



**2024**

**AGRICULTURAL AND INDUSTRIAL  
HOLDINGS PLC**

**ANNUAL REPORT & GROUP  
FINANCIAL STATEMENTS**

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

Annual report and group financial statements  
For the year ended 31 December 2024

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From left: Project & Investments Manager Eng. Patrick Njagi, General Manager Mr. Michael Wandegwa, Director Mr. Joseph Gichuru, Laikipia Governor H. E Hon. Joshua Irungu & Director Rev. Joseph Kihara. Visiting the Laikipia Governor to discuss Narok Ranch - Rumuruti security and development



Outside view of Agrho House

Agrho House, Nairobi's premier commercial hub!

Located on Moi Avenue, Agrho House offers a vibrant mix of:

- Small shops
- Beauty salons
- Offices
- Food courts
- Learning institutions

A one-stop destination for business, beauty, and learning colleges.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

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### CORPORATE INFORMATION

#### DIRECTORS

Hon. Ngengi Muigai - Chairman  
Dr. Peter Munga  
Dr. Patricia W Gathia  
Mr. Joseph M Gichuru  
Mr. Michael M Mbarire  
Rev. Joseph Kihara  
Mr. Henry Kaburia Njagi  
Mr. Martin Njeru Nyaga

#### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Kasarani, Thika Road  
P.O.Box 50124 - 00200  
Nairobi

#### PRINCIPAL BANKERS

Family Bank  
Kilimani Branch  
P.O.Box 74145-00200  
Nairobi

Housing Finance  
Rehani Branch  
P.O.Box 30088  
Nairobi

Standard Chartered Bank (K) Ltd.  
Moi Avenue Branch  
P.O.Box 3003 - 00100  
Nairobi

Equity Bank Limited  
Moi Avenue Branch  
P.O.Box 75104-00200  
Nairobi

#### LEGAL ADVISORS

J Ngaii Gikonyo Advocates  
Suraj Plaza, 3rd floor,  
Limuru Road  
P. O. Box 62097 - 00200  
Nairobi

#### COMPANY SECRETARY

Lucy Kibera  
Certified Public Secretary  
Leading Secretaries  
P.O.Box 6399 - 00300  
Nairobi

#### COMPANY AUDITORS

Mugo Dominic & Co.  
AAYMCA Building, 2nd Floor  
State House Crescent, off State House Road  
P.O. Box 3728 GPO 00100  
Nairobi

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### NOTICE TO THE ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held via electronic communication on Thursday 4th December, 2025 at 11.00 am to conduct the following business:

- 1.To table the proxies and note the presence of a quorum.
- 2.To read the Notice convening the meeting.
- 3.To confirm the minutes of the last Annual General Meeting held on 11th December, 2024.
- 4.To consider and, if thought fit, adopt the audited Financial Statements for the year ended 31st December 2024, together with the Chairman's, Directors' and Auditors' reports thereon.

#### **Proposed Resolution**

That the audited Final Statements for the year ended 31st December 2024, together with the Chairman's, Directors' and Auditors' Reports thereon be and are hereby adopted.

- 5.To authorize payment of a first and final dividend of Kshs.27 per paid-up share of Kshs.100/= each amounting to Kshs. 14,348,826/= (Kenya Shillings Fourteen Million Three Hundred and Forty Eight Thousand Eight Hundred and Twenty Six only) in respect of the financial year ended 31st December 2024.

#### **Proposed Resolution**

That a first and final dividend of Kshs.27 per paid-up share of Kshs.100/= each amounting to Kshs. 14,348,826/= (Kenya Shillings Fourteen Million Three Hundred and Forty Eight Thousand Eight Hundred and Twenty Six only) be declared in respect of the financial year ended 31st December 2024.

#### **6.To elect Directors:**

- (i) In accordance with Article 8(b) of the Company's Articles of Association, Hon. Ngengi Muigai, Dr. Patricia Gathia and Mr. Joseph Gichuru retire on rotation and, being eligible offer themselves for re-election.

#### **Proposed Resolution**

(ii) That in accordance with Article 8(b) of the Company's Articles of Association, Hon. Ngengi Muigai, Dr. Patricia Gathia and Mr. Joseph Gichuru, be and are hereby re-elected as Directors of the Company.

- 7.To approve the Directors' remuneration as indicated in the Audited Financial Statements for the year ended 31st December 2024.

#### **Proposed Resolution**

That the Directors' remuneration as indicated in the audited Financial Statements for the year ended 31st December 2024 be and is hereby approved.

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

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8.To confirm that the Auditors, Messrs. Mugo Dominic & Co., having indicated their willingness, shall continue in office in accordance with Section 721 (2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration.

#### **Proposed Resolution**

That Messrs. Mugo Dominic & Co., the Company Auditors having indicated their willingness, shall continue in office in accordance with Section 721 (2) of the Companies Act 2015 and that the Directors be and are hereby authorized to fix their remuneration.

9.To transact any other business of the Annual General Meeting for which proper notice has been given.

#### **BY ORDER OF THE BOARD**



**Lucy W. Kibera**  
**Company Secretary**  
**Nairobi**

**Date: 3rd November, 2025**

#### **NOTES:**

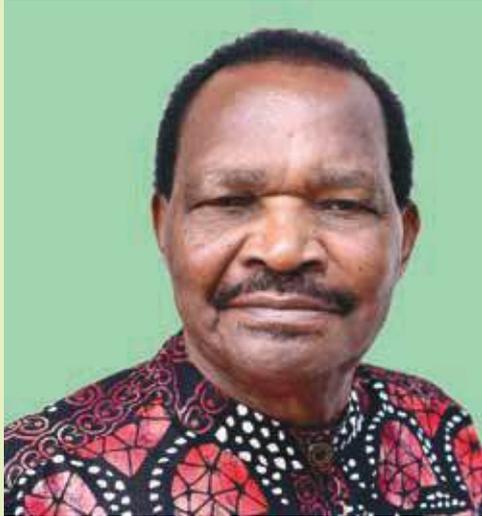
1)A member entitled to attend and vote at the Annual General Meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. To be valid, a form of proxy which can be downloaded from the website, must be duly completed by the member and must either be lodged at the Registered Office of the Company, Clayworks, Kasarani, off Thika Superhighway, P.O Box 50124 - 00200, Nairobi or posted, so as to reach the Company not later than 2.00 p.m. on Monday 1st December, 2025.

2)The virtual AGM will be accessible to shareholders and proxies who have duly registered and received the log in credentials. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile phones, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent two hours ahead of the AGM, reminding the shareholders and proxies that the AGM will begin in two hours time.

3)All present and former shareholders of the Company are hereby notified that pursuant to the provisions of the Unclaimed Financial Assets Act No 40 of 2011 Parts II and III, dividends and shares which have not been claimed for a period of three (3) years or more will require to be delivered to the Unclaimed Financial Assets Authority ('the Authority) as abandoned assets on the appointed date.

Therefore, all shareholders with unpaid dividends are requested to urgently visit the Company offices at Clayworks, Kasarani with copies of their ID cards, PIN & the share certificates OR call our offices on Tel. No 0735 338097 to confirm their current telephone numbers to facilitate payments via M-pesa so as to claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority.

## **Chairman's Report**



### **Dear Shareholders,**

On behalf of the Board of Directors of Agricultural and Industrial Holdings Plc (AIH), I am delighted to present the Annual Report and the Audited Financial Statements for the year ended 31st December 2024.

### **Economic and Operational Overview**

The year under review was extremely challenging from both an operational and business perspective. Unfavourable exchange rates, increased statutory staff costs, and high building maintenance expenses arising from demonstrations and riots negatively impacted our operations.

Nevertheless, we remain optimistic that the country's economic activities will stabilize, leading to a reduction in the overall cost of doing business and creating a more favourable environment for growth.

### **Financial Performance**

The Company recorded a profit before tax of Kshs. 88,763,456, compared to Kshs. 51,366,083 reported in the previous year. A remarkable increase of Kshs.37,397,373 mainly attributed to the sale of fixed assets and interest income.

Rental income from Agrho House remains the company's primary source of revenue. To strengthen and diversify this income stream, the Board intends to invest in the construction of a modern hospital facility on the company's Upper Hill property.

Total assets increased from Kshs. 3.457 billion to Kshs. 3.484 billion, a rise of Kshs. 26,554,713 primarily due to the acquisition of 313 acres of land in Laikipia County for land banking, valued at Kshs. 33.3 million.

### **Departmental Reports**

#### **1. Moi Avenue Property (Agrho House)**

Rental income from Agrho House decreased by Kshs. 2,230,410 due to vacancies in upper floors formerly occupied by tertiary colleges and a university. The Board is actively seeking new tenants and remains committed to maintaining the building to a high standard to attract and retain quality occupants.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### 2. Ranches

The Board continues to encourage shareholders to collect their title deeds, as ownership is validated by possession of the title deed. Members with outstanding payments are urged to settle them promptly.

#### Kekopey Ranch

Kekopey Ranch has been fully subdivided, and shareholders have been shown their respective plots. The company has also donated land for the development of schools, markets, churches, and police stations. Shareholders are encouraged to take possession of their plots to prevent illegal occupation.



#### Narok Ranch

Over 95% of shareholders have collected their title deeds, but actual occupancy remains below 10%. The company has provided essential facilities, including schools such as Mary Mother Catholic School, as well as markets, a shopping centre, a police response centre, and a polytechnic.

I urge all shareholders to take immediate possession of their plots following this meeting.



#### Family Bank Shares

At the last AGM, shareholders requested the Board to sell its 788,800 shares in Family Bank Ltd (valued at Kshs. 19,393,800) due to low dividends. Although the shares were offered privately, no suitable bid was received.

However, the good news is that Family Bank shareholders approved a plan on 27th October 2025 to list the bank on the Nairobi Securities Exchange by introduction.

This listing will provide liquidity for existing shareholders without diluting ownership. Once the trading window opens, the Board will sell AIH's shares at the most favourable market price.

## **AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

### **Annual report and group financial statements For the year ended 31 December 2024**

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#### **AIH Upper Hill Medical Centre**

This transformative project represents a major milestone investment for AIH. Following a comprehensive market survey conducted by Catalytics Ltd, the findings confirmed a high demand for purpose-built medical spaces in the Upper Hill area.

The survey indicated that hospitals such as Kenyatta National Hospital, Nairobi Hospital, and Nairobi West Hospital have over a thousand doctors seeking suitable consulting spaces — an opportunity our project aims to fulfil.

Design work has been completed, guided by doctor’s feedback, and several practitioners have already expressed interest in securing spaces once construction begins.

The project is scheduled to commence in January 2026 after the short rains. We have secured partial funding and are now finalizing necessary permits and licenses.

I strongly urge shareholders to support this investment by booking commercial spaces for themselves or their children.

#### **Claycity Project**

Claycity successfully completed 80 units of three-bedroom houses, all of which have been fully sold. Approximately 1¼ acres have been handed over to the new homeowners.

The original vision was to develop affordable housing on 24.5 acres formerly occupied by ClayCity. However, economic challenges — including the Covid-19 pandemic and high inflation — led to a suspension of further construction.

Our project partner, HFDI (a subsidiary of HFCK), has since opted to exit the venture as the parent company shifts focus to core banking activities. The process of sharing remaining assets is ongoing, and AIH’s portion will partly finance the Upper Hill Medical Centre, with the balance reinvested in other profitable ventures.

#### **Apatana Investments Ltd**

Operations at LSG Sky Chefs Kenya continue smoothly, and trading results for 2024 were positive, although no dividends were declared. We anticipate improved performance in 2025.

#### **Over-the-Counter (OTC) Trading – AIH Shares**

The OTC trading counter for AIH shares is now operational and can be accessed through:

Francis Drummond & Co. Ltd

Finance House, 14th Floor, Loita Street, Nairobi

Email: [info@drummond.co.ke](mailto:info@drummond.co.ke)

Website: [www.drummond.co.ke](http://www.drummond.co.ke).

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

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### Dividends

The Board of Directors proposes a dividend of Kshs. 14,348,826, equivalent to Kshs. 27.00 per share, for the financial year ended 31st December 2024.

### Corporate Social Responsibility (CSR)

The company remains committed to environmental conservation by planting trees to improve water catchment areas, supporting both domestic and livestock needs.



*Planting trees for environmental conservation at Kekopey Ranch*

### Digital Transformation

Through our website —

[www.aih-plc.com](http://www.aih-plc.com)

**Any payment can be done via company**

Mpesa Paybill No. **921776**

Account number: **“Your Phone Number”**

members can conveniently access company information and updates.



Members following our last AGM virtually in different locations

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

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### New Share Certificates

The exercise of collecting new share certificates continues, though the progress remain slow. To date only 4,000 certificates have been collected, leaving approximately 16,000 unclaimed.

Shareholders are urged to collect their certificates at the Company Secretary's office:

Leading Secretaries  
Portal Place House, 1st Floor Suite 10,  
Muindi Mbingu Street  
P.O. Box 6399-00300, Nairobi  
Tel: 0739-604756 / 0771-264157



One of our senior member happy after attending an A.G.M



Members Following meeting

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Board of Directors

I take this opportunity to sincerely thank my fellow Directors and the entire staff for their dedication, hard work, and commitment in ensuring the continued profitability and stability of our company.

### Chairman



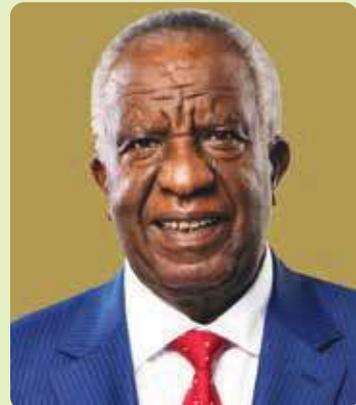
*Hon. Ngengi Muigai*



*Rev. Joseph Kihara*



*Mr. Martin Njeru*



*Dr. Peter Munga*



*Mr. Henry K. Njagi*



*Mr. Michael M. Mbarire*



*Dr. Patricia W. Gathia*



*Mr. Joseph M. Gichuru*

**AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

**Annual report and group financial statements  
For the year ended 31 December 2024**

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**MANAGEMENT TEAM**



***Managing Director  
Hon. Ngengi Muigai***



***General Manager  
CPA Michael Wandegwa***



***Projects & Investments  
Manager Eng. Patrick Njagi***



***Chief Accountant  
CPA Jacob Babu***

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

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For the year ended 31 December 2024

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Proposed AIH Medical Centre

**AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

**Annual report and group financial statements  
For the year ended 31 December 2024**

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*AIH Ltd Accounts Dept. Staff at Kasarani Office.*

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

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#### Company Shares

The company previously had a ceiling of 100 shares per member with a nominal value of Kshs. 10,000. At the 2014 AGM, shareholders approved the removal of this ceiling to allow members to purchase more shares and support the company's expansion. The Board will communicate when the next share purchase opportunity arises.

#### Future Outlook

Our strategic focus remains the expansion into real estate, including the Upper Hill Medical Centre and other high-yield projects that will strengthen AIH's long-term financial position and enhance shareholder value.

#### Conclusion

On behalf of the Board of Directors and myself, I extend heartfelt gratitude to all shareholders for your continued support, trust, and patience.

May God bless you all.

Merry Christmas and a Prosperous New Year 2026!



.....  
HON. NGENGI MUIGAI

Chairman

Agricultural and Industrial Holdings Plc

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

The directors submit their report together with the audited group financial statements for the year ended 31 December 2024, which show the state of the company's affairs.

### 1 PRINCIPAL ACTIVITY

The principal activity of the company is development and management of real estate properties.

### 2 RESULTS

	2024	2023
	Kshs	Kshs
The result for the year was as follows:		
Profit for the year before tax	88,763,456	51,366,083
Tax charge	<u>(18,920,959)</u>	<u>(13,463,812)</u>
Profit for the year after tax	<u>69,842,497</u>	<u>37,902,271</u>
<b>Discontinued operation</b>		
Loss before depreciation	(2,653,698)	(1,639,467)
Depreciation	<u>(134,698)</u>	<u>(138,730)</u>
Loss for the year before tax	(2,788,396)	(1,778,197)
Tax charge	<u>-</u>	<u>-</u>
	<u>(2,788,396)</u>	<u>(1,778,197)</u>
<b>Group net profit after tax</b>	<b><u>67,054,101</u></b>	<b><u>36,124,074</u></b>

### 3 DIVIDENDS

The directors have proposed to pay a dividend of Kshs 27 per share amounting to Kshs 14,348,826 for the shares outstanding at 31 December 2024 subject to the approval by the shareholders at the annual general meeting. A similar dividend was declared for the year ended 31 December 2023.

### 4 DIRECTORS

The directors who held the office during the year and to the date of this report are shown on page two.

### 5 DIRECTORS REMUNERATION

The remuneration of the directors is disclosed in note 5.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### 6 RELEVANT AUDIT INFORMATION

The directors in office at the date of this report confirm that;

- i) there is no relevant audit information that the company's auditor is not aware of and that,
- ii) each director has taken all steps that ought to have been taken as a director to be aware of any relevant information and to establish that the company's auditor is aware of that information.

### 7 AUDITORS

The company auditors **Mugo Dominic & Co.** have expressed their willingness to continue in office in accordance with section 721 of the Kenya Companies Act, 2015..

### 8 APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on page 23 to 54 were approved and authorised for issue by the board of directors on **24 October 2025**

By order of the board



Kibera

Lucy Kibera

**COMPANY SECRETARY**

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and the group. They are also responsible for safeguarding the assets of the group.

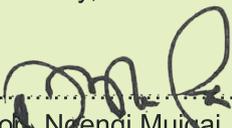
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable under the circumstances.

The directors accept the responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimate in conformity with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and the group at the end of the year. The directors further accept responsibility for maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial controls.

As indicated in note 28 and 29 the subsidiary company, Clayworks Limited, stopped the manufacturing business in 2014 and shifted its business in 2016 by partnering with HFDI in a joint venture for development of its land in Kasarani. The venture had projected to construct several residential and commercial houses in Kasarani. As indicated in note 29 the first 80 units of the residential houses were completed in year 2020. However, the project costs highly escalated due to the effects of covid-19 which together with other economical challenges made the initial envisaged project design difficult to implement. In response to these challenges the directors considered other viable options including the low cost affordable houses and finally settled on the option of acquiring the stake held by HFDI in the joint venture and dispose of the land to venture into other lucrative projects. During the year the company continued with progressive acquisition of the joint venture from resources being received from the disposal of the land jointly owned in the joint venture.

Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain a going concern for at least the next twelve months from the date of this report.

This statement was authorised for issue by the board of directors on **24 October 2025** and signed on its behalf by;

  
.....  
Hon. Ngengi Muigai  
Chairman

  
.....  
Michael M. Mbarire  
Director

## **AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **Opinion**

We have audited the financial statements of Agricultural and Industrial Holdings PLC set out on pages 23 to 54 for the year ended 31 December 2024. These financial statements comprise of the group and parent company statement of financial position as at 31 December 2024, group statement of income, group and the parent company other comprehensive income, group and parent company statement of changes in equity and group cash flow statement for the year then ended and a summary of significant accounting policies and explanatory notes.

In our opinion, except for the matters referred to in the paragraphs below the financial statements give a true and fair view of the financial position as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

#### **Land distribution and disposal**

As indicated in note 9(a) property plant and equipment include land stated at carrying amount of Kshs 23,818,881. As indicated in the note substantial part of this land has been disposed and distributed to the shareholders and respective buyers. The amount received from the disposal of the land has been accounted for as deposit for plots and shares as disclosed in note 21 pending the reconciliation of the land distribution and disposal Return Register. The distributed and disposed land need to be removed from property, plant and equipment as required by IAS 16.

Further the carrying cost of land is stated at valuation done in 1991. The value of the remaining portion of the land after adjusting for the distributed and disposed land need to be valued in line with the group's policy of revaluing other similar assets and the carrying amount adjusted accordingly in line with IAS 16.

#### **Unclaimed assets**

As provided by the Unclaimed Assets Authority Act the company has a responsibility to use all practical efforts at its disposal to trace and communicate with its shareholders. Where the company is unable or has not communicated with its shareholders for a period of three years then shares, dividends and other assets held by the company for these shareholders are regarded as unclaimed assets and ought to be surrendered to the Unclaimed Assets Authority in accordance with the Act. As indicated in note 26, the company had unpaid dividend as at 31 December 2024 of Kshs 78,680,013 substantially arising from the inability to trace or communicate with some of the shareholders. Some of these unpaid dividends fall within the unclaimed assets as indicated above but the company has not surrendered them to the authority as required by the Unclaimed Assets Authority Act of 2011. The company has not therefore complied with the Act.



## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this report. We are independent of the company in accordance with International Ethics Standard Board of Accountants' code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya and we have fulfilled our ethical responsibilities in accordance with those requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Group financial statements as a whole in forming our opinion thereon and we do not provide a separate opinion on these matters.

#### ***Investment in the Joint Venture***

Investment in the joint venture is considered a significant audit matter due to the huge amount of the investment made by the company.

As indicated in note 29 the subsidiary company, Clayworks Limited, stopped the manufacturing business in 2014 and shifted its business in 2016 by partnering with HFDI in a joint venture for development of its land in Kasarani. The venture had projected to construct several residential and commercial houses in Kasarani. As indicated in note 29 the first 80 units of the residential houses were completed in year 2020. However, the project costs highly escalated due to the effects of covid-19 which together with other economical challenges made the initial envisaged project design difficult to implement. In response to these challenges the management considered other viable options including the low cost affordable houses and finally settled on the option of acquiring the stake held by HFDI in the joint venture and dispose of the land to venture into other lucrative projects. During the year the company continued with progressive acquisition of the joint venture from resources being received from the disposal of the land jointly owned in the joint venture.

#### ***How the audit addressed the key audit matters***

We reviewed the contractual relationship of the joint venture.

We reviewed the legal advice the company has obtained from its professional advisors.

We reviewed the draft accounts of the joint venture.

We physically inspected the progress of the project and reviewed minutes of the project management.

We held discussion with management on the slow progress of the project and the intended divesture.

We reviewed the divesture agreement between the company and HFDI.

We reviewed the progressive payment being made to HFDI for the acquisition of the joint venture



## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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#### How the audit addressed the key audit matters

##### *Members register*

The members register is considered a significant audit matter due to the huge number of shareholders, the legal obligation to report the beneficial ownership and the legal requirement to surrender uncollected dividend to the Unclaimed Assets Authority.

We reviewed the shareholders manual register and compared the details to the annual returns to the registrar of companies

We reviewed contacts and other details in the members registers.

Held discussions with the management to understand the reasons for very low dividend pay out against dividend declared.

##### **Key audit matters**

We noted that largely the register of the shareholders of the company has not been updated with the contact details of the shareholders such as National Identification Numbers and telephone numbers. We also noted that the addresses in the register are the old post office box numbers which were given at the time the shares were being subscribed in 1970s. Out of a total of about 23,000 shareholders only about 3000 members have been updated with current contact addresses and details of their National Identification numbers. This creates difficulties in communication and paying dividends to the shareholders.

The company has made effort in inviting its members through the media to update their details in the members register but the response has been slow..

##### **Other information**

Other information comprise the information included in the annual report but does not include the financial statements and our auditor's report thereon. The directors are responsible for other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibilities is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

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#### **Directors' responsibility for the financial statements (Cont'd)**

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015 and for such internal controls as directors determine as necessary to enable preparation of financial statements that are free from material misstatement whether due to fraud or error. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless, the directors either intend to liquidate the company or cease operating or have no realistic alternative but to do so.

#### **Auditors responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA' we exercise professional judgement and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing, an opinion on the effectiveness of the company's system of internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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### Auditors responsibilities for the audit of the financial statements (cont'd)

- Assess on the appropriateness of the management use of going concern basis of accounting and based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease as a going concern.

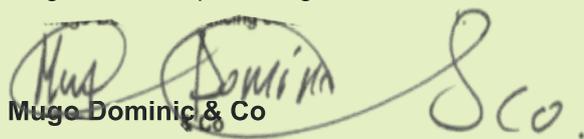
We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal controls that we identify during the audit.

### Report on other legal requirements

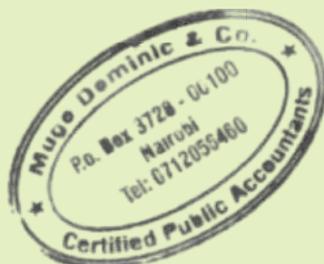
As required by the Kenyan Companies Act we report to you, based on our audit, that:

- i) We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the company and its subsidiaries, so far as appears from our examination of those books; and
- iii) The group and the company's balance sheet (statement of financial position) and profit and loss account (statement of income) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent audit report was James Mugo Dominic practicing certificate number 1171.

  
Mugo Dominic & Co

Date: 24 October 2025



# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Statement of income - Group

	Note	2024 Kshs	2023 Kshs
<b>INCOME</b>			
Turnover	2	93,101,720	104,305,270
Direct cost of sales	3	(6,496,177)	(4,280,883)
		<u>86,605,543</u>	<u>100,024,387</u>
Other Income	4	75,555,367	23,470,086
		<u>75,555,367</u>	<u>23,470,086</u>
		<u>162,160,910</u>	<u>123,494,473</u>
<b>EXPENSES</b>			
Operating and administration expenses	5	42,467,476	40,620,094
Staff costs	6	22,943,716	18,243,032
Finance costs	7	6,997,342	9,045,604
Share of loss from joint venture		988,920	4,219,660
		<u>73,397,454</u>	<u>72,128,390</u>
<b>Profit before tax from continuing operations</b>		<b>88,763,456</b>	<b>51,366,083</b>
Tax charge	8(a) i	(18,920,959)	(13,463,812)
<b>Profit after tax for continuing operations</b>		<b>69,842,497</b>	<b>37,902,271</b>
<b>Discontinued operations</b>			
Loss before depreciation		(2,653,698)	(1,639,467)
Depreciation		(134,698)	(138,730)
Loss from discontinued operations	28	<b>(2,788,396)</b>	<b>(1,778,197)</b>
Tax charge on discontinued operations	8(a) ii	-	-
<b>Loss after tax for discontinuing operations</b>		<b>(2,788,396)</b>	<b>(1,778,197)</b>
<b>Profit after tax for the year</b>		<b>67,054,101</b>	<b>36,124,074</b>
<b>Dividends:</b>			
Proposed dividend Kshs 27 (2023: Kshs 27) per share		14,348,826	14,348,826
		<u>14,348,826</u>	<u>14,348,826</u>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Statement of comprehensive income - Group

	Note	2024 Kshs	2023 Kshs
Profit for the year after tax		<u>67,054,101</u>	<u>36,124,074</u>
<b>Other comprehensive income - Group</b>			
<b>Items that will not be classified to income statements;</b>			
Increase in fair value of investment properties		<u>-</u>	<u>-</u>
Deferred tax		<u>-</u>	<u>-</u>
<b>Net other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>67,054,101</u></u>	<u><u>36,124,074</u></u>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Statement of financial position at 31 December 2024 - Group

<b>ASSETS</b>	Note	2024	2023
<b>Non-current assets</b>		Kshs	Kshs
Property, plant & equipment	9(a)	68,735,618	70,486,912
Investment properties	10	1,816,982,237	1,804,691,207
Investment in joint venture	11	963,847,147	964,836,067
Goodwill	12	17,878,491	17,878,491
Other investments	14	111,122,280	108,113,742
		<u>2,978,565,773</u>	<u>2,966,006,419</u>
<b>Current assets</b>			
Inventory	15	41,962,085	45,258,518
Amount due from related party	16	50,000	50,000
Trade and other receivables	17	214,011,802	161,942,745
Tax recoverable	8(c)	-	768,469
Cash and bank balances	18	249,718,404	283,727,200
		<u>505,742,291</u>	<u>491,746,932</u>
<b>Total assets</b>		<u><b>3,484,308,064</b></u>	<u><b>3,457,753,351</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	19	53,143,800	53,143,800
Capital reserves	20	1,735,847,450	1,735,847,450
Revenue reserve		(14,067,513)	(66,772,788)
		<u>1,774,923,737</u>	<u>1,722,218,462</u>
<b>Non current liabilities</b>			
Deposit for plots and shares	21	903,187,683	903,344,683
Bank loan	22	14,207,708	46,531,461
Deferred tax	23	487,963,664	488,562,376
		<u>1,405,359,055</u>	<u>1,438,438,520</u>
<b>Current liabilities</b>			
Bank loan	22	11,305,295	11,305,295
Provisions	24	18,070,186	21,202,061
Tax payable	8(c)	2,448,094	-
Trade and other payables	25	193,521,684	188,645,756
Dividend payable	26	78,680,013	75,943,257
		<u>304,025,272</u>	<u>297,096,369</u>
<b>Total capital and liabilities</b>		<u><b>3,484,308,064</b></u>	<u><b>3,457,753,351</b></u>

These financial statements were approved for issue by the board of directors on **24 October 2025** and signed on its behalf by;

.....  
Chairman  
Hon. Ngengi Muigai

.....  
Michael M. Mbarire  
Director

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Statement of financial position at 31 December 2024 - Parent company

ASSETS	Note	2024 Kshs	2023 Kshs
<b>Non-current assets</b>			
Property, plant & equipment	9(b)	105,469,952	107,086,548
Investment properties	10	1,346,684,859	1,334,393,829
Investment in subsidiary	13	28,737,571	28,737,571
Other investments	14	111,122,280	108,113,742
		<u>1,592,014,662</u>	<u>1,578,331,690</u>
<b>Current assets</b>			
Inventory	15	41,962,085	45,258,518
Amount due from related party	16	151,013,851	148,814,217
Trade and other receivables	17	200,282,213	148,213,157
Taxation	8(c)	-	760,657
Cash and bank balances	18	249,646,683	283,181,416
		<u>642,904,832</u>	<u>626,227,965</u>
<b>Total assets</b>		<b><u>2,234,919,494</u></b>	<b><u>2,204,559,655</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	19	53,143,800	53,143,800
Capital reserve	20	600,652,135	600,652,135
Revenue reserve		274,486,100	218,003,509
		<u>928,282,035</u>	<u>871,799,444</u>
<b>Non current liabilities</b>			
Deposit for plots and shares	21	903,187,683	903,344,683
Bank loan	22	14,207,708	46,531,461
Deferred tax		161,277,589	161,876,302
		<u>1,078,672,980</u>	<u>1,111,752,445</u>
<b>Current liabilities</b>			
Bank loan	22	11,305,295	11,305,295
Provisions	24	18,070,186	21,202,061
		2,455,906	
Trade and other payables	25	117,453,079	112,557,153
Dividend payable	26	78,680,013	75,943,257
		<u>227,964,479</u>	<u>221,007,766</u>
<b>Total capital and liabilities</b>		<b><u>2,234,919,494</u></b>	<b><u>2,204,559,655</u></b>

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

#### Statement of changes in equity - Group

	Share capital Kshs	Capital reserves Kshs	Revenue reserves Kshs	Dividends Kshs	Total Kshs
<b>2023</b>					
At 1 January 2023	53,143,800	1,735,847,450	(89,079,474)	69,471,932	1,769,383,708
Profit for the year	-	-	36,124,074	-	36,124,074
Dividend declared in the year			(13,817,388)	13,817,388	-
Dividend paid	26	-	-	(7,346,063)	(7,346,063)
<b>At 31 December 2023</b>	<b>53,143,800</b>	<b>1,735,847,450</b>	<b>(66,772,788)</b>	<b>75,943,257</b>	<b>1,798,161,719</b>
<b>2024</b>					
At 1 January 2024	53,143,800	1,735,847,450	(66,772,788)	75,943,257	1,798,161,719
Profit for the year	-	-	67,054,101	-	67,054,101
Dividend declared in the year	26	-	(14,348,826)	14,348,826	-
Dividend paid	26	-	-	(11,612,070)	(11,612,070)
<b>At 31 December 2024</b>	<b>53,143,800</b>	<b>1,735,847,450</b>	<b>(14,067,513)</b>	<b>78,680,013</b>	<b>1,853,603,750</b>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Statement of changes in equity - Parent company

	Share capital Kshs	Capital reserves Kshs	Revenue reserves Kshs	Dividends Kshs	Total Kshs
<b>2023</b>					
At 1 January 2023	53,143,800	600,652,135	189,698,966	69,471,932	912,966,833
Dividend declared in the year	-	-	(13,817,388)	13,817,388	-
Dividend paid	-	-	-	(7,346,063)	(7,346,063)
Profit for the year	-	-	42,121,931	-	42,121,931
<b>At 31 December 2023</b>	<b>53,143,800</b>	<b>600,652,135</b>	<b>218,003,509</b>	<b>75,943,257</b>	<b>947,742,701</b>
<b>2024</b>					
At 1 January 2024	53,143,800	600,652,135	218,003,509	75,943,257	947,742,701
Dividend declared in the year	-	-	(14,348,826)	14,348,826	-
Dividend paid	-	-	-	(11,612,070)	(11,612,070)
Profit for the year	-	-	70,831,417	-	70,831,417
<b>At 31 December 2024</b>	<b>53,143,800</b>	<b>600,652,135</b>	<b>274,486,100</b>	<b>78,680,013</b>	<b>1,006,962,048</b>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

Statement of cash flows - Group	Note	2024 Kshs	2023 Kshs
<b>Profit before taxation for continuing operations</b>		88,763,456	51,366,083
Loss before taxation for discontinued operations		<u>(2,788,396)</u>	<u>(1,778,197)</u>
		85,975,060	49,587,886
Adjustments for:			
Depreciation	9(a)	2,060,170	2,324,082
Profit on disposal of fixed assets		<u>-</u>	<u>-</u>
		88,035,230	51,911,968
<b>Changes in working capital</b>			
Inventories	15	3,296,433	3,984,882
Amount due from related party		(3,008,539)	-
Trade and other receivables	17	(52,069,057)	(998,066)
Provisions	24	(3,131,875)	468,317
Trade and other payables	25	<u>4,875,928</u>	<u>34,863,882</u>
Net cash flow from operating activities		37,998,120	90,230,983
Tax paid	8(c)	<u>(16,303,108)</u>	<u>(11,042,498)</u>
		21,695,012	79,188,485
<b>Cash flow from investing activities</b>			
Purchase of properties and equipment	9(a)	(308,876)	(2,200,422)
Additions to Apatana shares		-	-
Additions to investment properties		(12,291,030)	(16,848,720)
Changes in value of investment in the joint venture	11	<u>988,920</u>	<u>4,219,660</u>
		<u>(11,610,986)</u>	<u>(14,829,482)</u>
<b>Cash flow from financing activities</b>			
Loan repayment	22	(32,323,753)	(20,360,329)
Deposit received for plots and shares	21	(157,000)	157,000
Dividend paid during the year	26	<u>(11,612,070)</u>	<u>(7,346,063)</u>
		<u>(44,092,823)</u>	<u>(27,549,392)</u>
<b>Increase in cash &amp; cash equivalents</b>		(34,008,797)	36,809,610
<b>Cash and cash equivalent at start of the year</b>		<u>283,727,200</u>	<u>246,917,590</u>
<b>Cash and cash equivalent at end of the year</b>		<u><b>249,718,404</b></u>	<u><b>283,727,200</b></u>
<b>Comprising</b>			
Bank balances	18	19,482,585	179,399,747
Fixed deposit	18	230,000,329	104,109,751
Cash in hand	18	<u>235,490</u>	<u>217,702</u>
		<u><b>249,718,404</b></u>	<u><b>283,727,200</b></u>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements

#### 1 Accounting policies

The following are the accounting policies that were material in their operation adopted in the preparation of these financial statements;

##### a) Basis of preparation

These financial statements have been prepared in compliance with the International Financial Reporting Standards. They are presented in Kenya Shilling and are prepared in accordance with measurement basis prescribed by International Financial Reporting Standards.

The preparation of the financial statements in conformity with the International Financial Reporting Standards require the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying these policies. The areas where the estimates were significant to the financial statements, are disclosed in note 30.

##### b) Adoption of new and revised standards

The group has adopted the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) that are relevant to its operations and effective for the current reporting. These are:

IFRS S1 Requirement for disclosure of sustainability related financial information. Effective from 1 January 2024

IFRS S2 Climate related disclosures effective from 1 January 2024

The following revised standards and interpretations have been published and will be effective after the current reporting period.

IFRS 18 Presentation and disclosure of financial statements: Effective from 1 January 2027.

The directors have assessed the potential impact of the above and do not expect that they will have a significant impact on the company's financial performance once effective.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### c) Revenue recognition

##### *i) Sales of goods and services*

Income is recognized on an accrual basis upon the supply of goods and services and is stated net of discounts and value added taxes.

##### *ii) Sale of plots and other real estate properties*

Revenue is recognised over time as customer obligations are satisfied. The payments made by customers are used as the pattern of transfer of obligation and control over time.

##### *iii) Rental income*

Rental income arising from operating lease on investment properties is accounted for on an accrual basis over the term of the lease and is included in the revenue for the year it relates. The revenue is stated net of value added taxes.

#### d) Property, plant and equipment

Property, plant and equipment is recorded at historical cost less depreciation and any impairment losses. Land and buildings are subsequently stated at fair value.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### d) Property, plant and equipment(cont'd)

Depreciation is calculated on the reducing balance method to write off the cost of the asset to their residue value over their estimated useful life using the following annual rates:-

Land	Nil
Buildings	2.0%
Motor vehicles	25.0%
Plant and machinery	12.5%
Office furniture & equipment	12.5%
Water and electrical supplies	4.0%
Computers	30.0%
Fencing and roads	4.0%

Increase in carrying amount arising on revaluation are recorded in the statement of comprehensive income and credited to the capital reserves in equity. However to the extent that it reverses a revaluation deficit of the same asset previously recognised in the income statement, the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating income.

#### e) Investment properties

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which present the market condition at the reporting date. Gain or losses arising from changes in the fair values of investment properties are included in the other comprehensive income statement in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefits is expected from their disposal. The difference between the net disposal proceed and the carrying amount of the asset is recognised in the income statement.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner occupied property the deemed cost for subsequent accounts is the fair value at the date of change in use.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### f) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over group's interest in the carrying value of the identifiable assets and liabilities of a subsidiary company at the date of acquisition. Goodwill is recognised as an asset and carried in the statement of financial position.

On disposal of the subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### g) Cash and cash equivalent

Cash and cash equivalent comprise cash in hand, cash at bank and other short time deposits which are readily convertible to cash net off bank overdraft.

#### h) Foreign currencies transactions

Assets and liabilities denominated in foreign currencies at the end of the year are converted at the rate of exchange ruling at the balance sheet date. Transactions during the year are translated at the rate ruling at the date of transactions. Gains or losses on exchange are dealt with in the income statement.

#### i) Financial instruments

Financial assets and liabilities are recognised in the group's balance sheet when the group has become a party to the contractual provisions of the instrument and are accounted as follows:

##### *Trade and other receivables*

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on review of all outstanding amounts at the year end. Bad debts are written off when reasonable steps to recover them have failed.

##### *Trade payables*

Trade payables are stated at their nominal value

##### *Bank borrowings*

Bank borrowings are measured at amortised costs.

#### j) Provisions

Provisions are recognized when the group has present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and realizable estimate of the amount of the obligation can be made.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### k) Impairment

At the year end the group reviews the carrying amounts of its financial assets to determine whether there is any indication that any of these assets have suffered an impairment loss. If such indication exists, the recoverable amount is estimated. An impairment loss is recognized as an expense except for property previously revalued when the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

#### l) Accounting for leases

Leases of assets under which significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to income statement on a straight line basis over the period of the lease.

#### m) Intangible assets

The group's cost of software is capitalized at cost under the computers and is depreciated at the rate of 30% per annum.

#### n) Taxation

Current taxation is provided for on the basis of the results for the period as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred tax is provided using the liability method, for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Deferred tax asset on carry forward of unused tax losses and unused tax credits is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

#### o) Retirement benefit cost

##### i) *Contribution to National Social Security Fund*

The company contributes to the mandatory National Social Security Fund (NSSF) on behalf of its employees at varying rates arising to a maximum of Kshs 1080 per employee per month. This contribution is charged to income statement in the year in which its incurred.

##### ii) *Staff retirement benefits scheme*

The company has established a staff retirement benefits scheme to take over the earlier gratuity arrangement the company had with its employees. Under the new scheme the company contributes 10% and employees 5% of the basic salary to the scheme subject to a minimum contribution of Kshs 2,000 every month. Contributions to the scheme are charged to the income statement on an accrual basis..

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### p) Consolidation

Subsidiaries are consolidated from the date on which effective control is transferred to the parent company and are no longer consolidated from the date of disposal. All inter company balances have been eliminated.

#### Loans and borrowings

After initial recognition interest bearing loans and borrowings are subsequently measured at amortised cost. Gains or losses are accounted for in the income statement.

q)

#### Discontinued operations

Non current assets expected to be sold for discontinued operations are classified as assets available for sales under the current assets. The assets are valued at the lower of cost and net realisable value with any increase or decrease accounted for through the profit and loss account.

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

#### Notes to the financial statements(cont'd)

	Group		Company	
	2024 Kshs	2,023 Kshs	2024 Kshs	2023 Kshs
<b>2 INCOME</b>				
Rent receivable	82,569,990	84,800,400	82,569,990	84,800,400
Sales of land and plots	10,531,730	19,504,870	10,531,730	19,504,870
	93,101,720	104,305,270	93,101,720	104,305,270
<b>3 DIRECT COST</b>				
Cost of plots sold	(6,496,177)	(4,280,883)	(6,496,177)	(4,280,883)
<b>4 OTHER INCOME</b>				
Interest	37,480,715	20,631,078	37,480,715	20,631,078
Profit on disposal of fixed asset	35,864,000		35,864,000	
Other income	2,210,652	2,839,008	2,210,652	2,839,008
	75,555,367	23,470,086	75,555,367	23,470,086
<b>5 OPERATING AND ADMINISTRATION EXPENSES</b>				
Travelling expenses	1,021,664	1,012,553	1,021,664	1,012,553
Professional fee	1,812,499	139,513	1,812,499	139,513
Land rent and rates	950,113	825,551	950,113	825,551
Telephone and postage	362,882	398,208	362,882	398,208
Directors fees	5,886,485	5,194,928	5,886,485	5,194,928
Directors expenses	1,887,403	2,106,869	1,887,403	2,106,869
Depreciation	1,925,472	2,185,351	1,925,472	2,185,351
Audit fees	210,000	210,000	210,000	210,000
Other expenses	2,169,640	2,548,833	2,169,640	2,548,833
Insurance and licenses	1,888,202	2,188,517	1,888,202	2,188,517
Security	2,998,438	2,570,207	2,998,438	2,570,207
Repairs and maintenance	4,809,637	5,058,924	4,809,637	5,058,924
AGM expenses	1,824,588	2,485,300	1,824,588	2,485,300
Marketing	200,972	123,280	200,972	123,280
Bank charges	105,889	97,066	105,889	97,066
Property management commission	4,217,734	4,507,360	4,217,734	4,507,360
Sales commission	1,539,781	308,201	1,539,781	308,201
Water and electricity	8,656,077	8,659,433	8,656,077	8,659,433
	42,467,476	40,620,094	42,467,476	40,620,094
<b>6 STAFF COSTS</b>				
Salaries	21,536,860	16,806,173	21,536,860	16,806,173
Housing levy	55,990	73,023	55,990	73,023
Retirement benefits fund	1,350,866	1,363,836	1,350,866	1,363,836
	22,943,716	18,243,032	22,943,716	18,243,032

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
<b>7 FINANCE COST</b>				
Loan interest	6,997,342	9,045,604	6,997,342	9,045,604
	<u>6,997,342</u>	<u>9,045,604</u>	<u>6,997,342</u>	<u>9,045,604</u>
<b>8 TAXATION</b>				
<b>a) Charge to profit and loss</b>				
<b>i Continuing operations</b>				
Current tax	19,519,671	13,128,076	19,519,671	13,128,076
Prior period under provision	-	-	-	-
Deferred tax	(598,712)	335,736	(598,712)	335,736
	<u>18,920,959</u>	<u>13,463,812</u>	<u>18,920,959</u>	<u>13,463,812</u>
<b>ii Discontinued operations</b>				
Deferred tax	-	-	-	-
<b>Total</b>	<u>18,920,959</u>	<u>13,463,812</u>	<u>18,920,959</u>	<u>13,463,812</u>
<b>b) Reconciliation of accounting profit to tax expense</b>				
Profit from continuing operations	88,763,456	51,366,083	89,752,376	55,585,742
Loss from discontinued operations	(2,788,396)	(1,778,197)	-	-
	<u>85,975,060</u>	<u>49,587,886</u>	<u>89,752,376</u>	<u>55,585,742</u>
Tax @ 30%	25,792,518	14,876,366	26,925,713	16,675,722
Under provision in the previous year	90,856	-	1,288,280	-
Effect of non allowable expense	2,663,590	710,885	2,663,590	710,885
Effect of non taxable income	(10,759,200)	(3,922,796)	(10,759,200)	(3,922,796)
Effect of loss from joint venture	296,676	1,265,898	-	-
Effect on tax loss of subsidiary	836,519	533,459	-	-
	<u>18,920,959</u>	<u>13,463,812</u>	<u>20,118,383</u>	<u>13,463,811</u>
<b>c) Tax recoverable</b>				
Balance b/fwd	(768,469)	(2,854,047)	(760,657)	(2,846,235)
Under provision in the previous year	-	-	-	-
Provision for the year	19,519,671	13,128,076	19,519,671	13,128,076
Payment	(16,303,108)	(11,042,498)	(16,303,108)	(11,042,498)
	<u>2,448,094</u>	<u>(768,469)</u>	<u>2,455,906</u>	<u>(760,657)</u>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

Notes to the financial statements(cont'd)

### 9(a) PROPERTY, PLANT AND EQUIPMENT - GROUP

2024	Land Kshs	Buildings Kshs	Motor vehicles Kshs	Furniture and Equipment Kshs	Generator Kshs	and water installations Kshs	Computers Kshs	Total Kshs
<b>Cost / Valuation</b>								
At 1 January 2024	23,818,881	51,142,239	6,420,000	2,414,543	5,261,095	9,958,380	2,864,922	101,880,060
Additions	-	-	-	-	-	70,050	238,826	308,876
<b>31 December 2024</b>	<b>23,818,881</b>	<b>51,142,239</b>	<b>6,420,000</b>	<b>2,414,543</b>	<b>5,261,095</b>	<b>10,028,430</b>	<b>3,103,748</b>	<b>102,188,936</b>
<b>Depreciation</b>								
At 1 January 2024	-	11,473,159	3,442,127	1,889,346	4,288,054	7,702,716	2,597,746	31,393,148
Charge for the period	-	859,394	744,468	99,950	121,004	82,053	153,301	2,060,170
<b>31 December 2024</b>	<b>-</b>	<b>12,332,553</b>	<b>4,186,595</b>	<b>1,989,296</b>	<b>4,409,058</b>	<b>7,784,769</b>	<b>2,751,047</b>	<b>33,453,318</b>
Net book Value								
<b>31 December 2024</b>	<b>23,818,881</b>	<b>38,809,686</b>	<b>2,233,405</b>	<b>425,247</b>	<b>852,037</b>	<b>2,243,661</b>	<b>352,701</b>	<b>68,735,618</b>
<b>2023</b>								
<b>Cost / Valuation</b>								
At 1 January 2023	23,818,881	50,793,969	4,640,000	2,414,543	5,261,095	9,958,380	2,792,770	99,679,638
Additions	-	348,270	1,780,000	-	-	-	72,152	2,200,422
<b>31 December 2023</b>	<b>23,818,881</b>	<b>51,142,239</b>	<b>6,420,000</b>	<b>2,414,543</b>	<b>5,261,095</b>	<b>9,958,380</b>	<b>2,864,922</b>	<b>101,880,060</b>
<b>Depreciation</b>								
At 1 January 2023	-	10,593,421	2,449,502	1,785,659	4,149,762	7,609,623	2,481,099	29,069,066
Charge for the period	-	879,738	992,625	103,687	138,292	93,093	116,647	2,324,082
<b>31 December 2023</b>	<b>-</b>	<b>11,473,159</b>	<b>3,442,127</b>	<b>1,889,346</b>	<b>4,288,054</b>	<b>7,702,716</b>	<b>2,597,746</b>	<b>31,393,148</b>
Net book Value								
<b>31 December 2023</b>	<b>23,818,881</b>	<b>39,669,080</b>	<b>2,977,873</b>	<b>525,197</b>	<b>973,041</b>	<b>2,255,664</b>	<b>267,176</b>	<b>70,486,912</b>

Land and buildings comprise of land owned at Kekopey Ranch, Narok Ranch and Kasarani plots. Narok and Kekopey ranches have substantially been distributed to the shareholders who have cleared the outstanding survey and transfer fees. Kasarani plots which were acquired from the subsidiary company Clayworks Limited have also been subdivided and substantially sold and transferred to the respective buyers. The amount received for the disposal and distribution of the land is disclosed under note 21 of these financial statements. The company is now waiting for the completion and reconciliation of the land distribution and disposal return register to effect the necessary adjustments for the disposed land.

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

#### Notes to the financial statements(cont'd)

#### 9(b) PROPERTY, PLANT AND EQUIPMENT - COMPANY

2024	Land Kshs	Buildings & fittings Kshs	Motor vehicles Kshs	Machinery Kshs	Generator Kshs	Electrical and water installations Kshs	Computers Kshs	Total Kshs
Cost / Valuation								
At 1 January 2024	66,713,281	41,074,189	6,420,000	2,164,043	5,256,095	10,099,380	2,869,922	134,596,910
Additions	-	-	-	-	-	70,050	238,826	308,876
31 December 2024	66,713,281	41,074,189	6,420,000	2,164,043	5,256,095	10,169,430	3,108,748	134,905,786
Depreciation								
At 1 January 2023	-	7,616,037	3,442,127	1,831,651	4,288,054	7,734,747	2,597,746	27,510,362
Charge for the period	-	735,175	744,468	89,470	121,005	82,053	153,301	1,925,472
31 December 2024	-	8,351,212	4,186,595	1,921,121	4,409,059	7,816,800	2,751,047	29,435,834
Net book Value								
31 December 2024	66,713,281	32,722,977	2,233,405	242,922	847,036	2,352,630	357,701	105,469,952
2023								
Cost / Valuation								
At 1 January 2023	66,713,281	40,725,919	4,640,000	2,164,043	5,256,095	10,099,380	2,797,770	132,396,488
Additions	-	348,270	1,780,000	-	-	-	72,152	2,200,422
Disposal	-	-	-	-	-	-	-	-
31 December 2023	66,713,281	41,074,189	6,420,000	2,164,043	5,256,095	10,099,380	2,869,922	134,596,910
Depreciation								
At 1 January 2023	-	6,863,054	2,449,502	1,739,940	4,149,762	7,641,654	2,481,099	25,325,011
Charge for the period	-	752,983	992,625	91,711	138,292	93,093	116,647	2,185,351
31 December 2023	-	7,616,037	3,442,127	1,831,651	4,288,054	7,734,747	2,597,746	27,510,362
Net book Value								
31 December 2023	66,713,281	33,458,152	2,977,873	332,392	968,041	2,364,633	272,176	107,086,548

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

#### 10 INVESTMENT PROPERTIES

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Agrho house	1,207,879,273	1,207,879,273	1,207,879,273	1,207,879,273
Clayworks land in Kasarani	470,297,378	470,297,378	-	-
AIH medical center	138,805,586	126,514,556	138,805,586	126,514,556
	<b>1,816,982,237</b>	<b>1,804,691,207</b>	<b>1,346,684,859</b>	<b>1,334,393,829</b>

Investment properties consist of land and buildings held for rental and investment purposes. AIH medical center was acquired in 2022 and is carried at cost. The other properties are stated at fair values professionally determined in 2017.

The rental income received from these properties is disclosed in note 2 and lease commitments in note 2

11 INVESTMENT IN JOINT VENTURE	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Balance at 1 January	964,836,067	969,055,727	-	-
Loss/profit from joint venture	(988,920)	(4,219,660)	-	-
Balance at 31 December	<b>963,847,147</b>	<b>964,836,067</b>	<b>-</b>	<b>-</b>

Clayworks Limited a fully owned subsidiary of the company has invested in a joint venture through contribution of land in Kasarani for development of residential and commercial houses. The above is the cost of the investment in the joint venture accounted for using the equity method.

12 GOODWILL	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Acquisition of subsidiary	17,878,491	17,878,491	-	-

Goodwill represents the excess of the cost of acquisition of additional 1250 shares of the subsidiary, Clayworks Limited in 1995 over group's interest in the carrying value of the identifiable assets and liabilities of the subsidiary company.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

#### 13 INVESTMENTS IN SUBSIDIARY

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Cost of net assets acquired	28,737,571	28,737,571	28,737,571	28,737,571

The parent company owns 100% of the shares of Clayworks Limited (5,000 ordinary shares of Kshs 20/- each). The cost method is used to account for these investments.

#### 14 OTHER INVESTMENTS

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Unquoted				
Other unquoted	1,240,020	1,240,020	1,240,020	1,240,020
Family Bank Limited	19,393,600	19,393,600	19,393,600	19,393,600
Apatana Investment Ltd.	90,488,660	87,480,122	90,488,660	87,480,122
	111,122,280	108,113,742	111,122,280	108,113,742

Unquoted investments have been valued at cost which approximate to fair value less any impairment.

#### 15 INVENTORY

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Cost of untransferred benefits - Kenyatta road plots	41,962,085	45,258,518	41,962,085	45,258,518
	41,962,085	45,258,518	41,962,085	45,258,518

The cost of kenyatta road plots is transferred to profit and loss account progressively as revenue is received from the buyers. The above untransferred benefits relates to the cost incurred for the purchase of plots which have either not been sold or the revenue is outstanding from the buyers.

#### 16 TRANSACTIONS WITH RELATED PARTY

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
a) Subsidiary company				
Balance b/fwd	50,000	-	148,814,216	182,906,150
Additions	-	50,000	2,199,634	(34,091,934)
	50,000	50,000	151,013,850	148,814,216

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

#### 16 TRANSACTIONS WITH RELATED PARTY (Cont'd)

##### b) Remuneration to key management and directors;

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
<i>Management;</i> Salary and other benefits	11,225,397	10,166,178	11,225,397	10,166,178
<i>Directors;</i> As executives	5,886,485	5,194,928	5,886,485	5,194,928
	17,111,882	15,361,106	17,111,882	15,361,106

17 TRADE AND OTHER RECEIVABLES	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Trade receivables	49,501,395	41,530,193	36,347,145	28,375,944
Other receivables	580,695	308,163	419,356	146,823
Deposits and prepayments	127,386,420	84,942,447	126,972,420	84,528,447
Share compensation	36,543,292	35,161,942	36,543,292	35,161,942
	214,011,802	161,942,745	200,282,213	148,213,156

18 CASH AND CASH EQUIVALENTS	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Cash at bank	19,482,585	179,399,747	19,410,864	178,853,962
Fixed deposit	230,000,329	104,109,751	230,000,329	104,109,751
Cash in hand	235,490	217,702	235,490	217,702
	249,718,404	283,727,200	249,646,683	283,181,415

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
<b>19 SHARE CAPITAL</b>				
<b>Authorised</b>				
1,000,000 ordinary shares of Kshs 100 each	100,000,000	100,000,000	100,000,000	100,000,000
<b>Issued and fully paid</b>				
531,438 ordinary shares of Kshs 100 each	53,143,800	53,143,800	53,143,800	53,143,800
<b>20 CAPITAL RESERVES</b>				
Revaluation of land	896,763,097	896,763,097	434,766,864	434,766,864
Increase in fair value of investment properties	1,397,389,061	1,397,389,061	304,014,959	304,014,959
Deferred tax on revaluation of assets	(427,634,365)	(427,634,365)	(91,204,488)	(91,204,488)
Depreciation charged to revaluations	(14,508,536)	(14,508,536)		
Bonus share capital in 2015	(43,530,200)	(43,530,200)	(43,530,200)	(43,530,200)
Decrease in value of non current assets classified as held for sale	(69,236,607)	(69,236,607)	-	-
Transfer to share capital	(3,395,000)	(3,395,000)	(3,395,000)	(3,395,000)
	1,735,847,450	1,735,847,450	600,652,135	600,652,135
<b>21 DEPOSIT FOR PLOTS AND SHARES</b>				
Deposit for plots	72,128,471	73,385,471	72,128,471	73,385,471
Deposit for Kasarani plots	452,252,638	452,252,638	452,252,638	452,252,638
Deposit for sale of land	378,806,574	377,706,574	378,806,574	377,706,574
	903,187,683	903,344,683	903,187,683	903,344,683

These are deposits for land disposal and contributions by shareholders for survey and conveyance fee for the land allocation.

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

#### Notes to the financial statements(cont'd)

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
<b>22 BORROWINGS</b>				
Housing Finance loan 1	-	19,256,413	-	19,256,413
Housing Finance loan 2	25,513,003	38,580,343	25,513,003	38,580,343
	25,513,003	57,836,756	25,513,003	57,836,756
Payable after 12 months	14,207,708	46,531,461	14,207,708	46,531,461
Payable within 12 months	11,305,295	11,305,295	11,305,295	11,305,295
	25,513,003	57,836,756	25,513,003	57,836,756

The Housing Finance loan 1 was borrowed for the construction of Agrho House and Housing Finance loan 2 for the vertical extension. Both loans are secured by property LR No. 209/13374 - Moi Avenue Nairobi. Loan 1 was fully repaid during the year. Loan 2 is repayable over 11 years period starting from June 2015 to June 2026. The effective weighted average interest cost of the borrowings at the year end was 13%

<b>23 DEFERRED TAX</b>	Balance At the start of the year Kshs	Charge to profit and loss account Kshs	Charge to Equity Kshs	Balance at the end of the year Kshs
Accelerated depreciation	(631,937)	598,712		(33,225)
Fair value adjustment on investment properties	(487,930,439)	-	-	(487,930,439)
	(488,562,376)	598,712	-	(487,963,664)

Deferred income tax on unutilised loss carried forward amounting to Kshs 94,176,321 (2023: Kshs 93,380,003) from the subsidiary company Clayworks Limited has not been recognised as it is unlikely that future taxable profits will be available against which the losses can be utilised.

<b>24 PROVISIONS</b>	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Provisions for bad debts	10,476,815	10,476,815	10,476,815	10,476,815
Provisions for staff leave	7,593,371	6,653,516	7,593,371	6,653,516
Gratuity provision	-	4,071,730	-	4,071,730
	18,070,186	21,202,061	18,070,186	21,202,061

In 2021 the company joined the umbrella staff retirement benefits scheme which is managed by ICEA Lion Life Assurance Company in a guaranteed fund. The scheme took over the former arrangement where staff gratuity was internally managed by the company. The outstanding gratuity provision which was due to the retirement benefit fund as at 31 December 2023 was settled during the year.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

25 TRADE AND OTHER PAYABLES	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Trade payables	8,835,570	9,057,481	3,928,584	4,150,495
Accruals	1,039,707	13,758,157	406,790	13,125,240
Other payables	69,258,062	51,875,929	34,729,360	17,327,229
Claycity Limited	36,000,000	36,000,000	-	-
Survey fees deposit	12,013,885	12,013,885	12,013,885	12,013,885
Tenants deposits	66,374,460	65,940,304	66,374,460	65,940,304
	193,521,684	188,645,756	117,453,079	112,557,153

26 DIVIDEND PAYABLE	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Opening balance	75,943,257	69,471,932	75,943,257	69,471,932
Dividends declared in the year	14,348,826	13,817,388	14,348,826	13,817,388
Paid during the year	(11,612,070)	(7,346,063)	(11,612,070)	(7,346,063)
Balance at 31 December	78,680,013	75,943,257	78,680,013	75,943,257

Dividends are recognised as a liability in the period in which they are declared.

### 27 OPERATING LEASE ARRANGEMENTS

#### i) The company as lessee

The company investment property stands on land that is leased from the government. The formal lease-term is 42 years from 1 January 2005. The company paid the following amount in respect of land rent and rates.

Group		Company	
2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
950,113	825,551	950,113	812,795
-	-	-	-
950,113	825,551	950,113	812,795

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

#### 27 OPERATING LEASE ARRANGEMENTS(cont'd)

##### ii) The company as a lessor

Property rental income earned during the year was Kshs 82,569,990 (2023: 84,800,800). The property held has committed tenants ranging between one and three years. At the balance sheet date, the company had contracted with tenants for the following future minimum lease payments.

	Group		Company	
	2024 Kshs	2023 Kshs	2024 Kshs	2023 Kshs
Within one year	82,570,000	84,800,000	82,570,000	84,800,000
In the second and third	165,140,000	169,600,000	165,140,000	169,600,000
	<u>247,710,000</u>	<u>254,400,000</u>	<u>247,710,000</u>	<u>254,400,000</u>

#### 28 DISCONTINUED OPERATIONS OF THE SUBSIDIARY

The subsidiary company, Clayworks Limited stopped its core business of clay production in 2014 and partnered with other property developers in a joint venture, Claycity limited which is now undertaking real estate projects.

The performance of discontinued operations have been reported on a net basis in the group income statement.

The following is the performance summary of discontinued operations;

	2024 Kshs	2023 Kshs
<b>Income</b>		
Sales of clay products	-	-
Sundry income	-	-
	<u>-</u>	<u>-</u>
<b>Expenses</b>		
Operating and administration expenses	2,653,698	1,639,467
Depreciation	134,698	138,730
	<u>2,788,396</u>	<u>1,778,197</u>
Loss from discontinued operations	<u>(2,788,396)</u>	<u>(1,778,197)</u>

#### 29 COMMITMENTS AND CONTINGENT LIABILITIES

##### i) Commitments with the joint venture

The subsidiary company together with HFDI limited entered into a joint venture through Claycity Limited for construction of residential and commercial houses in an area of 24.5 acres of its land in Kasarani. The Joint venture was initially to be owned 50% by each party but HFDI later requested to own only 33% and the company took the balance of 67%. The venture was registered in 2016 and the work on the construction of 5,200 house units started in 2017.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 29 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

The project experienced a number of challenges including the Covid-19 pandemic which substantially delayed progress and increased the project costs. The first phase of the project composed of eighty units of three-bedroom houses were completed and commissioned in 2020. Due to escalation of costs the project was redesigned from the initial plan of mixed residential and commercial houses to the construction of the affordable low cost residential houses under the Government Big-4 Agenda to reduce cost and take advantage of the wide market in the sector. This new phase did not commence due logistical and economical challenges caused by Ukraine war and electioneering period in 2022.

In an effort to address the delays and optimise the utilisation of the resources, the company agreed to acquire the stake of 33% held by HFDI in the joint venture at a cost of Kshs 490 million and dispose of the land at Clayworks to venture into other lucrative projects. During the year the company continued with progressive acquisition of the joint venture from resources being received from the disposal of the land jointly owned in the joint venture.

##### *ii) Budgeted capital projects*

The company has budgeted to develop its upper hill plot at a cost of Kshs 800million. The company expect to finance this partly from the proceeds of disposal of the Clayworks plots currently held under Claycity and partly from external financing.

##### *iii) Contingent liability*

The subsidiary company has a legal dispute on the allocation of a small part of its land for public utility the outcome of which by the date of the issue of these financial statements was uncertain.

#### 30 CRITICAL ESTIMATES AND JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Critical estimates are made by the directors in determining depreciation rates of property, plant and equipment as set out in the accounting policies.

In the process of applying the group's' accounting policies, management has made Judgements in determining;

*The classification of financial assets and liabilities*

*Whether assets are impaired*

*Provisions and contingent liabilities*

*Estimation of fair value of financial assets and liabilities*

*Provisions for retirement benefit cost*

*Provision for income taxes*

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 31 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The group's principal financial instruments comprise cash and cash equivalents, receivables and payables. These instruments arise directly from its operations. The company does not speculate or trade in derivative financial instruments.

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), liquidity risk and operational risk. The management review and agree policies for managing these risks.

The directors have overall responsibility for the establishment and oversight of the company's risk management framework.

Risk management is carried out by the management under policies approved by the directors. Management identifies, evaluates and manages financial risks in close co-operation with the directors.

##### *i) Market Risk*

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while ensuring the attainment of the group's objectives.

##### *ii) Interest rate risk*

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates.

The parent company has short term fixed deposit with Family Bank and Housing Finance whose interest rates varies with prevailing market rates. Other than this the group did not have any interest bearing instruments. The directors closely monitors the interest rates from these deposits to minimise potential adverse impact on interest rates changes.

##### *iii) Foreign exchange risk*

Foreign exchange risk arises from future investment transactions and recognized assets and liabilities. The subsidiary company occasionally imported some of the equipment for clay production but has now shift its business to real estate investment. The exposure to foreign exchange risk is therefore insignificant.

##### *iv) Price risk*

Price risk arises from the fluctuation in the prices of the commodities purchase whose prices are determined by the market forces and other factors that are not within the control of the company. The parent owns rental properties and has shifted the operations of the subsidiary company to real estate investments. The price of rental charges are set by the management by reference to the market prices. The property market has been experiencing some shocks in the recent years which had been adopted by the company. The market prices as a result of Covid -19 pandemic will negatively be affected.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 31 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Cont'd)

##### v) *Credit risk and expected credit losses*

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. The largest concentrations of credit exposure within the company arises from receivables and cash and bank balances. The management does not consider the credit risk exposure to be significant.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposit that can be held with each institution.

Credit risk on receivables is managed by ensuring that credit is extended to customers with established credit history and making prompt follow up of outstanding receivables. Credit history is determined by a number of factors including past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customers, The utilisation of credit limits and credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk default occurring on the financial asset at the reporting date with risk of default occurring on the financial asset at the date of initial recognition. In doing so, the company considers reasonable and supportable information that is indicative of significant increase in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due. For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggest that the debtor is unlikely to be able to meet its obligations.

If the company does not have reasonable and supportable information to identify significant increases in credit risk or to measure lifetime credit losses when there has been a significant increase in credit risk on individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes the groups financial assets on the basis of shared credit risk characteristics, such as type of the instrument, industry in which the debtor operates and other collateral.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

### Notes to the financial statements(cont'd)

#### v) Credit risk and expected credit losses (cont'd))

A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- Significant financial difficulty of the debtor
- a breach of contract
- Probability that the debtors will enter bankruptcy
- Disappearance of an active market for the financial assets because of financial difficulties

The maximum exposure of the group to credit risk as at the balance sheet date is as follows;

	Fully performing Kshs	Past due but not impaired Kshs	Total Kshs
<b>31 December 2024</b>			
Trade receivables	16,485,447	33,015,948	49,501,395
Other receivables	-	580,695	580,695
Dues for plot surveying and demarcation	-	163,929,712	163,929,712
Cash and bank	249,482,914	-	249,482,914
	<u>265,968,361</u>	<u>197,526,355</u>	<u>463,494,716</u>
<b>31 December 2023</b>			
Trade receivables	6,889,893	34,640,301	41,530,194
Other receivables	-	308,162	308,162
Dues for plot surveying and demarcation	-	120,104,389	120,104,389
Cash and bank	283,509,498	-	283,509,498
	<u>290,399,391</u>	<u>155,052,852</u>	<u>445,452,243</u>

The amount receivable for surveying and demarcation amounting to Kshs 163,929,712 (2023: Kshs 120,104,389) as indicated above are earmarked for offset by deposit for shares and plot sales indicated in note 21 once the return register is finalised and reconciled. The risk is classified as low.

The age analysis of trade receivables at the end of the year was as follows;

	Current Kshs	30 to 90 days past due Kshs	Over 90 past due Kshs	Total Kshs
<b>31 December 2024</b>	<u>16,485,447</u>	<u>14,312,968</u>	<u>18,702,980</u>	<u>49,501,395</u>
<b>31 December 2023</b>	<u>6,898,371</u>	<u>12,156,982</u>	<u>22,474,841</u>	<u>41,530,194</u>

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### v) *Credit risk and expected credit losses (cont'd)*

The past debts include trade receivables of Kshs 13,134,246 from discontinued operations which the management consider recoverable. Other past dues of Kshs 19,881,702 (2023: Kshs 22,474,841) relate to rent arrears which the management consider not impaired as the amount can be recovered from the tenants rent deposits. A general provision of bad and doubtful debt of Kshs 10,476,815 has been made to cater for any unrecoverable amounts.

The financial institutions where the bank deposits have been placed continue to perform well and the management considers the risk for these deposits to be minimum.

Financial assets for which the loss allowance has been measured at amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows;

- a) Financial assets for which credit risk has increased significantly since initial recognition but that are not impaired.
- b) Financial assets that are credit impaired at balance sheet date
- c) trade receivables, contract assets and lease receivables for which the loss allowance is

##### vi) *Liquidity risk*

Liquidity risk is the risk that the group will encounter difficulties in meeting its obligations from its financial liabilities. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below shows the company's obligations categorised into their maturity period;

## AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

### Annual report and group financial statements For the year ended 31 December 2024

#### Notes to the financial statements(cont'd)

#### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

	Short-term portion Kshs	Long-term portion Kshs	Total Kshs
At 31 December 2024			
Trade payables	8,835,570	-	8,835,570
Other payables	-	105,258,062	105,258,062
Deposits	-	78,388,345	78,388,345
Accruals	1,039,707	-	1,039,707
Bank loan	11,305,295	14,207,708	25,513,003
	<u>21,180,572</u>	<u>197,854,115</u>	<u>219,034,687</u>
At 31 December 2023			
Trade payables	9,057,481	-	9,057,481
Other payables	-	87,875,929	87,875,929
Deposits	-	77,954,189	77,954,189
Accruals	13,758,157	-	13,758,157
Bank loan	11,305,295	46,531,461	57,836,756
	<u>34,120,933</u>	<u>212,361,579</u>	<u>246,482,512</u>

Deposit for shares and plot sales which at 31 December 2024 amounted to Kshs 903,187,683 (2023: Kshs 903,344,683) have not been included above as in the directors opinion the exposure is not material.

#### 32 OPERATIONAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 32 OPERATIONAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall organisation's standards for the management of operational risk in the following areas:-

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of and procedures to address the risks identified.
- Requirement for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

The company capital base is able to cover risks inherent in the business.

#### 33 CAPITAL RISK MANAGEMENT

The entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimization of debt and equity balance. The entity has removed the restriction on minimum number of 100 shares an individual shareholder was restricted to have and is evaluating possible ways of opening up the company to other equity investors.

The capital structure of the entity consists of debt and contributed capital as disclosed in the notes.

The board reviews the capital structure on an annual basis as part of these reviews the board considers the capital requirements of the entity and the risk associated with each class of capital.

The company is not subject to any external imposed capital requirements.

#### 34 CONSOLIDATION

The consolidated financial statements include the company and its subsidiaries. The company fully owns Clayworks Limited. The company acquired 75% of the share capital of the subsidiary in 1975 and full ownership in 1995. The subsidiary company owns 67% of interest in Claycity Limited a joint venture company which is undertaking real estate projects in Kasarani. The company interests in Apatana Investment Limited which is an associated company are accounted for using the equity method.

# AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC

## Annual report and group financial statements For the year ended 31 December 2024

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### Notes to the financial statements(cont'd)

#### 35 CURRENCY RISK

The group operates wholly in Kenya and its assets and liabilities are reported in the local currency. It therefore held no significant foreign currency exposure at 31 December 2024.

#### 36 INCORPORATION

The parent, its subsidiary and the joint venture are incorporated and domiciled in the Republic of Kenya.

**AGRICULTURAL AND INDUSTRIAL HOLDINGS PLC**

**Annual report and group financial statements  
For the year ended 31 December 2024**

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The Company Secretary  
Agricultural and Industrial Holdings Plc  
P.O. Box 6399-00300  
**NAIROBI**

**FORM OF PROXY**

I, We, .....of P. O. Box .....

Being Member/Members of Agricultural and Industrial Holdings Plc hereby appoint:

.....of Tel No.....

Email Address.....

or failing him..... of Tel No .....

Email Address.....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held Virtually on 4<sup>th</sup> December 2025 and at any adjournment thereof. (\*Strike out as appropriate)

Signature(s)/Seal .....

.

Signed this..... day of ..... 2025

**NOTE:**

1. The address should be that shown in the register of members.
2. In the case of a corporation, the proxy form must be executed either under its common seal or signed on its behalf by an attorney or officer of the corporation duly authorized.
3. A person appointed to act as a proxy need not be a member of the Company.
4. The proxy form should be completed and returned to the registered office of the Company, Clayworks, Kasarani, off Thika Superhighway, P.O Box 50124 - 00200, Nairobi or posted or emailed to proxy@candrgroup.coke, so as to reach the Secretary not later than 48 hours before the time fixed for the meeting or any adjournment thereof.



# 2026 CALENDER

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	13	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		



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