
	(66,363,891)	(64,833,963)
Operating Profit Before finance Costs	(19,174,859)	4,018,915
Finance Costs	-	-
Profit before Exceptional Item	(19,174,859)	4,018,915
Other income/(Exchange Loss)	(201,759)	(1,551,949)
Net profit/(loss) for the year	(19,376,618)	2,466,966

Nyayo Tea Zones Development Corporation

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

GATITU TEA FACTORY LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.

	2024/2025	2023/2024
ASSETS	Ksh.	Ksh.
Non-Current Assets		
Property, Plant & Equipment	1,173,518,254	1,191,668,536
Current Assets		
Inventories	64,429,562	77,333,162
Trade Receivables	18,933,296	51,828,597
Cash & Bank Balances	4,825,014	4,577,823
Total Current Assets	88,187,872	133,739,581
TOTAL ASSETS	1,261,706,126	1,325,408,118
EQUITY AND LIABILITIES		
Ordinary Shares	100,000	100,000
Share Premium	1,227,264,318	1,227,264,318
Accumulated Loss	(55,616,191)	(36,239,573)
	1,171,748,127	1,191,124,746
Current Liabilities		
Trade and Other Payables	89,957,999	134,283,372
Total Equity and Liabilities	1,261,706,126	1,325,408,118

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements
For the year ended Jun 30, 2025

18. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENED 30 Jun 2025
2023/2024

	Accumulated Fund Kshs	Donor Grants Kshs	Revenue Reserves Kshs	Total Kshs
As at 30 June 2022	1,619,068,970	741,760,713	3,221,605,260	5,582,434,943
GOK Capital Contribution	60,000,000			60,000,000
Net Profit for the year			192,811,698	192,811,698
Proposed Dividend 2022/2023**			(9,640,585)	(9,640,585)
As at 30 June 2023	1,679,068,970	741,760,713	3,404,776,373	5,825,606,056
GOK Capital Contribution	35,000,000			35,000,000
Net Profit for the year			14,816,414	14,816,414
Proposed Dividend 2023/2024**			(11,853,131)	(11,853,131)
As at 30th June 2024	1,714,068,970	741,760,713	3,407,739,656	5,863,569,338

**Dividends to National Treasury or charged to Equity in the period in which they are declared. The Corporation has a dividend policy of 5% on Net Profits.

2024/2025

	Accumulated Fund Kshs	Donor Grants Kshs	Revenue Reserves Kshs	Total Kshs
As at 30 June 2023	1,679,068,970	741,760,713	3,404,776,373	5,825,606,056
GOK Capital Contribution	35,000,000			35,000,000
Net Profit for the year			14,816,414	14,816,414
Proposed Dividend 2023/2024**			(11,853,131)	(11,853,131)
As at 30 June 2024	1,714,068,970	741,760,713	3,407,739,656	5,863,569,338
Corporation Tax arrears			(52,323,675)	(52,323,675)
Net Profit for the year			(260,408,623)	(260,408,623)
Proposed Dividend 2024/2025**			-	-
As at 30th June 2025	1,714,068,970	741,760,713	3,095,007,358	5,550,837,040

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended Jun 30, 2025

19. CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	2024/2025 Kshs	2023/2024 Kshs
Cashflow from Operating Activities			
Operating Profit (Loss)		(260,408,623)	14,816,414
Dividend income	2 (c)	(5,597,968)	(1,670,251)
Exchange loss	5	11,655,728	40,380,695
Depreciation of Fixed Assets	8	133,465,677	128,733,753
Amortization	7	108,233,217	101,905,553
Interest Income	2 (c)	(1,520,745)	(21,135,045)
Interest paid	5	40,280,559	42,812,774
Gain on disposal of fixed assets	2 (c)	(6,117,200)	-
Profit Before Working Capital Changes		19,990,645	305,843,893
(Decrease) / Increase in Debtors & Prepayments	11	177,468,515	(91,155,146)
Increase / (Decrease) in Creditors & Accruals	14 , 15 & 16	45,438,728	148,853,581
Increase in Stock	10	(34,001,056)	(4,494,149)
Increase in Stock - KTF & GTF	10	60,130,960	34,110,511
Net Changes in working Capital		249,037,148	87,314,797
Net Cash Generated from Operating Activities		269,027,792	393,158,691
Cashflows used in Investing Activities			
Dividends received	2 (c)	5,597,968	1,670,251
Long-Term Investment in K.T.D.A Factories	9	(398,129)	(428,098)
Bearer plants costs	7	(186,310,271)	(398,310,228)
Purchase of Fixed Assets	8	(57,807,613)	(48,445,860)
Direct acquisition of biological assets	6	(13,706,413)	(19,988,280)
Interest Income	2 (c)	1,520,745	21,135,045
Proceeds from disposal of fixed assets	2 (c)	6,117,200	-
Net Cash (Used) in Investing Activities		(244,986,512)	(444,367,171)
Cashflows (Used) in Financing Activities			
GOK Contribution		-	35,000,000
Commercial Bank Loans Disbursement	14	217,053,336	226,243,103
Commercial Bank Loans Loan Repayment	14	(247,448,672)	(265,255,743)
Interest Paid	5	(40,280,559)	(42,812,774)
Net Cash from/(Used) in Financing Activities		(70,675,895)	(46,825,414)
Net Increase in Cash and Cash Equivalents		(46,634,614)	(98,033,894)
Effect of exchange gain /(loss) on cash & cash equivalent	2 (c) & 5	(9,335,469)	-
Total Increase in Cash and Cash Equivalents		(55,970,082)	-
Movement in Cash and Cash Equivalents			
At 1 July 2024	12	111,736,542	248,133,281
Effect of exchange gain /(loss) on cash & cash equivalent		-	(38,362,846)
Increase/(Decrease) in the year		(55,970,082)	(98,033,894)
At 30 Jun 2025	12	55,766,460	111,736,542

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20. CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2025

	Original Approved Budget		Adjustments (Revised Budget)		Final Approved Budget		Actual on comparable basis		Performance difference 2024-2025	% of utilisation 2024-2025	Remarks
	2024-2025	Kshs	2024-2025	Kshs	2024-2025	Kshs	2024-2025	Kshs			
Revenues											
Factory Sales	1,755,658,120		(437,852,828)		1,317,805,292		1,100,610,901	(217,194,391)		84%	Variance due to unfavourable weather reducing volumes and lower Global prices
Green Leaf Sales	1,630,089,932		(407,522,483)		1,222,567,449		1,160,213,791	(62,353,658)		93%	Due to lower volumes of green leaf than budgeted due to unfavourable weather as well as reduced prices due market forces due to lower volumes of green leaf than budgeted due to unfavourable weather
Transport/reload	6,058,739		(3,029,369)		3,029,370		3,440,017	410,647		114%	Volume of cash invited was much lower than projected
Interest Income	10,193,031		(7,644,773)		2,548,258		(1,027,513)	(777,090)		60%	Dividends paid were lower than projected
Dividends from KIDA factories	12,750,129		(6,375,045)		6,375,084		16,751,172	10,376,088		Over 100%	Variance due to volatility in the exchange rates
Miscellaneous Income	-		-		-		-	-		90%	
Total Income	3,414,749,951		(862,424,518)		2,552,325,433		2,288,134,594	(1,126,615,357)			Variance due to lower volumes of green leaf than budgeted due to unfavourable weather
Expenses											
Plantation Labour	585,714,286		(175,714,286)		410,000,000		406,916,945	3,083,055		99%	Variance due to less farm inputs applied
Farm Inputs	218,583,725		(95,575,117)		123,008,607		122,636,484	372,124		100%	Variance due to lower volumes than budgeted
Transport	92,697,265		(10,000,000)		82,697,265		81,476,337	1,220,928		99%	Variance due to lower volumes of green leaf than budgeted due to unfavourable weather
KIDA Charges	20,421,073		(18,000,000)		2,421,073		1,811,126	609,947		73%	Variance due to lower volumes of green leaf processed due to unfavourable weather
Factory Cost of Sales	433,971,095		(624,093,923)		1,058,065,018		1,054,649,857	3,415,161		100%	Variance due to unfavourable weather
Employment expenses	454,387,186		(19,857,954)		474,245,140		473,021,428	1,223,712		100%	Variance due to unfavourable weather
Advertising Marketing & Publicity	20,000,000		(19,000,000)		1,000,000		256,023	743,977		26%	Variance due to less marketing activities than projected
Directors' Expenses	21,588,032		-		21,588,032		15,828,479	5,759,553		73%	Variance due to scaled down board activities due to low business
Audit fees	1,500,000		-		1,500,000		1,500,000	-		100%	Same as budgeted
Printing & Stationery	6,815,220		-		6,815,220		7,506,604	(691,384)		110%	Variance due to increase in prices than budgeted
Telephone & Postage	7,390,476		-		7,390,476		6,718,847	671,629		91%	Variance due to internal rationalisation of costs
Publications & Periodicals	3,900,000		(3,000,000)		900,000		713,610	186,390		79%	Variance due to internal rationalisation of costs
General Office Expenses	9,021,730		(8,500,000)		521,730		74,712	447,018		14%	Variance due to less supervision activities owing to lower volumes
Transport Operating	31,821,645		(22,500,000)		9,321,645		9,052,926	268,719		97%	Due to delay in resolution of disputes in courts
Legal & Professional	26,447,004		(12,947,000)		13,500,004		12,751,078	748,926		94%	Due to lower prices charged than the budgeted
Cleaning	3,593,020		(2,500,000)		1,093,020		848,450	244,570		78%	Due to less bank transactions than projected
Bank charges	3,152,900		-		3,152,900		2,417,458	735,042		77%	Due to lower volumes than projected
KIF & GIF Admin Exps	410,706,662		(373,135,996)		37,570,666		37,427,325	143,341		100%	Due to lower volumes than projected
Rent & Rates	6,970,000		(3,400,000)		3,570,000		3,472,079	97,921		97%	Due to lower volumes than projected
Light & Water	3,029,186		-		3,029,186		1,531,795	1,497,391		51%	Due to lower volumes than projected
Repairs & Maintenance	2,404,000		(1,500,000)		904,000		3,282,342	(2,378,342)		84%	Due to lower volumes than projected
Licences	5,940,000		-		5,940,000		3,879,898	2,060,102		65%	Due to renegotiation with providers
Insurance	9,557,712		(1,532,191)		11,089,903		10,820,049	269,854		98%	Due to favourable terms with brokers/underwriters
Security	5,253,348		-		5,253,348		1,732,000	3,521,348		33%	Due to lower prices charged than the budgeted
Depreciation	49,407,352		(13,500,000)		35,907,352		35,901,198	6,154		100%	Due to delay in acquisition of fixed assets to future
Amortization	107,207,639		(47,508,135)		59,699,504		108,233,217	(48,533,712)		181%	Due to reclassification of Bearer plants
KIF & GIF Operating Expenses	208,440,058		(103,440,058)		105,000,000		102,207,942	2,792,058		97%	Due to lower volumes than projected
Finance Costs	6,595,946		(35,796,879)		(29,200,933)		51,936,287	(80,137,220)		123%	Variance due to higher borrowing costs
Total Expenditure	2,756,519,173		(225,939,644)		2,530,579,529		2,558,604,476	(27,024,946)			
Surplus for the period	658,230,778				21,745,904		(270,469,882)	(292,213,986)			

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21. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Nyayo Tea Zones Development Corporation (NTZDC) is a state corporation established under State Corporations Act (Cap 466, Revised in 2012). It was first conceived and created in 1986 through Legal Notice (L.N. No.265/1986), which was repealed through another Legal Notice (L.N. 30/2002) of 2002. The Corporation is wholly owned by the Government of Kenya and is domiciled in Kenya. The corporation principal activity is conservation of gazetted forests through establishment of tea buffers and fuelwood plantations.

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

2. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in paragraph 5, under Notes to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	<i>Not applicable for NTZDC</i>	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	<i>Not applicable for NTZDC</i>	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	<i>Not applicable for NTZDC</i>	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	<i>Not applicable for NTZDC</i>	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

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

4. Summary of Significant Accounting Policies

(a) Revenue Recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and Services, and is stated net of value-added tax (VAT), rebates and discounts and after eliminating intercompany sales within the Group. Revenue is recognised as follows:

- (i) Sales of goods are recognised when significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and when there is no continuing management involvement and the amount of revenue can be measured reliably.
- (ii) Sales of services are recognised in the period in which the services are rendered by reference to the completion of specific transactions assessed on the basis of actual service provided as a proportion of total services to be provided. Sales revenue can only be recognised when the associated costs can be estimated reliably and the amount of revenue can be estimated reliably.

(b) Property Plant & Equipment

Property, plant and equipment are measured at cost or revalued amounts less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

(c) Depreciation and impairment of property, plant and equipment

Depreciation is calculated on a straight line basis, at annual rates estimated to write-off the assets over their expected useful lives. Assets are depreciated for full year in the year of acquisition while no depreciation is charged in the year of disposal. The annual depreciation rates in use are: -

Factory Buildings	2%	Tractors & Trailers	20%
Factory Machinery	6.65%	Furniture & Fixtures	12.5%
Office Equipment	25%	Computers	33.3%
Motor Vehicles	20%	Farm Tools	33.3%

(d) Bearer Plants

Bearer plants are measured as property plant and equipment and amortized at 5% annually on straight line. Before maturity bearer plants are measured at accumulated cost and reported as work-in-progress (WIP). After maturity WIP is transferred to mature bearer plants at the accumulated cost and depreciated over the expected useful life of 20 years.

(e) Inventories

Finished Tea and Other inventories are stated at cost which is determined on the weighted average basis. Cost comprises expenditure incurred in the normal course of business, including direct material costs, labour and production overheads, where appropriate, that have been incurred in bringing the stocks to their present location and condition. Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for costs of realisation. Consumable stores are stated at the weighted average cost less provisions for obsolescence, slow moving and defective stocks.

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(f) Trade and other receivables

Trade and other receivables are recognised 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.

(g) Trade Payables (Creditors) and Accruals

Payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Provision is made for specific and general expenses incurred during the accounting period but where invoices have not been received. The expenses are charged in the accounting period in the year they are incurred and not necessarily when they were paid. General expenses are measured only using substantial degree of estimation.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(i) Consolidation

The financial statements for year ending 30 June 2025 have been consolidated with those of the subsidiary company (Kipchabo Tea Factory Ltd) which is wholly owned by the Corporation.

(j) Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The board has come up with policies for mitigating risks where its implementation is reviewed on quarterly basis.

(k) Related Party disclosures

The corporation is involved in processing of Green leaf tea by its fully owned company (Kipchabo Tea Factory Ltd).

(l) Biological Assets

Biological assets are measured on initial recognition and at each reporting date at fair value less cost to sell. Costs to sell include all costs that would be necessary to sell the assets including transportation costs. Any changes to the fair value are recognised in profit or loss in the period in which they arise.

(m) Contingent Liabilities

In line with IAS 37, Clause 19 which states "An entity should not recognize a contingent liability. An entity should disclose a contingent liability, unless the possibility of the outflow of resources embodying economic benefits is remote" the Corporation does not recognize a contingent liability hence the disclosure of two contingences.

- i. Lawsuit Case No. 120 of 2018 Eldoret ELRC, Silvester K. Kaitany -Vs-Nyayo Tea Zones Development Corporation. An individual in Elgeyo Marakwet County one Silvester Kaitany has laid claim to the Corporation's land measuring 17.34 hectares who claims he was allocated the land in 1999. The plaintiff has claimed for General damages for ksh. 98,120,000 on loss of profits plus Ksh. 16,000,000 Special damages on trees that were on the land. The high court ruled in favour of the plaintiff and the Corporation appealed in the Court of appeal. The matter is pending.
- ii. Constitution Case No. 7 of 2016, Beatrice Wanjiru & Others Versus Hon. Attorney General & Nyayo Tea Zones Development Corporation. During the initial days of the Corporation establishment in 1980s, the Government tasked the then provincial administration to engage casuals to clear fields for planting tea. A group of individuals who worked as casual workers during the establishment sued the Corporation claiming they were not paid their dues amounting to ksh.500 million. The Corporation filed its defense and upon determination their case was dismissed by the High Court. The claimants filed an appeal in the Court of Appeal Case No. 79 Of 2018 at Nyeri which is ongoing. The Corporation management has no reason to believe that the disposition of this case will have a material adverse effect on the financial position of the Corporation.

(n) Details of Events after reporting Date

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.

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5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the NTZDC'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 NTZDC based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur.

(b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

(c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes 11 and Note 16.

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.

- Provision for audit fees was based on prior year audit fee note.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 (a) Revenue	NTZDC	NTZDC	Consolidated	Consolidated
	2024/2025	2023/2024	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs
Green Leaf Sales	1,160,213,791	1,821,918,332	1,160,213,791	1,821,918,332
Less Intercompany (KTF & GTF Factory)			(420,083,946)	(674,162,730)
Sale of Finished Tea	-	-	1,100,610,901	1,471,183,482
Transport refund	3,440,017	4,142,192	3,440,017	4,142,192
Fuelwood sales	3,908,233	11,363,013	3,908,233	11,363,013
	1,167,562,041	1,837,423,536	1,848,088,996	2,634,444,288

Green leaf sales relates to sale of green leaf to various KTDA factories and the transport refund which accrue to the Corporation on all green leaf delivered by Corporation fleet.

2 (b) Cost of Production	NTZDC	NTZDC	Consolidated	Consolidated
	2024/2025	2023/2024	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs
Plantation Labour	406,916,945	517,641,763	406,916,945	517,641,763
Farm Inputs	122,636,484	269,327,342	122,636,484	269,327,342
Transport	81,476,337	94,085,891	81,476,337	94,085,891
KTDA Charges	1,811,126	1,616,961	1,811,126	1,616,961
KTF/GTF factories cost of Production			1,054,649,857	1,458,771,502
Less Intercompany (KTF/ GTF Factory)			(420,083,946)	(674,162,730)
	612,840,891	882,671,956	1,247,406,802	1,667,280,728

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NOTES TO THE FINANCIAL STATEMENTS

	NTZDC 2024/2025 Kshs	NTZDC 2023/2024 Kshs	Consolidated 2024/2025 Kshs	Consolidated 2023/2024 Kshs
2 (c) Other Income				
Exchange gain	2,320,259	2,017,849	2,320,259	2,017,849
Interest Income	1,520,744.86	21,135,045	1,520,745	21,135,045
Dividends from KTDA factories	5,597,968.25	1,670,251	5,597,968	1,670,251
Miscellaneous Income	11,301,834	-	11,301,834	-
KTF & GTF Factories Other Income/(Loss)	-	-	5,899,339	271,832
	20,740,806	24,823,145	26,640,145	25,094,977

This relates to income from treasury bills interest, interest earned on bank deposits, dividends from investments in KTDA factories, forex gain and sale of tenders.

3. Administrative Expenses

(a) Employment expenses

	2024/2025	2023/2024	2024/2025	2023/2024
Salaries and wages	169,234,204	166,553,597	169,234,204	166,553,597
House Allowance	41,561,790	39,965,961	41,561,790	39,965,961
Leave Allowance	4,358,585	4,366,399	4,358,585	4,366,399
Commuter & Other allowances	61,196,958	63,709,212	61,196,958	63,709,212
Medical Allowance	26,423,031	31,321,650	26,423,031	31,321,650
Staff Welfare	6,970,153	7,926,772	6,970,153	7,926,772
Social Security Expenses	31,323,463	26,567,515	31,323,463	26,567,515
Staff Uniforms	127,969	1,127,044	127,969	1,127,044
Staff Training	2,690,570	9,836,562	2,690,570	9,836,562
Travelling & Subsistence	30,176,455	55,352,923	30,176,455	55,352,923
KTF & GTF Factories Employment Expenses	-	-	99,408,250	103,878,125
	374,063,178	406,727,636	473,471,428	510,605,761

(b) Other administration expenses

	2024/2025	2023/2024	2024/2025	2023/2024
Advertising Marketing & Publicity	256,023	2,596,279	256,023	2,596,279
Donations	-	430,000	-	430,000
Audit fees	1,500,000	500,000	1,500,000	500,000
Printing & Stationery	3,673,838	7,506,604	3,673,838	7,506,604
Telephone & Postage	6,718,847	7,097,053	6,718,847	7,097,053
Publications & Periodicals	713,610	845,973	713,610	845,973
General Office Expenses	74,712	241,217	74,712	241,217
Transport Operating	9,052,926	10,453,988	9,052,926	10,453,988
Legal & Professional	12,751,078	4,861,227	12,751,078	4,861,227
Cleaning	848,450	870,926	848,450	870,926
Bank charges	2,417,458	2,391,833	2,417,458	2,391,833
KTF & GTF Administration Expenses	-	-	37,427,325	56,497,096
	38,006,942	37,795,101	75,434,267	94,292,196

(c.) Directors' Expenses

Board Expenses	15,828,479	16,530,593	15,828,479	16,530,593
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Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended Jun 30, 2025

NOTES TO THE FINANCIAL STATEMENTS

	NTZDC 2024/2025 Kshs	NTZDC 2023/2024 Kshs	Consolidated 2024/2025 Kshs	Consolidated 2023/2024 Kshs
4. Other operating expenses				
Establishment:				
Rent & Rates	3,472,079	4,570,102	3,472,079	4,570,102
Light & Water	1,531,795	1,522,672	1,531,795	1,522,672
Repairs & Maintenance	3,282,342	15,305,260	3,282,342	15,305,260
Licences	3,879,880	2,239,970	3,879,880	2,239,970
Insurance	10,820,049	6,145,100	10,820,049	6,145,100
Security	1,732,000	2,190,000	1,732,000	2,190,000
Depreciation	35,901,198	32,186,526	35,901,198	32,186,526
Amortization	108,233,217	101,905,553	108,233,217	101,905,553
KTF & GTF Other operating expenses			102,207,942	102,263,223
Total Expenses	168,852,559	166,065,182	271,060,500	268,328,405
5. Finance Cost				
Exchange Gain/ (Loss)	11,655,728	40,380,695	11,655,728	40,380,695
Interest on Commercial Bank Loans	40,280,559	42,812,774	40,280,559	42,812,774
KTF & GTF Factories Exchange Loss			-	4,491,699
	51,936,287	83,193,468	51,936,287	87,685,168

Operating Profit

The following items have been charged in arriving at the operating profit.

Depreciation	35,901,198	32,186,526	35,901,198	32,186,526
Amortization	108,233,217	101,905,553	108,233,217	101,905,553
Auditor's Remuneration	1,500,000	500,000	1,500,000	500,000
Kipchabo/Gatitu Depreciation			97,564,480	96,547,227

6. Biological Assets - NTZDC

	Consolidated 2024/2025 Forest Kshs	Consolidated 2023/2024 Forest Kshs
Balance as at 1st July 2024	851,107,626	851,107,626
Changes in value	13,706,413	19,988,280
30th June 2025	884,802,318	871,095,906

7. Property Plant & Equipment

7 Property, Plant & Equipment - Bearer Plants (Tea Plantations) - NTZDC

	Tea Kshs	Work-In progress tea Kshs	Total Kshs
Balance as at 1st July 2024	2,038,111,057	1,121,682,021	3,159,793,078
Additions	-	186,310,271	186,310,271
Transfer-WIP (Young Tea) to mature tea	126,553,277	(126,553,277)	-
30 Jun 2025	2,164,664,334	1,181,439,015	3,346,103,349

Depreciation

Balance as at 1st July 2024	599,851,050	-	599,851,050
Charge for the year	108,233,217	-	108,233,217
30 June 2025	708,084,267	-	708,084,267

30 June 2025

1,456,580,067	1,181,439,015	2,638,019,082
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30th June 2024

1,438,260,007	1,121,682,021	2,559,942,028
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Note: Bearer Plants includes tea plantations established by Nyayo Tea Zones Development Corporation.

Nyayo Tea Zones Development Corporation
Annual Report and Financial Statements for the year ended Jun 30, 2025

NOTES TO THE FINANCIAL STATEMENTS

8. (a) PROPERTY, PLANT AND EQUIPMENT (Consolidated)

2024/2025	Land	Buildings	Work in Progress *	Factory Buildings	Factory Machinery	Furniture & Fixtures	Office Equipment	Computers & Accessories	Tractors & Trailers	Motor Vehicles	Farm Tools & Implements	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost												
1 July 2024		376,785,551	1,619,820	1,531,332,136	875,509,097	54,800,028	13,604,388	100,277,531	32,098,525	527,080,436	13,912,814	3,527,020,326
Adjustment for prior year correction	21,660,526	(21,660,526)										
Disposals												
Additions					21,283,162	24,500	374,847	872,000		(11,994,132)		(11,994,132)
Reclassification										35,253,103		57,807,613
30 June 2025	21,660,526	355,125,025	1,619,820	1,531,332,136	896,792,260	54,824,528	13,979,235	101,149,531	32,098,525	550,339,408	13,912,814	3,572,833,806
Depreciation												
1 July 2024		67,660,459		169,696,526	506,947,423	50,940,225	12,418,648	94,291,975	29,617,572	458,065,465	13,387,769	1,403,026,061
Charge for the year		7,081,606		30,779,856	59,372,147	493,373	542,300	2,236,152	1,287,680	31,147,518	525,046	133,465,677
Disposal										(11,994,132)		(11,994,132)
30 Jun 2025		74,742,066		200,476,382	566,319,570	51,433,598	12,960,948	96,528,126	30,905,252	477,218,851	13,912,814	1,524,497,607
Net Book Value												
30 June 2025	21,660,526	280,382,960	1,619,820	1,330,855,754	330,472,690	3,390,930	1,018,286	4,621,404	1,193,273	73,120,557		2,048,336,200
30 Jun 2024		309,125,092	1,619,820	1,361,635,610	368,561,674	3,859,803	1,185,740	5,985,556	2,480,953	69,014,971	525,046	2,123,994,264

* Work-in-Progress comprises buildings for which construction is ongoing. Once they are completed they will be reclassified under buildings

8 (b) PROPERTY, PLANT AND EQUIPMENT (NTZDC)

2024/2025	Land	Buildings	Work in Progress *	Furniture & Fixtures	Office Equipment	Computers & Accessories	Tractors & Trailers	Motor Vehicles	Farm Tools & Implements	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost										
1 July 2024		370,481,985		47,794,763	9,703,573	73,197,100	32,098,525	400,651,956	13,912,814	947,840,716
Adjustment for prior year correction	13,615,844	(13,615,844)								
Disposals										
Additions				24,500	228,295	872,000		(11,994,132)		(11,994,132)
Transfer to Investment								33,960,000		35,084,795
30 Jun 2025	13,615,844	356,866,141		47,819,263	9,931,868	74,069,100	32,098,525	422,617,824	13,912,814	970,331,379
Depreciation										
1 July 2024		67,660,459		46,450,805	9,583,414	72,618,069	29,523,165	343,853,727	13,387,769	583,077,408
Charge for the year		7,081,606		257,460	42,469	304,782	1,287,680	26,402,156	525,045	35,901,198
Disposal								(11,994,132)		(11,994,132)
31 Jun 2025		74,742,066		46,708,265	9,625,883	72,922,851	30,810,845	358,261,751	13,912,814	606,984,474
Net Book Value										
30 Jun 2025	13,615,844	282,124,075		1,110,998	305,985	1,146,249	1,287,680	64,356,073	1	363,946,904
30 Jun 2024		302,821,526		1,343,958	120,159	579,031	2,575,360	56,798,229	525,046	364,763,308

Nyayo Tea Zones Development Corporation
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NOTES TO THE FINANCIAL STATEMENTS

9. Long-term Investments

	NTZDC 2024/2025 Kshs	NTZDC 2023/2024 Kshs	Consolidated 2024/2025 Kshs	Consolidated 2023/2024 Kshs
Investment in KTDA Factories Shares	71,893,125	71,494,996	71,893,125	71,494,996
Investment in Kipchabo Tea Factory Ltd	809,271,518	809,271,518	-	-
Investment in Gatitu Tea Factory Ltd	1,227,364,318	1,227,364,318	-	-
	2,108,528,961	2,108,130,832	71,893,125	71,494,996

(i) The Investment in KTDA Factories is Corporations shareholding at various KTDA factories (Appendix I). The investments are stated at cost as there is no available market values.

(ii) The investments in Kipchabo and Gatitu Tea Factories are disclosed under Property, Plant & Equipment under Note 8 after consolidation in pages 2 and 19.

(iii) The investment in Gatitu Tea Factory Ltd of Ksh. 1,227,363,318 is a transfer from Work-in-Progress after commissioning of the factory

10. Inventories

	NTZDC 2024/2025 Kshs	NTZDC 2023/2024 Kshs	Consolidated 2024/2025 Kshs	Consolidated 2023/2024 Kshs
Farm Inputs & Nursery Materials	91,624,330	57,623,274	91,624,330	57,623,274
KTF & GTF Inventories	-	-	129,938,180	190,069,141
	91,624,330	57,623,274	221,562,510	247,692,415

Stocks are valued at lower of cost or net realizable.

11. Trade & Other Receivables

	NTZDC 2024/2025 Kshs	NTZDC 2023/2024 Kshs	Consolidated 2024/2025 Kshs	Consolidated 2023/2024 Kshs
Trade Debtors				
KTDA- Green leaf debtors	299,002,891	449,637,102	299,002,891	449,637,102
KTDA- Transport refund	9,925,861	8,386,888	9,925,861	8,386,888
Gatitu Factory Green Leaf Debtors	177,204,651	196,781,719	154,217,836	100,341,876
Njeru Industries	10,863,822	12,345,518	10,863,822	12,345,518
Emrok Tea Factory	1,385,500	1,385,500	1,385,500	1,385,500
Sisibo Tea Factory	21,358,744	23,894,018	21,358,744	23,894,018
Kuresoi Tea and Tumoi	4,599,445	17,462,138	4,599,445	17,462,138
Chepkumia Tea Factory	-	161,007	-	161,007
Elgon Tea & Coffee	16,195,428	16,195,428	16,195,428	16,195,428
Mbogo Valley, Stegro, Tet, Sangalo Tea	17,504,753	52,517,005	17,504,753	52,517,005
Accrued Interest	-	160,166	-	160,166
KTF & GTF Debtors	-	-	57,939,615	88,376,960
	558,041,095	778,926,490	592,993,896	770,863,607

KTF & GTF Debtors are receivables for finished tea due from customers of the factory

Prepayments

Other Deposits	25,561,997	22,038,451	25,561,997	22,038,451
	25,561,997	22,038,451	25,561,997	22,038,451

Imprests, Advances and Loans

Temporary Imprest	2,774,783	5,336,976	2,774,783	5,336,976
Provision Doubtful debts	(3,300,782)	(3,300,782)	(3,300,782)	(3,300,782)
Standing Imprests	1,550,063	1,154,467	1,550,063	1,154,467
Insurance claims	1,330,819	2,223,169	1,330,819	2,223,169
Staff loans	3,311,139	3,374,541	3,311,139	3,374,541
	5,666,021	8,788,371	5,666,021	8,788,371
	589,269,113	809,753,312	624,221,914	801,690,429

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NOTES TO THE FINANCIAL STATEMENTS	NTZDC	NTZDC	Consolidated	Consolidated
	2024/2025	2023/2024	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs
12. Cash & Cash Equivalents				
Zone Accounts Cash balances	7,072,500	12,714,529	7,072,500	12,714,529
Savings Account	19,486	9,917	19,486	9,917
Current Account	4,525,748	2,245,023	4,525,748	2,245,023
Fixed Deposits	34,289,312	76,844,067	34,289,312	76,844,067
UBA Bank Account	684	4,128,285	684	4,128,285
Credit Bank Account	22,481	3,148,454	22,481	3,148,454
Current Account- Project	614	605	614	605
Cash in Hand	270,000	270,000	270,000	270,000
KTF & GTF Cash & Cash Equivalents			9,565,636	12,375,662
	46,200,825	99,360,880	55,766,460	111,736,542
13. General Fund				
Accumulated Fund	1,714,068,970	1,714,068,970	1,714,068,970	1,714,068,970
ADF Grant	741,760,713	741,760,713	741,760,713	741,760,713
Reserves	3,523,382,673	3,660,784,969	3,095,007,358	3,407,739,656
Proposed Dividend			-	11,853,131
	5,979,212,356	6,116,614,652	5,550,837,040	5,875,422,470
<i>Accumulated Fund relates to the corporations core capital ADF Grant relates to African Development Bank Green Zone project phase II</i>				
14. Commercial Bank Loans				
Credit Bank loan	296,745,820	263,290,740	296,745,820	263,290,740
UBA Bank Loan	35,241,388	68,159,372	35,241,388	68,159,372
Less due within the year	(162,176,622)	(197,741,257)	(162,176,622)	(197,741,257)
	169,810,586	133,708,856	169,810,586	133,708,856
<i>Relates to Commercial Bank loans to finance machinery for Kipchabo and Galitu Tea Factories. Commercial Bank loans disbursed during the year amounted to ksh.217,053,336 while commercial bank loan repayments amounted to Ksh. 247,448,672</i>				
15. Creditors				
Kipchabo Factory Creditors - Intercompany		62,036,549		62,036,549
Trade Creditors	115,002,914	165,639,697	115,002,914	165,639,697
Other Creditors	156,581,607	68,843,652	156,581,607	68,843,652
KTF & GTF Creditors			245,530,263	154,945,992
	271,584,521	296,519,897	517,114,784	451,465,889
<i>the variance with intercompany creditors.</i>				
16. Accruals				
Dividends Payable	99,041,098	87,187,966	99,041,098	87,187,966
Provision for Gratuity	23,101,810	22,932,370	23,101,810	22,932,370
Accruals	17,464,541	15,964,541	17,464,541	15,964,541
Kipchabo Factory Accruals			5,055,127	3,223,231
	139,607,449	126,084,877	144,662,576	129,308,108

Nyayo Tea Zones Development Corporation

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22. APPENDIX I

SCHEDULE OF LONG-TERM INVESTMENTS

TEA FACTORIES	8	2024/2025 Kshs	Additions	2023/2024 Kshs
Chinga		53,805		53,805
Chebut		4,729,921		4,729,921
Gacharage		586,265		586,265
Gachege		104,085		104,085
Gathuthi		3,695,973		3,695,973
Gatunguru		248,720		248,720
Githambo		35,370		35,370
Githongo		1,691,950		1,691,950
Gitugi		628,055		628,055
Gituri		-		-
Ikumbi		12,665		12,665
Imenti		482,452		482,452
Iriani		129,795		129,795
Kagwe		1,058,117		1,058,117
Kambaa		266,605		266,605
Kangaita		174,108		174,108
Kapkoros		4,192,369		4,192,369
Kapsara		4,132,845		4,132,845
kapset		6,031,141		6,031,141
Kathangariri		4,341,130		4,341,130
Kenyenyaini		38,665		38,665
Kiegoi		911,240		911,240
Kiru		555,730		555,730
Kimunye		553,785		553,785
Kinoro		1,917,535		1,917,535
Kionyo		779,500		779,500
Kuri		534,475		534,475
Makomboki		210,075		210,075
Mataara		7,345		7,345
Michimikuru		117,290		117,290
Mogogosiek		7,491,107	398,129	7,092,978
Mundete		587,663		587,663
Mungania		982,320		982,320
Mununga		76,670		76,670
Ndimba		277,630		277,630
Ngere		245,735		245,735
NJunu		56,485		56,485
Ragati		1,085,565		1,085,565
Rukuriri		431,250		431,250
Tergat		17,065		17,065
Thananga		1,867,639		1,867,639
Theta		176,445		176,445
Thumaita		1,913,776		1,913,776
Tirgaga		14,296,719		14,296,719
Weru		4,166,045		4,166,045
Total		71,893,125	398,129	71,494,996

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APPENDIX II: IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS

The following is a 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 which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/Observation from auditor	Management Comments	Focal point person to resolve the issue (Name & Designation)	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Long Outstanding Receivables	The Corporation engaged with KTDA and they cleared outstanding balance during the financial year.	Dr. David Chepkwony, CEO	Resolved	Resolved
2.0	Nyayo Tea Zones Loan balance	Management made adjustments in the financial statements for both realized and unrealized foreign exchange losses on the loans.	Mr. Moses Wamae Director, Finance & Accounts	Resolved	Resolved
3.0 Land without title deeds	Value of Ksh. 323.46 million disclosed under PPE – Land & Buildings excludes value of land on which the tea and forest plantations are established.	The land where Nyayo Tea Zones buffer belts (tea & fuelwood) are established is still gazetted and is part of the forest. However, Section 3(1) (b) and (c) of the Nyayo Tea Zones Development Corporation Order states that “after the creation of the tea and fuelwood growing zones, the land shall be vested and become the property of the Corporation for the purposes of the Order; and any tea and fuel wood growing area created and developed in gazetted forests and trust land forests by the Government prior to the making of this Order, shall be deemed to have been created by the Corporation for the purposes of the Order”	Dr. David Chepkwony, CEO	Not resolved by the date of submitting this report to the Auditor General	Not possible to project due to the fact that the gazetted land is under the custody of Kenya Forest Service (KFS) while the Nyayo Tea Zones Development Corporation Order states the land belongs to the Corporation. Both institutions belong to the government and the matter requires clarification from the government.
3.2 Encroached land	Value of Ksh. 323.462 million disclosed under PPE Bearer Plants excludes land measuring 66 which was illegally excised.	High Court Case No. 120 of 2018 Eldoret ELRC, Silvester K. Kaitany -Vs-Nyayo Tea Zones Development Corporation was determined in favour of the plaintiff. The Corporation appealed and the matter is	Dr. David Chepkwony, CEO	Not resolved by the date of submitting this report to the Auditor General	Corporation is waiting for determination by court of appeal as well as communication

Nyayo Tea Zones Development Corporation

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	In addition a third party has made a claim on the land measuring 17.34 ha claiming it was allocated to him.	pending determination in the Court of Appeal. The Corporation also forwarded the details of the land to Ethics and Anti-Corruption Commission (EACC) and the matter is still outstanding as we await the outcomes of their investigations/determination.			from EACC on the way forward.
4.0 Ownship of Biological Assets	Biological Assets (fuelwood plantations) have no title deeds since they are in Gazette forests	The land where Nyayo Tea Zones buffer belts (tea & fuelwood) are established is still gazetted and is part of the forest. However, Section 3(1) (b) and (c) of the Nyayo Tea Zones Development Corporation Order states that "after the creation of the tea and fuelwood growing zones, the land shall be vested and become the property of the Corporation for the purposes of the Order; and any tea and fuel wood growing area created and developed in gazetted forests and trust land forests by the Government prior to the making of this Order, shall be deemed to have been created by the Corporation for the purposes of the Order"	Dr. David Chepkwony, CEO	Not resolved by the date of submitting this report to the Auditor General	Not possible to project due to the fact that the gazetted land is under the custody of Kenya Forest Service (KFS) while the Nyayo Tea Zones Development Corporation Order states the land belongs to the Corporation. Both institutions belong to the government and the matter requires clarification from the government.
Budgetary Control & Performance	Under-absorption of budget by 18%	The factors that cause under absorption are not within the control of management. Such factors like draught, hail damage or global price fluctuations affect Corporations performance.	Dr. David Chepkwony, CEO	Resolved by putting in place risk management tools to manage uncertainty	Resolved
Non-Compliance with One-Third Basic Salary Rule	Some Officers earned net salaries below one-third of their basic contrary to Employment Act	Management plans to upgrade the payroll module which will not allow the pay to be below one third of the Employee basic pay. The management had engaged the affected staff and instructed them to regularize the anomaly.	Mr. William Togom, Director, Human Resources and Administration	Partially resolved. Corporation is waiting Officers to clears with other institution where they had commitments. In the meantime, no staff is allowed to commit their pay beyond 2/3 of the basic to ensure Compliance	Partially Resolved and in continuous implementation
Long Outstanding Receivables	Debtors, Advances, loans and temporary imprests that were paid in prior years that had not been surrendered	The Corporation is continuously recovering any outstanding debtors, advances, loans and temporary imprests that are outstanding beyond the stipulated period. However, some of the Officers advanced	Mr. Moses Wamae Director, Finance / Mr. William Togom, Director, Human	Continuous engagement with the affected officers. In cases where former staff have any outstanding balance demand is issued or recovery made from final	Partially Resolved and in continuous implementation

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		may have exited the Corporation due to death, disciplinary matters or resignation.	Resources and Administration	dues or legal action considered	
Staff Under Establishment	Approved staff establishment is less by 422 employees	The Corporation is in the process of implementing approved Human Resource instruments which are a) Organizational Structure, b) Staff Grading Structure, c) Staff Establishment, d) Career Guidelines; and e) Human Resource Policies and Procedures Manual	Mr. William Togom, Director, Human Resources and Administration	Ongoing	To be fully resolved in subsequent financial years

Dr. David Chepkwony, PhD.

Chief Executive Officer

Date.....10/12/2025.....

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