

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



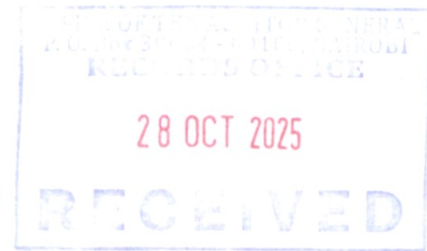
THE AUDITOR-GENERAL

ON

**AQUACULTURE BUSINESS DEVELOPMENT
PROGRAMME IFAD LOAN NO. 2000002052,
2000002614 AND 2000004538**

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

**STATE DEPARTMENT FOR BLUE ECONOMY
AND FISHERIES**



PROGRAMME NAME:

AQUACULTURE BUSINESS DEVELOPMENT PROGRAMME

[A B D P]

IMPLEMENTING ENTITY:

MINISTRY OF MINING, BLUE ECONOMY, AND MARITIME AFFAIRS

STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES

PROGRAMME LOAN NUMBER: 2000002052 & 2000002614
PROGRAMME GRANT NUMBER: 2000004538

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

Table Contents	Page
1. Acronyms and Definition of Terms	ii
2. Project Information and Overall Performance	iii
3. Statement of Performance against Project's Predetermined Objectives	xv
4. Environmental and Sustainability Reporting	xvi
5. Statement of Project Management Responsibilities	xxii
6. Report of the Independent Auditor on Financial Statement For ABDP	xxiv
7. Statement of Financial Performance for the Year Ended 30th June 2025.	1
8. Statement of Financial Position as at 30 th June 2025	2
9. Statement of Changes in Net Assets	3
10. Statement of Cashflow for the Year Ended 30 th June 2025	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025	5
12. Notes to the Financial Statements	7
13. Annexes	30

1. Acronyms and Definition of Terms

ABDP	Aquaculture Business Development Programme
AGPO	Access to Government Procurement Opportunity
BBA	Bachelor's in business administration
B.Com.	Bachelor of Commerce
Bsc.	Bachelor of Science
MBA	Masters in Business Administration
CAPs	Community Action Plans
CBK	Central Bank of Kenya
CIFA	Certified Investment and Financial Analyst
CPA(K)	Certified Public Accountant of Kenya
CPITs	County Programme Implementation Teams
CPS(K)	Certified Public Secretary of Kenya
ENRM)	Environment and Natural Resources Management
ESMP	Environment and Social Management Plan
EURO	European Union Currency
FAO	Food and Agriculture Organisation
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
IFAD	International Fund for Agriculture Development
ILO	International Labour Organisation
KeFS	Kenya Fisheries Service
KMFRI	Kenya Marine Fisheries Research Institute
KSHS	Kenya Shillings
MDAs	Ministerial Development Agenda
MOUs	Memorandum of Understanding
NGOs	Non-Governmental Organisations
PCU	Programme Coordination Unit
PIM	Programme Implementation Manual
PPPPs	Public Private Producer Partnerships
PSC	Programme Steering Committee
SDA	Special Deposit Account
SECAP	Social, Environmental and Climate Assessment Procedures
SIYB	Start and Improve Your Business
TEC	Technical Evaluation Committee
TOR	Terms of Reference
USD	United States Dollar

2. Project Information and Overall Performance

2.1 Name and registered office

Programme Name: Aquaculture Business Development Programme (ABDP)

Objective

The Programme Development Objective is to increase the incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture in the targeted Counties.

Address: The programme headquarter office is in Nyeri, Nyeri County, Kenya.

Physical Address: IFAD Building

Postal Address: P.O. Box 904-10100, Nyeri, Kenya

Other Contacts:

E-mail: info@abdpcu.org

Website: www.abdpcu.org

Telephone: +254(0) 780-303-209 / 780-303-195 / 780-303-275

The programme has a Regional Coordination Office based in Kisumu:

Telephone: +254(0) 780-302-968 / 0781-005-151

Project information and overall performance (continued)

2.2 Project Information

Programme Start Date:	22 nd June 2018
Programme Closing Date:	March 2026
Programme Coordinator:	Mr. Sammy Macaria
Programme Donor/Sponsor:	Government of Kenya (GOK), International Fund For Agriculture Development (IFAD) and Beneficiaries
Programme Supervisor:	International Fund for Agricultural Development (IFAD)

2.3 Programme Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Mining, Blue Economy and Maritime Affairs while the Lead Implementing Agency under the Ministry is the State Department for Blue Economy and Fisheries.
Programme Financing Numbers	IFAD Loan No. 2000002052 and IFAD Loan No. 2000002614
Strategic goals of the Programme	<p>(i) To raise the efficiency, profitability, and sustainability of ongoing and new aquaculture activities in mixed smallholder farming systems, with associated nutrition activities to improve diet quality and food security of the wider rural communities.</p> <p>(ii) To improve the efficiency of the whole aquaculture value chain, with a concentration of Programme effort and resources on operations that either include smallholders directly or demonstrably benefit the mass of small-scale producers.</p>
Achievement of strategic goals	<p>The Programme management aims to achieve the goals through the following means:</p> <p>(i) Ensuring the Programme’s interventions move the country (especially the Programme Areas) towards achieving the “Big Four” Initiative through food and nutrition security.</p> <p>(ii) Creating conducive environment for investment in Aquaculture through sustainable Public Private Producer Partnerships (PPPPs);</p> <p>(iii) Enhance leadership and integrity in the management of resources for improved rural livelihoods of small holder aquaculture farmers and other value chain players; and</p> <p>(iv) Supporting smallholder aquaculture farmers to graduate from subsistence to commercially oriented aquaculture practices through improvements in productivity, post-harvest management and effective market linkages for the produce.</p>
Other important background information of the programme	The Programme is national in scope but targets Counties with high concentrations of aquaculture activity, high production, existing sectoral infrastructure (processing, marketing and research), adequate water resources and marketing potential. The Programme started implementation in six (6) Counties in

the first year and expanded from the second year to reach a maximum of fifteen (15) namely, Homa Bay, Migori, Kakamega, Kisii, Kisumu, Siaya and Busia (in Western Kenya Region) and Kirinyaga, Nyeri, Meru, Tharaka Nithi, Embu, Kiambu, Machakos and Kajiado (in Central/Eastern Region). In the last financial year, the Programme received Norad Grant which was meant for Vihiga, Migori and Nyeri Counties.

The Programme is structured around three components:

Component 1 - Smallholder Aquaculture Development

Smallholder aquaculture development aims to raise the efficiency, profitability and sustainability of ongoing and new aquaculture activities in mixed smallholder farming systems, with associated nutrition activities to improve diet quality and food security of the wider rural communities. In doing so, the Programme is promoting viable business activities based on aquaculture through group and enterprise mobilization, training and support, investment in productive infrastructure, and the transfer of technical and business skills. This component is organised into three subcomponents, namely;

- ▶ Smallholder aquaculture production,
- ▶ Development of enterprises in support of smallholder aquaculture production, and
- ▶ Community nutrition initiatives.

The expected outcome for this component is to improve production, productivity as well as food security and diet quality of smallholder farmers.

Component 2 - Aquaculture Value Chain Development

Aquaculture value chain development is supporting the expansion of the subsector by promoting the establishment and scaling up of agribusiness enterprises of all sizes, including rural groups that “graduate” to a more advanced and stable business model. The Component complements the substantial strategic investments in primary producers (under component 1), through linking smallholders and beneficiaries’ groups to other successful emergent enterprises and larger businesses in the value chain to ensure that smallholders have access to quality inputs, technical expertise, post-harvest technologies and marketing channels. This is being achieved through creation of public private producer partnerships (PPPPs), including developing proper risk allocation measures, such as provision of matching grants to the private sector to alleviate the inherent

risks in developing partnerships with smallholders. The component is also supporting policy engagement, public economic infrastructure, extension services, aquaculture research, quality assurance services, financial services and business development capacity.

This component is organised into two subcomponents, namely;

- ▶ Smallholder-based aquaculture value chain development, and
- ▶ Aquaculture sector enabling environment and support services.

Component 3 - Programme Management, Monitoring and Evaluation

Programme Management, Monitoring and Evaluation facilitates the implementation support structure for Components' activities and investments through providing physical and financial management; procurement; knowledge management; and monitoring and evaluation functions.

Implementing arrangements

The implementation arrangements for the Programme is set out in the Programme Implementation Manual (PIM). The Lead Agency coordinating the implementation of the Programme is the State Department for Blue Economy and Fisheries (SDBEF) in the Ministry of Mining, Blue Economy, and Maritime Affairs. The Programme Steering Committee (PSC) under the chairmanship of the PS, SDBEF is responsible for reviewing Programme progress against targets, assessing management effectiveness, deciding on corrective measures where appropriate while the Programme Coordination Unit (PCU) performs the day-to-day coordination and management of the Programme, and according to the financing agreement between the Government of Kenya (GoK) and the IFAD.

At the County Level, the Programme implementation is being done using existing County structures and spearheaded by the County Programme Implementation Teams (CPITs) that were established in line with the signed Memorandum of Understanding (MoUs) with Counties.

Aquaculture Business Development Programme (ABDP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Current situation that the programme was formed to intervene	The programme was formed to intervene in the following areas: (i) Improve food and nutritional security in line with the Government Big Four Agenda and Kenya's Economic Blueprint – The Vision 2030, and (ii) Reduce poverty of majority rural poor involved in aquaculture farming through improvement of incomes and standards of living.
Programme duration	The Programme started on 22 nd June 2018 and is expected to run until March 2026

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

2.4.1 Programme Designated Special Bank Accounts in Central Bank of Kenya

ABDP IFAD Loan 1 USD Account No...1000391798-National
 ABDP IFAD Loan 2 EURO Account No...1000568968-National
 ABDP IFAD Loan USD Account No....1000395966-Counties
 ABDP IFAD Loan USD Account No....1000742631-National

2.4.2 Programme Operational Bank Accounts

ABDP National Bank - Nyeri branch Account No.01071216470700
 ABDP National Bank - Nyeri branch Account No.01071216470701
 ABDP National Bank - Nyeri branch Account No.01071252835000
 ABDP National Bank - Nyeri branch Account No.7717172011

2.5 Auditors

The programme is audited by the Office of the Auditor General.

2.6 Roles and Responsibilities

The following is the list and roles of Key Programme staff.

S/No	Names	Title designation	Key qualification	Responsibilities
1	Sammy Macaria	Programme Coordinator	Master's Fisheries (Aquaculture), BSC Fisheries Management.	Programme Coordination
2	Dr. Isaac Wamalwa	Deputy Programme Coordinator	PHD Environmental Sc, Msc Environmental Studies, Bsc Fisheries	Programme Coordination
3	Ruth K. Ng'aarua	Finance and Administration Manager	Master of Business Administration, B. Com, Accounting, CPA(K), CPS(K)	Finance and Administration activities
4	Grace W Njagi	Aquaculture Specialist	Masters in Fisheries Science, BSC	Aquaculture services and

Aquaculture Business Development Programme (ABDP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

S/No	Names	Title designation	Key qualification	Responsibilities
			Biochemistry and Chemistry.	leader of Component 1
5	Michael Waweru	Senior Knowledge Management and M&E Officer	Master of Arts in Economics, BSc in Economics & Statistics, CPA(K), CIFA.	Knowledge management, Monitoring and Evaluation
6	Ruth Lewo Mwarabu	Aquaculture Specialist	Master in Tropical Aquatic Ecology, BSc Applied Aquatic Science.	Aquaculture services and leader of Component 2
7	Samuel M. Ikima	Procurement Specialist	Master's Purchasing and Supplies Mgt, Bachelor's in Business Administration- Human Resource, CIPS.	Procurement Services
8	Irene W. Machua	Programme Accountant	MBA-Finance and Accounting-Ongoing. BBA (Finance and Accounting), CPA(K),	Accounting services
9	Beryl A. Odhiambo	Regional Accountant	MBA-Finance Bachelor of Commerce-Accounting, CPA(K), CIFA Part 2	Accounting Services
10	Veronicah W Chege	Procurement Assistant	MSC Procurement and Logistics, Bachelors Procurement and Logistic CPSP	Procurement Services
11	Cecily G. Wamuuru	Programme Assistant	Master of Business Administration -Human Resource Management, Bachelor of Business Administration – HRM Higher Diploma in Secretarial Studies	Administrati on activities
12	Kelly O. Owillah	Programme Assistant	Master of Arts in Project Planning, Bachelor of Arts Degree (Economics	Administrati on activities

Aquaculture Business Development Programme (ABDP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

S/No	Names	Title designation	Key qualification	Responsibilities
			& Mathematics), Diploma in Community Development	
13	Nimo Jamal Hussein	Monitoring and Evaluation and Knowledge Management Officer	MSC Development Studies-Ongoing BSC Development Studies Diploma in HRM Diploma in Project Management	Knowledge management , Monitoring and Evaluation
14	Lucy W. Mungai	Office Assistant	Diploma in Secretarial Studies Certificate in Public Relations and Customer Care Certificate in computer applications.	Administrati on activities
15.	Samuel M. Kamenju	Gender Specialist	Bachelor of Arts in Anthropology	Gender, youth affairs and targeting.

2.7 Funding summary

The Project is for duration of eight years from 2018 to 2026 with an approved budget for ABDP Programme is USD 143.3 Million equivalent of approximately Kshs. 14.9 billion under Loan (IFAD) and a Norad grant of USD 1,204,364 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Sources of funds	Development Partner Commitment		Amount received to date (30.06.2025)		Undrawn Balance to date (30.06.2025)	
	<i>Development partner Currency -USD</i>	<i>Kshs</i>	<i>Development partner Currency -USD</i>	<i>Kshs</i>	<i>Development partner Currency -USD</i>	<i>Kshs</i>
	(A)	(A')		(B')	(A)-(B)	(A')-(B')
(i) Grant						
IFAD-Grant to FAO	400,000	41,592,000	400,000	41,592,000	-	-
Norad Grant	1,204,364	156,567,320	552,953	71,467,076	651,411	85,100,244
(ii) Loan						
IFAD-Loan 1	40,000,000	4,159,200,000	34,747,025	4,173,220,987	5,252,975	14,020,987
IFAD-Loan 2	27,900,000	2,901,042,000	16,630,128	2,052,086,093	11,269,872	848,955,907
(iii) Counterpart funds						
Government of Kenya	31,400,000	3,264,972,000	27,207,027	2,828,986,630	4,192,973	435,985,370
Total						
(iv) Contribution in Kind						
Beneficiary Contribution	43,600,000	4,533,528,000	21,861,082	2,273,115,278	21,738,918	2,260,412,722
Total	144,504,364	15,056,901,320	101,398,215	11,440,468,065	43,106,149	3,616,433,255

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30th June 2025)		Cumulative Amount paid to date – (30th June 2025)		Unutilised balance to date-(30th June 2025)	
	<i>Donor Currency -USD</i>	<i>Kshs</i>	<i>Donor Currency - USD</i>	<i>Kshs</i>	<i>Donor currency-USD</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
IFAD-Grant to FAO	400,000	41,592,000	400,000	41,592,000	-	-
Norad Grant	552,953	71,467,076	435,886	56,336,597	117,067	15,130,479
(ii) Loan						
IFAD-Loan 1	34,747,025	4,173,220,987	27,160,203	3,145,370,519	7,586,823	1,027,850,468
IFAD-Loan 2	16,630,128	2,052,086,093	10,373,473	1,234,998,693	6,256,655	817,087,400
(iii) Counterpart funds						
Government of Kenya	27,207,027	2,828,986,630	19,414,282	2,663,043,401	7,792,745	165,943,229
(iv) Contribution in Kind						
Beneficiary Contribution	21,861,082	2,273,115,278	19,480,075	2,085,555,294	2,381,007	187,559,984
Total	101,398,215	11,440,468,065	77,263,918	9,226,896,505	24,134,296	2,213,571,560

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

2.8.1 The budget performance against actual amounts for current year is at 61 %.

1. The main activities and achievements attained during the period include: -
 - 9,599,706 pieces of fish stocked in fishponds across 15 implementing counties.
 - 28,782,027.6 kgs of fish harvested by beneficiary farmers across 15 counties.
 - Fish sales valued at Kshs 440,318,553 achieved by beneficiary farmers across 15 counties.
 - Development of cage culture in Riparian Counties: Acting on the Mid Term Review agreed action No.8 the programme initiated the process of implementing community-based cage aquaculture as one of the production options for counties bordering Lake Victoria. In this regard, the Programme has updated the targeting strategy to include 3735 beneficiaries in the 5 riparian counties practicing cage aquaculture. These beneficiaries will be primarily selected to fill places of beneficiaries that had not yet been identified in those counties in the previous outreach efforts.
 - 109 cages have been procured with 51 installed across the 5 riparian counties. Additional 150 farmers received support in form of cage and production inputs from the 2 Riparian counties (Migori & Homa Bay).
 - Development of Landing Sites in Riparian Counties in Western / Nyanza Region: In reference to Mid Term Review agreed action No.14, the programme-initiated establishment of aggregation centres. This is a work in progress with an objective of designing and construction landing sites in the five riparian Counties of Busia, Siaya, Kisumu, Homabay and Migori. During the 3rd quarter of the reporting period, an Assessment was undertaken for 13 Landing sites covering cadastral and topographical surveys by a team from Ministry of Public Works, whose final report was submitted to office of the PS, SBE&F. Further, the team supported procurement through development of TORs for a Consultancy on Design Review and Construction Supervision of landing sites which is underway
 - The design was finalized and approved, and the tender for the 9 landing sites underwent evaluation which was completed on July 30th, 2025.

- 3 Annual Aquaculture Day (AAD) celebration conducted across 15 Counties. Due to budget cuts and delay of disbursement.
- A total of 34 Social and Behaviour Change Communication (SBCC) events were conducted across 15 counties, promoting the marketing and sale of 28.7 tonnes of fish. This was due to budget cuts.
- One joint GoK/IFAD supervision mission conducted.
- One PSC Supervision Missions in 15 Programme Counties conducted

While conducting the above activities, the management endeavoured to adhere to the approved budget ceiling per activity. Efficiency in resource utilization was emphasized.

The main challenge experienced during project implementation and proposed way forward include budget cuts both for the donor and government component; the programme revised the budget downwards and negotiated with the National Treasury so that in future such an occurrence is not experienced.

2.9 Summary of Project Compliance:

There were no significant cases of non-compliance with applicable laws and regulations and essential external financing agreements.

3. Statement of Performance against Project's Predetermined Objectives

The key development objectives of the Aquaculture Business Development Programme 2018-2026 plan as per the programme design is to increase the incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture in the Programme Implementing Counties.

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Ministry of Mining Blue Economy and Maritime Affairs, State Department Blue Economy, and Fisheries-Aquaculture Business development Programme	To develop enterprises in support of smallholder aquaculture production.	Smallholder Aquaculture Production supported (addressing pressing challenges in aquaculture)	150 smallholder aquaculture farmers supported with cages to address production.	150 smallholder aquaculture farmers supported with 109 cages (51 already installed) and the process to instal the remaining is ongoing in the riparian counties.

4. Environmental and Sustainability Reporting

The overall goal of Aquaculture Business Development Programme (ABDP) is to “contribute to the reduction of poverty and increased food security and nutrition in rural communities of Kenya”. This goal is pursued via one development objective which reflect the poverty-food security and nutrition nexus: increased incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture. The Programme’s mission towards achieving this goal and objective provides the building blocks on which to reflect corporate culture and direction. ABDP’s sustainability strategy incorporates economic, environmental, and social factors into the organization's policies, practices, and processes to create long-term benefits for the organization, its employees and all its stakeholders while being mindful of conserving and protecting resources including environment.

1. Sustainability strategy and profile

Over the financial year 2024/25, the Aquaculture Business Development Programme was implemented against a backdrop of stable global and domestic economic outlook. Global growth was projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023. The outlook reflects economic recovery in China, Euro area and UK, despite a slowdown in activity in the USA and Japan. On the domestic front, the Kenyan economy has remained resilient despite the challenging domestic and external environment. The focused interventions and structural reforms of the Government under BETA have stabilized the economy and supported economic recovery to 5.6 percent in 2023 from 4.9 percent in 2022 following a strong rebound in agriculture after two years of severe drought. Additionally, macroeconomic fundamentals have strongly rebounded and are projected to continue strengthen and remain stable. Economic growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy. Growth is expected to pick up to 5.3 percent in 2025 and retain the same

momentum over the medium term largely driven by: enhanced agricultural productivity; resilient services sector, and ongoing implementation of priorities under BETA.

Over the medium term, as the Government consolidates the gains realized under the BETA for inclusive green growth and placing emphasis on promoting investment in BETA core pillars and enablers and harnessing implementation of the targeted interventions through a value chain approach, the ABDP has increased focus on value chain development to enhance environmental and social sustainability and entrench gains on aquaculture in the communities. The Programme's value chain approach promotes production-to-market linkages enhancing production, value addition and market access and increasing earnings from aquaculture and economic empowerment. Additionally, the investments in cage aquaculture and integrated modern landing sites infrastructure will not only increase production but also address post-harvest challenges increasing incomes for aquaculture farmers and enhancing sustainability. The Programme will also ensure sustainability of the financing of the aquaculture businesses along the value chain through linkages with the Kenyan financial sector including the sister IFAD funded Rural Kenya Financial Inclusion Facility (RK-FINFA). The ABDP matching grants complement identified financing gaps, in particular related to the financing of innovative approaches, without distorting markets. Performance-based modalities contribute to the efficient use and significant impact of the grants in terms of outreach and the development of sustainable businesses.

2. Environmental performance

ABDP is implemented in adherence to IFAD policies and the National Environment Policy 2013. The IFAD *Environment and Natural Resource Management Policy: Resilient livelihoods through the sustainable use of natural assets* has particular significance for ABDP. Also important in this context is the Programme alignment to the *Climate Change Strategy* goal of maximising IFAD's impact on rural poverty in a changing climate and precisely relevant to two statements of purpose: "to support innovative approaches to helping smallholder farmers build their

resilience to climate”; and “to inform a more coherent dialogue on climate change, rural development agriculture and food security”.

Over the medium-term period, ABDP has implemented climate change adaptation measures including use of pond liners to reduce water seepage; inclusion of dykes to protect fishponds; raised ponds and promotion of water harvesting techniques as informed by climate risk analyses. During the FY 2025/26, as the Programme increases focus on cage aquaculture and fish landing sites infrastructure development, use of solar technology will be emphasised on the investments while promoting climate smart aquaculture approaches for pond aquaculture including wooden ponds and solar pumps in line with climate resilience and adaptation to land limitations as well as the desire by low-income earners and small landholders in peri-urban and rural settlements to grow fish.

As part of implementation of the ABDP Environment and Social Management Plan (ESMP) which is in line with IFAD’s commitment to advancing sustainable development as reflected in its Social, Environmental and Climate Assessment Procedures – SECAP, the Programme conducted Participatory Scenario Planning (PSP) across the 15 Programme counties sensitizing farmers on the use of Climate information for production decision making in aquaculture, trained county staff on environmental and social management and developed grievance mechanism for community development. In line with the Presidential directive on increasing forest and tree cover under the National tree growing restoration campaign, the Programme participated in and mobilized stakeholders to grow trees and promoted development of kitchen gardens around ponds and other small water bodies.

During the FY 2025/26, the Programme will continue supporting the preservation of natural resources and energy by optimizing material use, minimizing waste (including hazardous waste), increasing recycling and use of renewable energy.

3. Employee welfare

ABDP supports diversity, fairness and equal opportunities and do not discriminate in employment while the staff composition meets the two third gender ratio with 15 males and 11 females.

The Programme will strive for an injury-free workplace through a strong health and safety program supported by high employee engagement and training of employees to conduct their activities in a safe and environmentally responsible manner. The Programme will work to ensure that every employee understands and is responsible for incorporating environmental considerations in their daily business activities and will encourage, recognize and reward individual and team leadership efforts to improve environmental sustainability. The Programme will continue ensuring the safety, health and welfare at work of all persons working in its workplace and customers/clients. All employees are accorded a safe and healthy working environment that meets or exceeds applicable standards for occupational safety and health. Since inception, ABDP has provided and will continue providing appropriate medical cover for all its employees while implementing its alcohol and drug abuse prevention and management policy to address issues at the workplace, at risk population and the dependent population.

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

As part of affirmative action in procurement, the Programme will allocate and award at least 30% of its annual procurement budget to youth, women and persons with disability and will promote local content by allocating and awarding 40% of its procurement budget of procurement of goods, works and services produced locally.

To enhance responsible supply chain, we will require our suppliers to adhere to the applicable environmental laws of the country and IFAD and encourage our suppliers to surpass baseline requirements where possible to reduce the environmental and social impact of their operations. To support responsible sourcing of materials, the Programme will continue to conduct due diligence within its supply chain to understand the source of raw materials and ensure responsible and ethical sourcing.

b) Responsible ethical practices

ABDP applies good governance principles and practices in all its operations, promoting transparency and accountability. The Programme is committed to ensuring that its funds are used for their intended purposes and to taking all reasonable steps to ensure that resources entrusted to it are managed with the highest level of integrity. To combat and prevent corruption, the Programme will continue implementing measures emanating from its corruption risk mitigation plan. The Programme has zero tolerance for all forms of bribery, corruption, extortion, or embezzlement.

c) Regulatory impact assessment

ABDP discloses financial and non-financial information in accordance with applicable Kenya Government regulations and standard accounting practices. As part of making risk management integral to its culture, strategic planning, decision making and resource allocation, the Programme will continue implementing its Risk Management Policy through providing a consistent risk assessment criterion by monitoring and reviewing risk levels to remain within the acceptable risk appetite; adopting risk treatment strategies that are effective and efficient in risk mitigation; enhancing compliance to public service ethics, values, and principles of good governance; and, promoting risk informed decisions across ABDP through foresight analysis and risk assessments.

d) Community Engagements

To enhance gender empowerment, ABDP is guided by the three succinct precepts set out in the *IFAD Policy on gender equality and women's empowerment (2012)*: promote economic empowerment to enable rural women and men to participate in and benefit from profitable economic activities; enable women and men to have equal voice and influence in rural institutions and organizations; and achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.

To advance education and create experiences for young people, the Programme offered 7 internships and 13 industrial attachments during the FY 2024/25 and

Aquaculture Business Development Programme (ABDP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

will offer 18 internships and 10 industrial attachments during the FY 2025/26 to Degree and Diploma holders and students.

As part of giving back to the society, ABDP conducted its annual staff fund raising event for needy children dubbed 'buckets of hope' where all staff individually made contributions in cash and items which were donated to a children's home in Kisumu in December 2024. Moving forward, the Programme will continue providing its employees, communities and all stakeholders with relevant and appropriate factual information about its environmental performance.

5. Statement of Project Management Responsibilities

The *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the situation of the Programme for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangement 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 Programme; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Programme; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme accept responsibility for the Programme's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme are of the opinion that the Programme's financial statements give a true and fair view of the state of Programme's transactions during the financial year ended June 30, 2025, and of the Programme's financial position as at that date. The *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme confirm that the Programme has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Programme funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Programme financial statements

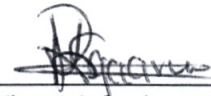
The Programme financial statements were approved by the *Principal Secretary* for the Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Blue Economy and Fisheries, and the *Programme Coordinator* for Aquaculture Business Development Programme on 16th October, 2025 and signed by:



Principal Secretary
Name: Betsy M. Njagi



Programme Coordinator
Name: Sammy Macaria



Programme Fin.&Admin Manager:
Name: Ruth Ng'aarua
ICPAK Member NO. 21799

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON AQUACULTURE BUSINESS DEVELOPMENT PROGRAMME IFAD LOAN NO. 2000002052, 2000002614 AND 2000004538 FOR THE YEAR ENDED 30 JUNE, 2025 – STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 of the Auditor-General on Aquaculture Business Development Programme (ABDP) IFAD Loan No. 2000002052, 2000002614 and 2000004538 for the year ended 30 June, 2025- State Department for Blue Economy and Fisheries

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Aquaculture Business Development Programme set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Aquaculture Business Development Programme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Aquaculture Business Development Programme agreement IDA Credit No. 2000002052, 2000002614 and 2000004538 dated 22 June, 2018, and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Aquaculture Business Development Programme Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAIs 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 opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Emphasis of Matter and Other Matters sections. Review of the status during audit of the prior year audit

matters, revealed that budgetary control and performance and outstanding pending bills matters remained unresolved. Although Management indicated that the issues were resolved, no documentation to support the assertion was provided for confirmation.

Other Information

Management is responsible for the Other Information set out on page iii to xxiii which comprise of project Information and Overall performance, Statement of Performance Against Project Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project'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 and 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in 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. Outstanding Accounts Payable

The statement of financial position reflects an amount of Kshs. 986,687,929 in respect of trade and other payables and as disclosed in Note 23 to the financial statements. Analysis of the documentation provided indicates that they have been outstanding for less than one year, as per the ageing analysis provided. This is contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer not to commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in approved budget estimates. The

balance relates to trade payables that were not settled during the year under review but were instead carried forward to the financial year 2025/2026.

Failure to settle bills during the year in which they relate adversely affects the budgetary provisions for the subsequent year as they form a first charge.

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

2. Delay in Construction of Landing Sites

The Aquaculture Business Development Programme (ABDP) has planned construction of nine (9) landing sites in five (5) riparian counties in Western and Nyanza regions namely; Busia, Siaya, Kisumu, Homabay and Migori. These investments are earmarked for implementation within the financial year 2025/2026. However, as at the month of July, 2025 the procurement for the construction of the landing sites was at evaluation stage. Considering the current stage of procurement, the time required to conclude the process including award, contract signing and site handover, and the defect liability timelines, there is a significant risk that the works will not be completed and the defect liability period will not lapse before the Projects' closure which is supposed to be on 30 June, 2026.

In the circumstances, benefits of the landing sites may not be realized with the delays noted above.

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Financing Agreement Credit Number 6540-KE dated 2 June, 2021, between the International Fund for Agricultural Development (IFAD) and the Government of the Republic of Kenya, I report, based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and those public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

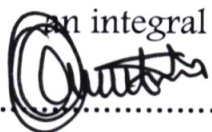
Nairobi

14 November, 2025

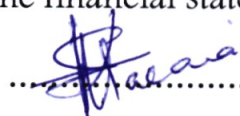
7. Statement of Financial Performance for the Year Ended 30th June 2025.

	Notes	Period Ended June 30th 2025
		Kshs
Revenue		
Revenue Transfers	6	2,249,218,356
Miscellaneous Revenue	7	-
Total		2,249,218,356
Expenses		
Employee costs	8	186,277,174
Use of goods and services	9	2,958,235,059
Depreciation and amortization expense	10	37,468,000
Transfer to other government entities	11	-
Other transfers/Subsidies/grants	12	113,100,000
Certified Works	13	-
Total expenses		3,295,080,233
Other gains/(losses)		
Gain/(loss) on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
Total gains/(losses)		-
Surplus/Deficit for the year		(1,045,861,877)

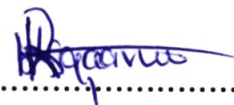
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Principal Secretary
 Name: Betsy M.
 Njagi



Programme Coordinator
 Name: Sammy Macaria



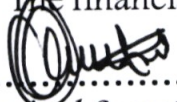
Programme Fin. & Admin. Manager
 Name: Ruth Ng'arua
 ICPAK Member NO. 21799

(Paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

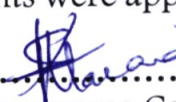
8. Statement of Financial Position as at 30th June 2025

	Notes	Period as at June 30 th 2025	Opening Statement
		Kshs	1 st July 2024 Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	7,466,822	51,912,747
Receivables	18	-	-
Inventories	19	-	-
Prepayments	20	-	-
Total Current Assets		7,466,822	51,912,747
Non-Current Assets			
Property, Plant, and Equipment	21	316,637,272	330,938,655
Intangible Assets	22	-	-
Total Non-Current Assets		316,637,272	330,938,655
Total Assets (A)		324,104,093	382,851,402
Liabilities			
Current Liabilities			
Trade and Other Payables	23	986,687,929	-
Third Party Deposits	24	426,640	-
Deferred Income	25	-	-
Total Current Liabilities		987,114,569	-
Total Liabilities (B)		987,114,569	-
Net Assets (A-B)		(663,010,475)	382,851,402
Represented By:			
Accumulated Surplus		(663,010,475)	382,851,402
Net Assets		(663,010,475)	382,851,402

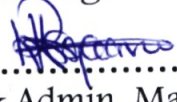
The financial statements were approved on 16th October 2025 and signed by:



 Principal Secretary
 Name: Betsy M.
 Njagi



 Programme Coordinator
 Name: Sammy Macaria




 Programme Fin. & Admin. Manager
 Name: Ruth Ng'aarua
 ICPAK Member NO. 21799

9. Statement of Changes in Net Assets

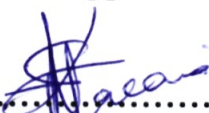
Description	Accumulated Surplus
	kshs
As at 30th June 2024 (cash basis)	51,912,747
Adjustments:	-
Asset Recognition	330,938,655
Liabilities Recognition	-
As at July 1, 2024	382,851,402
Surplus/ deficit for the period	(1,045,861,877)
As at 30th June, 2025	(663,010,475)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The financial statements were approved on 16th October 2025 and signed by:



 Principal Secretary
 Name: Betsy M. Njagi



 Programme Coordinator
 Name: Sammy Manager



 Programme Fin.& Admin
 Manager
 Name: Ruth Ng'aarua
 ICPAK Member NO. 21799

Aquaculture Business Development Programme (ABDP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

10. Statement of Cashflow for the Year Ended 30th June 2025

		<i>Period Ended June 2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Revenue Transfers	6	2,249,218,356
Miscellaneous Revenue		-
Total receipts		2,249,218,356
Payments		
Employee costs	8	186,277,174
Use of goods and services	9	2,958,235,059
Transfers to other Government Entities		-
Other Grants and Subsidies	12	113,100,000
Certified Work		-
Total payments		3,257,612,233
Net cash flows from/(used in) operating activities		(1,008,393,877)
Adjustment:		
Increase in Trade and Other Payable	23	986,687,929
Increase in Third Party Deposits	24	426,640
Net cash flows from/(used in) operating activities		(21,279,309)
Cash flows from investing activities		
Acquisition of non-financial Asset	21	(23,166,616)
Proceeds from sale of Assets		-
Acquisition of Intangible Asset		-
Net cash flows from/(used in) investing activities		(23,166,616)
Cash flows from financing activities		
Return to Exchequer		-
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & cash equivalents		(44,445,925)
Cash and cash equivalents at 1st July 2024	17	51,912,747
Cash and cash equivalents at 30th June 2025	17	7,466,822

11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payment Items	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
Budget carry over from previous years	-	-	-	-	-	-
Reciepts						
Revenue Transfers	3,726,000,000	-1,420,000,000	2,306,000,000	2,249,218,356	56,781,644	98%
Miscellaneous Revenue	-	-	-	-	-	0%
Total revenue	3,726,000,000	-1,420,000,000	2,306,000,000	2,249,218,356	56,781,644	98%
Payments						
Employee costs	188,237,873	-	188,237,873	186,277,174	1,960,699	99%
Use of goods and services	3,047,397,994	(1,050,000,000)	1,997,397,994	1,995,987,106	1,507,016	100%
Depreciation and amortization	-	-	-	37,468,000	(37,468,000)	
Transfer to other government entities	-	-	-	-	-	
Other transfers/Subsidies/grants	490,364,133	(370,000,000)	120,364,133	111,400,000	8,964,133	93%
Certified Works	-	-	-	-	-	
Total expenses	3,726,000,000	(1,420,000,000)	2,306,000,000	2,331,132,280	(25,036,152)	101%
Surplus/ deficit	-	-	-	(81,913,924)	(81,817,796)	

Budget notes

There has been changes between the original and final budget, of KES 1.420 b due to budget cuts. (IPSAS 24.29)

Budget Reconciliation

Description of particulars	Amount in Kshs
Actual surplus amount as per the statement of budget statement	-81,913,924
Opening Balance Adjustment	51,912,747
Adjustment for depreciation	37,468,000
Closing Cash and Cash equivalent as per the statement of cashflows	7,466,822

12. Notes to the Financial Statements

1. General Information

Aquaculture Business Development Programme is established by and derives its authority and accountability from Fisheries Management and Development Act, 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to reduced poverty and increased food security and nutrition in rural communities

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

These financial statements were authorized for issue by the accounting officer on
16th October 2025

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The Programme has no lease arrangements.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

***Aquaculture Business Development Programme
Annual Reports and Financial Statements for the year ended June 30, 2025.***

Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The Programme has no assets held for sale.</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The programme doesn't won such status.</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>There is no impact to the Programme.</i></p>

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

***Aquaculture Business Development Programme
Annual Reports and Financial Statements for the year ended June 30, 2025.***

Standard	Effective date and impact:
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The Programme a non-revenue collecting entity.</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This will have no impact to the Programme</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This will have no impact to the Programme</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This will have no impact to the Programme</i></p>

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the Programme Steering Committee. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **6** under section **11** of these financial statements.

c) Property, plant and equipment

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

Notes to the financial statements

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the financial statements

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the financial statements

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables 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.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.

Notes to the financial statements

- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

i) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

j) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. Entity does not maintain any reserves maintained.

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) Borrowing costs

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

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

o) Related parties

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the financial statements

p) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

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

r) Subsequent events

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

Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The *Entity* based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the *Entity*. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Notes to the financial statements

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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

Notes to the financial statements

6. Revenue Transfers

Description	Period ended June 30th 2025
	Kshs
Unconditional Transfers	-
GoK Counterpart Funding	-
Transfers From Development Partners	-
Total unconditional Transfers (a)	-
Conditional Transfers	-
GoK Counterpart Funding	449,000,000
Transfers From Development Partners	-
1. Norad ARNASA Grant	71,467,076
2. International Fund for Agricultural Development -Loan Revenue 1	911,064,920
3. International Fund for Agricultural Development -Loan Revenue 2	817,686,360
	1,800,218,356
Total Conditional transfer(b)	2,249,218,356
Total Transfers for the year(a+b)	2,249,218,356

a) Details to Revenue Transfers

Name Of The Entity transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount Moved to Capital Funds	Total transfers Period ended June 30th 2025
	Kshs	Kshs	Kshs	Kshs
GOK Funding	449,000,000	-	-	449,000,000
Grant Transfer				
Norad ARNASA Grant	71,467,076	-	-	71,467,076
Loan Proceeds				
a) International Fund for Agricultural Development -Loan Revenue 1	911,064,920	-	-	911,064,920
b) International Fund for Agricultural Development -Loan Revenue 2	817,686,360	-	-	817,686,360
Total	2,249,218,356	-	-	2,249,218,356

7. Miscellaneous revenue

Description	Period ended June 30th 2025
	Kshs
	0
Total	-

*Aquaculture Business Development Programme
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Notes to the financial statements

8. Employees Costs

Description	Period ended June 30th 2025
	Kshs
Basic salaries of permanent employees	158,369,350
Basic wages of temporary employees	5,640,483
Personal allowances – part of salary	22,267,340
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	-
Employer contributions to compulsory national health insurance schemes	-
Other social benefit schemes	-
Other personnel costs	-
Totals	186,277,174

9. Use of Goods and Services

Description	Period ended June 30th 2025
	Kshs
Utilities, supplies and services	1,010,037
Communication, supplies and services	6,135,200
Domestic travel and subsistence	953,571,940
Foreign travel and subsistence	3,009,430
Printing, advertising, and information supplies & services	48,271,372
Rentals of produced assets	15,000
Training expenses	93,159,006
Hospitality supplies and services	294,533,038
Insurance costs	14,365,174
Specialized materials and services	1,220,118,811
Bank Charges	575,884
Office and general supplies and services	14,551,106
Fuel Oil and Lubricants	30,064,230
Routine maintenance – vehicles and other transport equipment	15,228,546
Routine maintenance – other assets	2,769,507
Other operating expenses	260,856,780
Totals	2,958,235,059

Notes to the financial statements

10. Depreciation and Amortization expense

Description	Period ended June 30th 2025
	Kshs
Property, plant and equipment	37,468,000
Intangible assets	-
Total Depreciation and Amortization Expense	37,468,000

11. Transfer to Other Government Entities

Description	Period ended June 30th 2025
	Kshs
Transfers to national govt entities- SAGAs & SC	-
Transfer to other Central Government entities	-
Transfers to Projects	-
Transfers to car loan and mortgage schemes	-
Transfers to County Governments entities	-
Total Transfers to Other Government Entities	-

12. Other Transfers/Subsidies/Grants

Description	Period ended June 30th 2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	-
Emergency relief and refugee assistance	-
Grants to small businesses, cooperatives, and self employed-Groups	113,100,000
Grants to foreign government	-
Relief to the disabled, the sick, unemployed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
Total	113,100,000

13. Certified Works

Description	Period ended June 30th 2025
	Kshs
Road Works	-
Water Works	-
Energy Infrastructure	-
Total	-

Notes to the financial statements

14. Gain/Loss on Sale of Assets

Description	Period ended June 30th 2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total Gain or Loss on sale of Asset	-

15. Gain/Loss on foreign exchange transactions

Description	Period ended June 30th 2025
	Kshs
Gain on foreign exchange transaction	-
Loss on foreign exchange transaction	-
Total Gain/Loss	-

16. Impairment Loss

Description	Period ended June 30th 2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total impairment loss	-

17. Cash and Cash Equivalents

Description	Period ended June 30th 2025	1 st July 2024
	Kshs	Kshs
Cash in Bank	7,460,512	51,912,137
Cash on hand	6,310	610
Total	7,466,822	51,912,747

*Aquaculture Business Development Programme
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Notes to the financial statements

17 a. Project Bank Accounts

Details	Period ended June 30th 2025	1 st July 2024
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank -Ac. No.1000391798	439,615,198	799,636,171
Ac. No. 1000568968	432,079,251	258,872,625
Ac. No. 1000395966	-	101,489,515
Ac. No. 1000742631	-	-
Total Foreign Currency balances	871,694,448	1,159,998,311
Local Currency Accounts		
PCU National Bank Account No. 01071216470700	3,356,129	47,070,449
PCU National Bank Account No. 01071216470701	3,055,462	3,103,860
PCU National Bank Account No. 01071252835000	487,393	-
PCU National Bank Account No. 7717172011	397,434	-
Homabay County KCB Acc 1265492328	4,061	8,400
Migori County KCB Acc 1266907971	1,155	11,985
Kakamega County KCB Acc 1267506172	13,795	487,709
Kirinyaga County KCB Acc 1265975272	5,571	121,072
Nyeri County NBK Acc 01071221865200	19,375	8,401
Meru County KCB Acc 1266598448	42,731	437,844
Kiambu County KCB Acc. 1275488684	6,635	746,920
Machakos County Coop Acc 1141854436500	5,180	8,010
Kajiado County KCB Acc 1275100864	1,477	2,176
Tharaka Nithi County KCB Acc 1275217419	5,081	4,199
Siaya County COOP Acc 1141259442900	4,890	1,466,604
Kisumu County KCB Acc 1275614418	1,833	862,060
Embu County KCB Acc 1273839994	495	990
Busia County NBK Acc 1071227451400	6,736	2,356
Kisii County NBK Acc 1071224387600	36,080	9,283
Vihiga County KCB Acc. 1336119055	4,617	-
Nyeri County Norad A/c 1339650495	2,931	-
Migori County Norad Account 7718089355	1,450	-
Total Local Currency balances	7,460,512	51,912,137
Total Bank Account Balances	879,154,960	1,211,910,448

17 b. Cash in Hand

Description	Period Ended June 30, 2025	FY 2023/24
	KShs	KShs
PCU Nyeri	6,310.00	610.00
		-
Total cash balances	6,310.00	610.00

Notes to the Financial Statements

18. Receivables

Description	Period Ended June 30, 2025	1st July 2024
	Kshs	Kshs
Counterpart Funds	-	-
Contactors Advance payments	-	-
Total Receivables	-	-

Ageing analysis for Receivables

Description	Period Ended June 30, 2025		1st July 2024	
	Kshs		Kshs	
	Current Financial Year	% of the total	Comparative Year	% of the total
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

19. Inventories

Description	Period Ended June 30, 2025	1st July 2024
	Kshs	Kshs
Consumable stores	-	-
Construction stores	-	-
Less: allowance for impairment	-	-
Total	-	-

20. Prepayments

Description	Period Ended June 30, 2025	1st July 2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Total Prepayments	-	-

*Aquaculture Business Development Programme
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Notes to the financial statements

21. Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles & Motorcycles	Furniture and fittings	Computers & ICT Equipment	Other Assets Machinery and Equipment	Capital Work in progress	Total
Depreciation Rate		2%	12.50%	12.50%	30%	12.50%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	102,271,405	144,058,187	51,869,868	29,594,216	3,144,980	-	330,938,655
Additions	-	17,891,504	1,030,080	570,982	3,674,050	-	-	23,166,616
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	120,162,909	145,088,267	52,440,850	33,268,266	3,144,980	-	354,105,272
Depreciation And Impairment								
As At 1st July 2024								
Depreciation	-	2,403,258	18,136,033	6,555,106	9,980,480	393,123	-	37,468,000
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	2,403,258	18,136,033	6,555,106	9,980,480	393,123	-	37,468,000
Net Book Values								
Balance as at 1st July 2024	-	102,271,405	144,058,187	51,869,868	29,594,216	3,144,980	-	330,938,655
Balance as at 30th June 2025	-	117,759,651	126,952,234	45,885,743	23,287,786	2,751,858	-	316,637,272

Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

22. Intangible Assets

Description	Period ended June 30th 2025
	Kshs
Cost	
As at 1st July 2024	-
Add: Additions	-
Less: Disposal	-
As at 30th June 2025	-
Amortization and impairment	
As at 1st July 2024	-
Amortization	-
As at 30th June 2025	-
Impairment loss	-
As at 30th June 2025	-
NBV As at 1st July 2024	-
NBV As at 30th June 2025	-

23. Trade and Other Payables

Description	Period ended June 30th 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Trade payables	986,687,929	-
Employee payables	-	-
Total trade and other payables	986,687,929	-

Ageing analysis for:(Trade and other Payables)

Description	Period Ended June 30, 2025		1 st July 2024	
	Kshs		Kshs	
	Current Financial Year	% of the total	Comparative Year	% of the total
Less than 1 year	986,687,929	100%	-	-
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	986,687,929	100%	-	-

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

24. Third-Party Deposits

Description	Period ended June 30th 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contractors Retention	426,640	-
Gratuity	-	-
Total Deposits	426,640	-

Ageing analysis: (Refundable deposits)	Current Financial Year	% of the total	Comparative Year	% of the total
Under 1 year	426,640	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	426,640	-	-	-

25. Deferred Income

Description	Period ended June 30th 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
GOK	-	-
IFAD	-	-
Total Deferred Income	-	-

Deferred Income Movement Schedule

	GOK	IFAD	Total
	Kshs	Kshs	Kshs
Balance as at 1st July 2024	-	-	-
Additions	-	-	-
less; Transfers To Capital Fund	-	-	-
Less: Transfers To Income Statement	-	-	-
Less: Other Transfers	-	-	-
Balance as at 30th June 2025	-	-	-

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

26. Cash Generated from Operations

Description	Period ended June 30th 2025
	Kshs
Surplus for the period before tax	(1,045,861,877)
Adjusted for:	
Depreciation	37,468,000
Less: Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
Net cash flow from operating activities	(1,008,393,877)

27. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

Special Deposit Accounts Movement Schedule

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
(i) A/C Name 1000391798		
Opening balance	799,636,171	155,532,025
Total amount deposited in the account	449,554,432	1,242,589,642
Total amount withdrawn (as per Statement of Receipts & Payments)	809,575,405	598,485,496
Closing balance (as per SDA bank account reconciliation attached)	439,615,198	799,636,171
(ii) A/C Name 1000568968		
Opening balance	258,872,625	-
Total amount deposited in the account	921,953,211	551,759,710
Total amount withdrawn (as per Statement of Receipts & Payments)	748,746,585	292,887,085
Closing balance (as per SDA bank account reconciliation attached)	432,079,251	258,872,625
(iii) A/C Name 1000395966		
Opening balance	101,489,515	128,897,000
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	101,489,515	27,407,485
Closing balance (as per SDA bank account reconciliation attached)	-	101,489,515
(iii) A/C Name 1000742631		
Opening balance	-	-
Total amount deposited in the account	71,467,076	-
Total amount withdrawn (as per Statement of Receipts & Payments)	71,467,076	-
Closing balance (as per SDA bank account reconciliation attached)	-	-

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix IV support these closing balance.

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

28. Related Party Disclosures

There were no any related party disclosures during the period under review.

Government of Kenya

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

29. Events after the Reporting Period

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

30. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Mining Blue Economy and Maritime Affairs. Its ultimate parent is the Government of Kenya.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

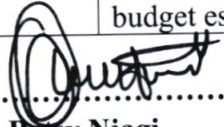
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.3,689,865,849 and Kshs.1,920,062,240 respectively resulting to an underfunding of Kshs.1,769,803,609 or 48% of the budget. Similarly, the Programme spent an amount of Kshs.1,856,713,310 against a final budget of Kshs.3,689,865,849 resulting to an under expenditure of Kshs.1,833,152,539 or 50% of the actual receipts.</p>	<p>The underfunding and underperformance is attributed to the late exchequer releases which normally come towards the end of the financial year. However, the Programme endeavors to utilize all disbursements received for the benefit of the farmers and currently we have absorbed a total of Kshs 1,856,713,310 out of the total funds received of</p>	<p>Resolved</p>	<p>Continuous</p>

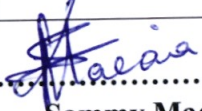
***Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The underfunding and under performance affected the implementation of planned activities during the year and may have impacted negatively on service delivery to the public.	Kshs 1,920,062,240 being 97% absorption		
	<p>Unresolved prior year issues</p> <p>In the audit of the previous year, a matter was raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and another matter on effectiveness of internal controls, risk management and governance. However, although Management has indicated as having resolved those matters in annex 1 to the financial statements, no evidence was provided to support that status. In the circumstances, Management was in breach of the law.</p>	<p>The recommendation to establish the internal audit function for the Programme, has since been implemented.</p> <p>The external audit for Financial Year 2023/ 2024 has also established that the issues in delayed project implementation for Uhuru Business Park Fish Market and Ramogi Institute of Advanced Technology in Kisumu has since been resolved.</p>	Resolved	Done

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Long Outstanding Pending Accounts Payable Note 18 to the financial statements on other important disclosures reflects pending bills amounting to Kshs.316,558,934. The amount was carried forward from the prior year and remained unpaid during the year under review in which they form a first charge. This was contrary to section 53(8) of the Public Procurement and Assets Disposal Act, 2015 which requires an accounting officer not to commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in approved budget estimates.</p>	<p>The project received exchequer disbursements a bit late, and the pending bills have since been paid. Out of the reported pending bills of Kshs. 316,558,934, an amount of Kshs 316,558,934 has already been paid as a first charge. See appendix 1 attached</p>	<p>Resolved</p>	<p>All pending bills paid</p>

.....

Betsy Njagi
Principal Secretary

.....

Sammy Macaria
Programme Coordinator

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Annex 2: Reconciliation of inter-entity transfers

AQUACULTURE BUSINESS DEVELOPMENT PROGRAMME			
Breakdown of Transfers from the State Department for Blue Economy and Fisheries			
a. Government Counterpart Funding	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
	26/11/2024	274,500,000	For FY 2024/2025
	20/02/2025	137,250,000	For FY 2024/2025
	23/05/2025	37,250,000	For FY 2024/2025
	Total	449,000,000	
b. Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
		-	
	Total	-	
c. Others- IFAD Loan Revenue	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
IFAD LOAN REVENUE 1	04/11/2024	799,632,433	For FY 2024/2025
IFAD LOAN REVENUE 1	26/11/2024	101,489,515	For FY 2024/2025
IFAD LOAN REVENUE 1	17/02/2025	9,942,972	For FY 2024/2025
	Total	911,064,920	
IFAD LOAN REVENUE 2	09/07/2024	68,939,774	For FY 2024/2025
IFAD LOAN REVENUE 2	09/07/2024	1,755,007	For FY 2024/2025
IFAD LOAN REVENUE 2	24/09/2024	266,060,859	For FY 2024/2025
IFAD LOAN REVENUE 2	17/02/2025	432,243,843	For FY 2024/2025
IFAD LOAN REVENUE 2	09/05/2025	48,686,876	For FY 2024/2025
	Total	817,686,360	
NORAD GRANT	17/02/2025	71,467,076	For FY 2024/2025
	Total	71,467,076	
	TOTAL(a+b+c)	2,249,218,356	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

**Programme Coordinator
ABDP**

Sign 

**Head of Accounting Unit
State Department for Blue Economy and Fisheries**

Sign 

*Aquaculture Business Development Programme
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2023/24	Additions during the Year (Kshs) 2024/25	Disposals in the Year (Kshs) 2024/25	Transfers in/(out) (Kshs)	Closing Cost (Kshs) 2024/25
	(a)	(b)	(c)	(d)	(e)= (a)+ (b)-(c)-(d)
Land	-	-	-	-	-
Buildings and structures	102,271,405	16,638,780	-	-	118,910,185
Transport equipment	144,058,187	1,030,080	-	-	145,088,267
Office equipment, furniture and fittings	53,134,848	570,982	-	-	53,705,830
ICT Equipment, Software and Other ICT Assets	29,594,216	3,674,050	-	-	33,268,266
Other Machinery and Equipment	4,745,200	-	-	-	4,745,200
Heritage and cultural assets	-	-	-	-	-
Biological Assets	-	-	-	-	-
Infrastructure assets roads,rails	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	-	-	-	-
Total	333,803,855	21,913,892	-	-	355,717,747

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)