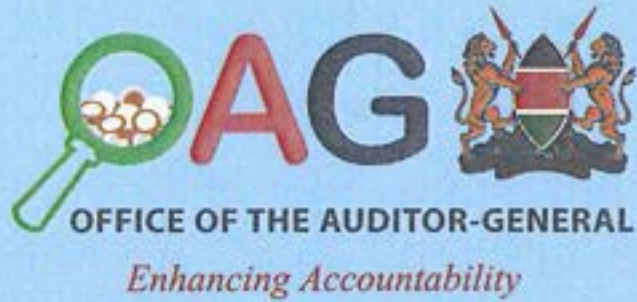


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA EXPORT PROMOTION AND
BRANDING AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



**KENYA EXPORT
PROMOTION & BRANDING
AGENCY**



ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2023**

**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 in the Ministry of Investments, Trade and Industry 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 guided the Agency's strategies and programme activities during the period.

- 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 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Chief Executive Officer/ Director Resource Mobilization & Stakeholder Engagement	Ms. Floice Mukabana
2.	Chief Executive Officer (Term Expired on 17th May 2023)	Dr. Wilfred Marube
3.	Ag. Director Corporate Strategy, Planning & Quality Assurance	Ms. Celestine Rono
4.	Ag. Director, Product & Market Development	Mr. Austin Macheso
5.	Ag. Director, Research & Innovation	Mr. Peter Ochieng
6.	Ag. Director, Nation Brand Development, Marketing & Communication	Ms. Maureen Mambo
7.	Ag. Director, Resource Centre	Mr. Reuben Wanjala
8.	Manager, Internal Audit	Mr. Victor Odindo
9.	Head of Supply Chain Management	Mr. Domnick Airo
10.	Ag. Corporation Secretary and Manager Legal Services	Mr. Ian Leteipan



e) Fiduciary Oversight Arrangements

The Board has three principal committees which meet under defined terms of reference set by the Board members. These committees comprise of the following members:

i. Finance, Human Resource and Administration Committee

1. Mulki Warsame – Chairperson
2. Dr. Grace Kinya Muriithi
3. Leah Aywah
4. Alfred Ombudo K'Ombudo (or his alternate)
5. Ambrose Ogango

ii. Strategy, Marketing, Communication and Quality Assurance Committee

1. Dr. Grace Kinya Muriithi (Chairperson)
2. Mafaka Michael Ngugi Karanja
3. Mulki Warsame
4. Alfred Ombudo K'Ombudo (or his alternate)
5. Ambrose Ogango
6. Leah Aywah

iii. Audit Risk and Governance Committee

1. Mafaka Michael Ngugi Karanja (Chairperson)
2. Dr. Grace Kinya Muriithi
3. Leah Aywah
4. Alfred Ombudo K'Ombudo
5. Ambrose Ogango

iv. Ad Hoc Committee on Recruitment

1. Evans Achoki (Chairperson)
2. Mafaka Michael Ngugi Karanja
3. Mulki Warsame
4. Dr. Grace Kinya Muriithi
5. Ambrose Ogango
6. Leah Aywah



Functions of the Committees of the Board

i. Finance, Human Resource and Administration Committee

- Financial oversight
- Budget approvals
- Human resource development
- Work environment policies
- Organizational culture and change management
- Resource mobilization policy development and implementation

ii. Strategy, Marketing, Communication and Quality Assurance Committee

- Strategic plan development and implementation oversight
- Performance management and appraisals
- ISO certification
- Performance Contracts (PC) development and implementation
- Export promotion and Nation Branding Programmes

iii. Audit Risk and Governance Committee

- Internal controls
- Governance
- Organizational Risks and compliance

Headquarters

Kenya Export Promotion and Branding Agency

Anniversary Towers 16th Floor

University Way

P. O. Box 40247 – 00100

Nairobi, Kenya

Contacts

Tel: +254-20-2228534-8

Office Mobile: +254-722-205875, +254-734-228534

Fax: +254 -20-2228539/

Email: chiefexe@brand.ke

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

Independent Auditors

Auditor - General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

Nairobi, Kenya



**KENYA EXPORT
PROMOTION & BRANDING
AGENCY**

*Annual Report and Financial Statements
For the Year ended June 30, 2023*

Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 - 00200

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.



**Dr. Bruno Linyiru
Alt. to PS, State Department for Trade
(Served up to 12th April 2023)**

D.O.B. 06/10/1969

Dr. Linyiru is the Secretary of Trade at the State Department for Trade and Enterprise Development.

He holds a PhD in Entrepreneurship from JKUAT, MBA Finance and Bachelor of Commerce-Accounting from the University of Nairobi. He holds a PostGraduate Diploma from Maastricht Netherlands and is a member of the Institute of Certified Public Accountants of Kenya.

He has served as a board member in various State Corporations and Ministerial Committees and has been a Finance and enterprise practitioner with over 25 years of both strategic and operational level experience in both Central government and State Enterprises.

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



Mr. Ambrose R.M Ogango
Alt. to PS, The National Treasury

D.O.B. 21/04/1970

Mr. Ambrose is the Head of the Finance Unit at the National Treasury in the position of Senior Chief Finance Officer. He is a career Public Servant having served the Service for about 30 years in various Ministries and Constitutional Commissions, initially as an Economist and now a Finance Officer with wealth of experience in budget planning, preparation, reviews, and execution among other areas. He holds a master's in arts (Economics) Degree of Kenyatta University, and he is a member of the Economists Society of Kenya (ESK).

He has previously served on other Boards as Alternate Director to PS National Treasury and PS Trade.



Ms. Leah Aywah
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 Finance, HR and Administration Committee; Strategy, Marketing, Communication and Quality Assurance Committee; and Audit, Risk and Governance Committee.



**Mr. Mafaka Michael Ngugi Karanja
Independent Director (Appointed on
19th May 2023)**

D.O.B. 05/07/1973

Mr Mafaka Michael holds a bachelor's degree in Executive Master of Governance and Leadership from Jomo Kenyatta University of Agriculture and Technology and an Honorary Doctorate, Doctor of Humane Letters from Breakthrough International Bible University. Mafaka is also an established entrepreneur with over three years' experience in real estate with a strong network of contacts and resources.

He is an experienced community policy member with a proven track record of successfully advocating for the needs and concerns of local residents and is also skilled in developing and implementing effective community programs and working collaboratively with government agencies and stakeholders to achieve positive outcomes.

He is highly organized and driven, with a commitment to providing efficient and effective service.



**Dr. Grace Kinya Muriithi
Independent Director (Appointed on
19th May 2023)**

D.O.B. 01/10/1957

Dr. Grace holds a bachelor's degree in dental surgery (BDS) and master's degree in public health (MPH) from the University of Nairobi. She has experience of over 30 years working with country governments, country partners and donors, while on employment and as a private consultant. Grace has worked as a Dental Officer rising to Deputy Director of Medical Services in the Ministry of Health Kenya; Training Program Coordinator with AMREF Health Africa, Regional Advisor for USAID/Office of Foreign Disaster Assistance Africa Regional Office (OFDA ARO), and Technical Primary Health Care Advisor with the Belgium Technical Cooperation (BTC) in Tanzania.

Dr. Grace is one of the founders of Health Economic Finance and Development Consortium (HEFDC) Group in 2003, and she is currently the CEO/Director of Programs. As a consultant she has headed various international teams as Project Manager, Project Director, or Team Leader respectively. She has successfully delivered work on behalf of the HEFDC Group for the Global Fund in several counties' portfolios.



	<p>Dr. Grace has diverse experience working with:</p> <ul style="list-style-type: none">• Multi-disciplinary international teams in provision of multiple professional services to diverse clients including WHO, UNICEF, UNAIDS, and the Global Fund.• several countries in East, South and West Africa, for Global Fund, USAID/OFDA, and Belgium Technical Cooperation (BTC) over her career life. And recently, since 2016 she has worked as a Project Manager for Global Fund various services provision by HEFDC in: Botswana, Cameroon, Eritrea, Eswatini, Malawi, Nigeria, Rwanda, South Sudan, Zambia, and Tanzania.
 <p>Mrs. Mulki Warsame Mohamed Independent Director (Appointed on 23rd May 2023)</p>	<p>D.O.B. 11/04/1984</p> <p>Mrs. Mulki Warsame holds a bachelor's degree in business management (Human Resource Option) from the East African University and an Advanced Diploma in Human Resource Management from (ABMA), UK- Universal Group Colleges-Nairobi. She is a seasoned Human Resource Management professional with over 15 years of experience working in the government sector, ascending to senior management roles.</p> <p>A socio-economic transformation champion with a stellar record of philanthropy and demonstrative service to the achievement of the public good. She is passionate about improving the lives and prospects of the people in line with the 2030 Agenda for Sustainable Development.</p>



 <p>Mr. Mark Bichachi Independent Director (Served up to 18th May 2023)</p>	<p>D.O.B. 01/04/1984</p> <p>Mr. Bichachi is a communication strategist. He holds a Bachelor of Science in Instrumentation and Control Engineering.</p> <p>He is the founder and Managing Director of Dia Group of Companies, Dia Consult Limited and a Director of Clouds Digital, Tanzania.</p> <p>He is the chairperson of the Strategy, Marketing, Communication and Quality Assurance and a member of the Finance, HR and Administration Committee and Audit, Risk and Governance Committee of the Board</p>
 <p>Ms. Jacqueline Muga Independent Director (Served up to 18th May 2023)</p>	<p>D.O.B. 06/06/1977</p> <p>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.</p> <p>She is the General Manager at Eliud & Associates Management Consultants. She formerly worked for Cooperative Bank of Kenya.</p> <p>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.</p>
	<p>D.O.B. 16/07/1959</p> <p>Mr. Josiah M'Mbogori is a retired teacher with over 33 years of teaching experience in both the Kenyan and International Curriculum. He has acquired useful teamwork skills as an Instructor at the Outward-Bound Mountain school in Loitokitok and later an award leader with the President's Award Scheme. He has led many expeditions many of them impacting the neighbouring communities in conservational and tree planting activities. Mr M'Mbogori is also bi-lingual</p>



Mr. Josiah M'Mbogori
Independent Director
(Served up to 18th May 2023)

French- English, English – French, and thus able to breach the Francophone/Anglophone barrier.

He is innovative, determined and always prepared to go the extra mile to help in achieving the organisations objectives.

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.



Ms. Floice Mukabana
**Ag. CEO and Director, Resource
Mobilization and Stakeholder
Engagement**

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

Ms. Floice 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.



Dr. Wilfred Marube
Chief Executive Officer
(Term Expired on 17th May 2023)

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 a board member of the International Trade Centre (ITC) Advisory Board. He has previously served as the vice president and president of the Public Relations Society of Kenya. He is also a former board member of the Global Alliance for Public Relations and Communication Management Board and as the delegate-at-large for Africa.



3. MANAGEMENT TEAM



Dr. Wilfred Marube
Chief Executive Officer
(Term Expired on 17th May 2023)

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 a board member of the International Trade Centre (ITC) Advisory Board. He has previously served as the vice president and president of the Public Relations Society of Kenya. He is also a former member of the Global Alliance for Public Relations and Communication Management Board and as the delegate-at-large for Africa.



Ms. Floice Mukabana
**Ag. CEO and Director, Resource
Mobilization and Stakeholder
Engagement**

Ms. 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 i., 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**

Ms. 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 Africa practice 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, Corporate Strategy,
Planning & Quality Assurance**

Ms. 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 Airo
**Manager, Supply Chain
Management**

Mr. Airo 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.



Mr. Ian Leteipan

**Ag. Corporation Secretary and
Manager Legal Services**

Mr. Leteipan holds a Post Graduate Diploma from the Kenya School of Law and a Bachelor of Laws from the University of Nairobi. He is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya. He is also a trained Arbitrator and Mediation Expert. He has a wealth of experience having worked as a State Counsel at the Office of the Attorney General in the Civil Litigation Department (Commercial & Arbitration Section).



4. CHAIRMAN'S STATEMENT

I am pleased to forward the Annual and Financial Report for the 2022-2023 Financial Year.

The World Bank projects the global economy to grow by just 1.7% in 2023, down from an estimated 3% in 2022. Key reasons for the slowdown include high inflation, rising interest rates tightened monetary policy, and continuing supply chain disruptions.

Fitch Ratings expects continued tightening of global financing conditions in 2023 to weigh on Africa's growth. However, commodity exports and domestic demand are seen as stabilizing factors for economic performance. The Agency projects Kenya's real GDP growth at 5.6% in 2023. (Fitch Ratings)

Kenya's economy showed resilience in 2022, with GDP growth projected at 5.5%, down from 7.5% in 2021. Agriculture, forestry and fishing contracted due to drought conditions, but service sectors including ICT, finance and insurance expanded steadily. Inflation rose to an average of 8.3% driven by high food, fuel and import prices globally. The current account deficit widened to 5.3% of GDP due to increased imports and weakening of the Kenyan Shilling against major currencies such as the US dollar.

Domestic export constraints included unreliable weather, high freight costs, trade barriers and challenges meeting international standards. But export promotion efforts through trade agreements, addressing transport hurdles and improving productivity can boost competitiveness.

Bottom-Up Economic Transformation Agenda (BETA)

The Kenyan government under H.E President William Samoei Ruto has outlined broad policy priorities and growth objectives in its Bottom-Up Economic Transformation Agenda (BETA) 2022.



The Agenda aims to accelerate economic recovery from COVID-19 impacts and achieve sustainable development through broad-based empowerment. It targets GDP growth of over 10% by boosting manufacturing, agriculture, housing, healthcare and the digital economy.

Key areas of focus include:

- Increasing agricultural productivity through expanded irrigation, inputs and mechanization. This will support Agro-processing and growth of associated manufacturing.
- Expanding affordable housing and strengthening the construction industry value chain.
- Investing in digitization initiatives like digital infrastructure, systems and youth skills development.
- Operationalizing Special Economic Zones in priority sectors to attract investment.
- Promoting export-oriented manufacturing including textiles and apparels.
- Enhancing market access and competitiveness for MSMEs.
- Leveraging diaspora skills and investments to support industrialization.

The BETA sets an ambitious pro-business and enterprise focus aimed at achieving high growth that tangibly improves livelihoods.

While the policy direction emphasizes manufacturing-led growth, traditional exports largely agricultural-based such as tea, coffee and horticulture, among others, will also remain to be important pillars. Overall, BETA presents opportunities across all key sectors from agriculture to industry, services and trade. However, its success will depend on prudent fiscal management, considering the Country's current constrained fiscal position.

The Kenya Export Promotion and Branding Agency is a key driver of Vision 2030 and the Government's Bottom-Up Economic Transformation Agenda for inclusive growth. The Agency was established to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services. Therefore, the Agency endeavors to effectively execute its core mandate, strengthen, and sustain collaboration with all stakeholders; public



sector, regulators/enablers, exporters, development partners and research institutions to create synergies to realize this.

I would like to recognize the M.A.D.E. for Kenya (Make a Difference Everyday) team that is the KEPROBA staff for all their hard work, commitment and dedication geared towards achieving our mandate.

As an Agency, we are committed to continue providing exemplary services to our stakeholders as we all work towards growing Kenya's export sector build the Kenya brand.

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



5. REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to forward the Annual and Financial Report for the 2022-2023 Financial Year. In 2022, Kenya's export performance displayed remarkable growth, with total exports valued at a substantial increase from KShs 743.6 billion in 2021, reaching a total of 873.1 billion in 2022. This impressive 17.6% growth can be attributed to enhanced performance in various markets. Kenya's trade deficit deteriorated from KShs 1.4 trillion in 2021 to KShs 1.6 trillion in 2022. Trade balance strengthened with key trade partners such as China, the USA, the Netherlands, Tanzania, Rwanda, Egypt, Saudi Arabia, and Germany, but experienced setbacks with the UAE, the UK, Russia, and the DRC. This surge in exports can be attributed to multiple factors, including economic recovery and heightened demand.

Uganda maintained its position as the top destination market for Kenya's exports in 2022, followed by United States of America, the Netherlands, Pakistan, Tanzania, United Arab Emirates, United Kingdom, Rwanda, China, and Egypt. Export performance witnessed substantial improvements in several markets, including USA, Tanzania, Pakistan, Rwanda, UAE, Netherlands, Uganda, South Sudan, China, Egypt, Saudi Arabia, Ethiopia, and Yemen.

Throughout the financial year 2022/2023, our Agency played a pivotal role in coordinating Kenya's participation in eleven trade promotional events, from business forums, exhibitions, and trade fairs, both within the country and on the international stage. In Africa, the Agency facilitated Kenya's presence at the Dar es Salaam International Trade Fair (DITF) 2022 in Tanzania, the Maputo International Trade Fair (FACIM) 2022 in Mozambique, and the 28th Uganda International Trade Fair in Uganda. These events resulted in cumulative business deals exceeding KShs. 42 million, with spot sales surpassing KShs.1 million. Moreover, more than thirty (30) inquiries across various sectors, including tea, coffee, commercial crafts, livestock products, medical equipment, and milk, were generated. Notably, the Agency organized Kenya's participation in the Kenya-South Africa mini-exhibition and business forum, which led to Kenyans being granted visa-free entry to South Africa, facilitating trade between the two nations. Twenty-seven (27) Kenyan exporters showcased their goods and services at the mini exhibition alongside the business forum.



On the global front, the Agency actively engaged in trade promotional events such as the International Floriculture Trade Fair 2022 in the Netherlands, the Kenya-South Korea High-Level Business Forum in South Korea 2022, the Kenya-US Africa Summit in the United States of America, Germany-Kenya High-Level Business Forum in Germany, and Market Exploration Mission to Sweden (through Open Trade Gate Sweden). The Netherlands forum resulted in thirty (30) business leads, while the German forum identified eight buyers interested in Kenyan products. During the South Korea forum, Kenya advocated for a reduction in tariffs on Kenyan coffee, currently set at 8 percent, to boost coffee exports to South Korea. Furthermore, the Agency is exploring the possibility of establishing a memorandum of understanding with the Korea Trade-Investment Agency (KOTRA) to foster collaboration in export development.

During the Kenya-US Africa Summit, Kenya actively lobbied for the extension of the African Growth and Opportunity Act (AGOA). It is Kenya's hope that AGOA will be renewed in 2023, providing much-needed certainty for investors in Kenya. In this event, the World Bank pledged support for Kenya in various areas, including capacity building, operational funding of the Trade Negotiations Council and Trade Remedies Tribunal, and initiatives such as Buy Kenya Build Kenya and Local Content policy implementation, with a particular focus on industrialization.

The Agency remains committed to monitoring and following up on engagements initiated during these trade promotional events to encourage Kenyan exporters to seize opportunities in these markets. This commitment will further demonstrate our progress towards increasing exports and achieving an export-led economy. I would like to extend my appreciation to the dedicated KEPROBA staff for their hard work, unwavering commitment, and dedication to our organization's mission. As an Agency, we remain steadfast in our commitment to providing exemplary services to our stakeholders as we collectively strive to propel Kenya's export sector to new heights.

MS. FLOICE B. O. MUKABANA
Ag. CHIEF EXECUTIVE OFFICER



6. STATEMENT OF KEPROBA'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

The Kenya Export Promotion and Branding Agency has four (4) strategic objectives within the current Strategic Plan for the FY 2019-2023. These strategic objectives are as follows:

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

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

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

Strategic Objective 4: To strengthen institutional capacity for the Kenya Export Promotion and Branding Agency to deliver on its mandate.

The Agency develops its annual work plans based on the above four (4) strategic objectives. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2022/2023 period for its four strategic objectives, as indicated in the table below:

Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Strategic Objective 1: To develop, diversify and brand Kenya's export products.	Engage regulators and stakeholders to address supply and demand side constraints.	Sessional paper on alleviation of constraints in the export system finalised and presented to Parliamentary Committee	Finalise the Sessional paper on alleviation of constraints in the export system and advocate for development of policies to create favourable environment of Trade.	Draft sessional paper developed awaiting submission to Committee on Trade and Cooperatives of the National Assembly and tabling in the house.
	Branding of Kenya's export products	600 products branded with the made in Kenya mark	Facilitate adoption of the made in Kenya mark and to communicate originality of the products and position Kenya as a source of high-quality products.	In 2022/2023, 125 companies adopted the made in Kenya mark for use on their products. 895 products were branded with the made in Kenya mark to communicate originality of the products and position Kenya as a source of high-quality products.
		Profiles developed for 22 priority products	Develop and disseminate branding content/profiles for Key Export Products	The Agency developed and disseminated forty-three (43) branding profiles for key export products.
	Facilitate product development and	Packages and branding	Finalization of packaging &	Branding and packages were developed for the 42



Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	adaptation to meet export market requirements	developed for 30 new product lines	branding of the 30 newly developed product lines	newly developed product lines developed. The Agency however did not undertake mini exhibition and test marketing through which the newly developed products would be exposed to the international markets.
	Provision of trade and brand information	450 enterprises /clients furnished with trade and brand information	Disseminate relevant trade and branding information through business counselling	424 exporters (current, new, and potential) were furnished with trade and brand information at the Agency's business counselling desk.
		200 enterprises visited for outreach/ aftercare services to be offered with trade and brand information	Undertake outreach programme for SMEs in Garissa, Kilifi, Makueni, Kirinyaga, Nakuru, Nyamira, Kakamega and Nairobi Counties.	138 SMEs were supported in Export Development through County outreach programmes in seven (7) counties namely Garissa, Makueni, Uasin Gishu, Nyamira, Kakamega, Kilifi and Kirinyaga.
		24 trade alerts developed and disseminated	Develop and disseminate trade information bulletins/alerts to create awareness on exporting and Nation branding.	24 trade alerts were developed and disseminated to the Exporters via email and through the Agency's website.
	Empower enterprises to participate in Export Trade through establishment of an Exporters readiness programme	10 modules developed.	Development of exporters readiness program modules	Three (3) Export Readiness Awareness manuals (Introductory, Immediate and Advanced levels) were developed and printed. Additionally, ten (10) training modules for the Export Readiness Program were developed.
		80 staff trained in two training sessions (40 staff per session).	Train staff on exporting and Nation branding through the Exporters readiness program.	115 staff were trained on various modules of the Exporter Readiness Programme including Export finance module among others.
Strategic Objective 2: To develop and diversify Kenya's Export Markets.	Undertake research in prioritized markets	3 market research undertaken in Senegal, Japan, and Ivory Coast	Undertake market research in Senegal, Japan, and Ivory Coast	Secondary market research undertaken in Senegal, Japan, and Ivory Coast due to unavailability of funds attributed to budget cuts to undertake primary research.



Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
		10 trade flows generated	Generate Trade Flows to monitor trends in export and brand performance in GCC (Oman, Qatar, Saudi Arabia, Kuwait, UAE and Bahrain) and EAC (Tanzania, Uganda, Rwanda, Burundi)	<p>Forty-Seven (47) trade flows were developed out of which five (Qatar, Oman, Tanzania, Uganda and Rwanda) are from the targeted markets of GCC and EAC.</p> <p>Additionally, a EAC comprehensive report was generated comprising of Uganda, Tanzania, DRC, Burundi, Rwanda and South Sudan.</p>
		Three market Intelligence Reports (desk) undertaken in South Sudan, Pakistan and Russia.	Engage Kenyan Missions abroad on Economic environments and Products positioning (Performance)	Missions engaged and market intelligence reports generated for Pakistan and Russia. Agency engaged commercial attaches in South Sudan and sent out a questionnaire to gather market intelligence in the South Sudan market. The agency awaits feedback from the mission for analysis and dissemination.
	Leverage on technology and innovation for market access, distribution, and promotion.	E-portal developed and operational	Develop an e-portal and Recruit exporters to showcase Kenyan goods/services to the international market	<p>Exporters Portal (E-portal) was developed.</p> <p>95 sellers were recruited and listed into the E-Portal during the period under reporting.</p> <p>Registration of authentic buyers on the platform is ongoing.</p>
	Develop and implement market specific policies and strategies.	4 trade promotion activities organized and participated in	Participate in identified and other emerging market promotion events in implementing market specific strategies	The Agency participated in eleven (11) trade promotion activities including the following: Dar es salaam International Trade Fair (DITF) 2022; Maputo International Trade Fair (FACIM) 2022; International Floriculture Trade Fair 2022 in Netherlands; Kenya-South Korea High Level Business Forum in South Korea 2022; 28th Uganda International Trade Fair in Uganda,



Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
				October 2022; Kenya-South Africa High Level Business Forum and Mini-Exhibition in Nairobi; Kenya-US Africa Summit in United States of America; and Germany-Kenya High Level Business Forum, March 2023, Market Exploration Mission to Sweden (through Open Trade Gate Sweden) and preparatory for participation at Expo 2025 Osaka through participation in International Planning Meetings.
	Explore and exploit opportunities in the African Continental Free Trade Area (AfCFTA)	2 forums/workshops attended to align Kenyan Exporters with opportunities in the AfCFTA	Organize, coordinate, and participate in forums/workshops to align Kenyan Exporters to opportunities in the AfCFTA.	The Agency participated in a Trade in Services Consultative and Training Workshop on AfCFTA Regulatory Frameworks for Communication and Financial Services from 8th to 12th May 2023 and National workshop on Intellectual Property Rights under the AfCFTA for Kenya held from May 22nd to 26th May 2023.
	Support negotiations for market access and removal of trade barriers	Develop 4 Country position papers to support negotiations under the AfCFTA	Engage on AfCFTA integration Processes; Development of four (4) country position papers to support negotiations	5 position papers developed. This includes participation in the 42nd EAC Meeting of The Sectoral Council on Trade, Industry, Finance, and Investment (SCTIFI) between 29th May to 3rd June 2023 in Arusha Tanzania.
Strategic Objective 3: To manage image and reputation of the Kenya brand.	To promote the Kenyan brand using "Made in" attributes	44 MDAs sensitized on the Public Service Branding Initiative	Sensitization of MDAs on PSB initiative	Fifty-nine (59) Brand Manuals were developed for MDAs in two Ministries i.e., the Ministry of Investment, Trade and Industry and the Ministry of Interior and Coordination of National Government.
	Foreign Missions and Embassies Branding	27 Kenya's embassies abroad branded	Develop a uniform look and feel for the Kenya Embassies and foreign missions abroad through	Twenty-seven (27) foreign missions and embassies were branded during the reporting period.



Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
			designing of artworks utilising the Make it Kenya messaging and Branding Assets e.g (letterheads, business cards, complimentary slips, notebooks, banners, etc	
	Aligning stakeholders to the Nation brand	One civic pride and patriotism campaign (Kenya Sihami) undertaken	Roll out of Kenya Sihami Campaign to foster pride and patriotism among Kenyans during the electioneering period.	During the reporting period, the Agency rolled out a civic pride and patriotism campaign dubbed Kenya Sihami Campaign aimed to enhance pride and patriotism on the Kenyan Brand. The Agency produced and rolled out the Kenya Sihami Anthem/ Jingle with an aim to promote peace during the election period.
		Brand Ambassadors campaign	Identify and promote 10 key brand builders	During the reporting period, the Agency recognized fifty-eight (58) brand ambassadors on its social media platforms with total impressions of 300,781 attained on its social media platforms.
Strategic Objective 4: To strengthen institutional capacity for KEPROBA to deliver on its mandate	Enhance the corporate image and reputation for the Agency	No of outreach events participated	Participate in outreach Events to enhance the KEPROBA brand visibility	The Agency participated in seven (7) outreach events during the financial year under reporting as follows: <ul style="list-style-type: none"> • AACOSE on 10th to 11th May 2023 • Kenya-Ghana Expo at Sarit Centre on 23rd to 27th May 2023 • KIICO at Safari Park on 29th May to 3rd June 2023 • Launch of KEBs Self Help App at KEBs Offices • Innovation Pipeline week • Made in Kenya Breakfast with Retail



Strategic Pillar /Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
				Supermarket on 20th June 2023 • Madaraka Day Celebration.
		Achieve 50% implementation of the Integrated Marketing Communication's (IMC) Corporate pillar.	Implement IMC strategy - corporate pillar: M.A.D. E through Corporate visibility activation, corporate videos, Media Buying, crisis manual, staff engagement	As part of the campaign activities, weekly posters profiling individual members of staff were flighted on LinkedIn platform. In FY 2022/23, a total of thirty-nine (39) staff members were profiled.
		1000 trees planted.	Undertake tree planting activity as part of CSR.	700 indigenous tree seedlings were planted along Mathioya river line in Murang'a County. Additionally, 300 avocado tree seedlings were donated to farmers who participated in the tree planting exercise to be planted on their farms for sustainable agriculture.



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 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 have 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 code of governance for state corporations among other laws. The Board and management have continued to uphold the core values of the Agency and in line with these laws, the board championed the development of the Strategic Plan 2019 – 2023 which focuses on enabling market access for Kenyan produced goods and services. Following 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 is a working document which will provide direction for implementation by the Board of Directors and the staff of the Agency.



Board Charter

A Board Charter is in place to provide framework that defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function.

The Charter has been adopted by the Agency, acting in accordance with Mwongozo, Code of Governance for State Corporations ('the Code'), and is complementary to the requirements regarding of Board and Board members contained in applicable Kenyan laws and regulations. In particular, the principles and policies contained in the Charter are in addition to and are not intended to change or interpret any statute, law or regulation.

Board of Directors Composition

The Agency is run through the strategic direction of the Board of Directors. The Board comprises of seven (7) members, and one (1) ex-officio member as follows:

	BOARD POSITION	NAMES	GENDER	DATE OF APPOINTMENT	DATE OF EXPIRY
1.	Chairman	Mr. Jaswinder Bedi, EBS, MBS	Male	Appointed on 9th August 2019 Re- Appointed on 5th August 2022	8th August 2022 5th August 2025
2.	Member	Mr. Mark Bichachi	Male	9th August 2019 Re- Appointed on 5th August 2022	Served up to 18th May 2023
3.	Member	Ms. Jacqueline Muga	Female	9th August 2019 Re- Appointed on 5th August 2022	Served up to 18th May 2023
4.	Member	Mr Josiah Mbogori	Male	5TH August 2022	Served up to 18th May 2023
5.	Member	Mafaka Michael Ngugi Karanja	Male	18th May 2023	18th May 2026



	BOARD POSITION	NAMES	GENDER	DATE OF APPOINTMENT	DATE OF EXPIRY
6.	Member	Mulki Warsame Mohamed	Female	23rd May 2023	23rd May 2026
7.	Member	Dr Grace Kinya Muriithi- Kieria	Female	18th May 2023	18th May 2026
8.	Alternate to the Attorney General	Ms. Leah Aywah	Female	25th September 2019	N/A
9.	Alternate to Principal Secretary, State Department for Trade	Mr. Oliver Konje	Male	1st November 2019	Served up to 12th June 2022
10.	Alternate to the Principal Secretary, State Department for Trade	Dr Bruno M Linyiru	Male	13th June 2022	Served up to 14th June 2023
11.	Alternate to Principal Secretary, State Department for Trade	Mr Evans Achoki	Male	15TH June 2023	N/A
12.	Alternate to Principal Secretary National Treasury	Ms. Veronica Okoth	Female	17th July 2020	Served up to 6th February 2023
13.	Alternate to Principal Secretary National Treasury	Ambrose Ogango	Male	7th February 2023	N/A
14.	Ex Officio Member (CEO)	Dr. Wilfred Marube	Male	18th May 2020	17th May 2023
15.	Ex- Officio Member (AG CEO)	Ms Floice Mukabana	Female	1st February 2023	-

Appointment of Directors

The President and the Commander-in-Chief of the Kenya Defence Forces, in exercise of the powers conferred by section 5 (1) (a) of the Kenya Export Promotion and Branding Agency Order, appoints the Chairperson of the Board. The appointment is by name and by a notice in the Kenya Gazette.

The Cabinet Secretary Ministry of Investments, Trade and Industry in exercise of the powers conferred by section 5 (1) (e) of the Kenya Export Promotion and Branding Agency Order, appoints three (3) persons from the private sector. The appointments are by name and by notice in the Kenya Gazette.

Removal of Directors

Any person shall cease to be a Board member if he/she; -

- I. Serves the appointing authority with a written notice of resignation.
- II. Is absent, without the permission of the Chairperson, from three consecutive meetings.
- III. Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings.
- IV. Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board
- V. Conducts himself/herself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.

Any removal of a Board member under any of the above, is through formal revocation. The Corporation Secretary ensures that a record of the appointment letter, gazette notice and written acceptance by the Board member are kept in the personal file of the Board member.

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. The Chairperson's responsibilities include the operation, leadership, and governance of the board. The Chief Executive Officer's role includes the day-to-day management of the

Agency's business and overseeing the implementation of the strategies and policies approved by the board.

Duties of Directors

The Legal Notice No.110 of 2019 establishing the Agency provides for functions of the board members under paragraph 6 to include:

- a) provide strategic advice and direction to the Agency;
- b) 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. The committees were formed to assist the board to effectively and efficiently carry out its functions. These committees are as follows:

- I. Finance, Human Resource and Administration Committee (FHRAC)
- II. Strategy, Marketing, Communications and Quality Assurance Committee (SMCQA)
- III. Audit, Risk and Governance Committee

Where need be, an Ad Hoc committee is usually constituted to deal with a specific issue and upon conclusion, the committee is dissolved/ wound up. The Board and Committee meetings are held while special board meetings are called when it is deemed necessary to do so. During the 2022/2023 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 on Expo 2020 Dubai	Ad Hoc Committee on Recruitment of the CEO & Other Management Positions
Mr. Jaswinder Singh Bedi	3	4	N/A	N/A	N/A	N/A	N/A
Ms. Jacqueline Muga	3	3	3	3	N/A	1	1
Mr. Mark Bichachi	3	2	3	3	3	1	1
Josiah M'Mbogori	2	2	N/A	2	2	N/A	1
Mulki Warsame Mohamed	N/A	1	N/A	N/A	N/A	N/A	2
Mafaka Michael Ngugi Karanja	N/A	1	N/A	N/A	N/A	N/A	2
Dr Grace Kinya Kireria	N/A	1	N/A	N/A	N/A	N/A	2
Ms. Leah Baraza	3	4	3	3	2	1	1
Alfred K'Ombudo Ombudo	N/A	1	N/A	N/A	N/A	N/A	N/A
Dr Bruno Linyiru	3	2	3	3	2	1	1



Member	Full Board	Special Full Board	FHRA Committee (including special)	SMCQA Committee (including special)	Audit, Risk & Governance Committee (including special)	Ad Hoc Committee Meeting on Expo 2020 Dubai	Ad Hoc Committee on Recruitment of the CEO & Other Management Positions
Evans Achoki	N/A	N/A	N/A	N/A	N/A	N/A	2
Ms. Veronica Okoth	2	3	3	3	2	N/A	N/A
Ambrose Ogango	1	1	N/A	N/A	1	N/A	1
Dr. Wilfred Marube	2	2	2	2	N/A	1	N/A
Floice Mukabana	1	1	1	1	N/A	N/A	2



Conflict of Interest

The Board charter contains provisions on conflict of interest. The board of Directors are obligated to disclose to the board, any real or potential conflict of interest during the beginning of each meeting. This is a statutory duty to avoid situations where a director may have interest which conflict with those of the Agency. In the event conflict of interest is declared, the Board member shall abstain from decisions where the conflict exists.

The Corporation Secretary keeps a record of conflicts of interest declared, for accountability purposes.

Board Remuneration

The board members are paid a sitting allowance for every meeting attended in line with the guidelines as set by the Salaries and Remuneration Commission on payment of allowances to board members. The Chairperson is also issued a chairman's honoraria as well as a sitting allowance.

Ethics and code of conduct

The Agency's Board is required to act with integrity, honesty and fairness in all their dealings and decisions with respect to the Agency. On appointment, the Directors sign an acceptance that they shall abide by the provisions of Article 10 of the Constitution, the Executive Order Number 6 on Ethics and Integrity in Public Service and the Executive Order number 7 on the implementation of Mwongozo, the code of Governance for State Corporations.

Board and Member performance

The Board carries out an annual evaluation to appraise its performance. The Board evaluation exercise provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board evaluation exercise is also in fulfilment of a statutory requirement under Mwongozo which is the Code of Governance for State Corporations where it states that Board of Directors in State Corporations must carry out annual performance evaluation and file a report with the parent ministry and State Corporations Advisory Committee.



The evaluation exercise is facilitated by the State Corporations Advisory Committee who are present during the evaluation exercise to offer guidance. During the Board Evaluation exercise for the Financial Year 2021/2022, the board had an overall rating of 87.40%.

The overall rating of the board evaluation for the three years that the board has been in operation has been as follows: -

- Year 1: Financial Year 2019/2020 - 89.04%
- Year 2: Financial Year 2020/2021- 87.40%
- Year 3: Financial Year 2021/2022 - 87.40%

Note: The Board Evaluation exercise for the FY 2022/2023 was not conducted as the Board as constituted, did not meet the criteria for evaluation. This is because there were only two (2) Board members who had served during the period under review (1st July 2022 to 30th June 2023) that is Mr Jas Bedi (Board Chairman) and Ms Leah Aywah (Alternate to the Hon Attorney General).



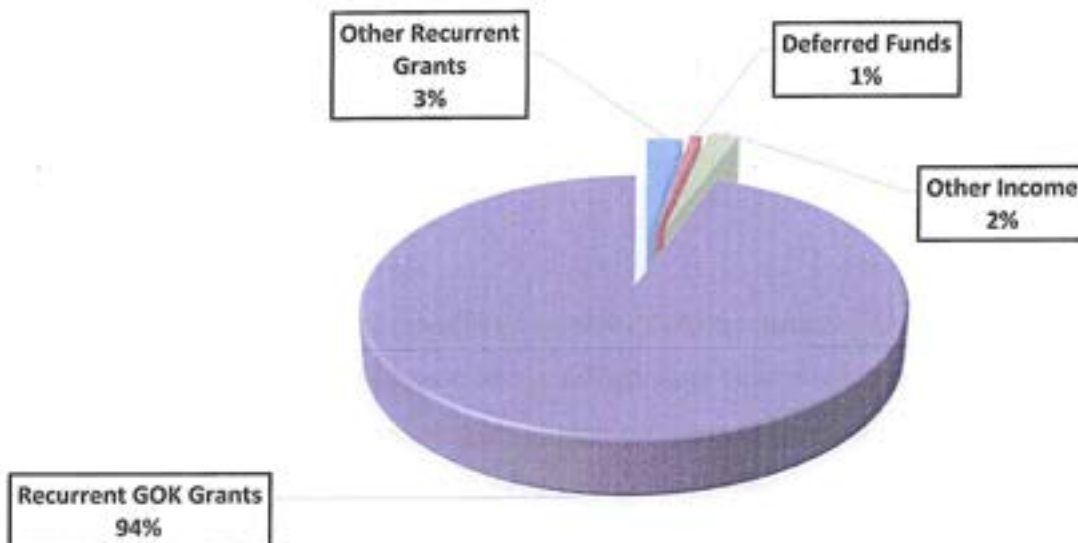
8. MANAGEMENT DISCUSSION AND ANALYSIS

8.1 The Agency's Financial Performance

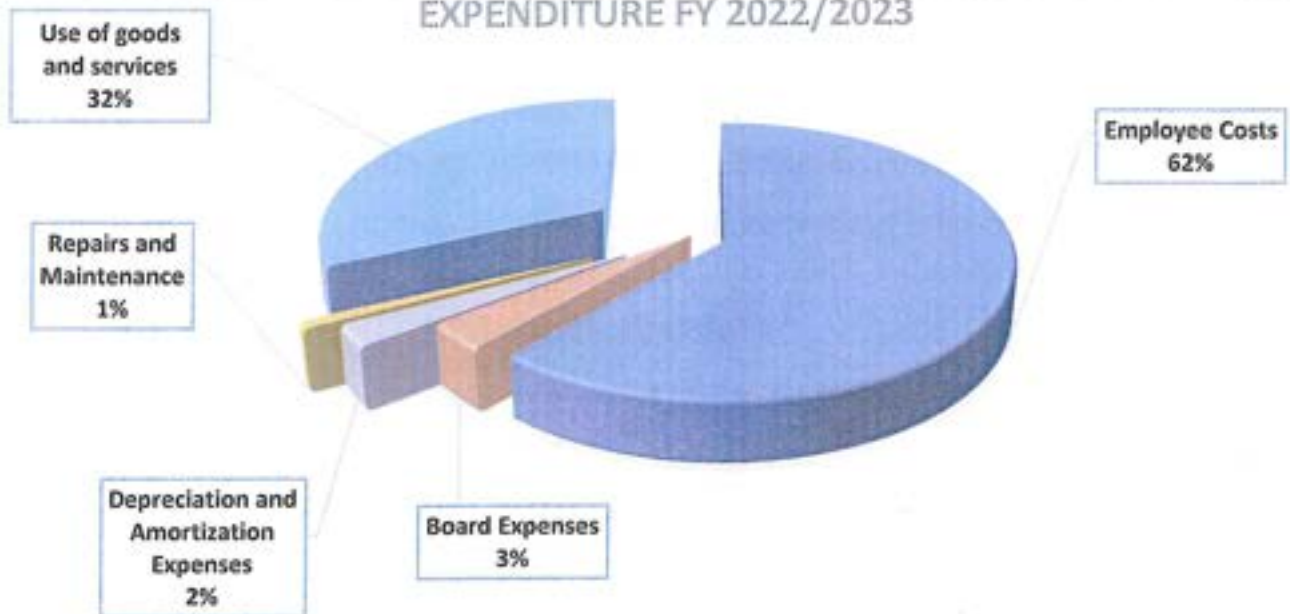
The Agency's total annual revenue was **KShs. 551,899,539** against a total expenditure of **KShs. 576,933,853** resulting to annual operating deficit of **KShs. (25,034,314)**. The excess expenditure over revenue were funded by deferred income and from reserves.

REVENUE PIE CHART

REVENUE FY 2022/2023



EXPENDITURE PEI CHART EXPENDITURE FY 2022/2023



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

8.3.1 Global Outlook

The World Bank projects the global economy to grow by just **1.7% in 2023**, down from an estimated **3% in 2022**. Key reasons for the slowdown include high inflation, rising interest rates tightened monetary policy, and continued supply chain disruptions.

Advanced economies like the **United States and Euro Area** are expected to grow by just **0.5%** and **0.6%** respectively in 2023 as consumer demand weakens. Emerging markets and developing economies face risks from capital outflows and currency depreciations (World Bank).

United Nations Conference on Trade and Development (UNCTAD) forecasts Kenya's key exporting partners in the EU to experience negligible GDP growth in **2023 at 0.3%, down from 3.3% in 2022**. The United States is projected to grow 1.5% in 2023 compared to 1.9% in 2022. Subdued growth in these major destinations will impact Kenya's exports. However, East Africa is expected to average **5% GDP growth in 2023**, offering continued regional export opportunities for Kenya (UNCTAD).

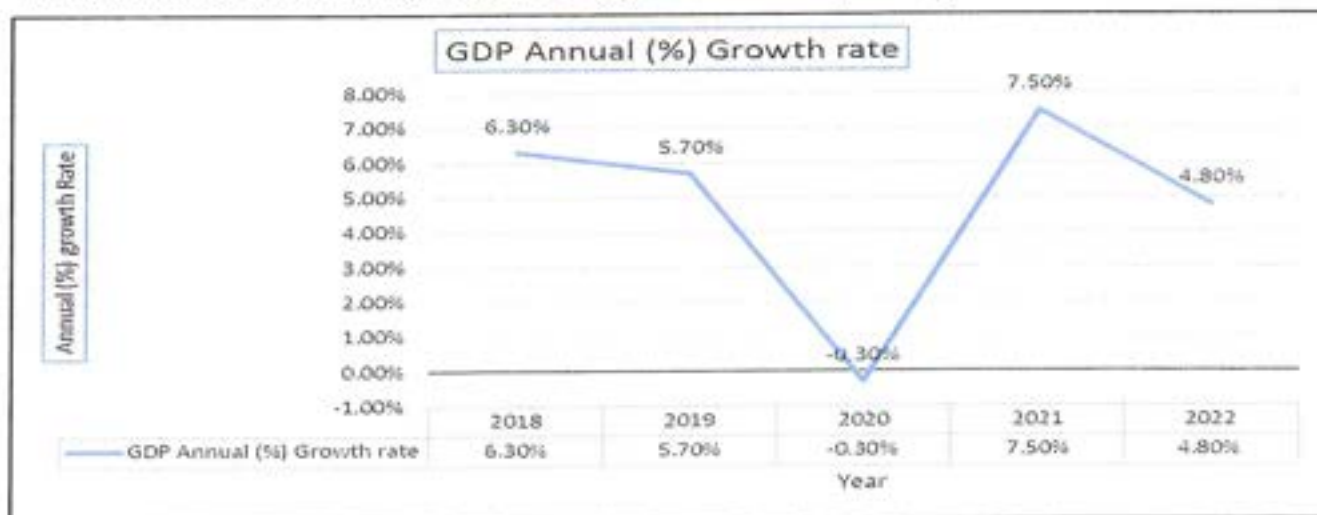
Fitch Ratings expects continued tightening of global financing conditions in 2023 to weigh on Africa's growth. But commodity exports and domestic demand are seen as stabilizing factors for economic performance. The agency projects Kenya's real GDP growth at **5.6% in 2023**. (Fitch Ratings).

8.3.2 Kenyan Economic Review

Kenya's economy showed resilience in 2022, with GDP growth projected at **5.5%**, down from **7.5%** in 2021. Agriculture, forestry and fishing contracted due to drought conditions, but service sectors including ICT, finance and insurance expanded steadily.

Inflation rose to an average of **8.3%** driven by high food, fuel and import prices globally. The current account deficit widened to **5.3%** of GDP due to increased imports and weakening of the Kenyan Shilling against major currencies.

The chart below shows Kenya's real GDP growth over the past 5 years:



Source: World bank Database 2023, Compiled by KEPROBA



The economy is forecasted to grow at around **5.8% in 2023** supported by public infrastructure investments, improved agriculture output if rains normalize, and sustained service sector activity. However, high public debt, rising global interest rates and uncertainty over elections pose downside risks.

Inflation is expected to moderate to an average of **6.5% in 2023** as fuel and food prices stabilize globally. The current account deficit may narrow slightly to **5.0%** as export growth picks up. However, external balances will remain vulnerable to global dynamics. (World bank)

8.3.3 Export Performance in year 2021/2022

Kenya's export performance in 2022 showed growth, with total exports valued at **Ksh. 873.1 billion** representing a **17.6%** increase from **KShs 743.6 billion** in 2021.

Kenya recorded a trade deficit of **KShs 1.6 trillion** in 2022, up from **KShs 1.4 trillion** trade deficit recorded in 2021. The trade balance improved with top trade countries like China, the USA, the Netherlands, Tanzania, Rwanda, Egypt, Saudi Arabia, and Germany but worsened with the UAE, the UK, Russia, and the DRC This increase in exports was driven by various factors, including economic recovery and increased demand.

Figure 1: Monthly trade deficit year 2021/2022



Source: KNBS Database Compiled by KEPROBA



Domestic export constraints included unreliable weather, high freight costs, trade barriers and challenges in meeting international standards. However, export promotion efforts through trade agreements, addressing transport hurdles and improving productivity can boost competitiveness.

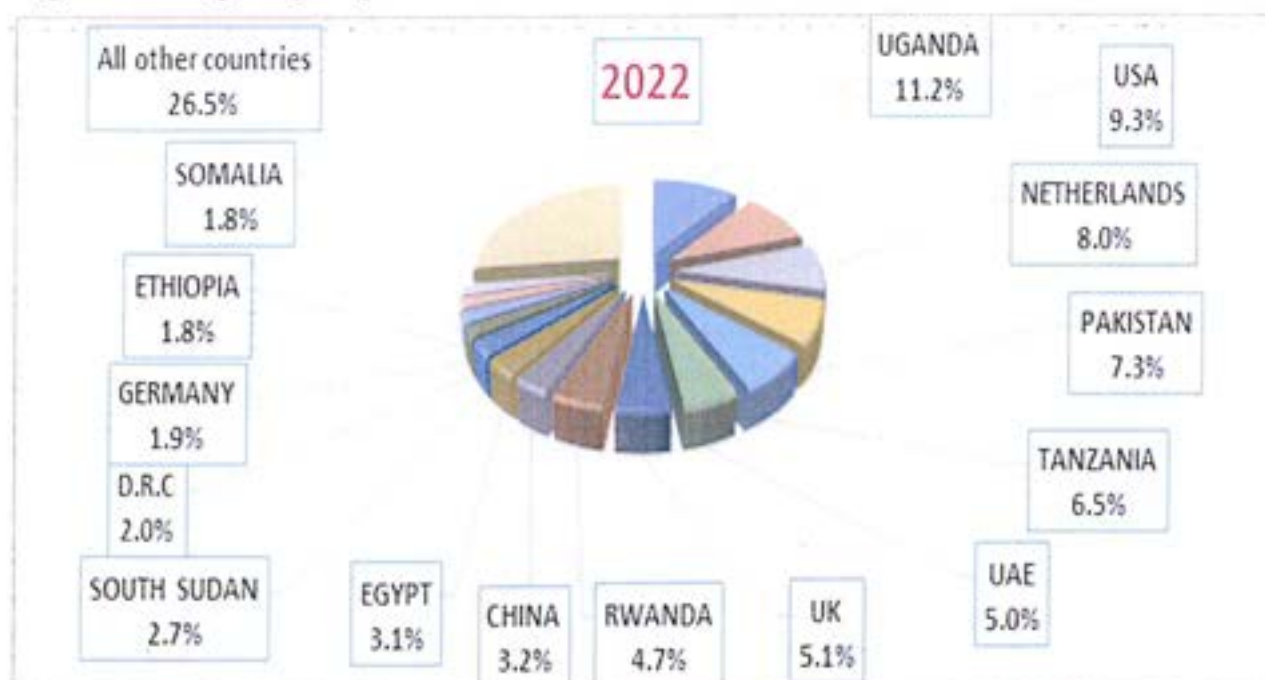
Kenya's Trade Flows By region and Trading Blocks 2013 – 2022, % of Total 2021 2022

Region	Kenya's Exports USD million			Kenya's Imports USD Million			Total Trade USD Million			Growth (% p.a.)2021-2022		
	2013	2021	2022	2013	2021	2022	2013	2021	2022	Exports	Imports	Total trade
EAC	1,828.8	1,957.3	2,069.6	341.3	842.8	850.0	2,170.1	2,800.0	2,919.6	5.7%	0.9%	4.3%
COMESA (exc. EAC)	29.7	53.2	6.1	323.1	258.5	233.6	352.8	311.6	239.7	-88.4%	-9.6%	-23.1%
Region (EAC & COMESA)	1,858.6	2,010.4	2,075.7	664.4	1,101.2	1,083.6	2,522.9	3,111.7	3,159.3	3.2%	-1.6%	1.5%
Other Africa	857.3	766.6	935.4	1,052.1	900.9	1,215.5	1,909.4	1,727.5	2,150.9	22.0%	26.5%	24.5%
EU (27)	779.8	1,059.0	1,133.6	1,842.8	2,081.9	1,718.3	2,622.6	3,140.9	2,851.8	7.0%	-17.5%	-9.2%
USA	347.6	543.4	679.3	667.4	1,518.4	802.1	1,015.0	812.8	1,481.4	25.0%	-47.2%	82.3%
Far East	281.4	488.8	535.6	4,783.9	7,203.6	7,141.4	5,065.3	7,692.4	7,677.0	9.6%	-0.9%	-0.2%
Middle East	666.4	754.7	959.7	3,016.5	3,920.4	5,833.4	3,682.9	4,675.1	6,803.0	28.5%	48.8%	45.5%
Rest of the World	11,618.4	1,119.2	1,061.5	4,382.4	2,501.9	3,333.5	16,000.9	3,621.1	4,396.1	-5.2%	33.2%	21.4%
Total	5,831.8	6,742.1	7,390.8	16,409.4	19,288.3	21,127.8	22,241.3	26,030.4	28,518.5	9.6%	9.5%	9.6%

8.3.4 Leading Destination Markets

Kenya's top ten export markets in 2022 included Uganda, United States of America, the Netherlands, Pakistan, Tanzania, United Arab Emirates, United Kingdom, Rwanda, China, and Egypt. Export performance improved in several markets, such as the USA, Tanzania, Pakistan, Rwanda, UAE, Netherlands, Uganda, South Sudan, China, Egypt, Saudi Arabia, Ethiopia, and Yemen. However, exports to the Democratic Republic of Congo (DRC), the UK, Russia, and India decreased.

Figure 2: Kenya top Export destination markets 2022

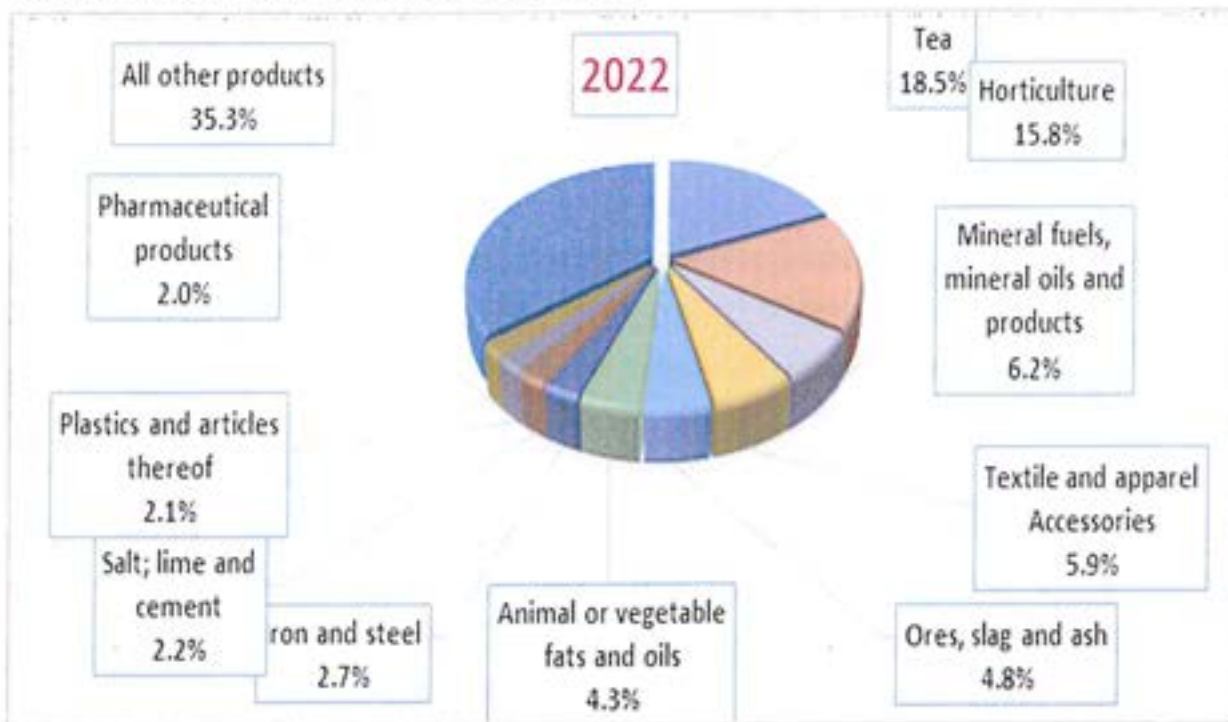


Source: KNBS Database Compiled by KEPROBA

8.3.5 Composition of Kenya's Top Export Commodities

Kenya's top export products in 2022 included Tea; horticulture; Mineral fuels and oil; Textile and apparel accessories; Ores, slag, and ash; Animal or vegetable fats and oils; Iron and steel, salt (lime and cement); Plastics, and parts thereof; Pharmaceutical products; Soaps and Inorganic and organic compounds of precious metals. These products experienced growth, except for Horticulture, which saw a 0.8% decrease in exports from KShs. 152.4 billion in 2021 to KShs. 151.2 billion in 2022.

Figure 3: Kenya top export products 2022



Source: KNBS Database Compiled by KEPROBA

8.3.6 Economic Outlook under Bottom-Up Economic Transformation Agenda (BETA)

The Kenyan government under H.E, President William Samoei Ruto has outlined broad policy priorities and growth objectives in its Bottom-Up Economic Transformation Agenda (BETA) 2022

The agenda aims to accelerate economic recovery from COVID-19 impacts and achieve sustainable development through broad-based empowerment. It targets GDP growth of over 10% by boosting manufacturing, agriculture, housing, healthcare and the digital economy.

Key planks include:

- Increasing agricultural productivity through expanded irrigation, inputs and mechanization. This will support agro-processing and growth of associated manufacturing.
- Expanding affordable housing and strengthening the construction industry value chain.
- Investing in digitization initiatives like digital infrastructure, systems and youth skills development.

- Operationalizing Special Economic Zones in priority sectors to attract investment.
- Promoting export-oriented manufacturing including textiles and apparels.
- Enhancing market access and competitiveness for MSMEs.
- Leveraging diaspora skills and investments to support industrialization.

The Bottom-Up Economic Transformation Agenda sets an ambitious pro-business and enterprise focus approach aimed at high growth and improvement of livelihoods. Effective execution of the agenda, through leveraging on public-private partnerships will be key to realizing the full growth potential.

While the policy direction emphasizes manufacturing-led economic growth, traditional agricultural-based exports such as tea, coffee, horticulture, among others, will also remain important pillars. Overall, BETA presents opportunities across all key sectors from agriculture to industry, services and trade. However, its success will depend on prudent fiscal management given Kenya's constrained fiscal position currently.

8.3.7 Outlook for Exports 2023

Kenya's exports are projected to grow by around 10% in 2023 supported by improving global demand and commodity prices. However, risks from weaker economic growth in key markets like the EU and inflationary pressures on households may weigh down on the export performance.

Export diversification into areas like electronics, chemicals, and automotive components holds promise to expand export capacity in the long run. Export promotion agencies play a crucial role in facilitating access to new markets. For example, initiatives by the Kenya Export Promotion and Branding Agency, to increase awareness and uptake of the African Growth and Opportunity Act (AGOA) trade agreement will be key to boosting exports to the United States. Further, the Agency's Initiatives on trade facilitation that is aimed at cutting red tape and improving the environment for trade will enhance Kenya's export competitiveness. Targeted support through training, market intelligence and building exporter capacity in key sectors will help growth of exports and consequent growth of Kenya's economy through trade.



Projection growth by 2027 (2022 baseline)

Projection by 2027 @ 15% growth per annum. (USD Million)						
Region	2022- baseline	2023	2024	2025	2026	2027
EAC	2,069.6	2,380.0	2,737.0	3,147.6	3,619.7	4,162.7
COMESA (exc. EAC)	6.1	7.1	8.1	9.4	10.8	12.4
Region (EAC & COMESA)	2,075.7	2,387.1	2,745.2	3,156.9	3,630.5	4,175.0
Other Africa	935.4	1,075.7	1,237.1	1,422.6	1,636.0	1,881.4
EU (27)	1,133.6	1,303.6	1,499.1	1,724.0	1,982.6	2,280.0
USA	679.3	781.2	898.4	1,033.2	1,188.2	1,366.4
Far East	535.6	615.9	708.3	814.6	936.7	1,077.3
Middle East	969.7	1,115.1	1,282.4	1,474.7	1,695.9	1,950.3
Rest of the World	1,061.5	1,220.7	1,403.9	1,614.4	1,856.6	2,135.1
Total	7,390.8	8,499.4	9,774.3	11,240.5	12,926.6	14,866.6

Projection by 2027 @ 30% growth per annum. (USD Million)						
Region	2022- Baseline	2023	2024	2025	2026	2027
EAC	2,069.6	2,690.5	3,497.6	4,546.9	5,910.9	7,684.2
COMESA (exc. EAC)	6.1	8.0	10.4	13.5	17.6	22.8
Region (EAC & COMESA)	2,075.7	2,698.5	3,508.0	4,560.4	5,928.5	7,707.0
Other Africa	935.4	1,216.0	1,580.8	2,055.1	2,671.6	3,473.0
EU (27)	1,133.6	1,473.6	1,915.7	2,490.5	3,237.6	4,208.9
USA	679.3	883.1	1,148.1	1,492.5	1,940.2	2,522.3
Far East	535.6	696.3	905.1	1,176.7	1,529.7	1,988.6
Middle East	969.7	1,260.6	1,638.7	2,130.4	2,769.5	3,600.3



Projection by 2027 @ 30% growth per annum. (USD Million)						
Region	2022- Baseline	2023	2024	2025	2026	2027
Rest of the World	1,061.5	1,380.0	1,794.0	2,332.2	3,031.8	3,941.3
Total	7,390.8	9,608.0	12,490.4	16,237.6	21,108.8	27,441.5

8.3.8 Moving Forward

While the economy has had unique challenges in the past three years, ranging from the Covid19 pandemics, geopolitical dynamics attributed to among others the Russia-Ukraine war and the China-USA economic conflict, oil crisis as well as currency instabilities, renewed thrust on export development with support for a stronger economic development.

8.3.9 Key Programme Activities undertaken in the year.

Kenya Sihami Campaign

Kenya Sihami Campaign is a digital campaign whose aim is to promote peace by encouraging Kenyans to appreciate and safeguard the positive aspects of their country. The Campaign programme concluded in quarter one, the campaign was promoted on various digital platforms such as Citizen Television, NTV, Capital FM, Nation Africa and the Standard. Influential Kenyan personalities such as Vimal Shah and Dr. Samuel Kobia were used to share messages of peace during the general elections.



Our aim with the #KenyaSihami campaign is to promote peace by encouraging Kenyans to protect our gains while calling upon each and every citizen to Understand, Believe and Live the Kenya brand. Kenya is Our Land, Our Pride and Our Nation. #KenyaSihami!

DR WILFRED MARUBE

CEO - Kenya Export Promotion & Branding Agency

Kenya Sihami

WE ARE A
HOTBED OF
PEACE AND TRANQUILITY

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US – Africa Leaders' Summit

The Agency participated in the US – Africa Summit that was hosted by President Biden in Washington DC. The summit brought together world leaders and global investors championing for regional investment, partnerships and development of the African continent.

The Ministerial Engagement re-emphasized the importance of the African Growth and Opportunity Act (AGOA) framework, to leverage on Africa's Industrialization Agenda as the main driver of Africa's regional and continental integration.

The KEPROBA delegation led by Chairman, Mr. Jaswinder Bedi met the Washington Times team to explore opportunities for collaboration and how the Washington Times team can use the power of media to positively position Kenya in the USA market.

The KEPROBA delegation held round table discussions with the leadership of the Global Diaspora One Voice Consortium (OVC) in Washington DC. The meeting was the climax of the four months discussions that have been ongoing between OVC and KEPROBA on how the latter can ride on the networks established by the Kenya diaspora community to enable Kenya to entrench itself in the US market for purposes of expanding Kenya's market share and increase exports of goods and services.



KEPROBA Chairman Mr. Jas Bedi, CEO Dr. Wilfred Marube, and Ag. Director Product and Market Development Mr. Austin Macheso, at the Washington Times Headquarters in Washington DC, USA



KEPROBA Chairman, Mr. Jaswinder Bedi, CEO, Dr. Wilfred Marube and other leaders pose for a photo at the US – Africa Summit

Kenya- Germany Business Forum

KEPROBA participated in the Kenya-Germany Business Forum that was held in Berlin Germany. The event was organized by the Africa Business Association and Sub-Saharan Africa initiative, Association of German Chamber of Commerce and Industry and the German Mittelstand Association.

The event provided an opportunity for members of the Kenyan private sector to network with their German counterparts. H.E President Dr. William Ruto attended the event and urged Germans to invest in Kenya.

Tea, Coffee, Leather, Creative Sector and Fish were identified as the value-chains with high potential in the German Market. Despite Germany being a large consumer of Coffee, it was noted that Kenya may not have the capacity for a consistent and sustained supply to the market. An investment in the Tea Value Chain as a start will yield better results due to Kenya's large

production capacity. The target will be direct sales of value-added tea to German retail stores targeting a niche market.

KEPROBA secured a collaboration with EU-Africa Business Council where we shall jointly organise a Trade Mission in November 2023. Nine buyer leads generated for follow-up were Fruitwell, Big 5 Distribution, Edeka, Famila, Lidl, Kaufland, Famila, Rewe, Aldi.

The Agency was able to identify the distribution channels in the market, which is mainly through the major retail stores, and also structured in the form of associations. Six potential stakeholder collaborations were identified for further engagement. These are with German Chamber of Commerce, SAFRI, Africa Verein, German Tea Association, German Coffee Association, among others. The Agency gained a better understanding of the market by generating the below market insights that will inform the Export Marketing Plan or strategy for Germany.

- Germany is a large consumer of coffee however Kenya may be constrained to consistently supply the market due to limitation in supply.
- There is potential to introduce single-origin Tea to a niche market.
- The B2B structure in the market is in the form associations and market entry is through the associations underscoring the need for the agency to work closely with the associations.
- The lead distributors in the market: Rewe, Famila, Lidl, Kaufland, Edeka
- It is important to engage German Media to create awareness of Kenya's products.
- Promotional events require 6-8 months lead time in planning.



H.E. Dr. William Ruto, the President of the Republic of Kenya, addresses delegates during the Kenya-Germany Business Forum.

International Food and Drinks Event - London

KEPROBA partnered with TFO Canada, to implement the Women in Trade for Inclusive and Sustainable Growth (WIT) project, to facilitate a team of Kenyan women entrepreneurs to exhibit at the International Food and Drinks Event (IFE) in London, United Kingdom. The IFE is the largest event for food and drink professionals in the United Kingdom. The companies that exhibited at the event included Cherubet Foods, Masedi Limited, Fresh Approach, Tea-scape Ltd, Yummy Pot Ltd, Home Premier tea, Ideal Matunda and Elgon Nuts.

There was an increase in the number of women involved in international trade as exporters as well as an increase in the share of exports generated by women-led small and medium enterprises (SMEs) specifically from the Agri-food sector (Tea, Horticulture, Coffee, Avocado). Eight (8) SMEs, who have exported for less than two years, participated in the IFE Event and exhibited Tea, French beans, Mange tout, Passion Fruit, Fresh Chili, Value-added Onion Produce, Frozen Githeri and beans, Macadamia Nuts, Mangoes, Passion fruit, Sugar Snaps,



Chili (red & green), Baby Corn, Pineapple, Lemon Grass, Value added potato products, Chili and spices. The SMEs also participated in a one (1) day market familiarization tour to five (5) prominent U.K.-based food retailers aimed at increasing the women-led SMEs understanding of international market demand for processed food products.



A Kenyan Exhibitor at the IFE in London, United Kingdom

8.4 Major Risks Facing the Agency

- **Enterprise Risk Management**

The Agency has implemented the following activities to implement Enterprise Risk Management

- Development and approval of the Risk Policy.
- Appointment and Training of Risk Champions by Kenya School of Government.
- Training of staff on risk management practices in their areas of operation. The agency estimates it has achieved an awareness level of 60%.
- Development of risk management procedures and tools.
- Development of Risk registers at Corporate, Departmental and Project level.
- Training of five management staff who hold Governance, Risk and Control functions in the agency.
- Training risk champions on ISO 31000.
- Aligning our risk practices to ISO 31000.
- Evaluation of departmental risk management activities in the agency was done together with risk champions in April 2023.

The agency has an objective of improving risk management to managed levels by:

- Entrenching risk management in the agency processes by ensuring risks are an agenda item at both management and departmental meetings.
- Holding monitoring meetings at departmental level.
- Constantly monitoring and responding to emerging risks on a daily basis.
- Scanning the environment and aligning risk management practices to changes that occur.

The agency will continue to adopt our risk management strategies to changes in the environment and proactively manage any risks that occur.



The following is a list of major risks that affected the agency in the year 2022/23 and continue to be relevant in 2023/24.

NO	RISK FACTOR	OBJECTIVES AFFECTED	PRIORITY	MITIGATION MEASURES
1.	<p>Impact of Russian Ukraine war on tea exports-Russia is the 5th largest market for tea. Closure of black sea shipping route affecting Kazakhstan market. This has reduced Kenyan Exports to these regions</p> <p>Markets like Egypt, Pakistan and Sudan, also got affected The Impact of the last two bullets is a fall in tea exports. According to Business Daily on 12 May 2023 tea imports by these countries fell by 17.4 million Kilos in February 2023.</p>	Market development and Promotion	High	The agency has a strategy to diversify to other tea markets in the year.
2.	<p>Export of raw materials-Kenya Exports Primary raw materials e.g., coffee, tea etc getting lower prices. 90% of coffee is exported as green beans and almost a similar percentage for tea fetching lower prices</p> <p>The products are also the same as to those exported by Uganda, Tanzania and Rwanda. In Uganda the Monitor 15 February 2022 lists coffee, dairy, oil seeds etc as export products.</p>	Export Market Development and Promotion	High	<ul style="list-style-type: none">•The 2023-24 work-plan concentrates on processed tea.• The value chain approach to economic growth is likely to increase exports in previously neglected sectors eg meat, leather and leather products etc. The agency has aligned its work plan to this approach.•branding through story telling of the origin of these products. (Stories of the people, the culture the soils etc) to



NO	RISK FACTOR	OBJECTIVES AFFECTED	PRIORITY	MITIGATION MEASURES
				differentiate these products.
3.	Narrow Basket of exportable products compounded by inadequate production especially of manufactured products (Industry contribution to GDP fell by 1.7% in 2021 compared to 2020) (2023 and 2022 figures not available) and iconic products like coffee. According to KNBS Kenya exported 35,163MT of coffee in 11 months of 2021 compared to 40,980 MT in 2020. The fall was due to uprooting of coffee and a change of land use	Export Market Development and Promotion	High	The Agency plans to conduct advocacy activities to contribute to improvement in manufacturing. Engaging with the affected counties given the prices of coffee went up from USD 4.2 to 5.1 per Kilo in 2021 compared to 2020.



9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Kenya Export Promotion and Branding Agency's mandate is to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

1. Sustainability Strategy and Profile

The Agency is committed towards participating in community-based projects that have a positive impact on the society. Through our 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.

Demonstrating our commitment to the sustainability of our business activities is a course of which we aim to align our core values, purpose, and strategy with the social and economic needs of our stakeholders, whilst embedding responsible and ethical business policies and practices into everything we do.

The Agency's social, economic, and environmental responsibilities to her 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.

The results of our commitment to sustainability are demonstrated through our support for, and quantifiable impact on businesses with innovative sustainable solutions. As an Agency, we prioritize delivery of solutions with a long – term focus while leveraging on short term success. We are driven by an individual purpose to offer solutions that accommodate the welfare of the society by taking responsibility for the impact they make to our clients, our nation and the world.



We not only engage to deliver on our mandate and functions, but we also have a high appreciation of collaboration as a sustainable practice. Our team has taken deliberate initiatives to promote a culture of innovation and transparency through open communications with all key stakeholders.

This is built on high levels of information disclosure, clarity, and accuracy – as well as an openness to recognizing faults and improving practices. With sustainability at the heart of our activities, we understand the value of keeping our promises. On this premise, we have installed mechanisms to continuously monitor and evaluate our progress, to ensure we remain aligned to our mandate, signal when to celebrate our successes and rectify our deviations.

2. Environmental Performance

The Agency has developed recyclable marketing collateral including giveaways bags – which could be re-used by our clients. The Agency avoided the use of plastic bags in developing our marketing collateral and limited printing by utilising our digital platforms to disseminate our publications including newsletters, trade alerts, brochures, and magazines. These publications are easily downloadable by scanning QR codes.

Reduction of carbon footprint through the roll out of ERP System – The Agency has been promoting a paperless culture through the introduction of an ERP System. All departmental operations are conducted through the system thereby reducing waste within and outside the office environment. The Agency is going paperless!

3. Employee welfare

The Kenya Export Promotion and Branding Agency has an approved Human Resource Manual that outlines the organization's policies and procedures. This helps ensure consistency and fairness in how various HR-related matters are handled throughout the Agency.

The Agency is committed to attracting and retaining competent employees required for efficient and effective service delivery. In addition, KEPROBA is an equal opportunity employer and shall not in its recruitment and selection process, discriminate based on gender, race, religion, ethnicity, or any other form of discrimination.

The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 232 of the Constitution will be observed alongside any policies issued by the National Cohesion and Integration Commission. The Agency's efficiency and effectiveness depends on the quality and competencies of employees it engages.

The Agency shall therefore endeavour to recruit suitably qualified and experienced employees with the right skills and experience required to achieve its goals and objectives.

The grading structure, qualifications and other requirements for recruitment into the Agency are laid down in the Career Guidelines. The Career Guidelines must be followed in processing appointments and promotions of employees in their respective fields of employment.

Since its approval in 2019 the Manual has not been reviewed. However, the Manual may be amended from time to time as and when necessary. Such changes will require authorization of the Board and relevant Government agencies and will be communicated to employees in writing by a separate communication. The Board reserves the right to consider and approve a revision, revocation or addition to the general policies contained in this Manual.

The Agency recognizes the need for training and development of employees. The Agency therefore offer training opportunities to its employees in order to improve their work performance and personal development.

The policy on training is to ensure continuous upgrading of core competencies, knowledge, skills and attitudes of employees including their ability to assimilate technology to enable them to create and seize opportunities for career growth, social advancement, economic growth and development.

Training and development of employees is directed towards the achievement of the following objectives.



- a. Enhancement of the organizational performance by helping employees to improve on their efficiency and effectiveness.
- b. Assisting each employee to gain competences and skills in preparation for more responsible positions and to help each employee prepare for changes as the Agency develops to meet changing and emerging needs; and
- c. Ensure availability of sufficient trained human resource-base to meet the Agency's future requirements by identifying those requirements and providing appropriate training and development opportunities for targeted employees.

All trainings are based on identified training needs and thereafter Supervisor assesses the impact of the training by employees during annual.

On safety and compliance with occupational safety, the Agency recognizes and commit itself to the achievement of the highest standards of health and safety in the workplace to eliminate or minimize health and safety hazards and risks that may affect its employees. The Agency implements policies and programmes that assure staff protection from such hazards and disasters.

The policies and programmes will be implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws. The Agency further maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents. Employees have been urged to always consider safety to themselves and others when performing their duties.

4. Market place practices

- **Responsible Competition Practice**

We strive to adhere to responsible competition practices in all our operations. Some of the areas that we take into consideration is respect of intellectual property rights, such as patents, trademarks, and copyrights. This is important because the Agency develops a lot of content on Kenya and various products and services for export. In Kenya, unauthorized use or infringement of intellectual property can lead to legal disputes.

The Agency is also keen on protecting customer data and respecting privacy rights especially data from exporters and Made in Kenya Adoptees.

KEPROBA has an open and fair customer complaint and resolution system in place. Responsibly addressing complaints from customers, competitors, or other stakeholders is essential.

- **Responsible Supply Chain and Supplier Relations**

Supply chain facilitates and supports Procurement of goods, works and services in compliance with Public Procurement and Asset Disposal Act 2015 and Regulations of 2006, respectively. This calls for best practices coupled with integrity and honesty in the processes for staff and external customers. It is imperative that procurement and disposal decisions at all levels are made in a corporate and structured manner to ensure transparency and fairness to all suppliers. The Agency commits to paying suppliers promptly for goods and services delivered after inspection has been done for quality confirmation.

- **Responsible Marketing and Advertisement**

The Agency put in place several measures to promote responsible marketing and advertising including;

- a) Putting the customer first – in all our communication and marketing efforts, we put our customers first by clearly stating how our clients can reach out to us for further clarifications and enquiries wherever they are.



- b) **Feedback and Improvement:** Listening to customer feedback and using it to improve on our services is key for the agency. To this end, the Agency has been capturing customer feedback through an online form and monthly reports generated. Moving forward, the Agency will work through the CRM system developed. This demonstrates a commitment to meeting customer needs and expectations.
- c) To enhance effectiveness in our marketing efforts, we applied digital advertising in reaching out to our audiences abroad. This was in line with the data privacy regulations provided across various platforms. We were able to reach over twelve million people across our digital platforms both locally and internationally.
- d) The Agency incorporated environmentally friendly practices into marketing strategies. e.g. the agency used recyclable marketing collateral including give-away bags – which could be re-used by our customers. The agency limited printing of papers by utilising our digital platforms to disseminate our publications including newsletters and magazines.

- **Product stewardship**

In line with the Agency's core mandate of implementing export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services, the Product and Market Development Directorate (PMDD) spearheads the development, diversification and branding of Kenya's export products and markets through various initiatives including product development and adaptation programmes, test marketing events, capacity building programmes, participation of Kenyan exporters in trade fairs and exhibitions, buyer-seller meetings, trade missions, E- trade, market linkages, among others.

In all these programmes and activities, the Agency ensures that the exporters are aligned to market requirements, consumer preferences, market trends, production of quality products and required standards.

Under the Agency's Product Development and Adaptation Programme, KEPROBA collaborates with the Kenya Bureau of Standards (KEBS) to support trade and enhance business competitiveness through implementing standards to improve the efficiency and quality of



products for export. KEBS ensures that producers adhere to the mandatory product certification scheme for locally manufactured products provided for under section 10 of the Standards Act Cap 496, Laws of Kenya.

KEPROBA ensures that exporters are trained on trends in exports, production capacity and product availability, product adaptability, demand in the potential export markets, trade restrictions, regulatory measures which are required to protect exporters and consumers against low quality products, price exploitation, and health hazards.

The Agency, through the trade advisory services, also offers business counselling services to exporters in a bid to safeguard exporters rights to information and interests by providing procedures for exporting different goods and services, a general overview of exporting in Kenya, specific rules/laws required to trade for respective commodities, leads to various Government Agencies mandated to regulate export of various commodities, among other services. These Agencies are governed by their Acts, Regulations, or Legal Notices that guide their export procedures in a bid to safeguard exporters and consumers rights and interests.

5. Corporate Social Responsibility Report / Community Engagement

KEPROBA has fully embraced the principles of Corporate Social Responsibility (CSR) as an integral part of its strategic activities. Our agency is deeply committed to actively engage in community-based projects that make meaningful contributions to society. Through collaborative efforts with our stakeholders, we identify opportunities to give back to the community, aligning with our mission and values to enhance Kenya's reputation and meet stakeholder expectations. Our dedication to social, economic, and environmental responsibilities is at the core of KEPROBA's focus areas. We emphasize transparency and accountability by openly sharing our strategies, objectives, performance metrics, and governance practices with our stakeholders. This ongoing commitment reflects our strong drive to establish a sustainable corporate social responsibility framework.

In the 2022/2023 Financial Year, KEPROBA undertook specific CSR activities, focusing on key sectors and addressing societal needs:

a) Sports

The Agency participated in the 19th edition of the Standard Chartered (Stanchart) Nairobi Marathon which took place on 30th October 2022 at Uhuru Gardens. This was the second hybrid marathon with both the virtual and physical run, targeting 25,000 runners -15,000 in the physical marathon and 10,000 in the virtual run.

Ten (10) agency staff participated in the marathon where they ran different races, from 21 km male and female, 10 km male and female, and 5 km family fun run race.

KEPROBA'S participation at this event was aimed at giving the agency a chance to display our Corporate Social Responsibility (CSR), where we seek to make positive contribution to the community through our support and involvement in community projects that seek to address social issues. The event also provided a platform to enhance our brand visibility as the marathon received vast media coverage both locally and internationally.





b) Environmental Sustainability

Tree Planting is a high priority Government-driven initiative to conserve natural resources as well as to increase forest cover to 10% by 2030 (according to the Kenya Vision 2030) and sustainably manage natural forest resources for environmental protection and enhanced economic growth.

In this year's tree planting project, the Agency partnered with Kenya Tea Development Authority (KTDA) and KIRU Tea Factory and coordinated the Agency staff as well as tea farmers under Kenya Tea Development Authority to plant 700 tree seedlings along the river line of Mathioya in Murang'a County as well as donated 300 avocado seedlings to tea farmers who participated in the tree planting activity to enhance sustainable agriculture.

The agency has a strong focus on the tea sector because it plays a vital role in Kenya's economy. It contributes significantly to the country's gross domestic product, foreign exchange earnings, and provides direct and indirect employment to millions of people. Ensuring the sustainability of this industry is essential for the overall socio-economic well-being and development of the country.

One key strategy to address challenges facing the tea sector, especially in the face of climate change, is planting trees in tea-growing areas. Climate change poses a significant threat to the tea industry since tea is primarily dependent on rainfall for optimal growth. By planting trees, we can help mitigate the impacts of climate change. Additionally, reducing deforestation helps maintain the quality of the land that farmers rely on for tea cultivation and other crops.

Moreover, these trees serve a dual purpose by being used in tea processing factories to generate power. This moves towards using renewable resources helps these factories reduce their dependence on expensive and unreliable grid-connected electricity and fossil fuels, contributing to a more sustainable and environmentally friendly tea production process.







10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Agency's affairs.

Principal Activity

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.

Results

The results of the Agency for the year ended June 30, 2023 are set out on page 1.

Directors

The members of the Board of Directors who served during the year are shown on page xxxvi to xxxvii.

Auditors

The Auditor-General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023.

By Order of the Board

JAN UCEIPAN

A. Akach

28.02.2024



Corporation Secretary

Signature

Date



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, 2022. 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, 2023, 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 28th September 2023 and signed on its behalf by:

MR. JASWINDER BEDI, EBS, MBS
CHAIRMAN
OFFICER

FLOICE B. O. MUKABANA
Ag. CHIEF EXECUTIVE

REPUBLIC OF KENYA

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Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON KENYA EXPORT PROMOTION AND BRANDING AGENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 the 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 43, which comprise of the statement of financial

position as at 30 June, 2023, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Export Promotion and Branding Agency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the 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 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the One-Third Rule of Basic Salary

During the year under review sixteen (16) employees earned salaries that were less than one third (1/3) of their basic pay contrary to Section 19(3) of the Employment Act, 2007

which states that the total amount of all deductions which may be made by an employer from wages of an employee at any one time shall not exceed two thirds of such wages or such additional or other amount as may be prescribed.

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

2. Employees Serving in Acting Capacity Beyond the Stipulated Timeline

Review of the payroll and human resources records revealed that seven (7) employees appointed in an acting capacity had served in the positions for periods exceeding six (6) months. This was contrary to the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

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 section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Understaffing

As previously reported, the Agency had in-post ninety-one (91) members of staff representing twenty percent (20%) of the approved establishment of four hundred and fifty-six (456) members of staff spread across the various functional areas. Available records reflected that the low number is attributed to inadequate funding to facilitate recruitment.

In the circumstances, inadequate staffing may result to inadequate segregation of duties and impair service delivery to the public.

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 the 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 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 sustaining its 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 its operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, 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 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 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 March, 2024



**13. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022/2023 KShs.	2021/2022 KShs.
Revenue from Non-Exchange Transactions			
Transfer from Government Institutions – Recurrent Grants	6	521,599,999	624,911,213
Other Recurrent Grants	7	14,000,000	13,000,000
Deferred Income	6	4,443,655	100,000,000
Revenue from Exchange Transactions			
Other Income	9	<u>11,855,885</u>	<u>19,116,058</u>
Total Revenue		551,899,539	757,027,271
Expenses			
Use of Goods and Services	10	295,051,484	691,836,367
Employee Costs	11	254,250,095	236,145,751
Board Expenses	12	13,591,219	9,806,599
Depreciation & Amortization Expenses	13	10,303,136	13,038,286
Repairs and Maintenance	14	3,737,920	1,817,700
Total Expenses		576,933,854	952,644,703
Surplus/ Deficit for the Year		<u>(25,034,314)</u>	<u>(195,617,432)</u>

The notes set out on pages 6 to 47 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 47 were signed on behalf of the Board of Directors by:

CPA Albanus Mumo
Manager, Fin & Accounts
ICPAK Member No. 7968
Date... 28/02/24

Floice B. O. Mukabana
Ag. Chief Executive Officer
Date... 28/02/24


Mr. Jaswinder Bedi, EBS, MBS
Chairman
Date... 28/02/24




**14. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	2022/2023 KShs.	2021/2022 KShs.
Assets			
Current Assets			
Cash and Cash Equivalents	15	383,520,163	436,865,690
Receivables from Exchange Transactions	16	87,418,281	54,102,749
Receivables from Non-Exchange Transactions	17	34,251,947	45,702,770
		505,190,390	536,671,209
Non-Current Assets			
Property, Plant and Equipment	18	19,922,697	25,530,298
Intangible Assets	19	863,054	1,376,041
		20,785,750	26,906,339
Total Assets		525,976,141	563,577,548
Liabilities			
Current Liabilities			
Trade Payables from Exchange Transactions	20	40,715,322	72,219,993
Payables from Non-Exchange Transactions	21	147,934,883	151,720,476
Current Provisions	22	49,904,602	27,181,430
Total Liabilities		238,554,806	251,121,900
Net Assets		287,421,334	312,455,648
Reserves	25	287,421,334	312,455,648

The Financial Statements set out on pages 1 to 47 were signed on behalf of the Board of Directors by:


 CPA Albanus Mumu
 Manager, Fin & Accounts
 ICPAK Member No. 7968
 Date.....26/02/24


 Floice B. O. Mukabana
 Ag. Chief Executive Officer
 Date.....28/02/24


 Mr. Jaswinder Bedi, EBS, MBS
 Chairman
 Date.....28/02/2024



**15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2023**


Reserves			
Note NO. 25			
Description	General Fund	Revaluation Reserve	Total Reserves
	KShs.	KShs.	KShs.
Balance Brought Forward 1st July 2020	529,144,347	9,397,500	538,541,847
Deficit for the Financial Year 2020/2021	(30,468,764)	-	(30,468,764)
Balance as at 30th June 2021	498,675,583	9,397,500	508,073,082
Deficit for the Financial Year 2021/2022	(195,617,431)	-	(195,617,431)
Balance as at 30th June 2022	303,058,152	9,397,500	312,455,650
Balance Brought Forward 1st July 2022	303,058,152	9,397,500	312,455,650
Surplus/(Deficit) for the Financial Year 2022/2023	(25,034,315)		(25,034,315)
Balance as at 30th June 2023	278,023,837	9,397,500	287,421,337



**16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	JUNE 2023 KShs.	JUNE 2022 KShs.
Deficit for the year		(25,034,316)	(195,617,431)
Adjustments for: -			
Depreciation of Property, Plant and Equipment	13/18	9,751,288	10,606,589
Amortisation	13/19	551,848	2,431,697
Operating Deficit before working capital changes		(14,731,180)	(182,579,146)
Decrease/(increase) in Accounts Receivable	16/17	(21,864,709)	81,941,547
Increase/(decrease) in Accounts Payable	20/21/22	(12,567,093)	(26,628,637)
Net Cash flows utilized in operating activities		(49,162,982)	(127,266,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property & Equipment and Intangible Assets	18/19	(4,182,546)	(10,405,453)
Net cash flows utilized in investing activities		(4,182,546)	(10,405,453)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(53,345,528)	(137,671,689)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	15	436,865,690	574,537,379
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	383,520,162	436,865,690

The Financial Statements set out on pages 1 to 47 were signed on behalf of the Board of Directors by:



CPA Albanus Mumo
Manager Finance

ICPAK Member No. 7968

Date: 28/02/24


Floice B. O. Mukabana
Ag. Chief Executive Officer

Date: 28/02/24


Mr. Jaswinder Bedi, EBS, MBS
Chairman

Date: 28/02/24



**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023							
No.	Details	Original Budget	Adjustments	Consolidated Budget	Consolidated Actuals	Performance Variance	% Of Utilization
1.0	Revenue						
1.1	Transfer from Government Institutions - GOK Recurrent Grants	551,600,000	(30,000,000)	521,600,000	521,599,999	(1)	100%
1.2	Development Partners - Recurrent Grants	22,000,000	-	22,000,000	14,000,000	(8,000,000)	64%
1.3	Deferred Funds/Rolled Over Funds B/F	-	4,443,655	4,443,655	4,443,655	-	100%
1.5	A-in-A	15,000,000		15,000,000	11,855,885	(3,144,115)	79%
	Total Income	558,600,000	(25,556,345)	563,043,655	551,899,539	(11,144,115)	98%
2.0	Expenses						
2.1	Use of Goods & Services - Admin Expenses	183,685,264	(53,000,000)	130,685,264	130,975,804	(290,340)	100%
2.2	Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)	129,557,347	27,443,655	157,001,002	164,075,880	(7,074,878)	104%
2.3	Staff Costs	261,857,389	-	261,857,389	254,250,095	7,607,294	97%
2.4	Board Expenses	11,500,000		11,500,000	13,591,219	(2,091,219)	114%
2.5	Depreciation & Amortization	-	-	-	10,303,136	(10,303,136)	-
2.6	Repairs & Maintenance	2,000,000		2,000,000	3,737,920	(1,737,920)	186%
3.0	Total Expenditure	588,600,000	(25,556,345)	563,043,655	576,933,854	(13,890,199)	102%
	Surplus for the Period	-	-		(25,034,314)	2,746,083	



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. 521.6M**, Other Donors **COMESA RIIP Program KShs. 14M**, Deferred funds / (Rolled over funds) **KShs4.4M** and Cost Recoveries of **KShs. 11.8M**, therefore Annual Income for the year is **KShs. 551.8M**.

1.0 Revenues

1.2 Development Partners - Recurrent Grants

The variance of **KShs. (8M)** is attributed to various structural and fiscal changes in reorganization of Government affairs which resulted to budgets cuts and reallocation on RIIP Budget.

1.5 A-in-A

The variance of **KShs. (3.1M)** is attributed to under collection of A-in-A from our planned activities due to budget cuts in the year.

2.0 Expenses

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

The variance of **KShs. (7.7M)** relates is attributed to budgets cuts faced in the year.

2.3 Employee Costs

Staff Costs variance of **KShs. 7.7M** is attributed to staff natural attrition in the financial year.

2.4 Directors Expenses

The variance of **KShs. 2M** is attributed to reappointment of new board during various induction process and recruitment of new CEO.



2.5 Depreciation and Amortization

The variance of **KShs. (10M)** relates depreciation amounts for the year which is a non-cash expense thus not allocated any budget in the year.

2.7 Repairs & Maintenance

Repairs & Maintenance variance of **KShs. (1.7M)** is attributed to repairs on Photocopiers and consumables.



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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.



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 2022.***

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</p>



	<p>reporting entity provides in its financial statements about social 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; andc) 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.
Other improvements to IPSAS	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none">a) IPSAS 22 Disclosure of Financial Information about the general government sector. Amendments to refer to the latest System of National Account (SNA 2008).b) IPSAS 39: Employee Benefits Now delete the term composite social security benefit as it is no longer defined in IPSAS.



	<p>c) IPSAS 29: Financial instruments: Recognition and Measurement</p> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable: 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that the lessees and lessors provide relevant information in a manner that faithfully represent those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable: 1st January 2025</p> <p>The standard requires;</p> <p>Assets that meet the criteria to be classified as Held for Sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and;</p> <p>Assets that meet the criteria to be classified as Held for Sale to be presented separately in the statement of financial position and the result of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early Adoption of Standards

The Agency did not early-adopt any new or amended standards in year 2021/2022.



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 Agency 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 2022/2023 was approved by the National Assembly in June 2021 and assented by the H.E. The President on 26th June 2022. 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. 40 million on the 2022/2023 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 16 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.

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).

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.

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 but in the year there were no budget allocated to this budget line item.



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, 2023.

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 2022/2023	FY 2021/2022
	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>
State Department for Trade & Enterprise Development	521,599,999	-	-	521,599,999	674,100,000
Sub-Total	521,599,999	-	-	521,599,999	674,100,000
Less Deferred Funds C/F	-			-	(49,188,787)
Sub-Total	521,599,999			521,599,999	624,911,213
Add: Deferred Funds (Savings on System Development) B/F	4,443,655	-	-	4,443,655	(100,000,000)
Total	526,043,654	-	-	526,043,654	724,911,213



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Other Donor Recurrent Grants

Description	2022/2023	2021/2022
	KShs.	KShs.
COMESA RIIP	14,000,000	13,000,000
Total	14,000,000	13,000,000

8. Deferred Income

Description	2022/2023	2021/2023
	KShs.	KShs.
Funds carried forward from the previous FY	44,745,132	49,188,787
Total	44,745,132	49,188,787

9. Other Income

Description	2022/2023	2021/2022
	KShs.	KShs.
Bank Interest Income	7,193,549	10,971,429
Participation Fees	238,275	5,409,568
Sundry Income	4,424,061	807,500
Gain on Disposal of Motor Vehicles	-	1,927,560
Total	11,855,885	19,116,058



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.	USE OF GOODS AND SERVICES	KShs.	KShs.
		2022/2023	2021/2022
	(a) ADMINISTRATIVE EXPENSES		
	Office Rent and Service Charge	27,727,229	39,481,166
	Travelling Expenses	1,470,324	2,282,860
	Medical Insurance Expenses	34,638,939	31,722,850
	Recruitment and Training	12,551,344	16,759,990
	Telephone	1,029,166	956,368
	Printing and Stationery	953,881	3,385,150
	Motor Vehicle Expenses	6,484,528	4,586,754
	General Insurance	2,230,724	3,426,552
	Postal and Internet Expenses	1,236,087	4,092,599
	Legal and Professional Fees	306,070	1,774,954
	Professional Membership Subscriptions	(15,019)	707,454
	Newspapers and Magazines	937,478	289,911
	External Auditors' Fees	1,392,000	757,500
	Club Subscriptions	1,729,782	1,129,670
	Entertainment Expenses	638,815	1,381,515
	Catering Expenses	7,130,469	5,277,916
	Cleaning Services	1,601,368	2,141,101
	Internal Audit	63,000	3,004,400
	Advertising	28,648	1,065,570
	Staff Induction and Merger Expenses	434,420	1,464,503
	Database Development	345,515	6,274,549
	Computer Software Upgrade	815,659	7,340,533
	Computer Software Licenses	4,824,267	4,033,103
	Registry/Library Expenses	1,733,390	5,911,031
	Corporate Social Responsibility	114,000	5,000
	Covid -19 Expenses	8,386	282,822
	Procurement Costs	999,961	338,645
	Finance and Budgeting	1,181,641	1,800,449
	Office Relocation costs	2,321,100	2,420,754
	Bank charges	426,796	789,690



	Corporation Tax Expense	15,635,635	12,550,194
	Sub-Total	130,975,604	167,435,552
	(b) OTHER OPERATING EXPENSES		
	Expo expenses	10,945,774	356,449,024
	Fairs and exhibitions	9,264,068	23,128,163
	Trade Promotion, Export Research, and Publicity	81,187,674	73,755,512
	Nation Brand Development, Marketing and Communication	28,122,012	45,076,709
	ISO Certification	1,815,716	3,080,474
	Performance Contracting Expenses	2,305,764	368,965
	CBIK Expenses	6,563,303	2,050,113
	Stakeholders Management	10,750,269	9,784,102
	Strategic Plan Development, Evaluation & Review	13,121,300	10,707,752
	Sub-Total	164,075,880	524,400,814
	Total	295,051,484	691,836,366
11.	EMPLOYEE COSTS		
	Basic Pay	135,782,938	132,309,197
	Other Remunerative Allowances	55,007,042	52,384,432
	Other Personnel Costs	3,080,458	9,251,690
	Leave Allowance	7,021,691	2,826,835
	Staff Welfare Costs	9,024,257	3,978,898
	Pension Costs	13,613,870	12,739,570
	Gratuity Costs	22,678,883	16,418,647
	Staff Telephone Allowance	5,937,582	5,993,482
	Group Life Insurance	1,427,814	-
	Social Security Costs	675,560	243,000
	Total	254,250,095	236,145,751
12.	BOARD EXPENSES		
	Chairman's Honoraria and Telephone Allowance	1,044,000	1,107,350
	Board Sitting Allowances	7,009,903	5,875,325



	Travel, Accommodation and Other Expenses	5,537,316	2,823,924
	Total	13,591,219	9,806,599
13.	Depreciation and Amortization		
	Depreciation of Property, Plant and Equipment	9,751,288	10,606,589
	Amortisation of Intangible Assets	551,848	2,431,697
	Total	10,303,136	13,038,286
14.	Repairs and Maintenance		
	Repairs and Maintenance – Furniture & Fittings	777,976	1,270,533
	Repairs and Maintenance - Computers	2,959,944	547,167
	Sub total	3,737,920	1,817,700

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	KShs.	KShs.
Investment in Call Deposit	797,891	797,891
Bank and Cash Balances	382,722,272	436,067,799
Total	383,520,163	436,865,690

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

Financial Institution	Account Number	2022/2023	2021/2022
		KShs.	KShs.
(a) Kenya Commercial Bank (Brand Kenya Board)	1110627041	296,452,184	289,266,371
(b) Kenya Commercial Bank (Main)	1104822008	61,452,872.67	129,912,956
(c) Kenya Commercial Bank (CBIK)	1104823411	4,966,539.25	1,991,051
(d) Kenya Commercial Bank (Participation)	1104715384	737,273.27	741,593
(e) Kenya Commercial Bank (DANIDA)	1104823934	18,965,342.62	14,007,769



(f) Kenya Commercial Bank (Dollar)	1129327957	14,903	14,903
(g) Kenya Commercial Bank (Euro)	1129328007	17,454	17,454
(h) Housing Finance- Call Deposit Account	SD 200-0001013	797,891	797,891
(i) Cash in Hand (Petty Cash)	-	115,702.44	115,702
Total		383,520,162	436,865,690

The cash is held in Kenya Commercial Bank, University Way & Capital Hill Branches and Housing Finance Company.

16. Receivables from Exchange Transactions

Description	2022/2023	2021/2022
	KShs.	KShs.
State Department of Trade	0	4,548,870
Prepayments	85,674,431	47,810,029
Rent Deposit - NHIF	1,743,850	1,743,850
Total	87,418,281	54,102,749



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Receivables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs.	KShs.
Travel Imprest & Other Advances	13,078,321	20,127,866
Staff Car Loans	21,173,625	25,574,904
Supplementary GoK Grant Receivable	-	-
Total	34,251,947	45,702,770

18. Property, Plant & Equipment

Details	Office Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total
Cost/Valuation	KShs.	KShs.	KShs.	KShs.	KShs.
At 30 June 2021	39,843,977	70,398,684	49,231,193	79,677,842	239,151,695
Additions	3,159,626	5,876,600	1,241,626	-	10,277,852
Disposals	-	-	-	(16,258,927)	(16,258,927)
At 30 June 2022	43,003,603	76,003,284	50,472,819	63,418,915	233,170,620
Additions	2,021,490	1,627,197	495,000	-	4,143,687
At 30 June 2023	43,003,603	76,003,284	50,472,819	63,418,915	237,314,307
Depreciation					
At 1 st July 2021	31,112,491	61,310,549	44,211,465	76,658,156	213,292,660
Depreciation	2,739,662	4,865,037	1,231,390	1,770,500	10,606,589
Disposals				(16,258,927)	(16,258,927)
At 30 June 2022	33,852,153	66,175,587	45,442,854	62,169,729	207,640,322
Depreciation	2,733,257	4,366,915	1,401,930	1,249,186	9,751,288
At 30 June 2023	36,585,410	70,542,502	46,844,784	63,418,915	217,391,610
Net Book Values					
As at 30 th June 2023	8,439,682	7,359,979	4,123,035	0	19,922,697
As at 30 th June 2022	9,151,450	10,099,697	5,029,965	1,249,186	25,530,298

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Intangible Assets - Software

Description	2022/2023	2021/2022
	KShs.	KShs.
Cost		
At Beginning of the Year	24,862,895	24,735,295
Additions	38,860	127,600
At the End of the Year	24,901,755	24,862,895
Amortization		
At Beginning of the Year	23,486,853	21,055,156
Amortization	551,848	2,431,697
At the End of the Year	24,038,701	23,486,853
NBV	863,054	1,376,041

The Agency has software that cost KShs. 24,901,744 which has net book value of KShs. 863,054.

20. Trade and Other Payables from Exchange Transactions

Description	2022/2023	2021/2022
	KShs.	KShs.
Trade Payables	40,715,322	72,219,993
Total	40,715,322	72,219,993



21. Payables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs.	KShs.
Payroll Liabilities	62,929	66,381
Deferred Income	44,745,132	49,188,787
Staff Car Loan & Mortgage Scheme	103,126,821	102,465,308
Total	147,934,883	151,720,476

22. Current Provisions

Description	2022/2023	2021/2022
	KShs.	KShs.
Current Provisions (Leave)	8,011,721	4,562,620
Gratuity Provision	4,337,725	22,618,810
Contract Staff-Gratuity	37,555,155	-
Total	49,904,602	27,181,430

23. Deferred Income

Description	2022/2023	2021/2022
	KShs.	KShs.
National Government	44,745,132.44	49,188,787
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	44,745,132.44	49,188,787

The Deferred income movement is as follow:

	National Government	International Funders	Public Contributions & Donations	Total
	KShs.	KShs.	KShs.	KShs.
Balance Brought Forward	49,188,787	-	-	49,188,787



	National Government	International Funders	Public Contributions & Donations	Total
	KShs.	KShs.	KShs.	KShs.
(Contracted Services & Works in progress)				
Additions: (Contracted Services & Works in progress)	0	-	-	49,188,787
Transfer to Financial Performance Statement- Cost savings	(4,443,654.56)	-	-	(4,443,654,56
Balance Carried Forward	44,745,132.44	-	-	44,745,132.44

24. Cash Generated from Operations

	2022/2023	2021/2023
	KShs.	KShs.
Deficit for the Year Before Tax	(25,034,316)	(195,617,431)
Adjusted for:		
Depreciation	9,751,288	10,606,589
Amortization	551,848	2,431,697
Working Capital Adjustments		
Decrease in Receivables	(21,864,709)	81,941,547
Decrease in Payables	(12,567,093)	(26,628,637)
Net Cash Flow from Operating Activities	(49,162,982)	(127,266,235)



25. Reserves

Description	General Fund	Revaluation Reserve	Total Reserves
	KShs.	KShs.	KShs.
Balance Brought Forward 1st July 2020	529,144,347	9,397,500	538,541,847
Deficit for the Financial Year 2020/2021	(30,468,764)	-	(30,468,764)
Balance as at 30th June 2021	498,675,583	9,397,500	508,073,082
Deficit for the Financial Year 2021/2022	(195,617,431)	-	(195,617,431)
Balance as at 30th June 2022	303,058,152	9,397,500	312,455,650
Balance Brought Forward 1st July 2022	303,058,152	9,397,500	312,455,650
Deficit for the Financial Year 2022/2023	(25,034,315)	-	(25,034,315)
Balance as at 30th June 2023	278,023,837	9,397,500	287,421,334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2023	KShs.	KShs.	KShs.	KShs.
Receivables from Exchange Transactions	87,418,281	87,418,281	-	-
Receivables from Non-Exchange Transactions	34,251,947	34,251,947	-	-
Bank Balances	383,520,163	383,520,163	-	-
Total	505,190,390	505,190,390	-	-
At 30 June 2022				
Receivables from Exchange Transactions	54,102,749	54,102,749	-	-
Receivables from Non-Exchange Transactions	45,702,770	45,702,770	-	-
Bank Balances	436,865,690	436,865,690	-	-
Total	536,671,209	536,671,209	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows. 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 2023				
Trade Payables	40,715,322	-	-	40,715,322
Employee Benefit Obligations	49,904,602	-	-	49,904,602
Total	90,619,924			90,619,924
At 30 June 2022	KShs.	KShs.	KShs.	KShs.
Trade Payables	72,219,993	-	-	72,219,993
Employee Benefit Obligations	27,181,430	-	-	27,181,430
Total	99,401,423	-		99,401,423

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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	2022/2023	2021/2022
	KShs.	KShs.
General Fund	278,023,837	303,058,148
Revaluation Reserve	9,397,500	9,397,500
Total Funds	287,421,334	312,455,648
Total Borrowings	-	-
Less: Cash and Bank Balances	383,520,162	436,865,690
Net Debt (Excess Cash and Cash Equivalents)	383,520,162	436,865,690
Gearing	-	-

26. 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. 521,599,999 from the National Treasury through the State Department for Trade and Enterprise Development.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other related parties include;

- i) Ministry of industrialization, Trade and Enterprise Development
- ii) County Governments
- iii) Other State Corporations and SAGAs
- iv) Board of Directors
- v) Key Management

	2022/2023	2021/2022
Transactions with related parties	KShs.	KShs.
(a) Grants from the Government		
Grants from National Government	521,599,999	674,100,000
(b) Key Management Compensation		
Directors Emoluments & Other Expenses	13,591,219	9,806,599
Compensation to Key Management	102,697,438	81,655,190
Total	116,288,657.19	91,461,789



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Events after the Reporting Period

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

28. Currency

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

29. Contingent Liabilities

The Agency did not have any known contingent liabilities as at the end of the financial year.

30. Capital Commitments

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

Capital Commitments	2022/2023	2021/2022
	KShs.	KShs.
Authorised and contracted for e-portal development	34,974,000	34,974,000
Authorised and contracted for ERP system development	19,605,788.	24,049,443
Total	54,579,788.44	59,023,443

31. Ultimate and Holding Entity

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



19. 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
1.	Under staffing	The understaffing is attributed to various mergers which have been faced by the Agency after merger of former EPC and BKB and underfunding of the Agency. Remedial measures have been put in place and four Ministry staff have been deployed to KEPROBA to cushion the understaffing in the Research and Export Market Directorate. We have also gotten one staff deployed from the Office of the Attorney General. More deployments are underway to cushion to Agency as recruitments are being undertaken by the Agency.	CEO	Recruitment being undertaken	Sept 2023

FLOICE B. O. MUKABANA
Ag. CHIEF EXECUTIVE OFFICER

DATE: 28/02/24.

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

DATE: 28/02/2024



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 2021/2022			
(a) Recurrent Grants	Bank Statement Date	Amount (KShs.)	FY to which Amounts Relate
	18/08/2022	25,729,782	2022/2023
	07/10/2022	37,390,073	2022/2023
	15/11/2022	74,780,144	2022/2023
	15/11/2022	137,900,000	2022/2023
	02/05/2023	67,900,000	2022/2023
	12/06/2023	177,900,000	2022/2023
	Total	521,599,999	

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 2022/2023.



APPENDIX 5: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities					Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		