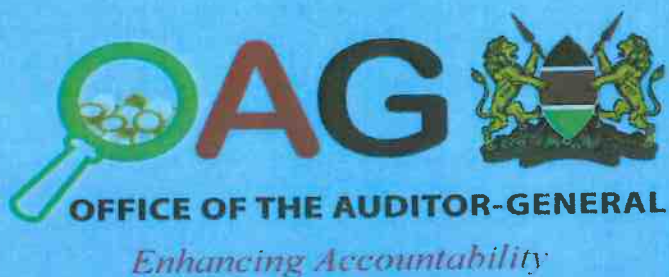


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

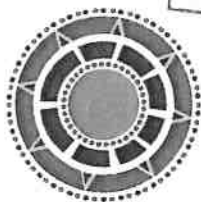
ON

**KENYA EXPORT PROMOTION AND
BRANDING AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



REPUBLIC OF KENYA



**KENYA EXPORT
PROMOTION & BRANDING
AGENCY**

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2021**

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

Kenya Export Promotion and Branding Agency (KEPROBA) is a state corporation under the State Department for Trade and Enterprise Development in the Ministry of Industrialization, Trade and Enterprise Development which was established under the State Corporations Act Cap 446 by the Kenya Export Promotion and Branding Agency Order, 2019 Legal Notice No. 110 of 9th August 2019 after the merger of the former Export Promotion Council and Brand Kenya Board. The Agency is domiciled in Kenya.

b) Principal Activities

The Agency's principal activities are implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country's image through coordinating Nation Branding initiatives and Trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

Vision

Transform Kenya into a top global brand

Mission

Brand Kenya, Export Kenyan, Build Kenya

Tagline

Inspiring Global Trade

Functions

- i. To advocate, coordinate, harmonize and implement export promotion and Nation branding initiatives and policies to promote Kenyan goods and services in export markets;
- ii. To collect, collate, disseminate and serve as a repository of trade and Kenya brand information;
- iii. To provide nation branding guidelines for stakeholders' initiatives including Kenya missions abroad;
- iv. To advocate, promote and facilitate the development and diversification of Kenya' export trade;
- v. To promote and brand Kenyan exports through knowledge-based support and information to exporters and producers including export procedures and documentation, market entry requirements and marketing techniques;
- vi. To encourage and monitor the observance of international standards and specifications by exporters;
- vii. To provide cooperation to the export inspection agencies on quality control and reshipment inspection of export products to ensure observance of international standards and specifications;
- viii. To promote and brand Kenya as a supplier of high-quality goods and services;
- ix. To ensure the harmonized application of the national mark of identity for Kenyan goods and services;
- x. To formulate and implement strategies for improved balance of trade foreign exchange earnings and retention;
- xi. To offer advice to Kenyan exporters including in technology upgrading, quality and design improvement, standards and product development, and innovation;
- xii. To provide export assistance services, such as distribution of trade-related information to exporters, foreign country market research, and counselling to exporters;
- xiii. To co-ordinate Kenya's participation in trade promotion events including trade fairs and buyer-seller meets;
- xiv. To provide market intelligence through research, analysis and monitoring of trends and opportunities in international markets that Kenyan exporters can take advantage of to increase or diversify exports;

- xv. To provide Kenyans with positive information about Kenya in order to promote national unity, patriotism and national pride;
- xvi. To establish an integrated approach within Government and private sector towards international marketing and branding of Kenya;
- xvii. To build national support for the nation brand with other Government Agencies, non-governmental organizations and the private sector;
- xviii. To provide customized advisory services; and
- xix. To do any other thing necessary or expedient for the discharge of its functions under this order.

Strategic Objectives

The following strategic objectives will guide the Agency's strategies and activities over the next 3 years.

- 1) To develop, diversify and brand Kenya Export Products;
- 2) To develop and diversify Kenya's Export Market;
- 3) To Manage the image and reputation of the Kenya Brand; and
- 4) To Strengthen the Agency's institutional capacity to deliver on its mandate.

c) Key Management

The Board's day-to-day management is under the following key organs:

- Board of Directors;
- Chief Executive Officer; and
- Management.

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. Wilfred Marube
2.	Director Corporate Services	Ms. Christine Mwaka
3.	Director, Resource Mobilization and Stakeholder Management	Ms. Floice Mukabana
4.	Ag. Director, Product and Market Development	Mr. Austin Macheso
5.	Ag. Director, Nation Brand Development, Marketing and Communication	Ms. Maureen Mambo
6.	Ag. Director, Research and Innovation	Mr. Peter Ochieng
7.	Ag. Director, Resource Centre	Mr. Reuben Wanjala
8.	Ag. Director Corporate Strategy, Planning & Quality Assurance	Ms. Celestine Rono
9.	Manager, Supply Chain Management	Mr. Domnick Airo
10.	Manager, Internal Audit	Mr. Victor Odindo
11.	Corporation Secretary and Manager, Legal Services	Ms. Frida Mbugua

e) Fiduciary Oversight Arrangements

The Board has formed three (3) principal committees which meet under well-defined terms of reference set by the Board members. These committees comprise of the following members:

1. Finance, Human Resource and Administration Committee

1. Jacqueline Muga - Chairperson
2. Kathleen Kihanya

3. Oliver Konje
4. Leah Baraza
5. Veronica Okoth

II. Strategy, Marketing, Communication and Quality Assurance Committee

1. Kathleen Kihanya - Chairperson
2. Jacqueline Muga
3. Mark Bichachi
4. Oliver Konje
5. Leah Baraza
6. Veronica Okoth

III. Audit, Risk and Governance Committee

1. Mark Bichachi - Chairperson
2. Kathleen Kihanya
3. Oliver Konje
4. Leah Baraza
5. Veronica Okoth

The committees were formed to assist the board to effectively and efficiently carry out its functions. The following comprise the terms of reference for the three committees:

1. Finance, Human Resources and Administration Committee.

Its functions include but are not limited to:

- KEPROBA Financial oversight.
- Budget approvals.

- Human Resource development.
- Work environment policies.
- Internal and external stakeholder engagements.
- Resource mobilization policy development and implementation.
- Organizational Culture and change management

2. Strategy and Quality Assurance Committee

Its functions include but are not limited to;

- Strategic Plan development and implementation oversight.
- Performance management and appraisals.
- ISO certification.
- Performance Contracts (PC) development and Implementation.
- Export promotion and Nation Brand Programmes.

3. Audit and Governance Committee

Its functions include but are not limited to;

- Internal controls.
- Governance.
- Organizational Risks and compliance

f) Headquarters

Kenya Export Promotion and Branding Agency
Anniversary Towers 16th Floor
University Way
P. O. Box 40247 – 00100
Nairobi, Kenya

g) Contacts

Tel: +254-20-2228534-8
Office Mobile: +254-722-205875, +254-734-228534
Fax: +254 -20-2228539/
Email: chiefexe@brand.ke

h) Bankers

Kenya Commercial Bank Limited
University Way Branch
P.O. Box 7206 - 00100
Nairobi, Kenya

Kenya Commercial Bank
Capital Hill Branch
NHIF Building
P.O. Box 46360 - 00100
Nairobi, Kenya

Housing Finance Limited
Rehani House
P.O. Box 20691 - 00100
Nairobi, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS



**Mr. Jaswinder Bedi, EBS, MBS
Chairman**

D.O.B. 15/01/1963

Mr. Jas Bedi is a seasoned leader whose business acumen has been recognized by various Governments worldwide and presidents of the Republic of Kenya. He is a Textile Graduate and has attended numerous executive business courses at the Havard Business School, IMD and IIM.

He has been tirelessly involved in developing export market opportunities in trading blocs such as EAC, COMESA, SADC, TFTA, AfCFTA, USA and the European Union.

He is the managing director, Bedi Investments Limited and the executive director, Fine Spinners Uganda Limited. He has previously served in other boards as chairman or director including Kenya Association of Manufacturers, Export Promotion Council, Export Processing Zones Authority, Federation of Kenya Employers, Kenya Private Sector Alliance, African Cotton & Textile Industries Federation, International Textile Manufacturers Federation among others.

(Appointed chairman on 9th August 2019)



**Mr. Oliver Konje
Alt. to PS, State Department for
Trade**

D.O.B. 25/04/1963

Mr. Konje holds a Bachelor of Commerce- Marketing and Master of Science Entrepreneurship degrees. He is the Deputy Director External Trade at the State Department for Trade and currently the Acting Director of External Trade. He has formerly served as a Senior Lecturer at the Kenya Institute of Business Training and as a Commercial Attaché in Germany.

He is a member of the following Board Committees: Finance, Human Resource & Administration Committee, Strategy, Marketing, Communication & Quality Assurance Committee and Audit, Risk & Governance Committee.

(Appointed Alternate Director on 1st November 2019)



Mrs. Veronica Okoth
Alt. to PS, The National Treasury

D.O.B. 25/05/1980

Veronica is the Director, Public Private Partnerships (PPP) at the National Treasury.

She holds a bachelor's degree in economics from Moi university, Master's degree in Economic policy and management from Makerere University, Uganda, Post Graduate Diploma in Rural Development and Devolved Systems from the National Institute of Rural Development, India.

She has vast experience in managing high impact public sector projects in both National and County levels of Government for over 15 years having served as a District Development Officer, a County Executive Committee for Economic Planning, Commerce and Industry in Trans-Nzoia County and as a Director, Economic Pillar at the Vision 2030 Delivery Secretariat.

She is a member of the following Board Committees: Finance, Human Resource & Administration Committee; Strategy, Marketing, Communication & Quality Assurance Committee; and Audit, Risk & Governance Committee.

(Appointed Alternate Director on 17th July 2020)



Ms. Leah Aywah Baraza
Alt. to the Attorney General

D.O.B. 21/06/1972

Leah is the Chief State Counsel at the Office of the Attorney General and Department of Justice.

She holds a Bachelor of Laws, Master of International Relations and Master of International Trade and Commercial Law.

She is an International Trade Law Expert and has represented Kenya in the COMESA-EAC-SADC, Free Trade Area negotiations as well as the Africa Continental Free Trade Area negotiations. She has over 20 years post admission experience.

She is a member of the following Board Committees: Finance, Human Resource & Administration Committee; Strategy, Marketing, Communication & Quality Assurance Committee; and Audit, Risk & Governance Committee.

(Appointed Alternate Director on 25th September 2019)



Ms. Kathleen Kihanya
Independent Director

D.O.B. 18/05/1962

Ms. Kihanya is the Managing Director of Sundales International, founder and CEO of XQUE Communications Ltd.

She holds a Bachelor of Business Administration, Marketing Major from the University of Texas, USA and an MBA from United States International University.

She is a marketing consultant and brand strategist, a corporate culture and personal branding trainer and a guest lecturer at the United States International University.

She is the Chairperson of the Strategy, Marketing, Communication & Quality Assurance Committee and a member of the Finance, Human Resource & Administration Committee as well as the Audit, Risk & Governance Committee.

(Appointed director on 9th August 2019)



Mr. Mark Bichachi
Independent Director

D.O.B. 01/04/1984

Mr. Bichachi is a communication strategist. He holds a Bachelor of Science in Instrumentation and Control Engineering.

He is the founder and Managing Director of Dia Group of Companies, Dia Consult Limited and a Director of Clouds Digital, Tanzania.

He is the chairperson of the Audit, Risk and Governance Committee and a member of the Strategy, Marketing, Communication and Quality Assurance Committee of the Board.

(Appointed director on 9th August 2019)



Ms. Jacqueline Muga
Independent Director

D.O.B. 06/06/1977

Ms. Muga holds a Bachelor of Arts Degree in Economics & Sociology and a Master of Business Administration – Finance. She is a Certified Investment and Financial Analyst (CIFA) and a member of the Institute of Certified Investment and Financial Analysts (ICIFA). She also has post graduate qualifications in strategic leadership and corporate governance.

She is the General Manager at Eliud & Associates Management Consultants. She formerly worked for Cooperative Bank of Kenya.

She is the chairperson of the Finance, HR and Administration Committee and a member of the Strategy, Marketing, Communication and Quality Assurance Committee of the Board.

(Appointed director on 9th August 2019)



Dr. Wilfred Marube
Chief Executive Officer

D.O.B. 10/02/1974

Dr. Wilfred Marube holds a PhD in Communications Studies, Master of Arts (Linguistics) and Bachelor of Education (English and Literature). He also holds an Executive Diploma in Marketing and a Diploma in Public Relations Management.

He has previously served as Head of Public Relations and Communications at the Office of the Auditor-General from 2013 to 2020. Prior to that he was the Chief Public Relations Officer at the City Council of Nairobi from 2007 to 2013 and at the Teachers Service Commission from 1997 to 2007.

He is currently the president of the Public Relations Society of Kenya and served as the vice president from 2017 to 2019. He is a Board Member of Global Alliance for Public Relations and Communication Management.

(Appointed Chief Executive Officer in May 2020).



Ms. Frida Mbugua
Corporation Secretary

D.O.B. 17/08/1984

Frida holds a Master of Arts Degree in International Studies and a Bachelor of Laws from the University of Nairobi. She has a Post Graduate Diploma in Law from the Kenya School of Law and a Higher Diploma in Human Resource Management from the Institute of Human Resource Management.

She is an Advocate of the High Court of Kenya and a Certified Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya. She is also a trained Arbitrator, Governance and Public Policy Expert.

She has a wealth of experience having worked in the manufacturing and agricultural sectors, export trade and Nation Branding.

(Left on 6th November 2021)

3. MANAGEMENT TEAM



Dr. Wilfred Marube
Chief Executive Officer

Dr. Wilfred Marube holds a PhD in Communications Studies, Master of Arts (Linguistics) and Bachelor of Education (English and Literature). He also holds an Executive Diploma in Marketing and a Diploma in Public Relations Management.

He has previously served as Head of Public Relations and Communications at the Office of the Auditor-General from 2013 to 2020. Prior to that he was the Chief Public Relations Officer at the City Council of Nairobi from 2007 to 2013 and at the Teachers Service Commission from 1997 to 2007.

He is currently the president of the Public Relations Society of Kenya and served as the vice president from 2017 to 2019. He is a Board Member of Global Alliance for Public Relations and Communication Management.

(Appointed Chief Executive Officer in May 2020).



Ms. Christine Mwaka
Director, Corporate Services

Christine holds a Master of Business Administration in Finance. She is currently pursuing her PhD.

She is a Certified Public Accountant of Kenya (CPA(K)) and a full member of the Institute of Certified Public Accountants of Kenya, a member of the Kenya Institute of Management and the Institute of Directors.

She has over 20 years' experience in Financial Management and Accounting attained in the Public Sector, Private Sector and Non-Profit Sector in senior positions.



Ms. Floice Mukabana
Director, Resource Mobilization and
Stakeholder Management

Floice holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi.

She is a member of the Institute of Certified Financial Analysts (ICIFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK).

She has vast experience in financial management attained in both the Public and private sectors where she has worked in various capacities.



Mr. Austin Macheso
Ag. Director, Product and Market
Development

Mr. Macheso holds a Master's Degree in International Business Management MIM (International Marketing), from Pondicherry University, a Bachelor's Degree in Economics, Sociology & History from Agra University among other professional trainings.

He is a qualified Product Development and Export Promotion expert with over 15 years' experience in Export Market Development and Promotion. He is a member of the Marketing Society of Kenya



Ms. Maureen Mambo
Ag. Director, Nation Brand
Development, Marketing and
Communication

Maureen is a Strategic Communications and Media Relations expert with over 13 years of experience in the industry. She holds a Master of Development Communications and a Bachelor of Arts Degree in Communications from Daystar University (Kenya).

She has managed client communications and engaged with high level media across international, Pan African and local outlets. She has supported clients from the private and public sector in various sectors including: Agriculture, Extractives, Infrastructure, Health, Banking, Oil and Gas among others. She has previously worked for Africappractice EA Ltd, a Pan-African strategy and communications consultancy and the Kenya Broadcasting Corporation.



Mr. Peter Ochieng
Ag. Director, Research and
Innovation

Mr. Ochieng holds a Master of Economics and Business from the University of Zagreb and a post Graduate Diploma in International Relations from the University of Nairobi.

He also has certificates in Trade Promotion Policy, Tourism Management and Negotiations. He has professional experience spanning over twenty-five years in Tourism Management, Trade Development and Promotion and in Diplomacy where he has served Kenya as a commercial Attaché.



Mr. Reuben Wanjala
Ag. Director, Resource Centre

Mr. Wanjala holds a master's degree in Information System and a Bachelor of Commerce (Management Science) both from the University of Nairobi and a National Diploma in Computer Studies. He also holds several certifications in leadership, Microsoft systems and virtualization.

He has close to 20 years' experience in the ICT industry having worked in both private and public sectors. He is a member of the Computer Society of Kenya and Information Society of Kenya.



Ms. Celestine Rono
Ag. Director, Strategy, Planning &
Quality Assurance

Celestine holds a Master of Business Administration (Strategic management) and a Bachelor of Business Administration (Accounting). She is a Certified Public Accountant of Kenya (CPA(K)), a Certified Monitoring and Evaluation Professional and a Certified Secretary of Kenya (CS)(K).

She is a full member of the Institute of Certified Public Accountants (ICPAK), Institute of Certified Secretaries (ICSK) and Kenya Institute of Management (KIM), all in good standing. She has previously worked with the Anti-Counterfeit Agency, Kenya Women Finance Trust and Eastern Produce Kenya Limited.



Mr. Domnick Ariro
Manager, Supply Chain Management

Mr. Ariro holds a Master of Science Degree in Procurement and Logistics, a Bachelor of Purchasing and supplies Management Degree from Jomo Kenyatta University of Agriculture and Technology and a diploma in supplies management from Nairobi Technical Training Institute.

He is a licenced supplies practitioner and a registered member of the Kenya Institute of Supplies management. He has over 12 years' experience in public procurement.



Mr. Victor Odindo
Manager, Internal Audit

Mr. Odindo holds a Master of Commerce (Forensic Accounting) and a Bachelor of Commerce (Finance). He is a certified Public Accountant of Kenya (CPA (K)) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is also a Certified Information Systems Auditor (CISA).

He has over 13 years' experience in audit, risk and quality assurance.



Ms. Frida Mbugua
Corporation Secretary

Frida holds a Master of Arts Degree in International Studies and a Bachelor of Laws from the University of Nairobi. She has a Post Graduate Diploma in Law from the Kenya School of Law and a Higher Diploma in Human Resource Management from the Institute of Human Resource Management.

She is an Advocate of the High Court of Kenya and a Certified Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya. She is also a trained Arbitrator, Governance and Public Policy Expert.

She has a wealth of experience having worked in the manufacturing and agricultural sectors, export trade and Nation Branding.

(Left on 6th November 2021)

4. CHAIRMAN'S STATEMENT

Kenya has had a relatively stable export sector. The performance in the past decade from 2011 to 2020 has been rather volatile global economy, that has increasingly become competitive with markets adopting increasingly cautious approaches to engagements on trade. Markets have become more protective, and, in many ways, these have conditioned Kenya's responses in matters appertaining to export development. The volatility of the global business environment has had an impact on the export performance both at the regional as well as at the national levels. The merchandise goods category has been hard hit manifestly in the areas of production, consumption, supply chains, trade, industry, investment, and distribution, among key sectors.

In the last decade Kenya's exports have had mixed performance even though exports have **been growing** their frequent year on year cycles that are prominent. The global export has been growing and increased from US\$ 5.0 billion in 2008 to US\$ 6.1 billion in 2014 before declining to US\$ 5.9 billion and US\$ 5.7 billion in 2015 and 2016 respectively. The exports then witnessed a slight increase to US\$ 5.8 billion and US\$ 6.05 billion in 2017 and 2018 respectively. The exports slightly underperformed from the 2018 exports figures reducing to US\$ 5.8 billion (**KShs. 597 billion**) in 2019, this experienced a rebound to US\$ 6.05 billion (**KSh.644 billion**) in 2020, an increase by 7.9% despite the Covid-19 pandemic. The exports of Kenya's total services have also been growing from US\$ 4.2 billion in 2016 to US\$ 5.5 billion in 2018 and US\$ 5.6 billion in 2019. It, however, decrease to US\$ 3.7 billion in 2020 due to decreases in exports of commercial services including transport and travel services. Export of merchandised goods and services totalled US\$ 9.9 billion in 2016 and US\$ 11.5 billion in 2019 and US\$ 9.7 billion in 2020 against imports of US\$ 16.8 billion in 2016 and US\$ 21.1 billion in 2019 and US\$ 19.0 billion in 2020. Therefore, overall balance of trade total exports of goods and services reduced from US\$ 9.6 billion in 2019 to US\$ 9.3 billion in 2020.

Kenya's trade trends in the last decade (values in US\$ Billion)

Trade	Trade Sector	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Kenya's Exports of	All Services	4.13	4.99	5.13	5.02	4.64	4.17	4.65	5.48	5.62	3.66
	All Merchandised goods	5.78	6.13	5.83	6.11	5.93	5.70	5.75	6.05	5.84	6.05
	All Goods and Services	9.92	11.13	10.96	11.13	10.57	9.86	10.39	11.53	11.46	9.71
Kenya's imports of	All Services	2.24	2.56	2.82	3.35	3.32	2.73	3.09	3.88	3.85	3.57
	All Merchandised goods	14.88	16.28	16.41	18.40	16.11	14.11	16.69	17.38	17.22	15.41
	All Goods and Services	17.12	18.85	19.22	21.75	19.43	16.84	19.78	21.26	21.08	18.98
Balance of Trade for	All Services	1.89	2.43	2.32	1.67	1.32	1.43	1.56	1.60	1.77	0.09
	All Merchandised goods	- 9.1	- 10.1	- 10.6	- 12.3	- 10.2	- 8.4	- 10.9	- 11.3	- 11.4	- 9.4
	All Goods and Services	- 7.2	- 7.7	- 8.3	- 10.6	- 8.9	- 7.0	- 9.4	- 9.7	- 9.6	- 9.3

Source: ITC Statistics, 2021; Compiled by KEPROBA

Africa and EU have been the the leading trading blocs and bedrock markets accounting for 38.2% and 24.6% of total exports and are likely to continue as the lead for Kenya's exports.

Export markets in the last five years (values in US\$ Billion)

	Importing Region	2016	2017	2018	2019	2020
Kenya's exports to	World	5.70	5.75	6.05	5.84	6.05
	EU	1.20	1.22	1.30	1.31	1.40
	USA	0.43	0.46	0.47	0.51	0.46
	Asia	1.44	1.63	1.84	1.58	1.54
	Middle East	0.72	0.70	0.85	0.85	0.76
	Africa	2.31	2.16	2.13	2.19	2.29
	COMESA	1.46	1.61	1.58	1.60	1.76
	EAC	1.20	1.27	1.27	1.37	1.48
Intra-Exports	COMESA to COMESA	8.20	8.59	10.29	10.13	8.59
	EAC to EAC	2.71	2.55	2.78	3.19	3.66

Source: ITC Statistics, 2021; Compiled by KEPROBA

The markets that contributed to Kenya's export performance were; Africa including COMESA and the East African Community markets that typically absorb Kenya's exports of manufactured goods

as well as services. EAC and COMESA currently absorbs 25% and 29% of total exports; and 68% and 77% of exports to Africa. Kenya's export to EAC during the last five years increased from US\$ 1.2 billion in 2016 to US\$ 1.3 billion in 2017 and US\$ 1.5 billion 2020; and to COMESA from US\$ 1.46 billion in 2016 to US\$ 1.60 billion in 2019 and US\$ 1.80 billion 2020.

Intra-COMESA exports grew from US\$ 8.2 billion in 2016 to US\$ 10.3 billion in 2018, before slightly decreasing to US\$ 8.6 billion in 2020. The value of intra-EAC exports increased from grew from US\$ 2.7 billion in 2016 to US\$ 2.8 billion in 2018, and to US\$ 3.7 billion in 2020.

In the past decade, a number of developments have emerged that will continue shaping Kenya's export performance.

- Kenya concluded the transitional arrangements with the European Union to continue exporting under the preferential terms within the European Union (EU)-Africa Caribbean and Pacific (ACP) thus allowing continuation of exports of Kenyan products
- The United Kingdom managed to break out of the European Union and in effect trade relations between Kenya and the United Kingdom emerged distinctly from the European Union. In this regard, Kenya and the United Kingdom expeditiously concluded Kenya-United Kingdom Economic Partnership Agreement in December 2020 that came into effect immediately after ratifications by both countries. This agreement ensured that Kenyan goods continue to enjoy duty-free, quota-free access to the UK market.
- The African Continental Free Trade Area (AfCFTA) Integration processes have gained momentum with the Creation of the African Continental Free Trade Area.
- The impact of the COVID-19 outbreak on international trade has, from the 10th April 2020 been extreme on Kenya's exports .From most trade data the impact has been disruptive to production and markets and indicators pointing at severe impacts of the pandemic and further consequences on economic slowdown. Marked against all predictions, the impacts have been leaning towards extreme outcomes and impact on Services; Financial Services; Air transport services, Road and Rail Transport; shipping, Port Services have been impacted while; Tourism has been completely crippled.

Way Forward Beyond 2021

The current scenario is continuously complicated by the Covid -19 situation, and We are anticipating a more erratic situation in the future that is likely to deepen the troughs in export performance.

The Kenyan economy has been resilient and withstood the many challenges arising from both the global environment, the markets as well as the COVID19 associated disruptions among those challenges. we are paying specific attention so that the impact does not go beyond what we have already experienced.

Kenya Export Promotion and Branding Agency has engaged on stabilising the trade relations with her major markets, both as regions and as differentiated markets within economic blocks. The European Union market though, a “single Market”, has peculiarities and hence will require distinct approaches to discern the dynamics in individual member states’ markets of interest.

African Continental Free Trade Area Market is emerging as a new market frontier and will provide interesting opportunities for the future developments. The lock down in the global marketplace and the relatively disorganised export base has produced a mix that requires specific attention.

The Agency is facilitating product development and engagements with producers and government agencies to stabilise the supply base as well as associated challenges in the different markets. We have invested heavily in developing various platforms where exporters can leverage on to enhance visibility of their products in the global market and further generate revenue. We are currently developing the E-portal, which is a game changer for us in ensuring that we leverage on and adopt to use e-commerce platforms to diversify markets. Completed, the E-portal will provide the following benefits to the exporters;

- Provide a platform where exporters/sellers can showcase their products internationally;
- Provide customized market intelligence information to potential exporters for purposes of improving their products;
- To promote Kenya’s exports and the nation brand through information dissemination and export assistance;

- To inform, educate and inspire our internal and external audiences about Kenya and what it has to offer globally in order to influence trade, investments and positive national perspective.

The Agency is also leveraging on existing Ecommerce sites like Alibaba, Jumia, JD.com, to enable Kenya to penetrate untapped markets, link new buyers to Kenyan made products while also giving ample space for research on Kenyan products, and online purchases from buyers in different countries. The exploitation of digital space will increase awareness and penetration of Kenyan products hence increasing the target market share much to the benefit of Kenyan exporters.

As an agency we are committed to empowering our exporters to ensure that they thrive while the country brand benefits from the increased GDP. We look forward to a progressive economic growth that is driven by our manufacturing sectors and exports.



MR. JASWINDER (JAS) BEDI, EBS, MBS
CHAIRMAN

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

It has been another challenging year for exporters to navigate through the pandemic and hit global markets with our products. I congratulate the entire KEPROBA team for offering support to exporters. Thanks to your efforts, exports have grown. In 2020, total exports grew by 7.8% to KShs 642 billion compared to KShs 595 billion in 2019.

In the same year, Kenya's exports grew in South Sudan, the United Kingdom, Pakistan, Uganda, and Germany. Efforts have also been made to further increase access to markets by hosting high-level business forums with Estonia, the United Kingdom, Tanzania and Burundi. Africa and the European Union have been the leading trading blocs and bedrock markets and are likely to continue as the lead markets for Kenya's exports.

Kenya is looking to attract new investors and expand its export market during the World Expo Dubai 2020 that will run for six months from October 2021 to April 2022. As the Responsible National Authority, we have ensured that the best of Kenya's trade, tourism and Investment opportunities will be displayed during the expo, which is expected to attract 24 million visitors.

We continue to direct our efforts towards increasing the quality of locally produced goods to match international standards. This is through our Made in Kenya Initiative as well as the Agency's Product Development and Branding Programme, which is an integrated programme aimed at enhancing the competitiveness of export products through quality product development and value addition to help enlarge Kenya's supply base of exportable products. Selected enterprises and groups are facilitated to improve the quality of their products, packaging, expand their product range as well as meet regional and international market standards.

We recognize that we must integrate our corporate values and services to improve Kenya's Image and meet the expectations of stakeholders. Through our stakeholder engagement activities, we have been able to identify areas of collaboration that give back to society. This past year, we partnered with Kenya Forest Service to plant two thousand trees to protect the ecosystem that enables our key export products to thrive.

We are operating in a challenging environment that can be attributed to the disruptions caused by the Covid-19 pandemic. Global supply chains have been disrupted, thus affecting the flow of our exports. However, this new operating environment has presented us with an opportunity to utilize digital platforms. We have successfully participated in virtual fairs and exhibitions such as the Macfrut Digital Fair and Expo Central China 2021. We have also promoted locally-produced goods on digital platforms such as *Alibaba*, *Tradeln.com*, *Dubuy*, among others, all aimed at ensuring that our products reach wider markets globally.

As an Agency, we continue to invest in technology to effectively deliver on our mandate. For instance, the Agency's e-portal platform is under development. The platform will enable buyers and sellers to interact and transact online.

The health and well-being of staff is a top priority for the organization. To counter the threat posed by Covid-19, we partnered with our healthcare provider to vaccinate all staff. In addition, we have successfully implemented remote working to safeguard the health of our staff and still offer quality services to our stakeholders.

Looking ahead, we shall intensify our efforts to diversify export markets and seek out new investment and export opportunities for the benefit of the country. We shall continually innovate our operations to adapt to the dynamic operating environment. This shall be achieved by remaining customer-centric, collaborative and passionately Kenyan.



DR. WILFRED MARUBE
CHIEF EXECUTIVE OFFICER

6. STATEMENT OF KEPROBA'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

KEPROBA has 4 strategic objectives within the current Strategic Plan for the FY 2019 – 2022.

These strategic objectives are as follows:

Strategic Objective 1: To develop, diversify and brand Kenya's export products

Strategic Objective 2: To develop and grow Kenya's export markets

Strategic Objective 3: To manage image and reputation of the Kenya Brand.

Strategic Objective 4: To strengthen institutional capacity for KEPROBA to deliver on its mandate

The Agency develops its annual work plans based on the above 4 strategic objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2020/2021 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Strategic Objective 1: To develop, diversify and brand Kenya's export products.	To facilitate Product Adaptation to Meet Market Requirements	60 new product lines developed	Implement the product development and Branding programme cycle.	10 new product lines namely, black loose tea, black tea bags, purple tea, green tea, black orthodox, purple orthodox, white tea, ginger tea, masala tea and chamomile tea (non-caffeinated) were developed.
	To enhance the value proposition for Kenya's prioritized Products	No of products profiled and promoted with the MIK mark	Promotion of products made in Kenya in line with the Buy Kenya Build Kenya Policy/strategy.	129 products were profiled and promoted with the "Made in Kenya" mark
	To undertake Product Research and supply surveys for	No. of product profile reports	Undertake research for Kenya's Supply Capacity and match against global opportunity.	10 products were profiled. These are pharmaceutical products, flowers, tea, coffee, avocados, leather, miraa, goat meat, textile and apparel and PPEs.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	Kenyan products	No. of reports generated	Generate quarterly export performance and product potentials briefs.	4 quarterly export and brand performance reports were developed
Strategic Objective 2: To develop and grow Kenya's export markets	Leverage on Technology for Market Access	No. of platforms signed up to No. of products promoted on the E-market platforms	Promotion of Kenyan products through Creation of dedicated pages in E-market platforms i.e., Alibaba, E-bay, Amazon, JD.com and Jumia	Kenya opened accounts with Alibaba.com and Amazon and recruited companies to showcase their products and trade on this platform. 206 products were listed and promoted on E-commerce
	Organize, coordinate and participate in trade promotion activities		Participation at the GulFood 2021	The Agency took advantage of attending the Gulfood as a trade delegation to Dubai during which working arrangement with RSA logistics, DMC and Tradeling.com platforms for promotion of Kenyan products were secured.
			Undertake Preparatory activities for World Expo Dubai 2020 to firm up Kenya's participation	During the period under reporting, the Agency continued to prepare for Kenya's participation at the World Expo 2020 Dubai that would be undertaken from 1 st October 2021 to 31 st March 2022. This included designing and branding the Kenya pavilion, booking of venues for the events at the expo, recruitment of exhibitors and other attendants to the Expo, among others.
	Undertake market surveys/ research	No. of Market-specific trade flows generated.	Undertake market specific trade flows	13 trade flows developed for the following markets Egypt, Germany, Somali, Tanzania, France, UAE, DRC, USA, Burundi, Belgium, Switzerland, Turkey and United Kingdom



Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	Negotiate for market access and removal of trade barriers	No. of position and Background Papers developed.	Engage in National trade negotiations committees and Support regional trade negotiations and implementation of EAC, COMESA and AfCFTA Engage in National trade negotiations committees and Support regional trade negotiations and implementation of EAC, COMESA and AfCFTA	5 position papers developed for the following countries: Belgium, Switzerland, United Kingdom, United States of America and France.
		No. of Engagement in regional forums on EAC and AfCFTA and attended to actualize implementation of AfCFTA and EAC provisions		<p>The Agency Engaged in National trade negotiations committees and support regional trade negotiations and implementation of EAC, COMESA and AfCFTA. This included participation in EAC trade Committee Forum and the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) in which the following outputs were realized.</p> <p>i. Consensus on addressing the Covid-19 protocols on testing and mutual recognition of certificates within the EAC. It enables presentation on the necessity to establish common safe border possibly with quarantined and on time testing facilities.</p> <p>ii. Alleviation of long standing non-tariff barriers</p>

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
				Adoption of the common regional Export promotion strategies
Strategic Objective 3: To manage image and reputation of the Kenya brand.	Creation and retention of Kenya brand visibility	1 IMC developed and operational	Development and implementation of an Integrated Marketing Communications (IMC) Strategy	The agency continued to develop the Integrated Marketing Communication strategy for Nation Branding, Export Promotion and Institutional positioning.
		No of County forums on endorsement and amplification of National Projects	Export Orientation, Promotion and Branding of GoK Programme (Blue Economy, Stimulus Package, SGR, Policy Agenda among Others)	During the period under reporting, the agency supported various government projects including the following: <ul style="list-style-type: none"> Kenya Transport and Logistics network (KTLN); in developing their brand strategy, MSEA; in auditing the branding of their (CIDCS) in Kenya, Meru; documentaries on products from Meru, Nyandarua; documentary on Sights & Sounds of Nyandarua, Kericho Expo, Lamu County profiling, LAPPSET project, Kenya Maritime Authority, and Mombasa Port Community
	Enhance stakeholder management, media relations	No. of media forums/workshops organized No. of journalists trained	Media Workshops and Training	workshops were organized in six Counties namely Nakuru, Eldoret, Kisumu, Nyeri and Mombasa in which 126 journalists were trained on



Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	and partnerships	No. of feature stories published in both print and broadcast to create awareness on A-Z process of product development		the concept of exports and nation branding reporting. These trainings provided platforms for capacity building on media reporting on exports, international trade and nation branding initiatives as well as sensitize journalists on their role in shaping conversations around the subject matter. 35 feature stories were published in both print and broadcast were created to create awareness on the Agency's programmes.
	Foster National pride and patriotism	No. of Government initiatives on which content is developed and campaigns undertaken	Developing content and campaigns on positive developments in Kenya through supporting GoK initiative. Engage in supporting the Buy Kenya Build Kenya Campaign	4 promotional campaigns were undertaken. This included the Kenya-Tanzania business forum, Kenya-Burundi business forum and development of documentaries for Meru and Nyandarua Counties.

In order to fulfil the commitments of the performance contracting framework as directed by the government, the Agency has ensured that all the targets set especially in the core mandate are derived from the approved workplan and clearly mapped onto each other.

In implementing the workplan the agency goes on to fulfil and achieve the targets set in the Performance Contract.

7. CORPORATE GOVERNANCE STATEMENT

The Kenya Export Promotion and Branding Agency (the Agency) was established on 9th August 2019 through Legal Notice No.110 of 2019 for purposes of promoting exports and nation branding. Paragraph 5 of the Legal Notice (Kenya Export Promotion and Branding Agency Order, 2019) established the Board of the Agency and on the same day the Board Chairperson and three independent Directors were gazetted vide Gazette Notice No. 7394 and Gazette Notice No. 7397 respectively.

The Agency is in compliance with the Mwongozo Code of Corporate Governance for State Corporations established to ensure effective and efficient use of public resources in order to achieve our vision and mission.

The Board of Directors of the Kenya Export Promotion and Branding Agency is responsible for the governance of the Agency and is accountable to the government and stakeholders in ensuring compliance with the relevant laws governing its operation, best practice and the highest standards of business ethics. Accordingly, the Directors attach great importance to the need to conduct the business and operations of the Agency with integrity, professionalism and has embraced the internationally developed principles and code of best practice of good corporate governance.

The Board in the performance of its functions is guided by the provisions of the Constitution, the Kenya Export Promotion and Branding Agency Order 2019, the State Corporations Act Cap 446, Mwongozo among other laws. The Boards and management have continued to uphold the core values of the Agency and in line with these, the board championed the development of the Strategic Plan 2019 – 2022 which focuses on enabling market access for Kenyan produced goods and services. After the merger of the Brand Kenya Board and the Export Promotion Council to establish the Kenya Export Promotion and Branding Agency, there was need to develop a new strategic plan aligned to the mandate and functions of the Agency. The strategic plan will be a working document which will provide direction for implementation by the Board of Directors and the staff of the new Agency.

Board of Directors Composition

The Agency is run through the strategic direction of the Board of Directors. The Board comprises of ten members, namely:

	BOARD POSITION	NAMES	GENDER	DATE OF APPOINTMENT	DATE OF EXPIRY
1.	Chairman	Mr. Jaswinder Bedi, EBS, MBS	Male	9 th August 2019	8 th August 2022
2.	Member	Ms. Kathleen Kihanya	Female	9 th August 2019	8 th August 2022
3.	Member	Mr. Mark Bichachi	Male	9 th August 2019	8 th August 2022
4.	Member	Ms. Jacqueline Muga	Female	9 th August 2019	8 th August 2022
5.	Alternate to the Attorney General	Ms. Leah Aywah Baraza	Female	25 th September 2019	31 st October 2022
6.	Alternate to Permanent Secretary Trade	Mr. Oliver Konje	Male	1 st November 2019	31 st October 2022
7.	Alternate to Principal Secretary National Treasury	Ms. Veronica Okoth	Female	17 th July 2020	16 th July 2023
8.	Ex Officio Member	Dr. Wilfred Marube	Male	-	-
9.	Ex Officio Member	Ms. Frida Mbugua	Female	-	-

Separation of Powers & Duties of the Chairman and CEO

The separation of functions between the Chairman and the CEO has ensured requisite balance of power, increased accountability, clear definition of responsibilities and improved decision making.

Duties of Directors

The Legal Notice establishing the Agency provides for functions of the board members under paragraph 6 to include:

- provide strategic advice and direction to the Agency;
- approve policies that shall facilitate the development of the Agency;

- c) recruit and appoint the Chief Executive Officer on such terms and conditions as the Board shall determine with the advice of the Salaries and Remuneration Commission;
- d) receive, on behalf of the Agency, grants-in-aid, gifts, donations, fees, subscriptions or monies;
- e) administer the property and funds of the Agency in such a manner and for such purpose as shall promote the functions of the Agency; and
- f) perform such other functions as may be incidental to the foregoing.

Board and Committee Meetings

The Board has formed three (3) principal committees which meet under well-defined terms of reference set by the Board members. These committees comprise of the following members:

IV. Finance, Human Resource and Administration Committee

- 1. Jacqueline Muga - Chairperson
- 2. Kathleen Kihanya
- 3. Oliver Konje
- 4. Leah Baraza
- 5. Veronica Okoth

V. Strategy, Marketing, Communications and Quality Assurance Committee

- 1. Kathleen Kihanya - Chairperson
- 2. Jacqueline Muga
- 3. Mark Bichachi
- 4. Oliver Konje
- 5. Leah Baraza

VI. Audit, Risk and Governance Committee

- 1. Mark Bichachi - Chairperson
- 2. Kathleen Kihanya
- 3. Oliver Konje
- 4. Leah Baraza

5. Veronica Okoth

The committees were formed to assist the board to carry out its functions effectively and efficiently. The following comprise the terms of reference for the three committees:

4. Finance, Human Resources and Administration Committee.

Its functions include but are not limited to:

- KEPROBA Financial oversight.
- Budget approvals.
- Human Resource development.
- Work environment policies.
- Internal and external stakeholder engagements.
- Resource mobilization policy development and implementation.
- Organizational Culture and change management

5. Strategy and Quality Assurance Committee

Its functions include but are not limited to:

- Strategic Plan development and implementation oversight.
- Performance management and appraisals.
- ISO certification.
- Performance Contracts (PC) development and Implementation.
- Export promotion and Nation Brand Programmes.

6. Audit and Governance Committee

Its functions include but are not limited to:

- Internal controls.
- Governance.
- Organizational Risks and compliance

The Board and Committee meetings are held while special board meetings are called when it is deemed necessary to do so. During the 2020/2021 financial year, the Board and its Committee held the following meetings:



Member	Full Board	Special Full Board	FHRA Committee (including special)	SMCQA Committee (including special)	Audit, Risk & Governance Committee (including special)	Ad Hoc Committee Meeting
Mr. Jaswinder Singh Bedi	6	5	0	0	0	0
Ms. Kathleen Kihanya	6	5	5	4	4	2
Ms. Jacqueline Muga	6	5	7	4	0	2
Mr. Mark Bichachi	6	5	0	3	4	2
Ms. Leah Baraza	5	5	6	4	4	2
Mr. Oliver Konje	6	5	7	4	4	2
Ms. Veronica Okoth	5	2	4	0	2	2
Dr. Wilfred Marube	6	2	4	4	0	2

8. MANAGEMENT DISCUSSION AND ANALYSIS

8.1 The Agency's Financial Performance

The Agency's total annual revenue was KShs. 505,133,043 against a total annual expenditure of KShs. 535,601,805 resulting to an annual operating deficit of KShs.30,468,762.

8.2 The Agency's Compliance with Statutory Requirements

The Agency is in compliance with various laws and regulations. Management is not aware of any non-compliance that may expose the entity to potential contingent liabilities. The Agency does not have any material arrears in statutory and other financial obligations.

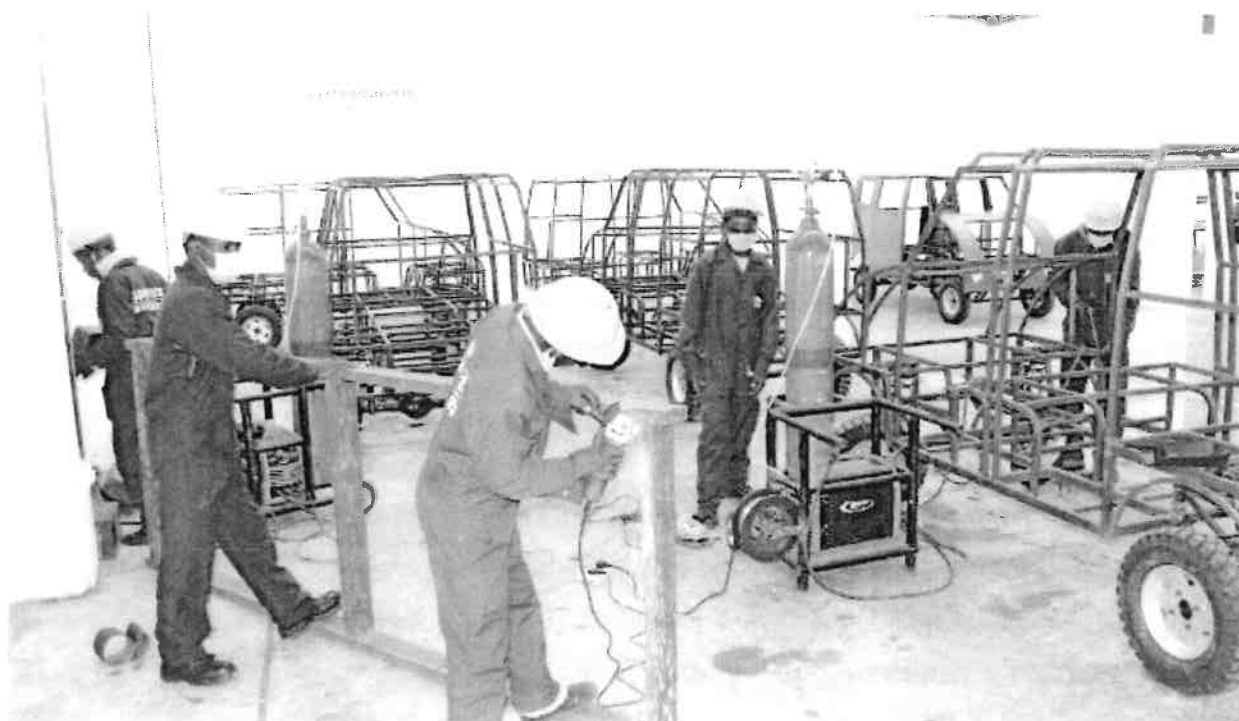
8.3 The Agency's Operational Performance

Strategic Partnership on Development of an In- Covid Integrated Marketing (IMC) Communication plan July- December 2020

In a bid to enhance the Agency's capacity in developing an in- Covid-19 Integrated Marketing Communication plan, the Agency has engaged professional experts from the Marketing Society of Kenya and The Public Relations Society of Kenya. The team kicked started the process in July 2020 and were able to develop a workplan and concepts on Marketing & Branding of Small Medium Enterprises, Brand Building programmes, Image building initiatives, positive news content generation, data research and audience segmentation strategies. The team finalized the IMC in Covid-19 plan and handed the finalized workplan to the Agency in October 2020 for roll out.

Laikipia County Engagement

The county is the innovation hub for the Kenyan Tuk-Tuk Bj 50, This name is meant to signify the 50 years of Kenyans independence and the Jubilee year. The factory is located at Sagak Automakers, The Agency team met with the management and the Bj innovator, Mr. Samuel Njogu. This is an inter parastatal effort between the Agency and MSEA to support upcoming innovators through brand positioning, profiling and exposure for more opportunities in planned events and exhibitions. During the visit the innovation was profiled through images and video clips that was shared in all Agency's platforms.



Kenyan innovators working on the Bj 50 prototypes in the Sagak Automakers factory workshop

Nyandarua County Engagement

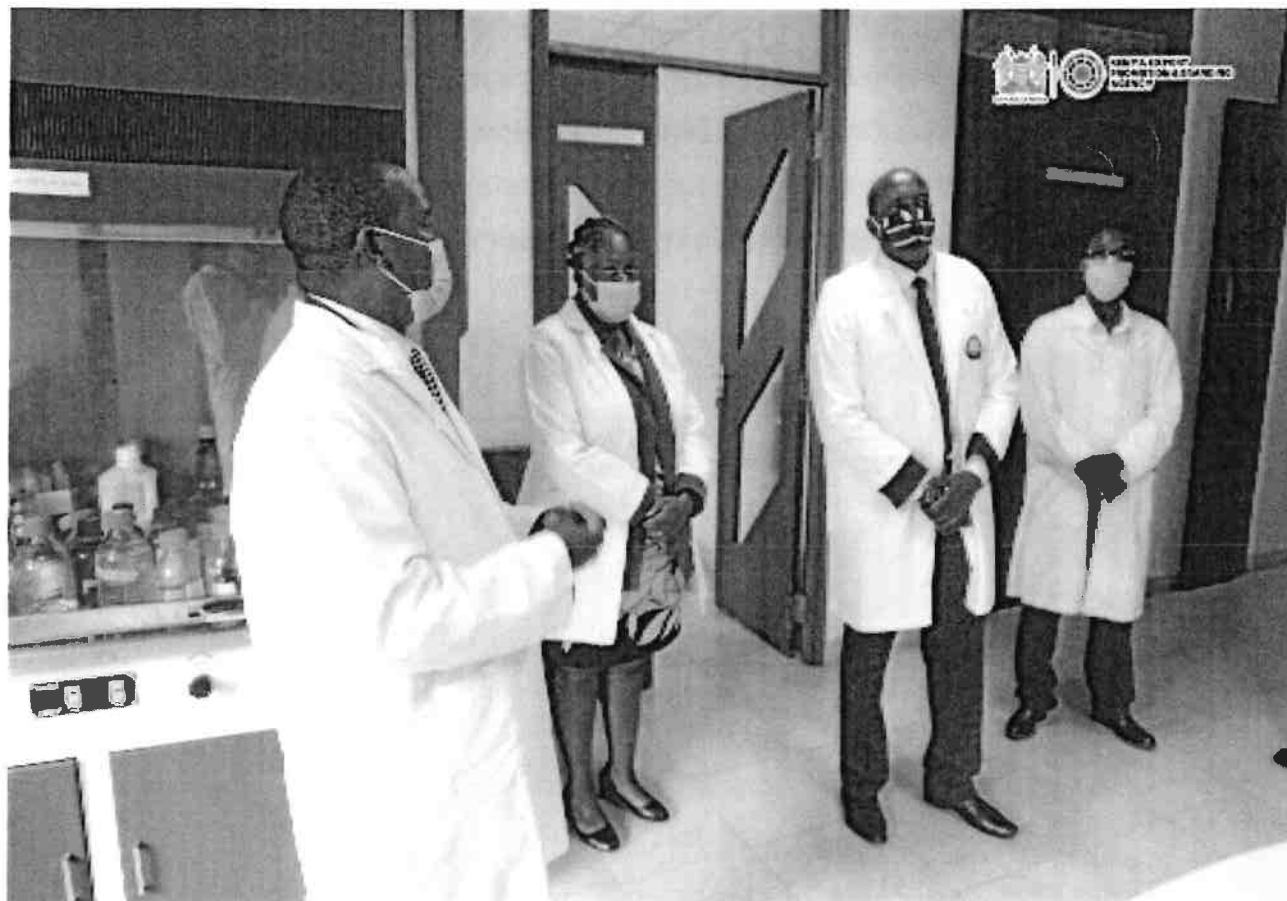
Nyandarua County is rich in production of various horticultural products. The county exports livestock, dairy, fruits, Vegetables and Flowers. The Agency team met with the Governor H.E Francis Kimemia and the County Trade officers. During the meeting the Agency 2020 Calendar of annual events was shared. Identified areas of collaborations include market access for their key export products, events and exhibitions partnership opportunities, Market linkages, content creation from the scenic export locations, market diversification and value additions for their current products through brand positioning.

Engagement with key horticultural exporters; The Agency engaged the Sunripe Ltd, which is the first exporter of frozen avocado to the Chinese market and organic vegetables in Africa. The aim of the meeting was to forge a working relationship and to initiate discussions on market diversification and market access for their current products.

Strategic meetings at the SGR Naivasha Terminus; The Agency paid a courtesy call to the SGR Naivasha Terminus to get more insights on the role the terminus plays in terms of movement of export goods /products across the country and regionally. The Agency team engaged with the management of the Naivasha Inland Depot to understand its functions and its readiness towards supporting the regional /EAC export sector. The facility is greatly improving movement of freight services between Nairobi and Mombasa that has greatly enhanced efficiency and movement of goods.

The Agency engaged KEPHIS on Export Compliance and Quality Standards

The Agency engaged Kenya Plant Health Inspectorate Service (KEPHIS) on strategies that horticultural sector exporters can apply to ensure compliance and quality standards in the exports horticultural sector. KEPHIS spearheads phytosanitary services which ensures that all planting material is free from pests and diseases and that all exported plant products are of high quality and met international standards of health and purity.



KEPHIS team and The Agency team tour the KEPHIS state of the heart lab in August 2020

Private Sector Engagements

To achieve a holistic approach in promotion of exports, The Agency engaged Kenya Private Sector Alliance (KEPSA) whose mission is ensuring yearly improvement in overall business environment of Kenya by working together with the Government and other stakeholders. This is also aligned to the agency mandate of easing the exporters pain areas through engaging strategic stakeholders.



The Agency CEO, Dr. Wilfred Marube, and KEPSA Deputy CEO, Martha Cheruto, to discuss areas of synergy between the two organizations on the increase of exports.

The Agency meets with Avocado Society with Kenya on Expanding the Avocado Sector:

The Agency met with Avocado Society to explore areas of collaboration. The two organizations will work with producers of avocados in identified counties to increase production in response to the current and envisioned market demand, quality, and standards. Discussed areas of collaboration includes packaging, branding, and labelling of the Kenyan avocado exports with the grown in the Kenya mark which targets all the agricultural products.

Content Generation and Packaging:

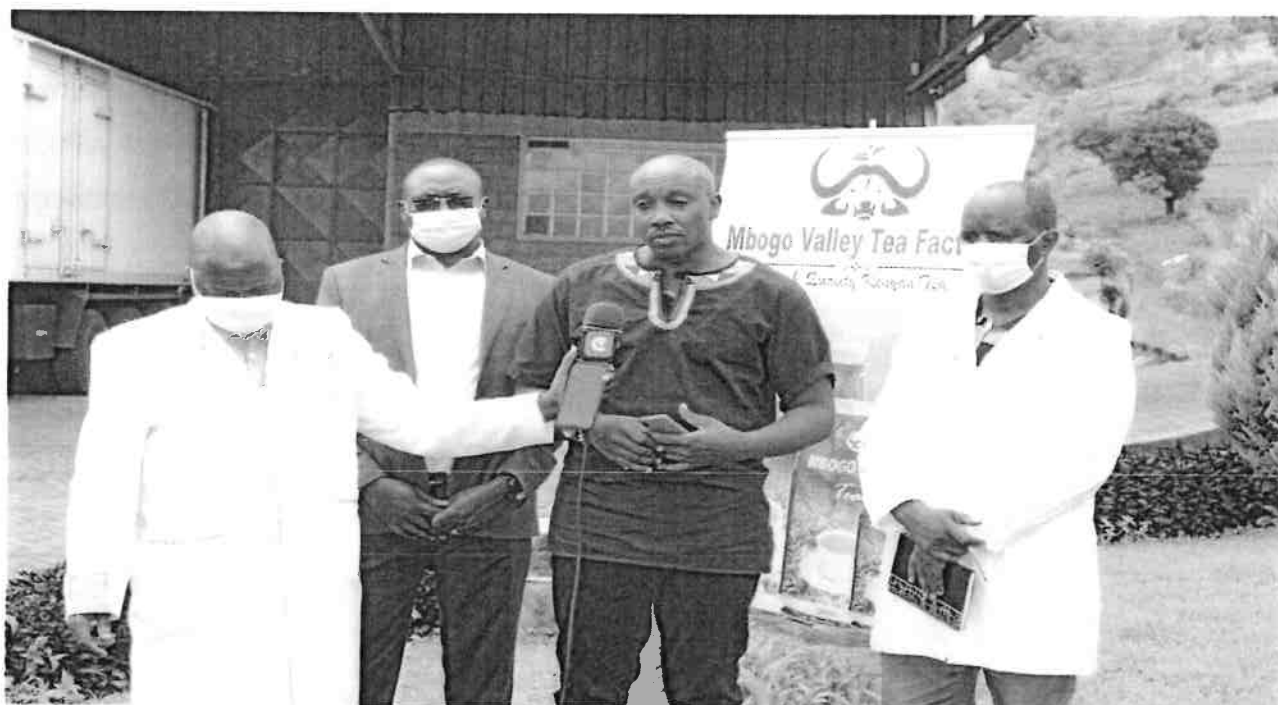
To enhance publication of content that tells the Kenyan stories. The Agency met with The Kenya Yearbook to establish areas of collaboration. The two organization will combine efforts to enhance more positive content creation, storytelling, videos and images for both local and international audience



Dr. Wilfred Marube, Mr. Edward Mwasi, CEO, Kenya Yearbook on areas of partnership on content generation on the export agenda

The Agency and Agricultural Food Authority collaboration on Tea Sector Projects

The Agency in collaboration with the Tea Directorate and University of Nairobi School of Art and Design have started a project to conduct onsite coaching and training for tea sector to enhance product packaging and design towards export readiness. The programme kick started in Bomet, Nyamira and Kericho Counties in August 2020 and will be replicated in other tea growing counties progressively.



Dr. Marube shares insights on tea growth, the potential market for Kenya's value-added tea during the launch of onsite coaching for tea producers

Kisii County Engagement

In its continued efforts to enhance and build stakeholders credibility and trust, the agency engaged the Kisii County Government on areas of collaborating towards building export ready products. Seven products we identified for brand positioning and market access in the prioritized markets. The products include Coffee (Blue Mountain Coffee) Speciality Tea (Orthodox, Green and White Teas) Soapstone, pyrethrum, Indigenous Vegetables, Bananas, Indigenous Chicken. During the four days visit, KEPROBA visited Gusii Coffee Farmers Cooperatives Union on promotion of the coffee exports, Kisii soapstone players on positioning the soapstone's for exports and market access, Itumbe Tea Factory which specializes in the production of specialty tea and the Suneka Jua Kali Association on Value addition of indigenous vegetables.

Migori County Engagements

The Agency engaged Migori County on areas of collaboration which will include identifying and profiling potential SME's and enterprises in the county for capacity building on export preparedness, product development and adaptation through onsite coaching. Products to be considered include oil seeds (Sesame and Sunflower), Cotton farming, Coffee products, Livestock products, Poultry farming, Sisal and Warehouse construction at the border post point in Isebania that will enhance trading between Kenya and Tanzania.

Kenya -Tanzania Isebania Border Issues

The Agency met with Kenya Revenue Authority (KRA) and business traders at the Isebania border post on pain areas. The discussions aimed in solving some of the existing challenges. The way forward is to seek a harmonised approach to solve the ongoing Tanzania and Kenya trade border issues. The Agency will partner with KRA in branding the border post with Kenyan products targeted in the Tanzania markets.



KEPROBA team engages with Kenya Revenue Authority Team and business traders at the Isebania Border Post Migori County on pain areas experiencing between Kenya Tanzania border post

Partnerships Towards Food Security in East Africa

The Agency CEO Dr. Wilfred Marube witnessed the handover of 170,000 litres of a pesticide that will aid in the fight against desert locusts in East Africa. Bayer East Africa donated Deltamethrin pesticide worth KShs. 100M to the governments of Kenya and Uganda. This product will be used to treat 170,000 Hectares of locust-infested land in the two countries. Dr. Marube thanked Bayer East Africa for the donation which will aid in the attainment of food security in East Africa.



KEPROBA Supported 10 Women to attend a Virtual Event (Macfruit Exhibition Held In Italy on 8th-10th September 2020)

The Agency leveraged on digital technology to hold the 37th Mac Fruit Exhibition online. The agency partnered with the International Trade Centre - She Trades project which is an initiative that provides women entrepreneurs with a unique network to connect to international markets. Ten women exhibitors were hosted at Agency's offices at Anniversary Towers during the digital fair which included a display of agricultural products, inputs and B2B forums. The exhibition ran from 8th-10th September 2020. The event was also covered by the local media.



Exhibitors pose with KEPROBA CEO Dr. Marube during the MacFruit Digital Fair

The Agency Hosted the Inaugural Webinar - How to Build Resilience for the Export Sector Amid the Covid-19 Pandemic - 23rd September 2020

The Kenya Export Promotion and Branding Agency hosted a webinar on 23rd September. The theme of the Webinar was “How to Build Resilience for the Export Sector Amid the Covid-19 Pandemic.” The Webinar was moderated by the Agency’s CEO and Chairman Mr. Jaswinder Bedi and other five panellists from the public and private sectors. The webinar had over 400 registered participants and 200 live participants. The Chief guest was the Ministry of Industrialization, Trade and Cooperatives CS Betty Maina, in presence was The State Department of Trade Principal Secretary Ambassador Weru, KENTRADE, CEO Amos Wangora, FPEAK CEO Hosea Michuki and KAM representatives.

Launch of The Integrated Marketing Communication (IMC) Strategy

The Kenya Export Promotion and Branding Agency (KEPROBA) launched a year-long Integrated Marketing Communication (IMC) strategy to help boost Kenya’s horticultural exports in order to achieve 10 percent export growth in 2020-2021. The strategy was developed by KEPROBA and

horticultural sector players Fresh Produce Exporters Association of Kenya (FPEAK), Kenya Flower Council, Fresh Produce Consortium of Kenya (FPC KENYA) ,Kenya Airways .

The IMC strategy will work towards achieving a coordinated communication program that is customer-focused and consistent thus creating a competitive advantage for Kenya's Horticultural Produce. The marketing strategy targets the European Union, the United Kingdom, Australia, the United Arab Emirates, Russia, and the United States of America.



KEPROBA Board members and representatives from FPEAK, Kenya Flower Council, FPC Kenya and Kenya Airways during the launch of the IMC Strategy

Sensitization on the Kenya-United Kingdom Economic Partnership Agreement

Kenya recently signed an Economic Partnership with the United Kingdom which is a key export market for Kenyan goods. KEPROBA hosted a webinar to sensitize the public on the benefits of the partnership. The panelists included Amb. Johnson Weru, Ms. Jane Marriott, British High Commissioner to Kenya, CS Betty Maina and KEPROBA Chairman Jas Bedi.



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WEBINAR

Sensitization on
Benefits for the Kenya - UK
Trade and Economic Partnership
Agreement (TEPA)

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In addition, KEPROBA hosted the Kenya-UK Trade Exhibition which showcased a wide range of products that Kenya exports to the United Kingdom.



An exporter displays Purple Tea during the Kenya-UK Trade Exhibition

Expo 2020 Dubai Preparations

Kenya Export Promotion and Branding Agency is Kenya's Responsible National Authority for Expo 2020 Dubai that will run from October 1st, 2021 to April 1st, 2022. The Expo will present an excellent opportunity for Kenya to maximize exposure and position itself as a source of high-quality export products, tourism experiences and investment opportunities.

The agency briefed exhibitors on the ongoing developments and requirements for them to showcase their products at the Kenya Pavilion in April 2021. Potential partners and sponsors were also contacted to participate in the expo.

Kenya presented its programming for the expo during the International Participants Meeting in May 2021. After the presentation, Australia, Sweden and the United Kingdom expressed interest in partnering with Kenya during the expo in the areas of sports, waste management and sustainability. The resource mobilization department has held meetings with potential sponsors on areas of collaboration. Black Tulip Flowers have committed to provide 100,000 rose stems for the flower activation in February 2022. Plans to secure exhibition and meeting venues for Kenyan exhibitors are at an advanced stage.

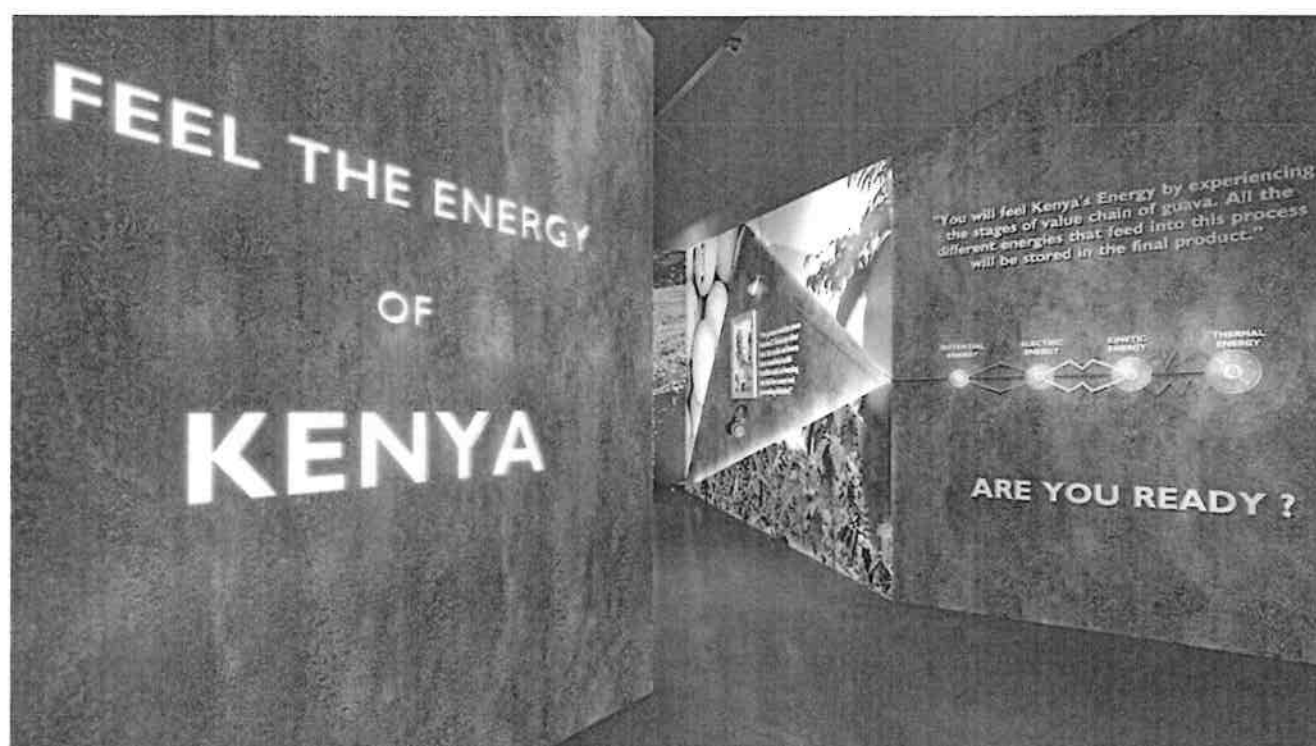


Image of the Kenya Pavilion at the Expo 2020 Dubai. Source: expo2020dubai.com

Buy Kenya Build Kenya Initiative

The Kenya Export Promotion and Branding Agency partnered with MAF Carrefour Kenya to Promote the Buy Kenya Build Kenya Initiative. Locally made goods were placed in specially branded isles with reduced prices to attract buyers. The import substitution *Buy Kenya - Build Kenya* Strategy overall objective is to promote the consumption of locally produced goods and services reducing consumption of imported goods and services and ultimately improving the balance of trade.



The Made in Kenya Aisle at Carrefour Supermarket.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Kenya Export Promotion and Branding Agency (KEPROBA) exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the Customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

Sustainability strategy and profile

The Agency is committed towards participating in community-based projects that give back to the society. Through our stakeholder engagement activities, we have been able to identify areas of collaboration that give back to society. We recognize that we must integrate our corporate values and services to improve Kenya's Image and meet the expectations of stakeholders.

Our social, economic, and environmental responsibilities to our stakeholders are integral to the Agency's focus areas. Through the various activities organized by the Agency, we are committed to demonstrate our responsibilities through actions and within the corporate policies. We are open and honest in communicating our strategies, targets, performance, and governance to our stakeholders in our continual commitment towards creating a sustainable corporate social responsibility.

Environmental performance

As an Agency, we continue to monitor activities that have a negative effect on the environment and assess the ways in which we can minimize this negative impact. For instance, through creating awareness amongst exporters on the banned pesticides for horticultural products and friendly packaging materials.

Employee welfare

The Agency's HR Manual is used to guide the hiring process. Gender ratio, ethnicity and people differently abled are also taken into consideration when hiring. The Policy is continually improved so that it is in line with new developments in the field of HR or as per government guidelines.

The Agency carries out a Training needs analysis at the beginning of the FY which is used to develop the Training Plan so as to continually train staff and ensure that they meet the requirements of their various professional bodies. The Agency also sets targets at the beginning of the FY which are derived from the Strategic Plan and the Annual Workplans. Staff are appraised at the end of the year using the set targets.

The Agency has not yet developed a safety policy but the same is planned to be developed as other policies are developed.

Market place practices

Responsible Supply chain and supplier relations

The Agency reserves 30% of its procurement to the special groups which as per the Public Procurement & Assets and Disposal Act 2015 includes women, youth, and People Living with Disabilities (PWDs). These procurement opportunities have created diverse financial benefits for the special groups as well as enhancing the GDC corporate image and reputation. The Agency will also undertake Procurement Sensitization to these special Groups so that they successfully participate in the tendering process.

Corporate Social Responsibility / Community Engagements

Kenya Export Promotion and Branding Agency's corporate social responsibility commitments are built around four categories:

Social Sustainability

Through our CSR programmes, the Agency visited Mama Fatuma's Children home in December 2020 and through voluntary contributions from Agency staff bought foodstuffs and beddings for the children.



KEPROBA'S visit to Mama Fatuma's Children Home on 12th December 2020

Environmental Sustainability

The Agency undertook a tree planting exercise on 26th May 2021 with the overall objective of accelerating actions towards the achievement of Constitutional, Vision 2030 and the Presidential Directives of 10% national tree cover, for environmental integrity and social economic development.

The tree planting activity was carried out in Uplands Forest Station, Limuru area, Lari Sub-County by the Agency staff in collaboration with Kenya Forest Service (KFS) and the Forest Adjacent Community (FAC) where 2 hectares of forest land was adopted, and 2,000 indigenous tree seedlings planted.



KEPROBA staff, Kenya Forest Service Officers, and members of Forest Adjacent Community (FAC) during the tree planting exercise on 26th May 2021.

Economic Sustainability

Small and Medium Enterprises Empowerment

The Agency empowers small and medium enterprises through the Product Development and Branding Programme carried out annually. The programme offers export training to Enterprises in the 47 counties across the country aimed at enhancing the competitiveness of export products through quality product development and value addition to help enlarge Kenya's supply base of exportable products. Selected enterprises and groups are facilitated to improve the quality of their products, packaging, expand the product range as well as meet regional and international market standards. (Insert product development photo)

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Agency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of *the Agency's* transactions during the financial year ended June 30, 2021, and of the Agency's financial position as at that date.

The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

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



Approval of the Financial Statements

The Agency's financial statements were approved by the Board of Directors on 30th September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J. Bedi', written over a horizontal line.

**MR. JASWINDER BEDI, EBS, MBS
CHAIRMAN**

A handwritten signature in black ink, appearing to be 'W. Marube', written over a horizontal line.

**DR. WILFRED MARUBE
CHIEF EXECUTIVE OFFICER**

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA EXPORT PROMOTION AND BRANDING AGENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Export Promotion and Branding Agency set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2021, and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229

Report of the Auditor-General on Kenya Export Promotion and Branding Agency for the year ended 30 June, 2021

of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Export Promotion and Branding Agency as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Export Promotion and Branding Agency Order, 2019 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Export Promotion and Branding Agency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unauthorised Board Expenses

The statement of financial performance reflects board expenses balance of Kshs.14,936,772 as disclosed in Note 12. The balance includes expenditure totalling Kshs.2,120,884 for various board retreats. However, there was no approval from the Cabinet Secretary, contrary to Head of Public Service Circular No. OB/CAB.9/1A dated 11 March, 2020 which requires that all board retreats be approved by the Cabinet Secretary responsible for the State Corporation.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of conclusion

Under Staffing

During the year under review, the Agency had in-post eighty-four (84) staff members representing 39% of the approved establishment of two hundred and sixteen (216) members of staff spread across the various functional areas. Available records reflected that the low number is attributed to inadequate funding to facilitate recruitment. The Management further explained that the inadequate staffing within the Agency is as a result of pending parastatals reforms.

Consequently, inadequate staffing may result to inadequate segregation of duties and impair service delivery to the citizens.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit 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 my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks 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 my 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

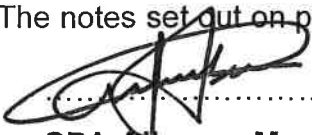
21 July, 2022





**13. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021**

		2020/2021	2019/2020
		KShs	KShs
Revenue from Non-Exchange Transactions	Notes		
Transfer from Government Institutions – Recurrent Grants	6	401,600,000	472,800,000
Other Recurrent Grants	7	10,000,000	32,075,234
Deferred Income	8	81,000,000	-
Revenue from Exchange Transactions			
Other Income	9	<u>12,533,043</u>	<u>12,252,200</u>
Total Revenue		505,133,043	517,127,434
Expenses			
Use of Goods and Services	10	287,766,758	254,470,743
Employee Costs	11	217,095,614	215,477,984
Board Expenses	12	14,936,772	11,956,789
Depreciation & Amortization Expenses	13	13,467,918	18,953,050
Repairs and Maintenance	14	2,334,745	1,838,470
Total Expenses		535,601,807	502,697,036
(Deficit)/Surplus for the Year		<u>(30,468,764)</u>	<u>14,430,398</u>

The notes set out on pages 7 to 39 form an integral part of these Financial Statements.


CPA Albanus Mumo
Manager, Fin & Accounts
ICPAK Member No. 7968
Date... 08/04/22


Dr. Wilfred Marube
Chief Executive Officer
Date... 08/04/22


Mr. Jaswinder Bedi, EBS, MBS
Chairman
Date... 08/04/22



14. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2020/2021 KShs	2019/2020 KShs
Assets			
Current Assets			
Cash and Cash Equivalents	15	574,537,379	669,082,474
Receivables from Exchange Transactions	16	30,858,831	32,732,665
Receivables from Non-Exchange Transactions	17	150,888,236	26,667,299
		756,284,446	728,482,438
Non-Current Assets			
Property, Plant and Equipment	18	25,859,035	25,765,923
Intangible Assets	19	3,680,138	4,068,011
		29,539,173	29,833,934
Total Assets		785,823,619	758,316,372
Liabilities			
Current Liabilities			
Trade Payables from Exchange Transactions	20	66,690,177	26,895,966
Payables from Non-Exchange Transactions	21	202,160,014	181,368,420
Current Provisions	22	8,900,346	11,510,140
Total Liabilities		277,750,537	219,774,527
Net Assets		508,073,082	538,541,845
Reserves	25	508,073,082	538,541,845

The Financial Statements set out on pages 1 to 43 were signed on behalf of the Board of Directors by:

CPA Albanus Mumo
Manager, Fin & Accounts
ICPAK Member No. 7968
Date... 08/04/22

Dr. Wilfred Marube
Chief Executive Officer
Date... 08/04/22

Mr. Jaswinder Bedi, EBS, MBS
Chairman
Date... 08/04/22

**15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021**

Reserves			
	General Reserve	Revaluation Reserve	Total
	KShs	KShs	KShs
Balance as at July 1, 2019	514,713,949	9,397,500	524,111,449
Surplus for the Year	14,430,398		14,430,398
Balance as at June 30, 2020	529,144,347	9,397,500.00	538,541,847
Deficit for the Year	(30,468,764)		(30,468,764)
Balance as at June 30, 2021	498,675,582	9,397,500.00	508,073,082

The total reserves include capital replacement reserve (Sinking Fund) which was KShs. 27,771,502 at the end of the financial year.

Revaluation reserve represents an increase in carrying value after revaluation of motor vehicles done on 10th August 2016.



16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	JUNE 2021	JUNE 2020
(Deficit)/Surplus for the year	(30,468,764)	14,430,398
Adjustments for: -		
Depreciation of Property Plant and Equipment	11,339,766	16,949,511
Amortisation	2,128,152	2,003,539
Operating (Deficit)/Surplus before working capital changes	(17,000,846)	33,383,448
Increase in Accounts Receivables	(122,347,101)	(6,749,317)
Increase in Accounts Payables	57,976,010	43,001,502
Net Cash flows utilized in operating activities	(81,371,937)	69,635,633
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property & equipment and Intangible Assets	(13,173,158)	(987,255)
Net cash flows utilized in investing activities	(13,173,158)	(987,255)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(94,545,095)	68,648,378
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	669,082,474	600,434,096
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	574,537,379	669,082,474

CPA Albanus Mumo

Manager Finance

ICPAK Member No. 7968

Date.....08/04/22

Dr. Wilfred Marube

Chief Executive Officer

Date.....08/04/22

Mr. Jaswinder Bedi, EBS, MBS

Chairman

Date.....08/04/22



17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

No.	Details	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Utilization
1.00	Revenue						
1.10	Transfer from Government Institutions - GOK Recurrent Grants	401,600,000	100,000,000	501,600,000	501,600,000	0	100%
1.20	Development Partners - Recurrent Grants	10,000,000	20,000,000	30,000,000	10,000,000	(20,000,000)	33%
1.30	Deferred Funds/Rolled Over Funds	374,849,019		374,849,019	374,849,019	0	100%
1.40	Sinking Fund	0	26,197,132	26,197,132	26,197,132	0	100%
1.50	A-in-A - Bank Interest	15,000,000		15,000,000	12,533,043	(2,466,957)	84%
	Total Income	801,449,019	146,197,132	947,646,151	925,179,194	(22,466,957)	98%
2.00	Expenses						
2.10	Use of Goods & Services - Admin Expenses	154,722,269	0	154,722,269	154,930,589	(208,320)	100%
2.20	Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)	291,091,591	147,501,132	438,592,723	132,836,167	305,756,556	30%
2.30	Employee Costs	322,625,159	-6,304,000	316,321,159	217,095,614	99,225,545	69%
2.40	Board Expenses	20,010,000	-2,000,000	18,010,000	14,936,772	3,073,228	83%
2.50	Depreciation & Amortization	7,000,000	7,000,000	14,000,000	13,467,918	532,082	96%
2.60	Repairs & Maintenance	6,000,000		6,000,000	2,334,745	3,665,255	39%
2.70	Total Expenditure	801,449,019	146,197,132	947,646,151	535,601,805	412,044,346	57%
3.00	Surplus for the Period	0	0	0	389,577,389	(389,577,389)	



NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The Annual Budgets are prepared on Cash basis accounting. Actual GOK grants received in the year ended 30th June ,2021 is **KShs. 502.6M**, Other Donors **COMESA RIIP Program 10M**, Deferred Fund **KShs. 374.8** and Cost Recoveries of **KShs. 12.5M**.

1.0 Revenues

1.2 Development Partners - Recurrent Grants

The variance of **KShs (20M)** is attributed to Planned donors support which did not materialise during the financial year 2020/2021.

1.5 A-in-A - Bank Interest

The variance of **KShs. (2.5)** is attributed to the Covid-19 pandemic which has led to postponement of planned Exposition, Trade fairs & exhibitions and other programmes earmarked for generation of A in A.

2.0 Expenses

2.2 Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)

The variance of **KShs. 305.8M** is attributed to the Covid-19 pandemic which has led to postponement of planned Exposition, Trade fairs & exhibitions and other programmes involving physical congregation. The activities have been deferred to Financial Year 2021/2022.

2.3 Employee Costs

Staff Costs variance of **KShs (99.2M)** is due to staff natural attrition in the year.

2.4 Directors Expenses

The variance of **KShs. 3M** is attributed to the Covid-19 pandemic which led to postponement of planned physical board activities as from March 2020.

2.6 Repairs & Maintenance

Repairs & Maintenance variance of **KShs. 3.7M** is due to postponement of planned activities deferred to Financial Year 2021/2022.



18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Export Promotion and Branding Agency (KEPROBA) is a state corporation under the State Department for Trade and Enterprise Development in the Ministry of Industrialization, Trade and Enterprise Development which was established under the State Corporations Act Cap 446 by the Kenya Export Promotion and Branding Agency Order, 2019 Legal Notice No. 110 of 9th August 2019 after the merger of the former Export Promotion Council and Brand Kenya Board.

The Agency's principal activities are implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country's image through coordinating Nation Branding initiatives and Trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Agency's financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The financial statements have been prepared and presented in Kenya shillings, which is the functional and reporting currency of the Agency.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Kenya Export Promotion and Branding Agency Order No. 110 of 9th August 2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS.	<p>Applicable: 1st January 2021</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

Standard	Effective Date and Impact
IPSAS 41: Financial Instruments	<p><i>Applicable: 1st January 2023</i></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for the instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits.	<p><i>Applicable: 1st January 2023</i></p> <p>The objective of this standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social</p>



	<p>benefits. The information provided should help users of financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> a) The nature of such social benefits provided by the entity; b) The key features of the operation of those social benefit schemes; and c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early Adoption of Standards

The Agency did not early-adopt any new or amended standards in year 2020/2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

ii) Revenue from Exchange Transactions

Rendering of Services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

Interest Income

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

b) Budget Information

The original budget for FY 2020/2021 was approved by the National Assembly on 25th June 2020 and assented by the H.E. The President on 30th June 2020, Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Agency recorded additional appropriations of KShs.146,197,132 on the 2020/2021 budget following the board's approval.

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Agency operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Revaluation will be done every five years and assets stated at valuation less accumulated depreciation and impairment losses. Any accumulated depreciation will be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Decreases that offset previous increases of same assets will be charged against the revaluation reserve. Increase in carrying amount on revaluation will be credited to a revaluation reserve in the accumulated fund. The carrying amount of replaced asset will be derecognized.

Depreciation is calculated on the straight-line basis at annual rates to write off the cost of assets over their estimated useful lives by equal annual instalments at the following rates;

(a) Motor Vehicles	25%
(b) Office Equipment	12.5%
(c) Furniture & Fittings	12.5%
(d) Computers	33.33%

e) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight-line basis at 33.33% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

g) Research and Development Costs

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

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

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

h) Financial Instruments

i) Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Agency determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Agency has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of Financial Assets

The Agency assesses at each reporting date whether there is objective evidence that a financial asset or a part of financial assets is impaired. A financial asset or a part of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a part of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Agency determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and Borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Provisions

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Contingent Liabilities

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

k) Contingent Assets

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

l) Nature and Purpose of Reserves

The Agency creates and maintains reserves in terms of specific requirements.

i) Retained Earnings

This is the portion of net income of the Agency that is retained by the corporation. If the Agency incurs a loss, then that loss reduces the corporation's retained earnings balance.

ii) Revaluation Reserve

This represents surplus on revaluation of property, plant and equipment. Three motor vehicles that had been fully depreciated were revalued in a previous financial year to reflect their current market value.

iii) Capital Reserve (Sinking Fund)

The Agency makes provision for the renewal of depreciating assets by maintaining a sinking fund with balances sufficient to replace the assets on a need basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

m) Changes in Accounting Policies and Estimates

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

n) Employee Benefits

i) Retirement Benefit Plans

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The Agency currently contributes to a defined contribution pension scheme at the rate of 20% of basic pay and to the National Social Security Fund (NSSF) as provided in the relevant statute.

ii) Employee Entitlements

The estimated monetary liability for accrued employee annual leave entitlement at the statement of financial position reporting date is recognized as an expense in the statement of financial performance and accrued in the statement of financial position. Employee's entitlement to gratuity are recognized when they accrue and a provision for the liability is made in the statement of financial position.

o) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Related Parties

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

q) Cash and Cash Equivalents

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

r) Comparative Figures

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

s) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

i) Estimates and Assumptions

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

ii) Useful Lives and Residual Values

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

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

iii) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Revenue

Transfer from Ministries, Departments and Agencies

Name of Entity Sending the Grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred Income	Amount recognized in capital fund	Total grant income during the FY 2020/2021	FY 2019/2020
	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
State Department for Tourism	-	-	-	-	140,000,000
State Department for Trade & Enterprise Development	501,600,000	-	-	501,600,000	413,800,000
Sub-Total	501,600,000	-	-	501,600,000	553,800,000
Less Deferred Funds (Expo 2020 Dubai)	(100,000,000)	-	-	(100,000,000)	(81,000,000)
Total	401,600,000	-	-	401,600,000	472,800,000



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Other Donor Recurrent Grants

Description	2020/2021	2019/2020
	<i>KShs</i>	<i>KShs</i>
COMESA RIIP	10,000,000	10,000,000
The Peoples Republic of China	-	22,075,234
Total	10,000,000	32,075,234

8. Deferred Income

Description	2020/2021	2019/2020
	<i>KShs</i>	<i>KShs</i>
Funds carried forward from the previous FY	81,000,000	-
Total	81,000,000	-

9. Other Income

Description	2020/2021	2019/2020
	<i>KShs</i>	<i>KShs</i>
Bank Interest Income	12,533,043	11,667,200
Revenue from provision of service	-	585,000
Total	12,533,043	12,252,200



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.	USE OF GOODS AND SERVICES	KShs	KShs
		2020/2021	2019/2020
	(a) ADMINISTRATIVE EXPENSES		
	Office Rent and Service Charge	42,706,075	42,708,237
	Travelling Expenses	3,515,019	10,458,534
	Medical Insurance Expenses	35,349,823	29,619,923
	Recruitment and Training	21,637,091	11,790,972
	Telephone	963,684	1,099,871
	Printing and Stationery	1,847,992	2,502,183
	Motor Vehicle Expenses	4,762,099	3,903,640
	General Insurance	1,235,420	2,532,217
	Postal and Internet Expenses	2,073,732	5,105,693
	Legal and Professional Fees	1,790,908	1,620,532
	Professional Membership Subscriptions	-	113,055
	Newspapers and Magazines	142,350	251,382
	External Auditors' Fees	348,000	970,000
	Club Subscriptions	3,591,275	4,244,785
	Entertainment Expenses	271,545	297,471
	Catering Expenses	2,503,576	2,909,291
	Cleaning Services	1,678,892	1,757,335
	Internal Audit	90,915	109,040
	Advertising	2,496,013	140,294
	Staff Induction and Merger Expenses	13,443,663	9,124,371
	Database Development	5,150,748	-
	Computer Software Upgrade	681,929	-
	Computer Licenses	4,499,424	-
	Registry/Library Expenses	335,400	-
	Corporate Social Responsibility	314,962	-
	Covid -19 Expenses	1,390,353	-
	Procurement Costs	844,038	-
	Finance and Budgeting	49,200	-
	Office Relocation costs	777,600	-
	Bank charges	438,865	624,853
	Sub-Total	154,930,589	131,883,678



	(b) OTHER OPERATING EXPENSES		
	Expo expenses	25,378,813	40,223,480
	Fairs and exhibitions	25,294,326	20,998,319
	Trade promotion, Export Research, and publicity	17,386,672	21,472,892
	Kenya Trade Week & KEYA Awards and Advertising	-	8,397,185
	Nation Brand Development, Marketing and Communication	40,575,089	22,003,287
	ISO Certification	1,158,480	58,000
	Performance Contracting Expenses	432,000	329,570
	CBIK Expenses	1,925,820	3,053,592
	Stakeholders Management	10,669,846	-
	Strategic Plan Development, Evaluation & Review	10,015,124	6,050,740
	Provision for Doubtful Debt	-	4,548,870
	Sub-Total	132,836,169	122,587,065
	Total	287,766,758	254,470,743
11.	EMPLOYEE COSTS		
	Basic Pay	120,847,851	111,237,235
	Other Remunerative Allowances	50,631,096	57,795,326
	Other Personnel Costs	1,169,297	6,725,230
	Leave Allowance	2,934,169	2,300,377
	Staff Welfare Costs	2,046,898	2,816,412
	Casual, Internship & Industrial Attachment Costs	100,000	2,505,066
	Pension Costs	13,186,990	15,330,443
	Gratuity Costs	18,490,685	12,003,909
	Staff Telephone Allowance	5,864,679	4,747,317
	Provision for Accrued Leave	-	(1,372,606)
	Group Life Insurance	1,606,950	1,262,674
	Social Security Costs	217,000	126,600
	Total	217,095,615	215,477,984
12.	BOARD EXPENSES		
	Chairman's Honoraria and Telephone Allowance	1,054,853	912,194
	Board Sitting Allowances	11,573,599	7,621,100



	Travel, Accommodation and Other Expenses	2,308,320	3,423,495
	Total	14,936,772	11,956,789
13.	Depreciation and Amortization		
	Depreciation of Property, Plant and Equipment	11,339,766	16,949,511
	Amortisation of Intangible Assets	2,128,152	2,003,539
	Total	13,467,918	18,953,050
14.	Repairs and Maintenance		
	Repairs and Maintenance – Office Equipment		763,120
	Repairs and Maintenance – Furniture & Fittings	2,334,745	275,734
	Repairs and Maintenance - Computers		799,616
	Repairs and Maintenance - software		
	Sub total	2,334,745	1,838,470

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Cash and Cash Equivalents

Description	2020/2021	2019/2020
	KShs	KShs
Investment in Call Deposit	797,891	797,891
Bank and Cash Balances	573,739,488	668,284,583
Total	574,537,379	669,082,474

15 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2020/2021	2019/2020
		KShs	KShs
(a) Kenya Commercial Bank (Brand Kenya Board)	1110627041	498,303,038	485,777,486.70
(b) Kenya Commercial Bank (Main)	1104822008	63,152,647	177,515,946.04
(c) Kenya Commercial Bank (CBIK)	1104823411	5,568,192	121,375.25
(d) Kenya Commercial Bank (Participation)	1104715384	747,173	754,070.27
(e) Kenya Commercial Bank (DANIDA)	1104823934	5,818,373	3,990,503.96
(f) Kenya Commercial Bank (Dollar)	1129327957	15,905	18,472.63



(g) Kenya Commercial Bank (Euro)	1129328007	18,456	21,025.70
(h) Housing Finance- Call Deposit Account	SD 200-0001013	797,891	797,891.01
(i) Cash in Hand (Petty Cash)	-	115,704	85,702
Total		574,537,379	669,082,474

The cash is held in Kenya Commercial Bank, University Way & Capital Hill Branches and Housing Finance Company and includes KShs. 27,771,502 being the balance of the capital replacement reserve (sinking fund).

16. Receivables from Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
State Department of Trade	4,548,870	4,548,870
Prepayments	26,309,961	28,183,795
Total	30,858,831	32,732,665

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Receivables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Travel Imprest & Other Advances	17,192,130	2,370,103
Staff Car Loans	33,696,106	24,297,196
Supplementary GoK Grant Receivable	100,000,000	-
Total	150,888,236	26,667,299

18. Property, Plant & Equipment

	Office Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total
Cost/Valuation	KShs	KShs	KShs	KShs	KShs
As at 1 July 2019	34,501,899	63,838,509	48,713,313	79,677,842	226,731,562
Additions	30,000	957,255	-	-	987,255
Disposals	-	-	-	-	-
At 30 June 2020	34,531,899	64,795,764	48,713,313	79,677,842	227,718,817
Additions	5,312,078	5,602,920	517,880	-	11,432,878
At 30 June 2021	39,843,977	70,398,684	49,231,193	79,677,842	239,151,695
Depreciation					
At 1 July 2019	27,508,183	50,566,521	41,237,298	65,691,380	185,003,381
Depreciation	1,708,795	5,442,402	1,607,416	8,190,901	16,949,513
Disposals	-	-	-	-	-
At 30 June 2020	29,216,977	56,008,923	42,844,714	73,882,281	201,952,894
Depreciation	1,895,514	5,301,626	1,366,751	2,775,875	11,339,766
At 30 June 2021	31,112,491	61,310,549	44,211,465	76,658,156	213,292,660
Net Book Values					
At 30 June 2021	8,731,486	9,088,135	5,019,728	3,019,686	25,859,035
At 30 June 2020	5,314,921	8,786,841	5,868,599	5,795,561	25,765,923

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Intangible Assets - Software

Description	2020/2021	2019/2020
	KShs	KShs
Cost		
At Beginning of the Year	22,995,014	22,995,015
Additions	1,740,280	-
At the End of the Year	24,735,294	22,995,015
Amortization		
At Beginning of the Year	18,927,004	16,923,465
Additions	2,128,152	2,003,539
At the End of the Year	21,055,156	18,927,004
NBV	3,680,138	4,068,011

The Agency has software that cost KShs. 24,735,295 which is has net book value of KShs. 3,680,139.

20. Trade and Other Payables from Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Trade Payables	66,690,177	26,895,966
Total	66,690,177	26,895,966

21. Payables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Payroll Liabilities	515,739	(332,424)
Deferred Income	100,000,000	81,000,000
Staff Car Loan & Mortgage Scheme	101,644,275	100,700,844
Total	202,160,014	181,368,420

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Current Provisions

Description	2020/2021	2019/2020
	KShs	KShs
Current Provisions (Leave)	4,562,621	4,562,620
Provision for Staff Gratuity	4,337,725	6,947,520
Total	8,900,346	11,510,140

23. Deferred Income

Description	2020/2021	2019/2020
	KShs	KShs
National Government	100,000,000	81,000,000
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	100,000,000	81,000,000

The deferred income movement is as follow:

	National Government	International Funders	Public Contributions & Donations	Total
	KShs	KShs	KShs	KShs
Balance Brought Forward	81,000,000	-	-	81,000,000
Additions	100,000,000	-	-	100,000,000
Transfer to Capital Fund	-	-	-	-
Transfer to Income Statement	(81,000,000)	-	-	(81,000,000)
Other Transfers	-	-	-	-
Balance Carried Forward	100,000,000	-	-	100,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash Generated from Operations

	2020/2021	2019/2020
	KShs	KShs
(Deficit)/Surplus for the Year Before Tax	(30,468,764)	14,430,668
Adjusted for:		
Depreciation	11,339,766	16,949,511
Amortization	2,128,152	2,003,539
Working Capital Adjustments		
Increase in Receivables	(122,347,101)	(6,749,317)
Increase in Payables	57,976,010	43,001,502
Net Cash Flow from Operating Activities	(81,371,937)	69,635,633

25. Reserves

Description	General Fund	Revaluation Reserve	Total Reserves
	KShs	KShs	KShs
Balance Brought Forward 1 st July 2019	514,713,949	9,397,500	524,111,449
Surplus for the year 2019/2020	14,430,398	-	14,430,398
Balance as at 30 th June 2020	529,144,347	9,397,500	538,541,847
Deficit for the year 2020/2021	(30,468,764)	-	(30,468,764)
Total	498,675,583	9,397,500	508,073,082

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Financial Risk Management

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The Agency does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Agency's financial risk management objectives and policies are detailed below;

i) Credit Risk

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Agency's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows;



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Total Amount	Fully Performing	Past Due	Impaired
At 30 June 2021	KShs	KShs	KShs	KShs
Receivables from Exchange Transactions	30,858,831	30,858,831	-	-
Receivables from Non-Exchange Transactions	150,888,236	150,888,236	-	-
Bank Balances	574,537,379	574,537,379	-	-
Total	756,284,446	756,284,446	-	-
At 30 June 2020				
Receivables from Exchange Transactions	32,732,665	32,732,665	-	-
Receivables from Non-Exchange Transactions	26,667,299	26,667,299	-	-
Bank Balances	669,082,474	669,082,474	-	-
Total	728,482,438	728,482,438	-	-

The customers under the fully performing category are paying their debts as they continue operating. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Agency has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Board of Directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Agency's directors who have built an appropriate liquidity risk management framework for the management of the Agency's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The table below represents cash flows payable by the Agency under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 Month	Between 1 – 3 Months	Over 3 Months	Total
At 30 June 2021	KShs	KShs	KShs	KShs
Trade Payables	66,690,177	-	-	66,690,177
Employee Benefit Obligations	8,900,346	-	-	8,900,346
Total	75,590,523	-	-	75,590,523
At 30 June 2020				
Trade Payables	26,895,966	-	-	26,895,966
Employee Benefit Obligations	11,510,140	-	-	11,510,140
Total	38,406,106	-	-	38,406,106

iii) Market Risk

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rest with the Audit and risk Management Committee.

The Agency's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

and for the day-to-day implementation of those policies. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign Currency Risk

The Agency has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

b) Interest Rate Risk

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from the bank deposits. This exposes the Agency to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits.

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Fair Value of Financial Assets and Liabilities

Financial Instruments Measured at Fair Value

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions.

The Agency does not hold any financial instruments hence no disclosure of fair values of financial instruments not measured at fair value has been made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

iv) Capital Risk Management

The objective of the Agency's capital risk management is to safeguard the Agency's ability to continue as a going concern. The Agency's capital structure comprises of general fund and revaluation reserve as follows;

Description	2020/2021	2019/2020
	KShs	KShs
General Fund	498,675,855	529,144,347
Revaluation Reserve	9,397,500	9,397,500
Total Funds	508,073,355	538,541,847
Total Borrowings	-	-
Less: Cash and Bank Balances	574,537,379	669,082,474
Net Debt (Excess Cash and Cash Equivalents)	574,537,379	669,082,474
Gearing	-	-

27. Related Party Balances

Nature of Related Party Relationships

Entities and other parties related to the Agency include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Agency is a state corporation fully owned by the Government of Kenya under the Ministry of Industrialization, Trade and Enterprise Development. The Agency received recurrent grants of Kshs.501,600,000 from the National Treasury through the State Department for Trade and Enterprise Development.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/2021	2019/2020
Transactions with related parties	KShs	KShs
(a) Grants from the Government		
Grants from National Government	501,600,000	553,800,000
(b) Key Management Compensation		
Directors Emoluments & Other Expenses	14,936,772	11,956,789
Compensation to Key Management	100,678,821	77,965,266
Total	115,615,593	89,922,055

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Events after the Reporting Period

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

29. Currency

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

30. Contingent Liabilities

The Agency has two ongoing litigations by former employees. One case is by a former Brand Kenya Board employee (Industrial case no. 1441 of 2014) for work injury and other claims for a total of KShs. 7,455,496. The other case is by former Brand Kenya Board Chief Executive Officer for alleged wrongful dismissal. The outcome of the cases cannot be accurately determined as at the end of the financial year.

31. Capital Commitments

The Agency has capital commitments for development and implementation of an e-portal and ERP system.

Capital Commitments	2020/2021	2019/2020
	KShs	KShs
Authorised and contracted for e-portal development	34,974,000	-
Authorised and contracted for ERP system development	24,049,443	-
Total	59,023,443	0

32. Ultimate and Holding Entity

The Agency is a State Corporations under the Ministry of Industrialization, Trade and Enterprise Development.



33. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

Ref. No. on External Audit Report	Issue/ Observations from Auditor	Management Comments	Focal Point Person to Resolve the Issue.	Status	Timeframe
N/A	N/A	N/A	N/A	N/A	N/A

Dr. WILFRED MARUBE
CHIEF EXECUTIVE OFFICER

DATE: 08/07/22

MR. JASWINDER BEDI, EBS, MBS
CHAIRMAN, BOARD OF DIRECTORS

DATE: 08/07/22

APPENDIX 2: PROJECTS IMPLEMENTED BY THE AGENCY

There were no projects implemented by the Agency which were funded by development Partners.

Project Title	Project Number	Donor	Period/Duration	Donor Commitment	Separate Donor Reporting Required as per the Donor Agreement	Consolidated in these Financial Statements
N/A	N/A	N/A	N/A	N/A	N/A	N/A



APPENDIX 3: INTER-ENTITY TRANSFERS

Kenya Export Promotion and Branding Agency			
Break Down of Transfers from the State Department for Trade and Enterprise Development FY 2020/2021			
(a) Recurrent Grants	Bank Statement Date	Amount (KShs)	FY to which Amounts Relate
	08/10/2020	100,400,000	2020/2021
	29/01/2021	100,400,000	2020/2021
	16/04/2021	100,400,000	2020/2021
	13/05/2021	100,400,000	2020/2021
	05/07/2021	100,000,000	2020/2021
	Total	501,600,000	

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



APPENDIX 4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of MDA / Donor Transferring the Funds	Date Received as per Bank Statement	Nature: Recurrent / Development / Others	Total Amount (KShs)	Where Recorded	Total Transfers During the Year
				<i>Statement of Financial Performance</i>	
N/A	N/A	N/A	NIL	N/A	NIL

There were no transfers from other government entities in the FY 2020/2021.

