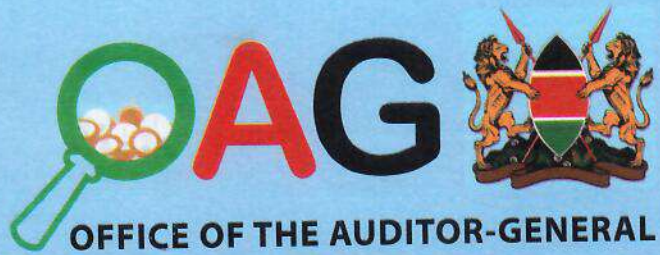


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA TRADE NETWORK AGENCY

FOR THE YEAR ENDED 30 JUNE, 2024



KENYA TRADE NETWORK AGENCY (KENTRADE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2024**

**Prepared in accordance with the accrual Basis of Accounting method under the
International Public Sector Accounting Standards.**

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table of Contents	Page
1. Abbreviations, Acronyms and Glossary of Terms.....	iii
2. Key Entity Information and Management.....	v
3. The Board of Directors.....	x
4. Key Management Team	xviii
5. Chairman's Statement.....	xxv
6. Report of The Chief Executive Officer.....	xxvii
7. Statement of Performance Against Predetermined Objectives for FY 2023/2024.....	xxx
8. Corporate Governance Statement	xlvi
9. Management Discussion and Analysis	lvi
10. Environmental and Sustainability Reporting	lxix
11. Report of The Directors	lxxvi
12. Statement of Directors' Responsibilities	lxxvii
13. Report of The Independent Auditors on The Kenya Trade Network Agency	lxxix
14. Statement of Financial Performance for the year ended 30 June 2024	1
15. Statement of Financial Position as at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 June 2024	3
17. Statement of Cash Flows for the year ended 30 June 2024	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024	6
19. Notes to The Financial Statements.....	10
20. Appendices.....	57

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

1. Abbreviations, Acronyms and Glossary of Terms

A. Abbreviations and Acronyms

BIT	- Business Intelligence Tool
CEO	- Chief Executive Officer
CSR	- Corporate Social Responsibility
DCS	- Director Corporate Services
DVS	- Directorate of Veterinary Services
GAA	- Government Advertising Agency
GIZ	- The Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	- Information Communication Technology
ICD	- Inland Container Depot
ICF	- Investment Climate Facility for Africa (Development Partners)
ICMS	- Integrated Customs Management System
IPSAS	- International Public Sector Accounting Standards
KECOBO	- Kenya Copyright Board
KENTRADE	- Kenya Trade Network Agency
KEBS	- Kenya Bureau of Standards
KDB	- Kenya Dairy Board
KMA	- Kenya Maritime Authority
KRA	- Key Result Area
NEMA	- National Environment Management Authority
NESWS	- National Electronic Single Window System
PFM	- Public Finance Management
PCPB	- Pest Control Products Board
R	Restated
SWS	- Single Window System (otherwise referred to as the Trade Facilitation Platform - TFP)
SAGAs	- Semi-Autonomous Government Agencies
SCs	- State Corporations
TFP	- Trade Facilitation Platform

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

TMA - Trademark Africa

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year- Means the prior period.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

2. Key Entity Information and Management

a. Background information

The Kenya Trade Network Agency (KenTrade) is established under the National Electronic Single Window System Act No. 25 of 2022. The Agency is domiciled in Kenya in Nairobi, Upper Hill at the Embankment Plaza and has branches in Mombasa, Malaba, Busia, Namanga, Isebania and ICD Nairobi.

b. Principal Activities

The principal role of KenTrade is to establish and manage a National Electronic Single Window System (Trade Facilitation Platform) and facilitate trade.

The National Electronic Single Window System serves as a single-entry point for parties involved in trade and transport to:

- a) Lodge documents electronically including imports or export documents for processing and approval;
- b) Facilitate the electronic payment of fees and levies due to the Government on goods imported or exported for transactions submitted through the system, and
- c) The System may be used by a person involved in domestic trade transactions.

Our vision

"A Global Leader in Trade Facilitation."

Mission statement

"To facilitate trade by simplifying, harmonizing, and automating business processes through effective and efficient management of the National Electronic Single Window System and provision of related services for Kenya's global competitiveness."

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Entity Information and Management (Continued)

c. Key Management

The Agency's day-to-day management is under the following key officers:

- a) The Board of Directors
- b) The Chief Executive Officer
- c) Heads of Directorate (Directors)
- d) Heads of Department (Managers)

d. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

	Name	Position
1	David Ngarama	Chief Executive Officer
2	Anne Waweru	Director IT Infrastructure, Innovation & Information Security
3	Chrispus Mbogo	Director Corporate Services
4	Fridah Kaberia	Director Strategy, Compliance and Business Development.
5	Bernard Milewa	Corporation Secretary and Legal Affairs Manager
6	Joanne Kweyu	Manager, Supply Chain Management
7	Peter Wafula	Ag. Manager, Internal Audit

e. Fiduciary Oversight Arrangements

The following are the Board committees and members who provided fiduciary oversight over the financial year. The CEO is a member of every committee except the Audit and Risk Committee.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Entity Information and Management (Continued)

i. Audit & Risk Committee

1. Mr. Abubakar Ketemon - Chairperson
2. Mr. Paul Mwiti - Member
3. Ms. Rose Masita- Member (Alternate Director to PS State Department for Trade)
4. Ms. Isabella Kogei- Member- (Alternate Director to PS NT)

ii. Finance & General Purposes Committee

1. Ms. Florence Chemtai - Chairperson
2. Mr. Ibrahim Maalim Abdi - (Alternate Director to PS SDT)
3. Ms. Isabella Kogei- Member-(Alternate Director to PS NT)

iii. Human Resource and Compliance Committee

1. Mr. Meshack Kipturgo - Chairperson
2. Ms. Florence Chemtai - Member
3. Mr. Ibrahim Maalim Abdi - Member (Alternate Director to PS SDT)

iv. Strategy and Business Committee

1. Mr. Paul Mwiti - Chairperson
2. Mr. Abubakar Ketemon - Member
3. Mr. Meshack Kipturgo- Member
4. Ms. Rose Masita - Member- (Alternate Director to PS State Department for Trade)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Entity Information and Management (Continued)

f. Entity Headquarters

Embankment Plaza, First Floor,
Longonot Road, Upper Hill
P.O. Box 36943 – 00200
Nairobi

g. Entity Contacts

Telephone: (254) 20 464 5000
E-mail: info@Kentrade.go.ke
Website: www.Kentrade.go.ke

h. Entity Bankers

1. Equity Bank Limited.
Equity Centre Branch
P.O. Box 75104 – 00200
Nairobi
2. Co-operative Bank of Kenya Limited
Upper Hill Branch
P.O. Box 48231 – 00100
Nairobi
3. KCB Bank Limited
Upperhill Branch/KICC Branch
P.O. Box 48400 – 00100
Nairobi

i. Independent Auditors

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Entity Information and Management (Continued)

j. Principal Legal Adviser

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

3. The Board of Directors

Hon. Basil Criticos
Chairman



Hon. Basil Criticos has worked in public service for over 30 years. He served as an elected Member of Parliament for Taveta Constituency (1992-2002) and also served in the Executive as an Assistant Minister for Health (1992-1999) and Assistant Minister for Roads and Public Works (1999-2001).

Hon. Basil Criticos is currently the Chief Executive Officer of the Kenya Trade and Development Company Limited. He has served in a similar capacity in Agro Development Company Limited as well as Deputy Group Manager at the Kenya Trade and Development Company Limited. Hon. Basil has over 50 years of experience in farming and wildlife conservancy.

Dr. Florence Chemtai
Member



Dr. Chemtai holds a PHD in Entrepreneurship Management and a Master's degree in Business Administration from the Kisii University. She also holds a bachelor's degree in business management from Moi University and is a Certified Procurement & Supply Professional (CPSP-K).

She has attended various trainings including Strategic Leadership Development Programme and Senior Management Course (Kenya School of Government), Corporate Governance Training and Business Process Reengineering amongst others. She has served as an Assistant Registrar (Administration) at the Koitaleel Samoei University College (A Constituent College of The University of Nairobi).

Dr. Chemtai has also served as a Lecturer in the School of Business and Economics and Coordinated Industrial Attachment and Placement-Kisii University.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

She is an active member of Kenya Institute of Management, Kenya Institute of Supplies Management, and Institute of Human Resource Management.

Mr. Paul Mwiti
Member



Mr. Mwiti holds a Bachelor of Arts (Economics, Sociology and Political Science) from Meerut University, India. He is currently a Director and Treasurer at Yetu Deposit Taking Sacco Ltd. He has previously served in the Governor's Special Advisory Board - Meru County.

He has also previously held various leadership and management positions including as Vice Chairman Yetu Pamoja Investment Ltd, Chairperson BOM Murembu Secondary School; Board of Management Kiangua Boys High School, among others. He has also served in the Office of the President, Department of Immigration. Mr. Mwiti has an interest in farming and community development.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Abubakar Lewano
Member



Mr. Abubakar Lewano is a seasoned private equity professional with over 20 years investment experience in the emerging markets in Africa.

He is currently the Investment Principal and Africa lead for Soros Economic Development Fund (SEDF). He serves on the advisory boards of a number of SEDF's investees in the continent. Prior work experience includes the Norwegian Investment Fund, Norfund where he was a Senior Investment Manager and Commercial Bank of Africa (now NCBA) where he was a manager in the corporate banking division.

Mr. Abubakar holds a Master of Business Administration (distinction) degree in Finance from Birmingham Business School, United Kingdom and a Bachelor of Commerce (Finance) degree from the University of Nairobi, Kenya. He is currently pursuing his PhD in Development Finance at USIU-Africa in conjunction with Columbia Business School, New York.

Mr. Meshack Kipturgo
Member



Meshack is a seasoned and accomplished transport and logistics professional with over 30 years' experience within the Eastern Africa Region with international exposure in some of the leading ports like Singapore, Hong Kong and Rotterdam.

A respected industry leader and governance expert, Meshack has held office in key associations such as Director and immediate past Chairman of the Shippers Council of Eastern

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Africa (SCEA), former chair at the Container Freight Station Association (CFSA), National Vice Chairman of FKE and Chair - Coast Chapter of the Federation of Kenya Employers (FKE), amongst others.

As the Managing Director, Siginon Group, Meshack provides leadership across the business units ranging from; ground handling, container freight station, global logistics - freight forwarding (air/sea/road/rail), warehousing and customs clearance to entities in Kenya, Uganda, Tanzania, DRC and South Sudan serving customers located globally. While at the helm, the Group has experienced double digit growth and expanded its operations to cover more markets regionally and globally.

Meshack is a Bachelor of Commerce graduate from the University of Nairobi as well as a graduate of the Strathmore/ IESE Business School Advanced Management Program. He also bears various certifications in Logistics and Corporate Governance.

FA, CPA Isabella Kogei

Alternate Member for the Principal Secretary, The National Treasury



Ms. Kogei currently serves as the Deputy Director/Parliamentary Affairs at the National Treasury where she has previously held various other roles including as Principal Finance Officer (2017-2020) and Finance Officer (2011 -2017). She started her career in 2007 as an accountant at Paws Africa Safaris and later joined the public service at the Ministry of Livestock and Development in the role of Finance Officer III, in 2009.

Ms. Kogei holds a Master of Science (Finance) degree from Kenyatta University and a Bachelor of Commerce (Accounting) degree from the same university. She is currently pursuing a Doctor of Philosophy (Finance) Degree at Kenyatta University. She is a Certified Public Accountant CPA(K), Certified Financial Analyst (ICIFA) and a Member of the Institute of Internal Auditors (IIA-K).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Ms. Kogei has held various leadership roles such as spearheading the formation of the Parliamentary Liaison office (PLO) under the then new Constitutional Dispensation in 2013 at the National Treasury; Head of Parliamentary Affairs since 2013 to date; an Alternate Director in Seven (7) Government Parastatals; a Board Member of an NGO (Non-Governmental Organization); and Audit Committee Member in Two (2) Government Ministries.

Mr. Ibrahim Maalim Abdi, HSC

Alternate Director to the Principal Secretary, State Department for Transport



Mr. Abdi holds a Master's Degree in Human Resource Management from the University of Westminster and a Bachelor of Education (Arts) from Egerton University. Further, Mr. Abdi has experience as an educational trainer and worked as a Secondary school teacher. He is also a trained Integrity Assurance Officer to help fight against corruption in public sector.

Mr. Abdi currently serves as a Senior Deputy Secretary in the State Department of Transport under the Ministry of Roads and Transport. He has over twenty-eight (28) years of experience in Public Administration and Management.

Previously, he was the Alternate Director representing the Principal Secretary of the State Department for Transport at the National Transport Safety Authority (NTSA). Mr. Abdi was also a member of the National Emergency Medical Care (EMC), Steering Committee and the National Hospital Service Committee at the Ministry of Health.

He has been Chair and Member of various Ministerial Administrative Committees in the Ministries he served. He is a Member of Africa Association for Public Administration and Management (AAPAM).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Mr. Abdi has attended various trainings in Management and Leadership Programs which include strategic Leadership Development Programme, Senior Management Course and Advanced Public Administration at Kenya School of Government. In addition, he has been trained at Eastern and Southern African Management Institute (ESAMI) on other Strategic Management Development courses such as Modern Management; Project Design and Conduct of Service Delivery Programme.

Ms. Rose Masita

Alternate Member for the Principal Secretary, State Department for Trade



Ms. Masita has a Master of Science Degree in Entrepreneurship (MSc Entrepreneurship), a Bachelor of Arts in Anthropology and a BA (Anthropology and Economics). She also has a Certificate from UNCTAD on Trade Facilitation in the East African Community.

Ms. Masita currently serves as an Assistant Director, External Trade in the Ministry of Industry, Trade and Cooperatives. She has previously served as a Senior Foreign Service Officer in the Ministry of Foreign Affairs and International Trade attached to the Directorate of Economic & international Trade, Division of Economic Affairs where she was posted to Pretoria South Africa as the officer in Charge of Trade at the Kenya High Commission. Ms. Masita has vast experience in matters International Trade including trade facilitation.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Mr. David Ngarama
Chief Executive Officer



David Ngarama is currently the Chief Executive Officer of the Kenya Trade Network Agency, having been appointed to the position on July 17, 2023. He previously served as the Director Trade Facilitation at the Kenya Trade Network Agency. Prior to his appointment as a Director Trade Facilitation, Mr. Ngarama served as the Director Strategy, Compliance and Business Development. Before this appointment, he had served for over eight years as the Manager Strategy and Planning at the KenTrade. He joined KenTrade in 2013 having served as a Transaction Manager with the Privatization Commission, a parastatal under The National Treasury and Planning, for four years where he was in charge of various privatization transactions in the country.

Mr. Ngarama has also served as a Principal Economist in the Office of the Deputy Prime Minister and Minister for Trade where he doubled as a Technical Assistant to the Deputy Prime Minister.

Mr. Ngarama has over 27 years' experience in public sector operations and has worked as a Senior Economist at the Ministries of Planning, Finance, International Trade and Industry. In addition, he has wide exposure in regional trade and integration matters and has represented Kenya in many trade negotiations within and outside the Common Market for East and Southern Africa (COMESA) Region and EAC.

Over and above the Bachelors and Master's degrees in Economics, Mr. Ngarama has been trained in Senior Management related courses including the Strategic Leadership Development Programme at the Kenya School of Government and Senior Managers Leadership Programme at the Strathmore Business School; Project Monitoring and Evaluation; Project Management; Financial modeling and a host of other areas.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

The Board of Directors (Continued)

Mr. Ngarama has been the Chairman of the Technical Committee of the African Alliance for Electronic Commerce (AAEC) for over five years and is the immediate former Chair of the Executive Committee of the AAEC. AAEC brings together countries implementing trade electronic Single Window Systems in Africa.

Mr. Bernard Milewa, Advocate, CS, CPA.
Corporation Secretary & Legal Affairs Manager



Mr Bernard Milewa has served in the Agency as the Corporation Secretary and Legal Affairs Manager since January 2018. In this role, he oversees the Board Secretarial and Legal Affairs functions of the Agency. He provides legal counsel to the Board and other management. He is a member of the Executive Committee and reports functionally to the Chief Executive Officer and administratively the Board. Mr. Milewa is an Advocate of the High Court of Kenya,

Commissioner for Oaths, Notary Public and a certified Governance Auditor. Mr. Milewa holds a Master of Business Administration (MBA) Strategic Management from the University of Nairobi, Bachelor's degree in law from Moi University and Post-Graduate Diploma in Law from Kenya School of Law. He is also a Certified Secretary (CS-K), Certified Public Accountant (CPA-K) and a Governance Auditor

Mr. Milewa is a member of the Institute of Certified Secretary of Kenya, Institute of Certified Public Accountant (ICPAK) and Chartered Institute of Arbitrators (CiArb). He has 17 years legal experience and previously served in a similar capacity at the Kenya Literature Bureau a regional publishing agency as well as a Senior Compliance, Risk and Legal Officer at the Postal Corporation of Kenya.

Mr. Milewa is a strategic leader and an exceptional thinker with a conviction that Africa's public and private sector organizations can deliver Africa's development agenda through good governance practices and effective leadership.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

4. Key Management Team

Mr. David Ngarama
Chief Executive Officer



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KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

Mr. Ngarama has been the Chairman of the Technical Committee of the African Alliance for Electronic Commerce (AAEC) for over five years and is the immediate former Chair of the Executive Committee of the AAEC. AAEC brings together countries implementing trade electronic Single Window Systems in Africa.

Ms. Anne Waweru

Director IT Infrastructure Innovation & Information Security



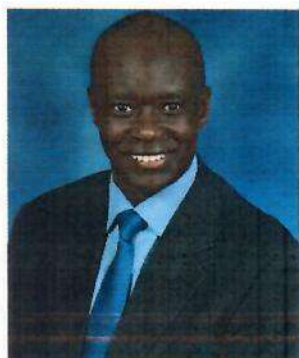
Ms. Waweru joined the Agency in June 2019 as Director IT Infrastructure, Innovations & Information Security. She has extensive experience in the ICT profession, mainly from the private sector. Before joining the Agency, she worked as Business Manager, ICT at Eagle Africa Insurance Brokers. Prior to this she was the Assistant Divisional Director, ICT at Eagle Africa.

Ms. Waweru holds an MSc in Management Information Systems from the University of Nairobi and Bachelor of Education (Science) degree from Kenyatta University. She holds various certifications in management and leadership from the Kenya School of Government. She has certification in ITIL in IT Service Management, is a Certified Information Systems Auditor among other professional certifications in IT related courses. She is a member of Information Systems Audit and Control Association (ISACA) and the Computer Society of Kenya. She has done various other courses in the field of IT Infrastructure, Governance & Security. Ms. Waweru is the Chairperson of the ICT Subcommittee of the Mombasa Port & Northern Community Corridor Charter.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

Mr. Chrispus Mbogo
Director, Corporate Services



CPA Chrispus Reuben Mbogo has served in the Agency as the Director, Corporate Services since September 2020. In this capacity he oversees the human resources and administration function and the finance function and is a member of the Executive Committee of Management (EXCOM). He reports to the Chief Executive Officer and provides technical support to the Finance and General Purposes (F&GPC) and the Human Resources and Compliance (HRCC)

committees of the Board.

CPA Mbogo holds a Master of Business Administration in Finance degree from the University of Nairobi and a Bachelor of Commerce degree in Finance from the Catholic University of Eastern Africa. He is a Certified Public Accountant of Kenya (CPA(K)) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He holds various certifications in management and leadership from the Kenya School of Government, as well as certificates in other areas of management including pension administration, ISO and corporate governance.

He has worked for 23 years as a public financial management (PFM) practitioner, beginning with the Kenya Agricultural Research Institute (KARI) in 2000, where for ten years he served in various research centers (and at the headquarters) as an accountant and as an Internal Auditor. Before joining the Agency in 2013, as the Manager, Internal Audit, Risk and Compliance and later the Manager Finance, he worked with the Coffee Development Fund (CoDF) as Head of Internal Audit and Acting Finance & Administration Manager.

CPA Mbogo is an active member of ICPAK and currently serves in the ICPAK Council Committee for Public Sector Accountants. He is also the current Chairman of the Board of Trustees of the KenTrade Staff Pension Scheme, as well as serving in other leadership capacities in the society.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

Ms. Fridah Kaberia
Director, Strategy, Compliance & Business Development



CS Fridah is the Director Strategy, Compliance and Business Development. She joined the Agency in September 2022 and has been instrumental in developing the overall KenTrade Corporate Strategy, by overseeing key functions of Strategy, Compliance, Project Management, Public Relations & Marketing.

Ms. Fridah is an experienced professional with more than 18 years' experience in both private and public service of hands-on proven track record of verifiable success coupled with good understanding of government operations. She has a wealth of experience in Intellectual Property Rights Enforcement, spanning over 12 years. Prior to her current position, Fridah served as the acting Executive Director/CEO of the Anti-Counterfeit Authority, the lead Kenyan government Agency mandated to combat counterfeiting and trade in counterfeit goods. Ms. Fridah was also the Director in charge of Corporate Services as well as performing the functions of the Corporation Secretary at the Authority.

Ms. Fridah holds a Master's degree in Business Administration and Bachelor of Art (Economics) degree all from the University of Nairobi. She is a Certified Public Accountant of Kenya CPA(K) and a Certified Secretary CS (K). Ms. Fridah is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Secretaries of Kenya (ICS). She holds various certifications in management and leadership courses, as well as certifications in pension administration, ISO and corporate governance. Her passion is in facilitation and promotion of genuine trade.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

Mr. Bernard Milewa, Advocate, CS, CPA.
Corporation Secretary & Legal Affairs Manager



Mr Bernard Milewa has served in the Agency as the Corporation Secretary and Legal Affairs Manager since January 2018. In this role, he oversees the Board Secretarial and Legal Affairs functions of the Agency. He provides legal counsel to the Board and other management. He is a member of the EXCOM and reports functionally to the Chief Executive Officer and administratively the Board.

Mr. Bernard Milewa is an Advocate of the High Court of Kenya, Commissioner for Oaths, Notary Public and a certified Governance Auditor.

Mr. Milewa holds a Master of Business Administration (MBA) Strategic Management from the University of Nairobi, Bachelor's degree in law from Moi University and Post-Graduate Diploma in Law from Kenya School of Law. He is also a Certified Secretary (CS-K), Certified Public Accountant (CPA-K) and a Governance Auditor.

He is a member of the Institute of Certified Secretary of Kenya, Institute of Certified Public Accountant (ICPAK) and Chartered Institute of Arbitrators (CiArb). Mr. Milewa has 17 years legal experience and previously served in a similar capacity at the Kenya Literature Bureau a regional publishing agency as well as a Senior Compliance, Risk and Legal Officer at the Postal Corporation of Kenya.

Mr. Milewa is a strategic leader and an exceptional thinker with a conviction that Africa's public and private sector organizations can deliver Africa's development agenda through good governance practices and effective leadership.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

Ms. Joanne Kweyu
Manager, Supply Chain Management



Ms. Ms. Joanne Kweyu is a Supply Chain Management professional with extensive experience in public sector procurement. She is a focused, analytical and visionary leader who has successfully overseen all KenTrade's procurement activities since July 2012.

She began her career at the Ministry of Agriculture, Livestock Development and Marketing, and has served in various senior positions at the Office of the President- (Koibatek and Machakos districts), The National Treasury, Government Information Technology Services (GITS), Ministry of Lands and Ministry of Public Health and Sanitation.

Ms. Kweyu holds an Executive Master of Business Administration degree from Jomo Kenyatta University of Agriculture and Technology, a Bachelor of Commerce degree (Business Administration Option) from the University of Nairobi and a Graduate Diploma in Purchasing & Supply (CIPS) from the Institute of Purchasing and Supply (UK).

She is a licensed Supply Chain Management practitioner and a member of both the Kenya Institute of Supplies Management (KISM) and the Chartered Institute of Purchasing and Supply (UK).

She holds various certifications in Management, Corporate Governance, Strategic leadership, Enterprise Risk Management, ISO Quality Standards and Public Policy.

She serves as a member of the Board of Trustees of the KenTrade Staff Pension Scheme.

She is a former member of the Disciplinary Committee of the Kenya Institute of Supply Management (KISM) Council.

Ms. Kweyu is a Certified Professional mediator.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Key Management Team (Continued)

CPA Peter Wafula

Ag. Manager Internal Audit



CPA Peter Wafula has been serving as the Acting Manager of Internal Audit at KenTrade since April 2024. He initially joined the Agency as an Internal Audit Officer in January 2019. In his role, CPA Peter provides independent and objective assurance to the Board regarding risk exposure, the effectiveness of controls, and governance processes. He ensures that KenTrade's operations comply with internal control systems, procedures, and policies to support the organization's strategic goals and objectives. Peter reports functionally to the Board Audit & Risk Committee (ARC) and administratively to the Chief Executive Officer.

CPA Peter is currently pursuing an MBA in Finance at Jomo Kenyatta University of Agriculture and Technology. He holds a Bachelor of Commerce degree in Finance from Egerton University. He is a Certified Public Accountant of Kenya (CPA/K), a member of the Institute of Certified Public Accountants of Kenya (ICPAK), and the Institute of Internal Auditors (IIA). Additionally, he is an ISO 9001 auditor.

CPA Peter has extensive audit experience in both the public and private sectors. He worked as an Auditor at Bungoma County and as an Accountant at Aramex Kenya Limited. He has also conducted audits in the private sector with Esther Muchemi & Company CPA(K).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

5. Chairman's Statement

On behalf of the Board of Directors', I am pleased to present KenTrade's Annual Report for the Financial Year 2023/2024. The report provides an outline of our strides in the continued fulfilment of our Vision of Making a difference in Trade Facilitation. The Agency prides itself as a trusted enabler of trade in Kenya, a dependable partner in the critical industry and a customer-focused public service institution whose success and recognition are driven by stakeholder satisfaction.

The year commenced with the appointment of Mr. David Ngarama as the Chief Executive Officer of KenTrade effective from July 17, 2023. Ngarama joined KenTrade in 2013 and has served in various capacities, most recently as the Director Trade Facilitation. The Board is confident that Mr. Ngarama will provide leadership to Management and ensure achievement of the Agency's Strategic Objectives.

The year under review recorded a significant milestone with the Agency reducing its dependence on the exchequer, following the approval of the National Electronic Single Window System (NESWS) Regulations 2024, which paved way for the Agency to charge for the NESWS Services as from May 20, 2024. The Regulations are instrumental in operationalizing the NESWS Act (Cap 485D).

The journey to having the NESWS Act (Cap 485D) commenced in 2018 and involved a series of consultative activities including stakeholder engagements, public participation, drafting of the regulations, high level discussions which finally led to the approval by the National Assembly. The Agency continues to engage with stakeholders on the execution of the regulations.

I must admit that we are humbled by the tremendous support of our stakeholders and the Government in the implementation of the National Electronic Single Window System (NESWS) Regulations, 2024. It would be remiss of me not to thank my predecessor, the National Treasury and Economic Planning and the National Assembly for their belief in the Agency.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Chairman's statement (continued)

The Board of Directors also made impressive gains in their annual ranking based on the Board Evaluation facilitated by the Regulator, the State Corporations Advisory Committee (SCAC). From the score of 93.1 % in 2021/2022 to 97.12% in 2022/23, we aim to surpass the previous scores. The Board's impressive performance speaks to the excellence and dedication in discharging the mandate of oversight and strategic policy guidance to the Management. Importantly, the Agency increased its performance targets according to the rating by the Public Service Commission, naming it as one of the top five best performing public institutions.

The Strategic Plan 2023/24 - 2026/27 implementation is on course, and the Board is scheduled to carry out the mid-term review to mitigate on any gaps that may hinder the successful delivery of the Agency's trade facilitation mandate.

Finally, I commend the Board of Directors, Management, and Staff for their resilience and efforts in delivering the achievements during the year. Additionally, achievements would not have been possible without the support of our Parent Ministry - The National Treasury, Partner Government Agencies, Trade Associations, Development partners, all other key stakeholders.

Thank You.



Hon. Basil Criticos
CHAIRMAN

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

6. Report of The Chief Executive Officer

It is with great pleasure, that I present the Annual Report and Financial Statements for the year ended June 30, 2024. Since its establishment in 2011, KenTrade has witnessed major developments in its operations which has greatly shaped the milestones the trade facilitation industry has experienced. The financial year 2023/2024 has seen the transformation of KenTrade as guided by our vision of making a difference in Trade Facilitation.

In March 2024, the Agency reached a significant milestone when the National Assembly approved the National Electronic Single Window System (NESWS) Regulations 2024. Implementation of these regulations began in May 2024, marking a key transition for the Agency. This shift allowed the Agency to move away from full reliance on the exchequer and make significant strides towards self-sufficiency.

The Agency has so far onboarded twenty-eight (28) Partner Government Agencies (PGAs) who are involved in processing trade documentation on the Trade Facilitation Platform (TFP). As of June 2024, the total number of registered users had reached 19,548, marking a 7% increase from the previous total of 18,294 at the end of the 2022/23 financial year.

The Agency has continued to sensitize stakeholders on the benefits of the Business Intelligence (BI) Tool, which KenTrade implemented with support from TradeMark Africa (TMA). The BI tool has been integrated with the Trade Facilitation Platform (TFP) to enable convenient access to intuitive reports, leveraging data accumulated over the years. These reports generated by the BI tool can be instrumental in deriving insights for strategic business decisions.

The Agency also stepped-up efforts in establishing the Digital Logistics Market Place (DLMP), an online marketplace for trade, connecting businesses and private sector players, meant to simplify trade logistics. The DLMP will bring together a diverse range of stakeholders, allowing businesses to select the most suitable service providers at the best rates, ensuring optimized logistics and a streamlined supply chain.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Report of The Chief Executive Officer (Continued)

This initiative is expected to catalyze trade volumes and expedite e-commerce growth, playing a pivotal role in the digital economy."

The Agency upscaled the mapping of procedures for various commodities on the InfoTradeKenya portal, an online platform that traders can access all the requirements needed to import, export and transit a specific commodity to or from Kenya. As of June 30, 2024, the Agency had mapped procedures for one hundred and twenty-five (125) commodities, as compared to one hundred and fourteen (114) commodities in Q4 FY 2022/2023. The portal is available via infotradekenya.go.ke.

Our impact was felt not just in our core business, but also in community engagement through our Corporate Social Responsibility (CSR) in various parts of the country where KenTrade connected with communities in environmental conservation. The Agency organized a series of tree planting in Nairobi, Mombasa, Kiambu and Elgeyo Marakwet Counties to plant 3,802 tree seedlings. This aligned with the government's target of planting 15 billion trees by 2032, as envisioned by H.E. President Dr. William Samoei Ruto.

Our ratings on the Resolution of Public Complaints where we are subjected to quarterly appraisal by the Commission of Administrative Justice (Ombudsman) has been commendable over the years as we wait for the 2023/24 results from the Office of the Ombudsman which shall be issued during the first quarter of the upcoming year. We continued to ensure that the public can access our Information as enshrined in the Access to Information Act, 2016. Consequently, we are constantly communicating to our customers and the public to report on corruption through the channels we have made available on our website: www.kentrade.go.ke.

Finally, allow me to thank all stakeholders for being part of this inspiring journey and for continuously believing in us as we progress our trade facilitation mandate.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Report of The Chief Executive Officer (Continued)

Some of the activities and projects that we successfully undertook such as the implementation of the Business Intelligence Tool, Stakeholder engagements and participation in the Mombasa Port and Northern Corridor Community Charter, are all geared towards ensuring our stakeholders needs are met. Implementation of these initiatives is attributed to the support that we received from development partners such as, Trademark Africa (TMA), International Finance Corporation (IFC) and GiZ Kenya.

I thank the management who have worked closely with me for their passion and dedication in keeping our operations running seamlessly. I am grateful to all staff for their relentless spirit and for pushing through in ensuring excellence in our service delivery.

In a special way, I thank the Chairman and the Board of Directors for their guidance in providing Strategic direction and leadership. Lastly, I am thankful to our parent ministry, The National Treasury and Economic Planning, for their support and oversight role which has enabled us to achieve the milestones' we have realized this financial year 2023/24.

Thank you



David Ngarama

CHIEF EXECUTIVE OFFICER

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

7. Statement of Performance Against Predetermined Objectives for FY 2023/2024

The Financial Year 2023/2024 was the initial year in the implementation of the 4th Strategic Plan for the period 2023/2024- 2027/2028. This Strategic Plan has five (5) Key Result Areas (KRAs) and eleven (11) strategic objectives with several strategies and activities on how to achieve the intended objectives. These Key Result Areas are as discussed below:

Key Result Area 1: Trade Environment and Ease of Doing Business

The Agency commits to improve the trade environment and ease of doing business. This is to be achieved by ensuring that the existing non-tariff barriers are managed. This is mainly through the simplification of the trade processes and procedures for imports and exports. The Agency commits to engage the respective regulatory government agencies and stakeholders to ensure measures for achieving ease of doing business are identified and implemented. This is to be achieved through 5 strategic objectives which includes increase of automation of cargo documentation and clearance processes from the 95% in FY 2023/24 to 99% by FY 2027/28, to document import and export cargo documentation and clearance processes from the 126 commodities in FY 2023/24 to 176 by FY 2027/28, to simplify import and export cargo documentation and clearance processes from the 8 commodities in FY 2023/24 to 18 by FY 2027/28, to promote e-commerce by providing five online logistics services by 2027/28, to build capacity in trade facilitation by training 200 stakeholders annually and to facilitate domestic trade by training three counties to re-engineer their trade processes annually.

The Agency managed to on board thirty-two (32) Partner Government Agencies (PGAs) onto the National Electronic Single Window System (NESWS) of which twenty-four (24) PGAs are actively using the system as permit issuing agencies and eight (8) are non-permit issuing agencies. To simplify trade procedures, twelve (12) commodity procedures were documented and mapped on the information for trade portal during the financial year. In addition, three (3) commodity procedures were simplified to reduce number of steps required to get the service from PGAs. Most of the activities planned for year one on the strategic objectives were achieved by the end of the initial year of the Strategic Plan.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Performance Against Predetermined Objectives for FY 2023/2024 (continued)

The Agency witnessed an increase in the number of new users where 1,254 users were recorded during the financial year 2023/24. This increase was due to onboarding of additional stakeholders while the number of transactions (permits processed) in the Single Window System (SWS) increased significantly to 1,185,284 as at June 30, 2024. This was also attributed to the onboarding of additional PGAs like KECOBO, Anti-Counterfeit Authority and the roll out of the Donor Aid Exemptions module in the System.

Key Result Area 2: Solutions Development and Management

The strategic objective under this KRA was to maintain 99.5% availability of information systems. There were five strategies under this KRA; build internal capacity to develop, support and manage systems, review, upgrade/replace and maintain systems, development and support of solutions, set up a Disaster recovery site for Single Window system and other business systems, and enhance security of all systems.

This KRA was to be achieved through building of internal capacity through the evaluation of skills gap in the current establishment however, the Agency was not able to recruit during the financial year due to budget constraints. The Agency was able to review, upgrade/replace and maintain its systems such as Trade Facilitation Platform (TFP), Enterprise Resource Planning (ERP), eLearning, Mobile App, and SharePoint for enhanced use by stakeholders while identifying emerging technologies such as Business Intelligence Tool (BI), Trade Logistics Information Platform (TLIP), Block Chain, Devops, and Artificial Intelligence (AI) were adopted to improve business processes.

The establishment of a Disaster Recovery site was pivotal in ensuring 99.5% system availability, however budgetary constraint affected implementation of this strategy. Additionally, the development and implementation of a Cybersecurity Strategy was crucial in securing the Agency's systems and data in cyberspace. These efforts reflect the Agency's dedication to providing reliable and secure trade facilitation solutions.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Performance Against Predetermined Objectives for FY 2023/2024 (continued)

Key Result Area 3: Financial Sustainability

During the financial year, the Agency focused on ensuring financial sustainability with minimal reliance on the exchequer. This goal was pursued through the development and implementation of the NESWS Regulations 2024, which allowed the Agency to charge for Single Window System services, starting from 20th May 2024.

The Agency aims to increase the proportion of internally generated budgetary resources from 2% to 80% by 2027/28. Key strategies include implementing the fees component of the NESWS Act, 2022 and Regulations 2024, enhancing the Single Window System to increase services and users, introducing new products and services through innovation, reviewing and implementing the marketing strategy for all services, controlling expenditure, mobilizing resources through partnerships and collaborations, and monetizing the provision of trade statistics.

For the first year of the Strategic Plan 2023/24-2027/28, the Agency achieved its strategic objectives by implementing the fee component on the trade facilitation platform.

During the Financial Year ended June 30, 2024, the Agency raised Appropriation in Aid (A-I-A) from the various sources as detailed below;

- a) Rendering of single window services amounted to Kshs.113,170,551.00 (exclusive of VAT)
- b) Training fees amounted to Kshs.4,898,636.00 .00 (exclusive of VAT)
- c) Interest earned on deposits amounted to Kshs.4,883,409
- d) Augmented services amounted to Kshs.106,032.00
- e) Value add services amounted to Kshs.452,654.00
- f) Miscellaneous (Disposals, and others) income was Kshs.17,768.00

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Performance Against Predetermined Objectives for FY 2023/2024 (continued)

Under this KRA, the Agency was able to raise AIA totalling Kshs.123,529,050.00 against the total budget of Kshs.948,500,000. This was attributed to the implementation of the National Electronic Single Window System Regulations, 2024.

The Agency also partnered with GIZ, COMESA, Strathmore University and TradeMark Africa (TMA) who funded various trade facilitation initiatives amounting to approximately 67.7 million during the financial year.

Key Result Area 4: Visibility and Organizational Capacity

The Agency is committed to ensuring excellence in service delivery by enhancing visibility and organizational capacity. To achieve operational efficiency by 2027/28, the Agency focused on enhancing ICT-based systems, strengthening risk management, adopting modern technologies, and ensuring business continuity. Eight out of ten strategic objectives were achieved, with some delays due to budget constraints.

The Agency planned to utilize 100% of the training budget and other strategies included reviewing internal policies, developing staff capacity, conducting human resource audits, and improving the work environment. Budget constraints, however, affected continuous staff development.

To enhance its corporate image, the Agency worked towards increasing brand visibility and awareness, improved stakeholder communication, and boosted corporate social sustainability by planting 4,100 trees.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Performance Against Predetermined Objectives for FY 2023/2024 (continued)

To strengthen institutional capacity, key activities undertaken included enhancing Enterprise Resource Planning (ERP) System, maintaining quality management certifications, and developing business continuity and disaster recovery plans. Regulations were operationalized, and stakeholder forums undertaken to promote compliance.

The Agency reviewed policies and undertook Training Needs Assessments. The Agency aims to improve employee satisfaction from 73% to 83% by 2027/28 and increase awareness of the KenTrade brand to 100%. Most strategic objectives were met, with some activities planned for the next financial year due to budget limitations.

Key Result Area 5: Customer Service

During the financial year, the Agency prioritized offering the best customer experience within the trade logistics sector. To achieve this, the Agency ensured efficient and effective customer service availability. The Agency continued to implement recommendations from the previous customer satisfaction survey to improve on customer experience.

The Agency aims to increase the customer satisfaction index from 83.28% to 86.28% by 2027/28. Key strategies include establishing a commercial unit to improve service delivery, reviewing and implementing the customer service policy, developing a service excellence center, conducting biennial customer satisfaction surveys, increasing KenTrade's reach and presence, and operationalizing the Business Outsourcing policy.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Performance Against Predetermined Objectives for FY 2023/2024 (continued)

Although the establishment of a commercial unit was delayed due to budget constraints, other strategies were successfully implemented. The Agency enhanced the utilization of multi-channel systems at the contact center, including emails, phone calls, and chat tools, to address client queries. The contact center was also staffed at optimal levels to ensure it was well-resourced.

The *Table 1* below shows a summary of the Key Result Areas, Strategic objectives, Strategies, Indicators and Achievements for the Financial Year 2023/2024.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
Trade Environment and Ease of Doing Business	To increase automation of cargo documentation and clearance processes from the 95% to 99% by 2027/28.	a) Increase the number of users using the Single Window System (SWS). b) Integrate the SWS System with stakeholder systems both in Private and Public Sectors. c) On board additional stakeholders & their processes on the National Electronic Single Window system. d) Implementation of Trade protocols/agreements. e) Monitor and report on compliance to the Service Level Agreements (SLAs).	Number of new users using the system.	The strategies have been fully implemented during the financial year. The Agency proposed Lamu as the new office to increase the number of physical border offices for the management of Single Window System stakeholders. Given the low level of business at the Port, the Agency designated an Officer from the Mombasa Office to handle the Port activities.
			Number of transactions in the system.	
			Number of new stakeholders trained.	
			Number of systems identified.	
			Number of approved integration plan.	
			Number of Systems integrated.	
			Number of new PGAs onboarded	
			Number of Trade protocols and agreements identified.	
			Number of partners identified	
			Number of quarterly monitoring reports provided.	
	To simplify import and export cargo documentation and	a) Document import and export procedures for ten commodities on the information for	Number of published commodity procedures for import and exports	The strategies have been achieved with the twelve commodities

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
	clearance processes from the 8 commodities in FY 2023/24 to 18 by FY 2027/28.	trade portal annually. b) Simplify and Harmonize import and export procedures for two commodities on the information for trade portal annually.	on the information for trade portal.	identified for documentation and the simplification and harmonization of milk, milk products and tea been done.
			Number of sensitized stakeholders.	
			Number of simplified commodity procedures for import and exports published on the information for trade portal annually.	
	To promote e-commerce by providing five online logistics services by 2027/28.	a) Implementation of an e-commerce platform.	Percentage of development and configuration undertaken.	The Agency is developing a Digital Logistics Market Platform (DLMP) as an ecommerce platform. Eight services have been identified for offering on the platform.
			Number of users testing done.	
			Number of users trained.	
			Percentage of implementation	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
			Number of identified modules in DLMP.	
			Number of modules in DLMP implemented.	
			TNA reports documented.	
			Stakeholders' engagement plan	
	To build capacity in trade facilitation by training 200 stakeholders annually.	a) Develop and implement a Trade Facilitation training curriculum (AfCFTA, TFA and other international trade agreements). b) Establish strategic partnerships and collaboration with other stakeholders and institutions.	Percentage of the engagement plan implementation	The strategies were achieved with key milestones such as entering MOUs with Nextrade and USAID to enhance capacity building of stakeholders.
			Number of MOUs and partnerships entered into.	
			Number of implementation reports.	
	To facilitate domestic trade by automating at least two domestic trade processes annually.	a) Partner with stakeholders in developing capacity for Counties in Trade facilitation. b) Collaborate with counties to map, simplify, and automate domestic trade procedures.	Number of areas of capacity building identified.	The two strategies were achieved in the FY 2023/2024 with Elgeyo-Marakwet, Makueni, Marsabit and Nakuru counties identified to develop capacity and
			Number of counties engaged.	
			Number of counties where capacity is built.	
			Number of counties identified.	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
			Number of domestic trade procedures identified for simplification.	collaborate in simplifying and automatic domestic trade procedures.
			Number of product procedures simplified	
Solutions Development and Management	To maintain 95% availability of automated services and 99.5% availability of systems.	a) Build internal capacity to develop, support and manage systems.	Percentage of systems evaluated.	The objective has been achieved with various key targets realized with the identification of BI Tool and TLIP technologies. The BI Tool has been improved and the reports generated will be used to raise revenue in the next financial year. TLIP is under implementation while continuous support on various systems such as TFP is ongoing with
		b) Review, upgrade/replace and maintain Systems.	Report on capacity and skills gap.	
		c) Development and support of solutions.	Number of skilled personnel recruited.	
		d) Set up a Disaster recovery site for Single Window system and other business systems.	Number of systems reviewed.	
		e) Enhance security of all systems.	Percentage of new/emerging technologies introduced.	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
			Number of system performance reports prepared.	quarterly system reports reviewed. The disaster recovery site has been affected by budget constraints hence to be carried out in the coming financial year. The Cybersecurity Strategy has been developed and approved while the data privacy impact assessment was undertaken.
			Number of solutions supported.	
			Number of requirements and specifications developed.	
			Cyber security document.	
			Report on data privacy impact assessment	
Financial Sustainability	To enhance revenue raising strategies to finance 80% of the Agency's budget by 2027/28.	a) To implement the fees component of the National Electronic Single Window Act and Regulations and other services. b) Enhance the Single Window System to	Amount of revenue raised	The Agency's strategic objectives for the first year of the Strategic Plan 2023/24-2027/28 have been achieved with the implementation
			Number of reports on identified stakeholders needs.	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
		<p>increase services and users.</p> <p>c) Introduce new products and services through innovation.</p> <p>d) Review and implement the marketing strategy for all services.</p> <p>e) Expenditure control.</p> <p>f) Resource mobilization through partnership and collaboration.</p> <p>g) Monetize provision of trade statistics.</p>	<p>Number of proposals developed.</p> <p>Percentage of compliance/level of compliance.</p> <p>Number of institutions benchmarked with</p> <p>Implementation report prepared</p> <p>Number of additional reports from the BI published.</p> <p>Number of additional PGAs Using the BI tool</p>	<p>and operationalization of the fee component on TFP with 100% compliance to statutory and regulatory requirements on financial management. The Resource Mobilization Policy has been developed with strategic partners identified and the monetization of BI Tool statistics report under implementation</p>
Visibility and Organizational Capacity.	To increase operational efficiency in service delivery by 2027/28.	<p>a) Enhance use of ICT based systems to improve business processes.</p> <p>b) Strengthen risk management and internal controls.</p>	<p>Number of manual processes automated/integrated.</p> <p>Valid ISO 9001:2015 Certificate</p>	<p>Eight of the ten strategic objectives have been achieved while Business Continuity Plan and</p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
		c) Adoption and leverage on modern technologies	Valid ISO 27001:2022 certificate	enhancement of IT service delivery through adoption of the IT Governance Frameworks and best Practices have not been accomplished due to budgetary constraints.
		d) Business Continuity Management	Number of risk management implementation reports.	
		e) Enhance IT service delivery through adoption of IT governance frameworks and best practices.	Number of audit Review reports	
		f) Finalize and implement regulations on the National Electronic Single System Act.	Percentage of Audit Management System implemented.	
		g) Compliance with legal and regulatory requirements e.g. Data Protection Act, Public Finance Management Act, Mwongozo etc.	Percentage of Business Continuity Plan revised.	
			Percentage of Disaster Recovery Plan implemented.	
			Number of IT system audit reports.	
		h) Conduct a legal audit every two years and implement recommendations.	Number of approved workplan developed.	
			Number of sensitization forums held to create awareness on the Regulations.	
		i) Strengthen the Alternative Dispute Resolution (ADR) Mechanisms.		

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
		j) Develop and implement a change management strategy.	Number of users sensitized.	
			Number of sensitizations held.	
			Number of sensitizations held.	
			Number of people trained.	
			Change management strategy document and implementation report.	
			Number of Monitoring reports.	
			Number of status reports documented.	
	To increase productivity and enhance service delivery by utilizing 100% of the training budget.	a) Review and implement organizational policies.	Number of policies revised.	Most of the listed strategies at the Agency have been accomplished except for the continuous development of staff capacity in area of
		b) Continuously develop staff capacity in area of specialization.	Number of TNA reports.	
			Percentage of staff training budget utilized.	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
		c) Conduct HR audit and implement recommendations.	Number of Skills Audit report.	specialization attributed to budget constraints during FY 2023/2024.
		d) Review the organizational structure and HR instruments.	Percentage of Revised HR Instruments and structure.	
		e) Conduct employee satisfaction and work environment survey biennially and implement recommendations.	Survey report.	
		f) Improve work environment by workspace improvement and provision of necessary tools of work.	Number of workplan developed.	
		g) Review and implement a culture change program.	Employee satisfaction survey report	
			Percentage of necessary tools procured.	
			Reports of the Culture change Audit.	
			Number of reports documented on the implementation of Culture change audit findings.	
	To enhance Corporate Image by	a) Re-brand the Agency and increase brand	Approved rebranding strategy.	The Agency has been able to realize all the

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
	increasing brand visibility and awareness.	visibility and awareness. b) Enhance communication with all stakeholders in relevant channels. c) Increase Corporate Social Sustainability.	Number of stakeholders sensitized. Brand perception report. Percentage of implemented CSR activities. Number of trees planted.	strategic objectives set out for the financial year. The Agency planted 4,100 trees hence showing its commitment to support the Government's fight on climate change and restoration of forest cover.
Customer Service	To increase the customer satisfaction index by 3% from the 83.28% to 86.28% by 2027/28.	a) Establish a commercial unit to improve service delivery. b) Review and implement the customer service policy. c) Develop and implement a service excellence centre. d) Conduct customer satisfaction surveys every two years and implement recommendations. e) Increase reach and presence of KenTrade.	Implementation report of the commercial unit. Revised customer service policy. Number of additional multi-channel systems. Customer satisfaction report. Number of Benchmarking reports and services identified.	The identified strategies in the FY 2023/2024 were achieved except the establishment of a commercial unit to improve service delivery which was affected by the budget constraints.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2023/2024

Key Result Area	Strategic objective	Strategies	Key Performance Indicators	Achievements
		f) Operationalize the Business Outsourcing policy.		

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

8. Corporate Governance Statement

The Kenya Trade Network Agency (KenTrade) recognizes Corporate Governance as key to the success of its business operations and is unreservedly committed to applying the principles necessary to ensure that good governance is practiced in all its business dealings in respect of its customers, shareholders and relevant stakeholders. At KenTrade, the purpose of corporate governance is to support value creation and accountable management and thus contributes to the long-term success of the Agency.

The Agency's Corporate Governance framework provides a framework for monitoring and ensuring statutory compliance which fosters a culture of values, rewards the highest ethical standards and personal integrity. KenTrade strives to ensure that the principles of good Corporate Governance are applied by the Board of Directors in their dealings in respect and on behalf of KenTrade to enable them provide strategic guidance, leadership and effective management oversight.

Roles and Functions of the Board of Directors

The Agency is run through the general direction of the Board of Directors, which provides strategic direction to the Agency, exercises control and remains accountable to the Agency's stakeholders. The Board is further responsible for administration, management and development of the Agency; administering the assets and funds of the Agency in such manner and for such purposes as shall promote the best interests of the Agency and committing to the underlying principles of good governance.

The Board of KenTrade is committed to the principles of Good Corporate Governance as stipulated in the Mwongozo Code of Governance for State Corporations and ensures attainment of the Agency's mandate through:

1. Determining the business strategies and plans that underpin the corporate strategy and provide strategic advice to Management;

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

2. Reviewing the financial statements and overseeing compliance with applicable audit, accounting and reporting requirements;
3. Monitoring and evaluating Corporate Performance;
4. Regularly reviewing systems, processes, procedures and policies to ensure the effectiveness of internal control;
5. Monitoring compliance with legal and regulatory requirements and ethical standards and policies;
6. Establishing a sound system of risk oversight, Management and internal controls;
7. Ensuring that the rights of stakeholders that are protected by law are respected;
8. Ensuring that a comprehensive system of policies and procedures is operative;
9. Ensuring ethical behavior and compliance with relevant laws and regulations, audit and accounting principles, and the institution's own governing documents and Codes of Ethics.

Board Structure and Processes

The Board of Directors of the Agency consists of:

- A non- executive Chairperson, appointed by the President.
- The Principal Secretary in the National Treasury or his/her representative.
- The Principal Secretary in the Ministry of Investments, Trade and Industry (State Department for Trade) or his/her representative.
- The Principal Secretary in the Ministry of Roads and Transport (State Department for Transport) or his/her representative.
- A representative from the Shippers Council of East Africa.
- Three other members, not being public officers, appointed by the Cabinet Secretary - the National Treasury & Economic Planning by virtue of their knowledge and experience in matters relating to:
 - Trade logistics,

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

- Information communication technology, or
- Finance and administration.
- The Chief Executive Officer, appointed by the Board.

The KenTrade Board reflects a diversity of competencies, experience, talent and skills required for the effective leadership of the Agency. The Board is exposed to trainings, seminars and workshops on Corporate Governance issues to enhance their knowledge and skills. The board is also trained on matters that are relevant to the business of the Agency including changes in laws and regulations, auditing and government accounting policies and practices.

During the year, the Board members were taken through a training on corporate governance facilitated by representatives from the State Corporations Advisory Committee (SCAC) during a board retreat held in Naivasha on 1-3 November 2023. The training covered topics on governance and regulatory framework of State Corporations. The board were also sensitized on Public Procurement Regulations by a representative from the Public Procurement Regulatory Authority; on enhancing board accountability facilitated by representatives from the Office of the Auditor General (OAG) and on Productivity Mainstreaming facilitated by officers from the National Productivity and Competitiveness Centre.

Further, during the year, 3 board members attended the 360 Degrees Board Development Program organized by the Institute of Certified Secretaries (ICS). The program is designed to help members understand their fiduciary duties and to effectively execute their role as board members. One board member also attended a 5-day corporate governance training course for directors conducted by the Centre for Corporate Governance (CCG).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

The Agency ensures that a board induction programme is developed for new board members and that all new board members are effectively inducted in their role as directors. The Agency has accordingly organized an induction program for all members following their appointment.

The Agency ensures that it provides the necessary resources and expertise to the Board of Directors to assist them in their decision-making processes and as such, they are regularly consulted on key policy matters.

The Board is governed by a Board Charter as required by Section 1.11 of the Mwongozo Code. The Board Charter defines the role, responsibilities and functions of the Board in governance of the Agency. It guides the Board in the execution of its roles and functions to ensure conformity with best Corporate Governance practices. The Board Charter is reviewed on a regular basis to ensure that it is in line with emerging governance standards.

An evaluation of the Board Members is carried out annually as dictated by the Charter and is supported by the State Corporations Advisory Committee (SCAC). The Annual Evaluation reviews the effectiveness of the Board, individual and collective roles of Board Directors and the duties and responsibilities of the Board of Directors. A board evaluation exercise was conducted on August 01, 2023, facilitated by State Corporations Advisory Committee (SCAC). The results of the board evaluation were presented to the board members at its meeting held on September 18, 2023. The results indicated an excellent board performance with a corporate score of 97.12 which was an improvement from the previous year's score of 93.4%. Following the board evaluation exercise, the board developed a performance improvement plan which covered areas identified as requiring improvement. The board is currently implementing the plan.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

Board Committees

The Board continued to ensure that proper standards of corporate governance were maintained and continued to have oversight over the management of the Agency, not only through the Board meetings but also through the various Board Committees. In its governance, the Board has established four Committees as per section 31 of the National Electronic Single Window System Act No. 25 of 2022 and in line with Section 1.7 of the Mwongozo Code of Governance for State Corporations. The Committees are all chaired by Independent Board Members.

The members of each Board Committee were as shown on page vii. Membership to these committees is based on the relevant skills, expertise and experience required to handle respective functions. The Committees execute their functions in accordance with terms of reference which define their mandate, roles and responsibilities.

The Committees' main functions are described below:

1. Audit and Risk Committee

The main function of the Committee is to oversee the Internal Audit, Risk Management and Governance systems within the Agency.

2. Strategy and Business Committee

The main function of the Committee is to monitor the strategic direction and core business activities/operations of the Agency to ensure achievement of its objectives.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

3. Finance and General-Purpose Committee

This Committee oversees finance and procurement matters collectively, and general affairs of the Agency. The Committee reviews financial statements of the Agency and oversees compliance with applicable accounting and reporting requirements.

4. Human Resource and Compliance Committee

The main function of the Committee is to oversee Human Resource related matters and policies, including other administrative issues.

Board Meetings

The Board meets quarterly or as necessary, in accordance with the business requirements, the Board Work-Plan and Calendar (ALMANAC) as prepared at the beginning of the year. The Board held 6 meetings in the financial year 2022/2023 while the Committees held their meetings as scheduled.

The additional 2 meetings were held for purposes of conducting the board evaluation exercise and presentation of the results to the board.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

The Board and Committee attendance was as follows:

Table 2: Analysis of Agency Full Board and Committee meetings

Board Member	Full Board Meetings	Board committees			
		Audit & Risk	Strategy & Business	Finance & General Purpose	Human Resource & Compliance
Hon. Basil Criticos	5/6	N/A	N/A	N/A	N/A
Florence Chemtai	6/6	N/A	N/A	6/6	5/5
Ibrahim Abdi Maalim	6/6	N/A	2/4	6/6	3/5
Rose Masita	5/6	3/4	4/4	N/A	2/5
Stephen Lekupe	2/6	1/4	N/A	N/A	2/5
Erastus Kimuri	2/6	1/4	1/4	N/A	N/A
Kenneth Odhiambo	2/6	2/4	N/A	3/6	N/A
David Ngarama	6/6	N/A	4/4	6/6	5/5
New Appointments					
Paul Mwiti	3/6	3/4	3/4	N/A	2/5
Isabella Kogei	4/6	2/4	2/4	2/6	2/5
Abubakar Lewano	3/6	2/4	2/4	N/A	N/A
Meshack Kipturgo	1/6	N/A	N/A	N/A	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

Notes:

- a) N/A (Not applicable) means that a specific Board member was not a member of that committee;
- b) Paul Mwiti was appointed on October 06, 2023 to replace Erustus Kimuri.
- c) Abubakar Lewano was appointed on December 08, 2023 to replace the late Alice Kureiya. Ms. Kureiya was appointed on October 06, 2023 to replace Stephen Lekupe but unfortunately passed on before being onboarded to the board;
- d) FCPA Isabella Kogei was appointed on November 23, 2023 to replace Kenneth Odhiambo as the representative of the PS, National Treasury;
- e) Mr. Meshack Kipturgo was appointed on May 24, 2024 towards the end of the financial year.

Legal and Governance Audit

The Agency recognizes the need to conduct its business and operations with integrity and in accordance with generally accepted corporate governance practices and endorses internationally developed principles of corporate governance. The Agency in accordance with its corporate workplan, conducts a legal and governance audit biennially, to review and establish the extent of the Agency's conformity to the highest standards of governance and compliance with the framework of laws, regulations and policies under which it operates.

Following a legal and governance audit exercise, a legal and governance audit report is presented to the board and an implementation matrix is developed to guide the Agency in putting in place measures to address any gaps identified in the audit. To this end, in the FY 2023/2024, the Agency continued to implement the recommendations of the legal and governance audit report carried out in FY 2022/2023 and the implementation matrix.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Corporate Governance Statement (Continued)

The Agency further engaged the firm of Munyao, Muthama and Kashindi Advocates to conduct a legal and governance audit with respect to FY 2023/2024. The audit work is currently ongoing and the report will be presented to the board in Q1 of FY 2024/2025.

9. Management Discussion and Analysis

Operation performance analysis

Implementation of the Billing module in the Trade Facilitation Platform (TFP) was actualized in the Financial Year 2023/24 enabling the operationalization of the National Electronic Single Window System (NESWS) Act (Cap 485D) and NESWS Regulations of 2024. The Billing module has facilitated capabilities for the Agency to collect user fees for services rendered on the platform. This is in line with the Agency's Strategic Objective of Financial Sustainability.

During the financial year 2023/2024, the Agency undertook nineteen (19) active projects as indicated below:

- i. Trade Facilitation Platform (TFP) Upgrade - Ongoing.
- ii. AFA-IMIS and TFP integration project - Completed.
- iii. The Mobile App Enhancement Project (Training and Augmented services, TFP Integration, E-Citizen Integration, USSD Integration) - Completed.
- iv. Onboarding of Kenya Copyright Board (KECOBO) to TFP project - Completed.
- v. Internal systems hosting on the OCP project- Completed.
- vi. Website Revamp - Closed.
- vii. Integrated Protocol Management Information System - Ongoing.
- viii. Pharmacy and Poisons Board (PPB) Integration to TFP - Ongoing.
- ix. Maritime Single Window (MSW) - Ongoing.
- x. ERP2 - Completed.
- xi. Business Intelligence Tool, Integration Layer & Data Warehouse - Ongoing.
- xii. Exemptions Module Implementation - Ongoing.
- xiii. Agency Facilitated Permit/License lodgment Pilot Project - Ongoing.
- xiv. Digital Logistics Market Place (DLMP) - Piloting ongoing.
- xv. Port Health Services Automation of non-trade Related Services - Ongoing.
- xvi. Kenya Plant Health Inspectorate Service (KEPHIS) integration enhancement - Ongoing.
- xvii. Kenya Wildlife Service onboarding on the TFP - Ongoing.
- xviii. Scrap Metal Council (SMC) integration to TFP - Ongoing.
- xix. Mobile App Integration Enhancement (ERP and SOMA) - Ongoing.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

Despite slight delays in some projects, the Agency is largely on course with the implementation. Implementation status of the projects is as highlighted below:

i. Second Generation SWS/ TFP Upgrade Project

The Agency undertook to upgrade the TradeNet system to a more versatile, robust and secure Trade Facilitation Platform (TFP). The following is the status update.

- The project has rolled out the billing module which has seen commencement of charging for Unique Consignment Reference (UCR), Impending Arrival Report (IAR), User registration and other TFP services. Stakeholder sensitizations on the enforcement of the regulations were done and feedback received.
- The project is now working to finalize the Container Freight Station (CFS) Delivery Order (DO) module and the Office De Gestion Du Fret Maritime (OGEFREM) process for Congo bound cargo. For the DO module, the CFS's chairperson was taken through the improvements done on the DO process. The improvements were approved. Concurrence is still being sought from Kenya Cargo Groupage Handling Association (KCGHA). Leadership alignment with OGEFREM is still being pursued.
- The Agency is developing a Customer Registration System (CRS) which will facilitate the training and registration of Kenya National Electronic Single Window System (KNESWS) users incorporating requisite charges.
- Integration of TFP with the KRA eTIMS also underway jointly with the Kenya Revenue Authority (KRA).

The contract with the service provider, Singapore Cooperation Enterprise (SCE), is set to expire in November 2024. The project is scheduled to be completed by September 30, 2024, upon onboarding all functionalities. The Contract Implementation Committee (CIT) is also working to review the contract and ensure all the contracted work is delivered.

Management Discussion and Analysis (Continued)

Key integrations/ on-boarding with TFP during FY 23/24 are indicated below:

ii. Agriculture Food Authority (AFA) Integrated Management Information System (IMIS) Integration Project

The integration facilitates seamless exchange of trade documents between the AFA IMIS system and the Trade Facilitation Platform to improve efficiency and service delivery. Implementation of the integration was successfully completed, and system is currently in use. All the AFA Directorates were also successfully migrated to the integrated platform.

iii. Pharmacy and Poisons Board (PPB) Integration to TFP

The PPB-Integrated Information Management System (IMIS) and TFP integration has been completed save for the batch numbers implementation. The batch number functionality has been implemented and tested on TFP. The project experienced slight delays on the PPB side which affected completion of the testing. The challenges have however been resolved, testing conducted and the is in the closure phase. The project was scheduled to be completed by November 30, 2024.

iv. Maritime Single Window System

The Agency partnered with Kenya Maritime Authority (KMA) to implement the Maritime Single Window (MSW) system in Kenya. MSW phase I was successfully completed, and the PIT followed up with Sturrock and PIL shipping lines to submit vessel declarations in the MSWS in a bid to drive up usage. MSWS PGAs appointed approvers who were also been trained.

The Project is now in phase II. The second phase entails on boarding of Firearms & Licensing Board (FLB) and integration to the Kenya Revenue Authority (KRA) integrated Customs Management System (iCMS). The project is scheduled to be closed by September 30, 2024.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

v. Exemptions Module Implementation

The Exemptions Module Implementation project was established to oversee the automation of exemptions on The Trade Facilitation Platform (TFP). Donor Assistance (DA1) exemptions module was successfully rolled out. The Master List integration development and User Interface (UI) has been partly completed. Phase I of User Acceptance Testing (UAT) has also been conducted and the UAT recommendations shared. Implementation of the KRA iCMS integration has been scheduled. The project is scheduled to be completed in June 2025.

vi. Integrated Protocol Management Information System (IPMIS)

Kenya Trade Network Agency (KenTrade), Ministry of Foreign Affairs (MoFA) and Kenya Revenue Authority (KRA) have been working together to automate the diplomatic exemptions applications and processing of PRO IA and PRO IB. Development work has been completed and testing successfully undertaken. The project is now in the piloting phase. The project is scheduled to be completed by August 30, 2024.

vii. Business Intelligence (BI) Tool & Data Warehouse

Implementation of the Business Intelligence reporting module has been completed with customization of Partner Government Agencies (PGAs) reports. The project has been conducting trainings and capacity on the module on a continuous basis. User Acceptance Testing (UAT) with Kenya Ports Authority (KPA) is scheduled to be completed this in FY 2024/25. The Project Team presented the documented and developed upload facility as an alternative approach for Kenya Railways Corporation (KRC), Kenya National Highways Authority (KeNHA), and KPA integration, for the Integration Layer, which has been approved. TradeMark Africa (TMA) has supported the implementation by funding several physical meetings for stakeholder sensitizations and testing. The project is scheduled to be completed by September 30, 2024.

Management Discussion and Analysis (Continued)

viii. Port Health Services (PHS) Automation of Non-Trade Related Chargeable Services Project

The project entails the automation of PHS non-trade related chargeable services rendered at PHS offices based at points of entry/ exits and other locations. The automation of vaccines in Phase I was successfully tested and signed off in Phase I of the implementation. The project team is preparing to commence piloting in conjunction with the Port Health team. The PIT is exploring pre-mature closure of the project owing to PHS non-responsiveness on the readiness of the deployment environment.

ix. Digital Logistic Market Place (DLMP)

The Digital Logistics Marketplace (DLMP) platform seeks to promote a highly efficient logistics and trade facilitation environment through a market linkage service. Implementation of the platform is at Requirements validation stage with the development of a prototype for invoice conversion. The solution is expected to incorporate track and trace and marketplace solutions.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

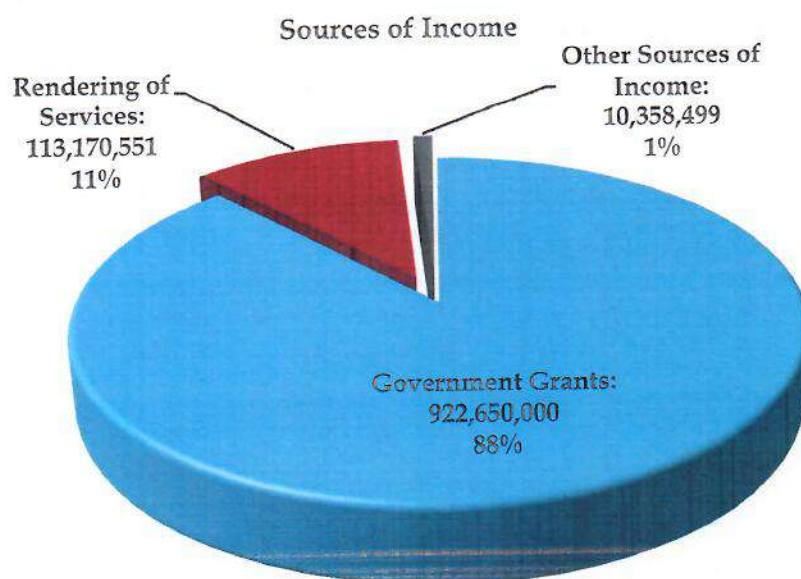
Financial Performance Analysis

a) Revenue

Government grant/funding was the Agency's main source of funding before the rollout of the National Electronic Single Window System (NESWS) Regulations, 2024 that empowered the Agency to levy user fees for utilizing the National Electronic Single Window System. During the year, Revenue of Kshs.922,650,000 was raised through Government grant representing Kshs.558,250,000 for development and Kshs.364,400,000 for recurrent expenditure. The collection of Single Window user fees commenced on May 20, 2024, and up to June 30, 2024, the Agency had raised Kshs.113,170,551 net of VAT. Revenue generated from other sources, primarily interest income from call accounts and other miscellaneous sources was Kshs.10,358,499.

In comparative terms, GOK funding was 88%, rendering of services was 11% while other sources accounted for about 1% as indicated in Figure 1 below:

Figure 1:



KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

b) Exchequer Receipts FY 2023/2024

The Agency had an approved Government Grant allocation of Kshs.922,650,000 for the FY 2023/2024.

The analysis of the exchequer receipts is summarized in table 3 below:

Table 3: Exchequer Receipts

Period	Approved Government allocation 2023/2024	Disbursed amounts (exchequer receipts) 2023/2024	Variance
Quarter 1	230,662,500	230,662,500	-
Quarter 2	230,662,500	91,100,000	-139,562,500
Quarter 3	230,662,500	209,787,500	-20,875,000
Quarter 4	230,662,500	391,100,000	160,437,500
Total	922,650,000	922,650,000	-

c) Approved Budget Analysis and comparative with previous FY 2022/2023

The Approved Agency budget by the National Treasury for FY 2023/2024 was Kshs.948,500,000. The comparative budget for the previous year was Kshs.762,500,000 resulting in an increase of Kshs.186,000,000 (24.39%).

Table 4 : Comparative approved budget for FY 2023/2024 and 2022/2023

Details	Budget 2023/2024	Budget 2022/2023	Increase/ (decrease)	% Increase/ (decrease)
Amount in Kshs				
Capital expenditure, staff mortgage and car loan	266,672,085	121,451,094	145,220,991	119.57
Use of goods and services	307,098,051	262,962,123	44,135,928	16.78
Personnel emoluments	346,600,000	347,898,783	(1,298,783)	(0.37)
Remuneration of directors	23,000,000	25,000,000	(2,000,000)	(8.0)
Repairs and maintenance	5,129,864	5,188,000	(58,136)	(1.12)
Total	948,500,000	762,500,000	186,000,000	24.39

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

d) Overall Expenditure Analysis

The Agency incurred a total of Kshs.946,366,280 in actual expenditure out of a budget of Kshs.948,500,000. The actual expenditure included Kshs.268,529,488 for capital expenditure and a total of Kshs.677,836,792 for recurrent expenditure.

Table 5: Overall budget performance for the period to 30 June 2024 of FY 2023/2024

Details	Budget 2023/2024	Actuals FY 2023/2024			Variance	% Variance
		First charge items /pending bills for FY 2022/2023	Actuals 2023/2024	Total Actuals		
Capital expenditure						
Capital expenditure, staff mortgage and car loan	266,672,085	59,238,302	209,291,186	268,529,488	(1,857,403)	(0.70)
Recurrent Expenditure						
Use of goods and services	307,098,051	79,170,226	235,826,877	314,997,103	(7,899,052)	(2.57)
Personnel emoluments	346,600,000	-	339,172,580	339,172,580	7,427,420	2.14
Remuneration of directors	23,000,000	-	18,896,000	18,896,000	4,104,000	17.84
Repairs and maintenance	5,129,864	412,706	4,358,403	4,771,109	358,755	6.99
Total Recurrent	681,827,915	79,582,932	598,448,618	677,836,792	3,991,123	0.59
Total Expenditure	948,500,000	138,821,234	807,686,920	946,366,280	2,133,720	0.11

Table 5 above illustrates the following:

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

- (i) Most expenses were utilized according to the budgeted amounts, with the exception of the remuneration of directors. This category experienced underutilization due to austerity measures, travel restrictions, and cash flow issues resulting from delays in government grant disbursements. In addition, delay in confirmation of appointment of new Directors resulted in suspension of Committee activities for about 1 month.
- (ii) Personnel emoluments were the largest component of recurrent expenditure, followed by expenses for the use of goods.
- (iii) The use of goods expenses encompasses various operational costs, with computer expenses being the most significant. These computer-related costs include internet services, software licenses, computer repairs, and other ICT-related items such as vendor maintenance and support for the single window system and other platforms. The total computer expenses amounted to Kshs.134,120,896. These costs alone represent 22.44% of the total direct cash items expenditure, reflecting the Agency's ICT-driven focus.
- (iv) The expenditure items listed above were direct cash items meaning they did not include Kshs.256,942,360 which was a provision for depreciation and amortization.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

Compliance with statutory requirements

The Agency is required to comply with various laws and constitutional provisions, which include the constitution, The National Electronic Single Window System Act, 2022, The National Electronic Single Window System (NESWS) Regulations, 2024, PFM Act, 2021, PFM Regulations, the Public Procurement and Asset Disposal Act, 2015, among others. The Agency published the Annual report for FY 2022/2023, and prior years. The Financial statements for FY 2022/2023 were submitted within the statutory timelines and an unqualified audit opinion issued by OAG on February 20, 2024.

Major risks facing the Agency

The Agency has identified and analyzed potential risks, adopted various mitigation measures against the identified risks. Major risks identified are as follows in table 6:

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

Table 6: Major risks facing the Agency

No.	Nature of Risk	Possible Description	Risk Rating	Mitigation Measures/ Controls
1.	Strategic Risks	Legal- High fines and penalties due to non-compliance with legal and regulatory requirements.	Medium	Data privacy clause in contracts, data protection policy, HR policies: Non-Disclosure Agreements (NDAs) and Oath of secrecy, privilege access management, Data classification, Appointment of the Data Protection Officer and Data Compliance Committee, Data protection plan and policy have been developed and approved, Projects management office, Change control committee
		Political will- Lack of good political will is a possible risk that may affect the daily operation of the Agency to achieve its mandate.	Low	KenTrade's operationalized NESWS Act and Regulations.
		Mergers of State Agencies	Low	KenTrade's operationalized NESWS Act and Regulations.
		Partner Government Agencies slow SWS system Uptake.	Low	The Agency is continuously engaging stakeholders to ensure any new product is informed by stakeholder needs.
2.	Operational Risks	Legal- Rejection of the approved legislations / Regulations by our stakeholders.	Medium	Effective Continuous stakeholder engagement, and participation to get buy-in on the regulations, training on regulations.
		Stakeholders' dissatisfaction	Medium	Continuous stakeholder consultative engagement forums to address pertinent issues.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

Table 6: Major risks facing the Agency

No.	Nature of Risk	Possible Description	Risk Rating	Mitigation Measures/ Controls
		Change in Government Policy	Medium	KenTrade's operationalized NESWS Act and Regulations.
3.	Financial Risks	Inadequate budget for projects implementation. Low uptake of NESWS products and services.	Low	The Agency is raising internally generated revenue.
4.	Technological Risks	Systems unavailability due to ransomware (holding a victim's data until the victim pays a ransom to the attacker). Botnet (malware attacks to computers), virus and malware compromise, integrations breakdown and Operational paralysis due to IT Equipment Damage.	High	Update of operating systems and anti-virus. Firewall controls User awareness training Backup of files Implementation of Security Operations Centre (SOC). Regular review of Operating System and antivirus updates. Regular review of firewall configurations Frequent engagements with PGAs & Companies who have integrated with TFP Enhance capacity to monitor and address issues arising from integrations.
		Dependency on a 3rd party for system interventions.	Medium	Developer peer reviews and knowledge transfer. Third party risk assessment. Third party risk management policy.
		Non-compliance to Data Protection Laws.	Medium	Data privacy clause in contracts, data protection policy, HR policies: Non-Disclosure Agreements (NDAs) and Oath of secrecy, privilege access management,

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Management Discussion and Analysis (Continued)

Table 6: Major risks facing the Agency

No.	Nature of Risk	Possible Description	Risk	Risk Rating	Mitigation Controls	Measures/
					Data classification, Appointment of the Data Protection Officer and Data Compliance Committee, Data protection plan and policy have been developed and approved, Projects management office, Change control committee	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

10. Environmental and Sustainability Reporting

The Agency is established under the National Electronic Single Window System (NESWS) Act No. 25 of 2022 to provide high quality and sustainable trade facilitation services by simplifying, harmonizing, and automating business processes through effective and efficient management of the National Electronic Single Window System (Trade Facilitation Platform) and provision of related services for Kenya's global competitiveness. This is what guides the Agency to deliver on its strategy which is rooted in five core values: Customer centric, Integrity, Excellence, Innovation and One KenTrade. Below is a brief highlight of KenTrade's achievements in the following four sustainability pillars.

a) Sustainability strategy and profile

The Agency demonstrated a proactive approach by allocating resources to develop a business continuity plan, ensuring the continuity of operations and the restoration of services in the face of potential disasters that could impact KenTrade's assets and infrastructure. The adoption of cloud computing for data backup further enhances the Agency's preparedness, enabling staff to access their data storage devices seamlessly, without the need to carry physical external hard disks. This strategic deployment of cloud-based solutions not only enhances operational efficiency but also strengthens the Agency's resilience against unforeseen challenges.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Environmental and Sustainability Reporting (Continued)

b) Environmental performance

The Agency has undertaken a series of proactive initiatives to ensure the long-term sustainability of its environmental activities. These efforts are exemplified by the implementation of various policies and practices, such as the proper disposal of electronic waste, the consolidation of water dispenser units, the sharing of IT assets, and the promotion of using soft copies instead of hard copies for documents and printing both sides of paper documents where hard copies are unavoidable. The adoption of a Just-In-Time philosophy for store item replenishment minimizes the storage of large stocks, reducing waste and inefficiencies.

Furthermore, KenTrade has taken significant steps towards digitization, developing and implementing various innovative systems, including an intranet, an Electronic Document Management System based on Microsoft SharePoint, a KenTrade mobile App & USSD, a Bulk SMS System, and an online ERP System automating back-office services. These technological advancements not only enhance the efficiency and effectiveness of the Agency's operations but also contribute to its overall sustainability goals. To guide in the disposal of e-waste, the Agency has an e-waste policy which provides guidelines on the disposal.

c) Employee welfare

The Agency demonstrates a robust commitment to public service values and principles, as outlined in Article 232 of the Constitution, by integrating these values into its HR policies. The policies governing the hiring process include the Human Resource Policy & Procedures Manual, Staff Career Guidelines, the KenTrade grading structure, and the Staff Establishment, all of which were approved by the State Corporations Advisory Committee (SCAC) in 2017. Job opportunities are advertised, and the recruitment process adheres strictly to these policies and procedures. When developing HR instruments or other policies and regulations, the Agency ensures stakeholder participation in accordance with its participation policy.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Environmental and Sustainability Reporting (Continued)

These instruments are periodically updated to reflect changes in policy and business operations. The 2013 policies were reviewed in 2017, and a subsequent review of the 2017 instruments, initiated in 2022, is currently at an advanced stage.

The Agency's HR instruments take gender ratios into account and uphold its status as an equal opportunity employer. The recruitment and selection process does not discriminate based on gender, race, religion, ethnicity, or any other form of discrimination. The constitutional requirements for gender mainstreaming and the inclusion of persons with disabilities, as stipulated in Article 232 of the Constitution, are observed in line with policies issued by the National Cohesion and Integration Commission. The HR Policy and Procedures Manual specifies that affirmative action principles, gender considerations, and national values will be applied, ensuring gender balance in appointments and promotions, with a minimum representation of one-third (1/3) of either gender. Additionally, the Agency has a Gender Mainstreaming Policy 2021, which includes a detailed section on Recruitment and Staffing. A Gender Mainstreaming Committee is in place to oversee the implementation of this policy.

A fair performance appraisal system is established to assess staff performance, identify areas for improvement, and facilitate targeted training. The Agency's Reward and Sanction Policy clearly defines the rewards for exemplary performance and sanctions for poor performance, aiming to motivate employees and enhance productivity. The Agency's office holds certification from the Ministry of Labour, confirming compliance with the Occupational Safety and Health Act of 2007 (OSHA, 2007), thereby ensuring a safe and secure work environment for employees. Furthermore, the Agency provides comprehensive medical insurance, Workers Injury Benefits Act (WIBA) coverage, and Group Personal Accident (GPA) insurance, demonstrating its steadfast commitment to employee welfare and protection.

Environmental and Sustainability Reporting (Continued)

d) Market place practices

i. *Responsible Competition Pricing*

The Agency uses the open Tender Method as its preferred procurement approach to foster market competition.

ii. *Responsible Supply Chain and Supplier Relations*

The Agency evaluates economic, social, ethical, and environmental standards in all procurement and disposal processes. These standards are applied when registering new suppliers. Framework contracts have allowed KenTrade to leverage its buyer power to promote supply chain sustainability and resilience, resulting in competitive pricing. This approach, which moves away from spot buying, has reduced transactional procurement and strengthened supplier relationships.

iii. *Responsible Marketing and Advertisement*

To increase visibility of procurement opportunities, KenTrade advertises in the Agency Website leading to higher responsiveness by suppliers.

iv. *Product Stewardship*

The buying process is initiated by user department needs and the evaluation criteria also originates from the user to ensure the best products and services from suppliers. Inspection and acceptance committees are constituted for each procurement as per the Public Procurement and Disposal Act to ensure compliance with user specifications and regulatory requirements. These committees consist of staff from various departments with the necessary skills and product knowledge.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Environmental and Sustainability Reporting (Continued)

e) Corporate Social Responsibility /Community Engagements

KenTrade is committed to making a positive contribution to the community by giving careful thought to the environmental consequences of its business choices. To achieve this goal, the organization has incorporated Corporate Social Responsibility (CSR) policies and actions into its operations.

The Agency has established a dedicated CSR and Environmental Committee responsible for creating guidelines that outline the objectives and tasks required for the Agency to fulfil its responsibilities as a socially responsible corporate entity.

KenTrade considers Corporate Social Responsibility (CSR) an integral part of its business. In this regard, the Agency has extended this to its staff, the communities around it and environmental sustainability. The nature of our business is predominantly in technology, which has greatly decreased environmental pollution by eliminating the improper usage of the available natural resources.

To enhance environmental sustainability, the Agency aligned its initiatives with the Presidential directive of increasing forest cover by planting 15 billion trees by 2032, this aims at mitigating the effects of climate change and safeguard our environment for future generations. In this regard, we liaised with the Kenya Forest Service to plant trees in the areas of our operation as well as other parts of the country.

On November 24, 2023, KenTrade staff planted 3,000 indigenous trees and fruit seedlings at Lang'ata Women's Prison in Nairobi. Similarly, on November 18, 2023, the Agency partnered with the County Government of Elgeyo Marakwet and the Cheptingsis Okilgei Women's Group to plant 200 fruit tree seedlings.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Environmental and Sustainability Reporting (Continued)



The 2023 KenTrade Tree Planting Day was held at the Langata Women Prison where the Agency staff in partnership with the Langata Women Prison planted 3000 trees.

Another tree planting exercise which was undertaken by the Board members and took place in Mombasa County, on March 20, 2024, in Mombasa County, in collaboration with the Kilindini Community Forest Association (MOKICFA), in collaboration with the local community (Amani Mikoko Group at Mchanjama), to plant 500 mangrove trees. Mangrove seedlings thrive in salty coastal waters and are key weapons in the fight against climate change.



KenTrade in collaboration with the Kenya Forest Service and Kilindi Community Forest Action Network in Mombasa county planted 500 mangrove seedlings in the Kilindini mangrove forest in Mombasa.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Environmental and Sustainability Reporting (Continued)

The last two tree planting activities held in March 2024 involved working with Karen C Primary School in Nairobi County and Kibichiku Primary School in Kiambu County which saw the Agency plant 402 tree seedlings. The Agency was also involved in CSR initiatives aimed at positively impacting the lives of respective communities. This CSR effort primarily focused on education, where the Agency supported six underprivileged students of Kibichiku Secondary School to enable them to complete their education.



KenTrade staff planted 230 trees at Karen C Primary School in Karen, Nairobi.

Our commitment remains steadfast in fostering a fair, equitable, and inclusive society, not only within our organization but also wherever we can effect positive change. We continuously strive to maximize the positive impact of our initiatives, ensuring that they reach the deserving members of our society.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

11. Report of The Directors

The Directors hereby submit their Report together with the Audited Financial Statements for the year ended June 30, 2024, which outline the state of the Agency's affairs.

Principal activities

The principal activities of the entity are to:

- i. Establish and manage a National Electronic Single Window System and facilitate trade.
- ii. The National Electronic Single Window System serves as a single-entry point for parties involved in trade and transport to: -
 - Lodge documents electronically, for processing and approval; and
 - Make payments electronically for fees and levies due to the Government, on goods imported or exported.

Results

The results of the Agency for the year ended June 30, 2024 are set out on page 1 to 66.

Directors

The members of the Board of Directors who served during the year are shown on page x to xvi. During the year ended June 30, 2024, Mr. Mugambi Imanyara was degazetted as the Chairman and Hon. Basil Criticos was appointed with effect from May 26, 2023.

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.

By Order of the Board


.....
Bernard Milewa

Corporation Secretary and Legal Affairs
Manager/Secretary to the Board

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

12. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, Cap 446, 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, 2024. This responsibility includes:

- a. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- c. 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;
- d. Safe-guarding the assets of the Agency;
- e. Selecting and applying appropriate accounting policies; and
- f. 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 and the State Corporations

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

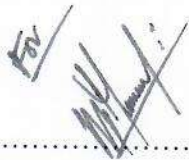
Statement of Directors' Responsibilities (Continued)

Act. The Directors are of the opinion that these financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2024, 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 on SEPTEMBER 25 2024 and signed on its behalf by:



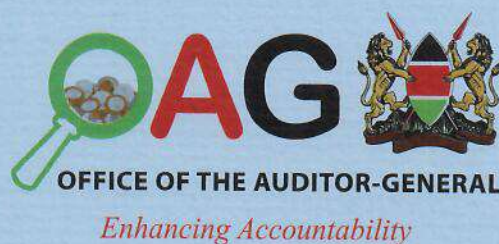
.....
Hon. Basil Criticos
Chairperson of the Board



.....
David Ngarama
Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA TRADE NETWORK AGENCY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Trade Network Agency set out on pages 1 to 63 which comprise of the statement of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Trade Network Agency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with State Corporations Act, Cap 446 and the Public Finance Management Act, 2012 and Legal Notice No.6 of 2011.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Directors are responsible for the other information set out on page v to ixvii which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Reallocation of Funds

As previously reported, the statement of financial performance and Note 6 to the financial statements reflects government grants of Kshs.496,212,240 which includes realigned development grant of Kshs.131,812,240 transferred from development grant to fund recurrent expenditure as revealed in the statement of changes in net assets. Although Management has explained that The National Treasury has continued to fund the single window system related activities under the development vote, this is contrary to Section 43(1)(b) of the Public Finance Management Act, 2012 which states that, an Accounting Officer may reallocate funds from the authorised use but may not reallocate funds where the funds are appropriated for capital expenditure except to defray other capital expenditure.

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

2. Secondment of Staff to The National Treasury

The statement of financial performance reflects employee costs of Kshs.339,172,580 as disclosed in Note 11 to the financial statements. Review of records revealed that two (2) staff were seconded to The National Treasury on 1 October, 2014 and March 15, 2024 and were paid salaries of Kshs.4,670,000 and Kshs.442,750 from the Agency contrary to Section B.33 (6) of the Public Service Commission Human Resource Policies and Procedures Manual, 2016 which stipulates that those officers on secondment shall be remunerated including salaries and allowances by the organization where they are deployed.

In the circumstances, the Management was in breach of the Public Service Commission Human Resource Policies and Procedures Manual guidelines.

2. Irregular Payment of Acting allowance

The statement of financial performance reflects employee costs of Kshs.339,172,580 as disclosed in Note 11 to the financial statements. Review of payroll records revealed that an officer was appointed to the position of Assistant Manager, Trade Facilitation, in an

acting capacity on 11 May, 2022. The staff continued to serve in acting capacity up to 30 June 2024 and was paid Kshs.546,000 as acting allowance contrary to Section C.14 (1) of the Public Service Commission Human Resource Policies and Procedures Manual of 2016 which states that an officer acting in a higher post pending the advertisement of the position is eligible for an acting allowance at 20% of their substantive basic salary. However, acting allowance will not be payable to an officer for more than six (6) months.

In the circumstances, Management was in breach of the Public Service Commission Human Resource Policies and Procedures Manual guidelines.

4. Irregular Payment of Convenience Fees

The statement of financial performance reflects expenditure on use of goods and services of Kshs.232,719,327 as disclosed in Note 10 to the financial statements. The amount includes E-Citizen charges of Kshs.4,116,000 in respect to convenience fee which was deducted from the Agency instead of the users of the platform. Management explained that the deduction was as a result of the system challenges.

In the circumstances, value for money on e-citizen expenditure of Kshs.4,116,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Improper Board Constitution

During the year under review, the Board did not have a director with Information Communication Technology background as required by Section

28 (10 of the National Single Window System Act, 2022. Although Management indicated that it has written to the appointing authority on the need to appoint a board member with ICT background, the appointing authority had not acted on the request at the time of the audit.

In the circumstances, the effectiveness of the Board to deliberate and make decisions on information communication technology could not be confirmed.

2. Transfer of Scheme's Funds to Fund Agency Operations

As previously reported, review of the Agency's Mortgage and Staff Car Loan Scheme's bank statements revealed that Management had transferred back to the Agency amounts totalling to Kshs.38,043,975 since the Scheme's inception which include Kshs.4,180,000 transferred during the year under review. Although the withdrawals were approved by the Agency's Board, the transfer of funds from the Scheme is likely to affect the effectiveness of the Mortgage and Staff Car Loan Scheme.

In the circumstances, the effectiveness of the Scheme Management to administer funds for the intended purpose could not be confirmed.

Responsibilities of the 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 for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Board of Directors is responsible for overseeing the Agency financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 December, 2024

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other Government entities	6	496,212,240	463,760,507
		496,212,240	463,760,507
Revenue from exchange transactions			
Rendering of services	7	113,170,551	-
Finance income - external investments	8	4,883,409	5,747,040
Other income	9	5,475,090	6,496,698
		123,529,050	12,243,738
Total revenue		619,741,290	476,004,245
Expenses			
Use of goods and services	10	232,719,327	260,426,535
Employee costs	11	339,172,580	317,289,548
Board Expenses	12	18,896,000	24,378,476
Depreciation and amortization expense	13	256,942,360	295,221,830
Repairs and maintenance	14	4,358,403	3,926,172
Total expenses		852,088,670	901,242,561
Other gains/(losses)			
Loss on disposal of assets	15	(425,754)	(308,602)
Loss on Foreign exchange	16	(3,599)	-
Deficit before tax		(232,776,733)	(425,546,918)
Taxation	17	(3,107,550)	(3,673,122)
Deficit for the period/year		(235,884,283)	(429,220,040)

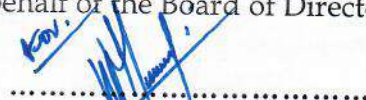
The notes set out on pages 10 to 55 form an integral part of the Financial Statements. The Financial Statements set out on pages 1 to 71 were signed on behalf of the Board of Directors by:



David Ngarama
Chief Executive Officer



Chrispus Mbogo
Director Corporate Services
ICPAK M/No:7470



Hon. Basil Criticos
Chairman of the Board

Date 23/12/24

Date

Date

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

15. Statement of Financial Position as at 30 June 2024

	Notes	2023/2024	2022/2023 Restated
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	89,634,907	12,981,343
Current portion of receivables from exchange transactions	19(a)	44,641,012	7,741,308
Current receivables from non-exchange transactions	20(a)	300,089,790	446,480
		434,365,709	21,169,131
Non-current assets			
Property, plant and equipment	21	149,939,880	97,310,178
Intangible assets	22	1,750,781,512	848,863,482
Long term receivables from exchange transactions	19(b)	7,313,871	7,263,521
Long term receivables from Non-exchange transactions	20(b)	-	-
		1,908,035,263	953,437,181
Total assets (A)		2,342,400,972	974,606,312
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	406,400,302	235,035,737
Prepayments from Customers	24	2,349,441	-
Current Provisions	25	696,000	696,000
Taxation	27	1,631,581	2,811,066
		411,077,324	238,542,803
Non-Current liabilities			
Non-Current Provisions	26	1,673,200	-
Total liabilities (B)		412,750,524	238,542,803
Net assets (A-B)		1,929,650,488	736,063,509
Represented by:			
Revaluation reserves		1,071,738,094	68,704,634
Donor grants		95,313,707	95,313,707
Accumulated deficit		(2,623,627,852)	(2,387,743,570)
Capital reserves		3,386,226,498	2,959,788,738
Net Assets		1,929,650,488	736,063,509

The Financial Statements set out on pages 1 to 71 were signed on behalf of the Board of Directors by:

.....
David Ngarama
CEO

Date **23/12/24**

.....
Chrispus Mbogo
DCS
ICPAK Member Nos:7470
Date

.....
Hon. Basil Criticos
Chairman of the Board

Date

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

16. Statement of Changes in Net Assets for the year ended 30 June 2024

	Capital Reserve	Donor Grants	Revaluation reserve	Accumulated surplus	Total
At July 1, 2022	2,842,524,245	95,313,707	68,704,634	(1,878,100,347)	1,128,442,239
Capital/Development grants received during the year	216,625,000				216,625,000
Realignment during the year	(99,360,507)				(99,360,507)
Deficit for the year				(429,220,038)	(429,220,038)
Prior Year Adjustment				(80,423,185)	(80,423,185)
At June 30, 2023	2,959,788,738	95,313,707	68,704,634	(2,387,743,570)	736,063,508
At July 1, 2023	2,959,788,738	95,313,707	68,704,634	(2,387,743,570)	736,063,508
Capital/Development grants received during the year	558,250,000				558,250,000
Realignment during the year	(131,812,240)				(131,812,240)
Deficit for the year				(235,884,283)	(235,884,283)
Revaluation during the year			1,003,033,460		1,003,033,460
At June 30, 2024	3,386,226,498	95,313,707	1,071,738,094	(2,623,627,852)	1,929,650,448

Notes

1. The Capital reserve is the Cumulative cost of Development Funds contributed by the Government of Kenya to the Agency.
2. The Development grant disbursed in 2023/2024 was **Kshs.558,250,000** out of which **Kshs.131,812,240** has been recognised in the statement of financial performance. This is because a higher percentage of the Agency's Budget is factored under the Development vote despite having the Single Window expenses being recurrent in nature.
3. Prior year adjustment of **Kshs.80,423,185** relating to separation of Mortgage and Car Loan Fund transactions and balances from the Financial statements of the Agency as follows:

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Changes in Net Assets for the year ended 30 June 2024 (Continued)

- I. **Kshs.77,958,476** being funds transferred to Mortgage and Car Loan Fund from inception to present.

Period	Car Loan Fund	Mortgage Fund	Total
2017/2018	10,000,000	30,000,000	40,000,000
2018/2019	8,058,476	-	8,058,476
2019/2020	-	-	-
2020/2021	1,800,000	6,600,000	8,400,000
2021/2022	-	16,200,000	16,200,000
2022/2023	-	5,300,000	5,300,000
2023/2024	-	-	-
Total	19,858,476	58,100,000	77,958,476

- II. **Kshs.2,464,709** being Mortgage and Car Loan Fund surplus since inception to 30th June 2023.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

17. Statement of Cash Flows for the year ended 30 June 2024

		2023/2024	2022/2023 Restated
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other Government entities	6	496,212,240	463,760,507
Single Window User fees	7	113,170,551	-
Finance Income	8	4,883,409	5,747,040
Other Income	9	5,475,090	6,496,698
Mortgage and Car Loan Scheme transfers in		4,180,000	2,036,357
Total Receipts		623,921,290	478,040,602
Payments			
Use of goods and services	10	399,007,664	135,140,506
Employee costs	11	337,409,170	323,335,553
Remuneration of Directors	12	18,896,000	24,378,476
Repairs and maintenance	14	5,219,633	3,732,307
Income tax paid	27	4,287,035	2,637,041
Total Payments		764,819,502	489,223,883
Net Cash flows from operating activities		(140,898,212)	(11,183,281)
Cash flows from investing activities			
Purchase of Fixed Assets	21	-	(3,829,016)
Purchase of intangible assets	22	(209,291,186)	(213,235,477)
Proceeds from disposed assets		408,801	295,091
Foreign exchange loss		(3,599)	-
Net cashflows from investing activities		(208,885,984)	(216,769,402)
Cash flows from financing activities			
Increase in development grants		426,437,760	117,264,493
Amortized ICF Grants		-	-
Decrease in Deferred grants		-	-
Net cash in financing activities		426,437,760	117,264,493
Net increase/decrease in cash and cash equivalents		76,653,564	(110,688,190)
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 July		12,981,343	123,669,533
Cash and cash equivalents at 30 June	18	89,634,907	12,981,343

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KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Government grants	922,650,000	-	922,650,000	922,650,000	-	100.00
Rendering of Services	-	-	-	113,170,551	113,170,551	-
Finance income - external investments	11,000,000	-	11,000,000	4,883,409	(6,116,591)	44.39
Other income	14,850,000	-	14,850,000	5,883,891	(8,966,109)	39.62
Total Income	948,500,000	-	948,500,000	1,046,587,851	98,087,851	110.34
Expenses						
Use of goods and services	345,595,136	(38,497,085)	307,098,051	314,997,103	(7,899,052)	102.57
Employee costs	346,600,000	-	346,600,000	339,172,580	7,427,420	97.86
Remuneration of directors	25,000,000	(2,000,000)	23,000,000	18,896,000	4,104,000	82.16
Repairs and maintenance	7,479,864	(2,350,000)	5,129,864	4,771,109	358,755	93.01
Total Expenditure	724,675,000	(42,847,085)	681,827,915	677,836,792	3,991,123	99.41
Surplus for the period	223,825,000		266,672,085	368,751,059	(181,661,906)	
Capital Expenditure	223,825,000	42,847,085	266,672,085	268,529,488	(1,857,403)	100.70

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024
(Continued)

Budget Notes

1. Explanation of significant underutilization (below 90% of utilization) and any overutilization (above 110% of utilization) (IPSAS 24.14)
 - i. **Rendering of Services-** The Agency exceeded its target for the year, as this item was not included in the original budget. Budgeting for this item could only be done after the approval of the charging of fees was received. The Agency began charging user fees in May 2024, following the rollout of the National Electronic Single Window System (NESWS) Regulations, 2024, which authorized the Agency to levy these fees.
 - ii. **Finance income - external investments -**The Agency did not achieve the target for the year due to extended delays in disbursements hence the Agency had very minimal cash available to invest in call deposits.
 - iii. **Other Income-** The Agency did not achieve this target for the year due to reduced requests for trainings and Augmented services.
 - iv. **Remuneration of Directors-**This category had a utilization of 82.16% even after a budget reallocation that reduced this vote. The explanation for this is that the Board of Directors activities were scaled down due to austerity measures, travel restrictions and cash flow issues attributed to delay in disbursement of government grants. Equally, there was a slowdown in board activity in October - November 2023 following the appointment of new board members.
2. Explanation of changes between original and final budget (IPSAS 24.29)
 - i. **Use of Goods:** The Agency reduced the original budget for this category by Kshs.38,497,085 due to the postponement of procurements. This reduction was a result of austerity measures, travel restrictions, and cash flow issues related to the delay in government grant disbursement.
 - ii. **Remuneration of Directors:** The Agency decreased the original budget by Kshs.2,000,000 due to scaled-back Board of Directors activities. This reduction was a result of austerity measures, travel restrictions, and cash flow issues related to the delay in government grant disbursement.
 - iii. **Repairs and Maintenance:** The Agency cut the original budget by Kshs.2,350,000 due to the postponement of procurements and underutilization of budgeted funds. This situation arose from delayed and non-disbursement of government grants and the entry into framework contracts.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024
(Continued)

3. Reconciliation of the deficit as per Statement of Financial Performance and statement of Comparison of Budget and Actual Amount.

Description	Kshs
Deficit as per Statement of Financial Performance	(235,884,283)
Add:	
Loss on disposal	425,754
Development Grant included in the Statement of Comparison of Budget and Actual amounts	558,250,000
Depreciation & amortization	256,942,360
Proceeds from disposal of assets	408,801
Foreign Exchange Loss	3,599
Less:	
Pending bills FY 2022/2023 Included as first charge	(79,582,932)
Realigned Development Grant included in the Statement of Financial Performance	(131,812,240)
Surplus as per Statement Comparison of Budget and Actuals	368,751,059

4. Reconciliation of the use of goods amount as per Statement of Financial Performance and statement of Comparison of Budget and Actual Amount

Use of Goods and Services	Kshs	Kshs
Total as per the Statement of Comparison of Budget and Actual Amount		314,997,103
Less:		
Pending bills FY 2022/2023 Included as first charge	79,170,226	
Taxation	3,107,550	
Total as per statement of Financial Performance		232,719,327

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024
(Continued)

5. Reconciliation of repairs amount as per Statement of Financial Performance and statement of Comparison of Budget and Actual Amount

Repairs and Maintenance	Kshs	Kshs
Total as per the Statement of Comparison of Budget and Actual Amount		4,771,109
Less:		
Pending bills FY 2022/2023 Included as first charge	412,706	
Total as per statement of Financial Performance		4,358,403

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

19. Notes to The Financial Statements

1. General Information

The Kenya Trade Network Agency (KenTrade) is established under the National Electronic Single Window System Act (Cap 485D). The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to facilitate trade through the development, operationalization and maintenance of the Kenya National Single Window System also known as the Trade Facilitation Platform (TFP).

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International 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 entities accounting policies. The financial statement has been prepared and presented in Kenya shillings which is the functional and reporting currency of the Agency.

The financial statement has been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied all the years presented.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to The Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

There were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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 results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45-Property Plant	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets</p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Standard	Effective date and impact:
and Equipment	and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

The Agency did not early - adopt any new or amended standards in the financial year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to The Financial Statements (Continued)

4. Summary of Significant Accounting Policies

- a) **Revenue Recognition**
 - i) **Revenue from non-exchange transactions**

Grants

The Agency recognizes grants from Government of Kenya (GoK) and donor grants when the actual receipt has occurred and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. 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 entity and the fair value of the asset can be measured reliably. Provision for doubtful debts is made when collection of the full amounts is no longer probable.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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 the current FY was approved by the National Treasury & Planning on June 30, 2023. 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under the Statement of Comparison of Budget and Actual amounts.

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 Entity 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on a straight-line basis, at the following annual rates:

Computers & Peripherals	33.3%
Furniture, Fittings & Equipment	12.5%
Motor Vehicles	25%
Single Window Software (Intangible)	10%
Office partitions	12.5%
Software and Applications (Intangible)	20%

The depreciation rate on Single Window software (Intangible) in the year under review is at 10%.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Intangible assets (Single Window and Supporting software)

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. 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.

f) Financial instruments

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i. Financial assets

Classification of financial assets

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

A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

ii. Financial liabilities

Classification

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) 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.

h) 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.

i) 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. Agency also states the reserves maintained and appropriate policies adopted. The Capital reserves arise through the investment by the GOK on capital Assets which basically facilitate the mandate of the Agency. The revenue reserves are as a result of operation through to the operating period and are fully attributable to the GOK as a sole owner of the Agency. Donor grants reserves are a recognition of sums from development partners that were used to buy capital items and are reduced gradually with the depreciation and amortization amounts of these assets each year. The revaluation reserve relates to an increase in the value of assets that were revalued in the 2023/2024 financial year.

k) 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. Changes in accounting estimates are applied prospectively.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

1) Employee benefits

Retirement benefit plans

The Agency provides retirement benefits for its employees and while the CEO is paid based on the gratuity method. Defined contribution plans are post-employment benefit plans under which the agency 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 operates a defined contribution scheme for its employees. The assets of the scheme are held in separate trustee administered funds, which are funded from contributions from both the Agency and the employees.

The Agency also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Corporation's obligation under the scheme is limited to specific monthly contributions legislated from time to time and were fixed at Sh.1,080 per employee.

The Agency's contributions to the defined contribution retirement benefit scheme and to the NSSF in respect of current service are charged to the statement of financial performance in the year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) 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 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.

n) 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 CEO, Directors and Managers who are direct reports to the CEO.

o) 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 Cooperative Bank of Kenya, Equity Bank Kenya Limited and Kenya Commercial Bank (KCB) at the end of the financial year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Comparative figures

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

q) 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, 2024

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

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 outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Significant judgements made were on depreciation methods and assets impairment.

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 consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

- Changes in the market in relation to the asset

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 and 23.

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.

6. Transfers from other Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Operational Grant	364,400,000	364,400,000
Realigned Development Grants	131,812,240	99,360,507
Total Government Grants	496,212,240	463,760,507

b) Transfers from Other Government Entities

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund KShs	Total transfers 2023/2024 KShs	Total transfers 2022/2023 KShs
National Treasury	496,212,240	-	426,437,760	922,650,000	581,025,000
Total	496,212,240	-	426,437,760	922,650,000	581,025,000

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

The grants received of Kshs.364,400,000 cater for recurrent expenses. Kshs.131,812,240 is disbursed as development grant but was realigned to increase the recurrent grant. This adjustment was necessary because the recurrent allocation for the Agency is insufficient to cover its operational needs. From the base allocation of Kshs.364,400,000, Kshs.339,172,580 is committed to paying personnel emoluments. This leaves a balance of Kshs.25,227,420 from the recurrent budget, which is inadequate for other recurrent expenses. As a result, the Agency must reallocate funds from the development budget to address the shortfall in recurrent expenditures. This situation arises because the recurrent budget is deficient, while the development budget shows a surplus.

7. Rendering of services

Description	2023/2024	2022/2023
	Kshs	Kshs
Single Window User Fees	113,170,551	-
Total Rendering of services	113,170,551	-

The rollout of The National Electronic Single Window System (NESWS) Regulations, 2024 empowered the Agency to levy user fees for utilizing the National Electronic Single Window System. The collection of these user fees commenced on May 20, 2024, and up to June 30, 2024, The Agency successfully collected Kshs.113 million net of VAT.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

8. Finance Income - External Investments

Description	2023/2024	2022/2023
	Kshs	Kshs
Cash investments and Call deposits	4,883,409	5,747,040
Total finance income - external investments	4,883,409	5,747,040

The interest income was earned as a result of investments in call accounts placed by The Agency in Commercial banks during the times that the funds were awaiting payment to vendors.

9. Other Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Training	4,898,636	5,774,370
Augmented fees	106,032	232,746
Value added services	452,654	447,447
Forex Gain	-	10,709
Miscellaneous Income	17,768	31,426
Total other income	5,475,090	6,496,698

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

10. Use of Goods and Service

Description	2023/2024	2022/2023
	Kshs	Kshs
Local Travel	3,427,765	6,019,324
International Travel	1,289,882	7,187,945
Training expenses	751,140	4,119,839
Stakeholders expenses	1,968,740	4,149,340
Conference & Workshops	1,981,390	3,968,710
Staff welfare expenses	4,938,302	8,026,417
Club Membership	305,500	345,000
Membership Prof subscription	741,133	647,841
Organisational Membership subscription	807,950	845,700
Lease Expenses	24,691,819	28,834,327
Cleaning services	1,671,440	2,002,932
Security	2,185,027	2,151,770
Utilities	3,868,777	3,329,325
Telephone	1,546,235	1,548,017
Postage Services	22,593	54,238
Printing and Stationery	516,116	717,240
Fuel	2,370,973	1,799,996
Procurement Processing Expenses	128,426	423,798
legal expenses	3,324,800	1,871,800
ISO Expenses	174,000	560,413
Risk management expenses	22,200	703,160
Change management	-	227,500
Consultancy Fees	1,504,900	5,081,340
Publicity & Advertisement	43,295	6,670,658
Corporate Social Responsibilities	478,483	603,700
Bank Charges	729,462	817,339
E-Citizen Charges	4,116,000	-
Audit fees	696,000	696,000
TV subscriptions	43,461	44,362
Newspapers and Periodicals	129,200	126,408
AAEC Expenses	-	970,376
Staff Medical Insurance	34,400,259	27,592,033
Motor Vehicle Insurance	834,904	881,871
Insurance General	587,725	303,936
Internet Expenses	2,672,559	2,737,282
Computer accessories	38,500	38,300
ICT Recurrent expenses	104,438,285	103,389,728
Licences	24,701,396	30,938,570
Penalties to KRA	570,690	-
	232,719,327	260,426,535

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Goods and service

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		232,719,327
Add:		
Opening Payables	201,006,531	
Closing Receivables	351,954,883	
Less:		
Closing Payables	(371,401,768)	
Opening Receivables	(15,271,309)	
Balance as per cash flow statement		399,007,664

II. Employee Costs

	2023/2024	2022/2023
	KShs	KShs
Basic Salaries	219,509,013	206,914,460
House Allowance	47,433,101	43,783,006
Commuter Allowance	15,234,460	14,401,310
Other Staff Allowance	11,613,604	11,457,561
Acting/Special Duty Allowance	805,937	1,818,536
Leave Allowance	4,080,501	4,391,433
Casual Wages	1,451,201	4,192,629
Pension Contributions	32,737,703	29,443,550
Gratuity Expense	1,673,200	576,600
Fringe benefit tax	524,342	258,563
NITA	55,150	51,900
A.H.L Employer Contributions	4,054,368	-
	339,172,580	317,289,548

The amount of **Kshs.1,451,201** for wages related to payments made to Interns and casuals who were engaged during the 2023-2024 financial year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Employee Costs

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		339,172,580
Add:		
Opening Payables	-	
Closing Receivables	89,790	
Less:		
Closing Payables	(1,673,200)	
Opening Receivables	(180,000)	
Balance as per cash flow statement		337,409,170

12. Remuneration of Directors

Description	2023/2024	2022/2023
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Directors' retainer	2,691,634	2,640,000
Directors Sitting Allowance	4,800,000	6,860,000
Other related expenses	10,444,366	13,918,476
Total Director emoluments	18,896,000	24,378,476

The amount of Kshs.10,444,366 for other related expenses comprises of accommodation allowances, mileage, medical insurance and training expenses during the year under review.

13. Depreciation and Amortization

Description	2023/2024	2022/2023
	KShs	KShs
Property, plant and equipment	56,647,460	87,956,027
Intangible assets	200,294,900	207,265,803
Total depreciation and amortization	256,942,360	295,221,830

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

14. Repairs and Maintenance

Description	2023/2024	2022/2023
	KShs	KShs
Equipment and machinery	498,220	823,862
Motor Vehicles	1,551,527	1,394,541
Computers and accessories	2,308,656	1,707,769
Total repairs and maintenance	4,358,403	3,926,172

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Repairs and Maintenance

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		4,358,403
Add:		
Opening Payables	861,230	
Closing Receivables	-	
Less:		
Closing Payables	-	
Opening Receivables	-	
Balance as per cash flow statement		5,219,633

15. Loss on Sale of Assets

Description	2023/2024	2022/2023
	KShs	KShs
Property, plant and equipment	425,754	308,602
Intangible assets	-	-
Other assets not capitalised	-	-
Total loss on sale of assets	425,754	308,602

This amount arose from the difference between the sale-by-auction values set by the members of the disposal committee, the final price realised at the sale auction and the net book value based on the accounting value for the assets disposed.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

16. Loss on Foreign exchange Transactions

Description	2023/2024	2022/2023
	KShs	KShs
Loss on Foreign exchange Transactions	3,599	-

This loss is attributable to the changes in the exchange rate for USD 328 held in an USD Account at the end of previous FY and compared with the exchange rate during this FY.

17. Taxation

Description	2023/2024	2022/2023
	Kshs	Kshs
Current income tax charge	3,107,550	3,673,122

No provision of tax has been made on income from grants received from Government of Kenya however, a tax charge of **Kshs.3,107,550** has been provided on income from investment interest on call account with banks and other incomes generated from operations. The tax liability is **Kshs.1,631,581** after adjusting for Withholding tax of **Kshs.732,511** and instalment tax of **Kshs.743,458** in the year. See note 27 on taxation payable.

18. Cash and Cash Equivalents

Description	2023/2024	2022/2023 Restated
	Kshs	Kshs
Current account	89,563,317	12,914,628
On - call deposits	-	-
Fixed deposits account	-	-
Others-Cash	71,590	34,395
Others-Mpesa paybill	-	32,320
Total cash and cash equivalents	89,634,907	12,981,343

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

18. (a) Detailed Analysis of The Cash and Cash Equivalents

		2023/2024	2022/2023
Financial institution	Account number	Kshs	Kshs
a) Current account			
Equity bank -Main account	0810298272422	10,331,597	11,780,399
Equity bank -gratuity account	0810260715303	1,697,928	2,966
Equity bank -Collection account	0810279618173	42,486	46,085
Co-operative bank-Main account	01141162178000	121,694	245,433
Co-operative bank-Collection account	01141162178002	77,369,612	839,745
Sub- total		89,563,317	12,914,628
b) On - call deposits			
Co-operative bank		-	-
Equity Bank		-	-
Sub- total		-	-
c) Others(specify)		-	
Cash in hand		71,590	34,395
M-pesa paybill		-	32,320
Sub- total		71,590	66,715
Grand total		89,634,907	12,981,343

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

19. Receivables from Exchange Transactions

19. (a)

	2023/2024	2022/2023
	Kshs	Kshs
Current receivables		
Prepaid Insurance	8,315,819	7,741,308
E-Citizen Receivable	36,325,193	-
Total current receivables	44,641,012	7,741,308

19 (b)

(b)

Description	2023/2024	2022/2023		
	Kshs	Kshs		
Non-current receivables				
Rent Deposits	2,487,600	2,487,600		
Other Prepayments	4,826,271	4,775,921		
Total non-current receivables	7,313,871	7,263,521		
Total receivables (a+b)	51,954,883	15,004,829		
Ageing Analysis- Receivables from exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	44,641,012	85.92	7,741,308	51.59
Between 1-2 years	4,826,271	9.29	4,775,921	31.83
Over 3 years	2,487,600	4.79	2,487,600	16.58
Total	51,954,883	100	15,004,829	100

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

20. Receivables from Non- Exchange Transactions

20. (a)

Description	2023/2024	2022/2023
	Kshs	Kshs
Current receivables		
Staff imprests	-	266,480
Staff salary advance	89,790	180,000
Government Receivable	300,000,000	-
Total Current receivables	300,089,790	446,480

20. (b)

(b)

Description	2023/2024		2022/2023 Restated	
	Kshs		Kshs	
Non-current receivables	-		-	
Total receivables (a+b)	300,089,790		446,480	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	300,089,790	100	446,480	100
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	300,089,790	100	446,480	100

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Government grant of Kshs 300,000,000 was recognized as a receivable as this amount which had initially been reduced from the Agency's Government grant allocation was reinstated via Revised development expenditure estimates and the same disbursed on 10th July 2024.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

21. Property, Plant and Equipment

	Office Partitions	Office Equipment	Furniture and fittings	Computers & Peripherals	Motor vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	37,081,810	10,432,820	10,596,361	223,034,007	23,627,500	304,772,498
Additions	-	136,616	578,400	3,114,000	-	3,829,016
Disposals	-	(75,040)	(395,690)	(2,026,936)	-	(2,497,666)
Transfers/adjustments	-	-	-	-	-	-
At 30 th June 2023	37,081,810	10,494,396	10,779,071	224,121,071	23,627,500	306,103,848
Revaluation	(17,676,610)	(7,316,087)	(5,514,027)	(94,993,001)	(7,327,500)	(132,827,225)
Additions	-	-	-	-	-	-
Disposals	-	(1,129,509)	(87,244)	(2,099,320)	-	(3,316,073)
At 30 June 2024	19,405,200	2,048,800	5,177,800	127,028,750	16,300,000	169,960,550
Depreciation and impairment						
At 1 July 2022	9,270,452	2,461,214	2,540,110	96,646,088	11,813,752	122,731,616
Depreciation	4,635,226	1,311,353	1,347,600	74,754,970	5,906,878	87,956,027
Disposals	-	(25,795)	(136,017)	(1,732,161)	-	(1,893,973)
At 30 June 2023	13,905,678	3,746,772	3,751,693	169,668,897	17,720,630	208,793,670

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

	Office Partitions	Office Equipment	Furniture and fittings	Computers & Peripherals	Motor vehicles	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation	4,186,351	1,091,804	1,296,072	44,166,355	5,906,878	56,647,460
Disposals	-	494,167	38,174	1,949,177	-	2,481,518
Depreciation eliminated on revaluation	(17,382,098)	(4,200,089)	(4,721,377)	(194,484,589)	(22,150,789)	(242,938,942)
At 30 June 2023	709,931	144,320	288,214	17,401,486	1,476,719	20,020,670
Net book values						
At 30 June 2024	18,695,269	1,904,480	4,889,586	109,627,264	14,823,281	149,939,880
At 30 th June 2023	23,176,132	6,747,624	7,027,378	54,452,174	5,906,870	97,310,178

The Property, Plant and Equipment were revalued on 1st April 2024 in the current financial year (FY) 2023/2024. The depreciation eliminated upon revaluation pertains to the accumulated depreciation as of 31st March 2024, which includes the accumulated depreciation as of 30th June 2023, as well as the depreciation for the first nine months of the current FY 2023/2024.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

22. Intangible Assets-Software

Description	2023/2024	2022/2023
	Kshs	Kshs
Cost		
At beginning of the year 2022	2,005,668,246	1,799,673,683
Additions	213,235,477	205,994,563
At end of year 2023	2,218,903,723	2,005,668,246
Revaluation	(637,150,923)	-
Additions-internal development	209,291,186	213,235,477
At end of year 2024	1,791,043,986	2,218,903,723
Amortization and impairment		
At beginning of the year 2023	1,370,040,241	1,162,774,438
Amortization	200,294,900	207,265,803
Amortization eliminated on revaluation	(1,530,072,667)	-
At end of year 2024	40,262,474	1,370,040,241
Impairment loss	-	-
At end of year 2024	40,262,474	1,370,040,241
NBV	1,750,781,512	848,863,482

The amount of intangible assets comprises the single window base and supporting software which has been incurred during the development of the software in facilitation of trade.

The Intangible Assets were revalued on 1st April 2024 in the current financial year (FY) 2023/2024. The amortization eliminated on revaluation pertains to the accumulated amortization as of 31st March 2024, which includes the accumulated amortisation as of 30th June 2023, as well as the depreciation for the first nine months of the current FY 2023/2024.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

23. Trade and Other Payables

Description	2023/2024		2022/2023 Restated	
	Kshs		Kshs	
Trade payables	345,707,224		200,330,662	
Statutory deductions payable	6,894,223		-	
Trade Net User fees payables	88,000		104,600	
VAT Payable	14,579,212		-	
Withholding Tax Payable	693,611		-	
Other current liabilities	394,057		736,500	
Mortgage and Car loan scheme payable	38,043,975		33,863,975	
Total trade and other payables	406,400,302		235,035,737	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	368,268,327	90.60	201,290,347	85.56
1-2 years	4,180,000	1	33,863,975	14.40
2-3 years	33,863,975	8.4	104,600	0.04
Over 3 years	88,000	0	-	-
Total	406,400,302	100	235,258,922	100

The Trade and other payables indicated above of Kshs.406,400,302 included **pending bills of Kshs.51,658,992** which has been budgeted as a first charge item in the FY 2024/2025. Mortgage and Car loan schemes payable of Kshs.38,043,975 includes all the amounts the Agency has transferred from the Mortgage and Car Loan Scheme since inception to fund the Agency operations.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

24. Prepayments from Customers

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Prepayments from Customers	2,349,441		-	
Total Prepayments from Customers	2,349,441		-	
Ageing analysis: (Prepayments from Customers)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,349,441	100	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	2,349,441	100	-	-

25. Current Provisions

Description	Audit fees	Total
	Kshs	Kshs
Balance b/d (1.07.2023)	696,000	2,088,000
Additional Provisions	696,000	696,000
Provision utilised	(696,000)	(2,088,000)
Total provisions as at 30.6.2024	696,000	696,000

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

26. Non-Current Provisions

Description	Gratuity provision	2022/2023
	Kshs	Kshs
Balance b/d (1.07.2023)	-	6,063,600
Additional Provisions	1,673,200	576,600
Provision utilised	-	(6,640,200)
Total provisions as at 30.6.2024	1,673,200	-

27. Taxation

	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year	2,811,066	1,774,985
Income tax charge for the year (note 17)	3,107,550	3,673,122
Withholding tax paid during the year	(732,511)	(862,056)
Income tax paid during the year	(3,554,524)	(1,774,985)
At end of the year	1,631,581	2,811,066

The total tax paid to KRA in 2023/2024 was **Kshs.4,287,035**. This is a total of tax withheld by banks and paid directly to KRA of **Kshs.732,511** and income tax paid directly by the Agency to KRA of **Kshs.3,554,524**.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

28. Cash Generated from Operations

		2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Net surplus/ deficit for the year		(232,776,733)	(425,546,918)
Adjustments:			
For items not involving movement of cash			
Depreciation	12	56,647,460	87,956,027
Amortization	12	200,294,900	207,265,803
Loss on disposal:		425,754	308,602
Operating surplus before working capital		24,591,381	(130,016,486)
Working capital adjustments:			
Decrease/ (Increase) in inventories		-	-
Decrease/ (Increase) in accounts receivable		(336,593,364)	4,049,713
(Decrease)/ Increase in creditors and accruals		175,387,206	119,444,636
Working Capital prior year Adjustment		-	-
Tax paid	27	(4,287,035)	(2,637,042)
Working Capital changes		(165,493,193)	118,833,205
Total cash generated from operations		(140,901,812)	(11,183,281)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

29. 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 minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Agency regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices.

Risk Management is carried out by the Management under direct supervision of the Board of Directors. The Agency provides policies for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and liquidity risk.

The company's financial risk management objectives and policies are detailed below:

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Agency. Credit risk arises from bank balances, as well as trade and other receivables and amounts due from related parties. Although the risk is unlikely to occur in the short term, it is mitigated as follows:

1. Cash and short- term deposits are placed with well- established financial institutions of high quality and credit standing and also approved by the National Treasury and Economic Planning.
2. Funds are invested in short term facilities and
3. The Agency does not raise trade receivables in its ordinary cause of business.

Credit risk with respect to accounts receivable is limited due to the nature of the Agency's business and its reliance on Government grant as its main source of funding.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

The amount that best describes the Agency's exposure to credit risk at the end of the financial year is as follows:

	2023/2024 Kshs	2022/2023 Kshs
Cash at Bank	89,634,907	12,981,343
Current Receivables	44,641,012	7,741,308
Non-Current Receivables	7,313,871	7,263,521
Staff Travel imprests	-	266,480
Salary Advances	89,790	180,000
Total	141,679,580	28,432,652

ii. Market risk

Market risk is the risk that the value of the investment will decrease due to changes in market factors such as interest rate, equity prices and foreign exchange rates. Although the risk is unlikely to occur in the short term, it is mitigated as follows:

1. Cash and short- term deposits are placed with well- established financial institutions of high quality and credit standing and approved by the National Treasury and Economic Planning.
2. Funds are invested in short term facilities and
3. The Agency's cash balances are in local currency
4. The Agency does not raise trade receivables in its ordinary cause of business.

iii. 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

The carrying amount of the Agency's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial assets			
Investments			
Cash		42,486	42,486
Debtors			
Total financial assets		42,486	42,486
Financial Liabilities			
Trade and other payables			
Borrowings			
Total financial liabilities			
Net foreign currency asset/(liability)			

iv. 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 company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

v. Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Agency's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2023/2024	2022/2023
	Kshs	Kshs
Revaluation reserve	1,071,738,094	68,704,634
Retained earnings	(2,623,627,852)	(2,387,743,570)
Donor Grant	95,313,707	95,313,707
Capital reserve	3,386,226,498	2,959,788,738
Total funds	1,929,650,447	736,063,509
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt (excess cash and cash equivalents)	-	-
Gearing	-	-

vi. Liquidity risk management

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations when they fall due. The Agency's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Agency's reputation.

The Agency ensures that it has sufficient cash on demand to meet expected operational expenses including servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

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

The amounts that best describes the Agency's exposure to liquidity risk at the end of the financial year is made up as follows:

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at June 30, 2024				
Trade payables		369,987,908	-	369,987,908
Deferred income	2,349,441	-		2,349,441
Current portion of borrowings	-	-	38,043,975	38,043,975
Provisions	696,000	-	-	696,000
Employee benefit obligation	-	1,673,200		1,673,200
Total	3,045,441	370,029,527	38,043,975	412,750,524
As at June 30, 2023				
Trade payables	-	203,982,828	-	203,982,828
Current portion of borrowings	-	-	33,863,975	33,863,975
Provisions	696,000	-	-	696,000
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	696,000	201,394,947	-	238,542,803

30. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The National Treasury;
- iii) Other SCs and SAGAs
- iv) The Board of directors
- v) Key management

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

	2023/2024	2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to staff	-	-
Sales of services staff	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	3,868,777	3,329,325
Rent expenses paid to govt agencies	6,925,480	6,925,480
Training and conference fees paid to govt. Agencies	1,473,090	4,299,006
Others (specify)		
b) Grants from the Government		
Grants from National Govt	922,650,000	581,025,000
Grants from County Government	-	-
Donations in kind	-	-
Total	922,650,000	581,025,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	18,896,000	24,378,476
Compensation to the CEO	8,364,000	9,582,900
Compensation to key management	137,421,612	137,081,100
Total	164,681,612	171,042,476

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

31. Contingent Liabilities

Contingent liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court case-Mweha Enterprise	13,858,266	13,858,266
Court Case -Godwin Barechi	2,000,000	-
Staff leave balances provision	5,462,667	-
Total	21,320,933	13,858,266

- i. The Agency has two ongoing court cases:
 - ✓ Mweha Enterprises for unpaid office works in year 2011/2012
 - ✓ Godwin Barechi, a former staff of KenTrade for unfair termination and unpaid allowances
- ii. The Agency has provided for unspent leave up to a maximum of 15 days at the closure of the Financial year. The provision is based on the staff's salary as at the reporting date. However, leave commutation to cash is only applicable in exceptional circumstances with approval from the CEO upon exit from the Agency.

32. Events After the Reporting Period

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

33. Ultimate and Holding Entity

The entity is a State Corporation under the National Treasury and Planning. Its ultimate parent is the Government of Kenya.

34. Currency

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Notes to the Financial Statements (Continued)

35. Going Concern

The Agency is funded by the National Treasury despite the deficits in the Statement of Financial Performance, nothing has come to the attention of Management to suggest that the National Treasury will not continue to fund the Agency as a going concern. In addition, the Agency commenced charging on May 20, 2024. The rollout of The National Electronic Single Window System (NESWS) Regulations, 2024 empowered the Agency to levy user fees for utilizing the National Electronic Single Window System. This has enabled the Agency to increase its own-generated revenue and reduce reliance on the National Treasury. This will also enable the Agency finance research and development of ICT related value-added services to enhance its revenue and ensure its financial sustainability.

36. Revaluation of assets

The Property, Plant & Equipment, and Intangible assets were revalued on 1st April 2024. The revaluation was based on the fair market value as of the revaluation date, as some of the assets had been fully depreciated.

The table below indicates basis of revaluation for each category of assets:

FA Category	Valuation Approach Adopted
Partitions	Cost Approach (depreciated replacement cost)
Computer & Peripherals	Cost Approach (depreciated replacement cost/ Market Comparison Approach
Furniture & Fittings	Cost Approach (depreciated replacement cost/ Market Comparison Approach
Office Equipment	Cost Approach (depreciated replacement cost/ Market Comparison Approach
Motor Vehicles	Market Comparison Approach
Software	Trended historical cost method/ cost to reproduce method.
Partitions	Cost Approach (depreciated replacement cost)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have included the time frame within which we expect the issues to be resolved. The accounts were not qualified on account of the issues raised as Emphasis of Matter.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Poor Financial Performance</p> <p>As previously reported, the statement of financial performance reflects a deficit after taxation of Kshs.429,220,040 (2021/2022-Kshs.343,856,456) increasing the agency's accumulated deficit from Kshs.1,878,100,347 in the previous year to Kshs.2,307,320,385 in the year under review. Although, in note 33 to the financial statements, Management has</p>	<p>The Agency commenced charging on May 20, 2024. The rollout of The National Electronic Single Window System (NESWS) Regulations, 2024 empowered the Agency to levy user fees for utilizing the National Electronic Single Window System. This has enabled the Agency to increase its own-generated revenue and reduce reliance on the National Treasury.</p>	Resolved	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timefram e: (Put a date when you expect the issue to be resolved)
	indicated that the National Treasury is likely to continue funding the agency as a going concern, its survival is dependent on continued financial support by the Government pending operationalization of the National Electronic Single Window Act, 2022 which will enable the Agency to raise revenue from its Single Window System activities.			
2.0	Budgetary control and performance The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.762,500,000 and Kshs.640,681,077 respectively, resulting to an under collection of Kshs.121,818,923 or 16% of	This was as a result of delayed or non-disbursement of government grants by the National Treasury. This will no longer be a problem as the Agency is now self-reliant. The Agency commenced charging on May 20, 2024. The rollout of The National Electronic Single Window System (NESWS) Regulations, 2024 empowered the Agency to levy user fees for utilizing the National Electronic Single Window System.	Resolved	

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the budget. In addition, the statement reflects budgeted operational expenditure of Kshs.641,048,906 against actual expenditure of Kshs.31,355,053 or 5% of the budget. The under- performance and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.			
3.0	Pending Accounts Payable The statement of Financial Position and Note 21 to the financial statements reflects trade and other payables of Kshs.201,394,947 which include trade payables of Kshs.200,330,662 which were due as at 30 June, 2023. Failure to settle bills in the year to which they relate adversely affects the implementation of	This was as a result of delayed or non-disbursement of government grants by the National Treasury. The Agency commenced charging on May 20, 2024. The rollout of The National Electronic Single Window System (NESWS) Regulations, 2024 empowered the Agency to levy user fees for utilizing the National Electronic Single Window System. This has enabled the Agency to increase its own-generated revenue and reduce reliance on the National Treasury. All these payables and pending bills had been paid as at the reporting date.	Resolved	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the subsequent year budgeted programs as the pending bills form the first charge to the subsequent year budget. The agency is also at risk of incurring penalties and interest with the continued delays in settlement of accounts payable.			
4.0	Unauthorized Reallocation of Funds As previously reported, the statement of financial performance and Note 6 to the financial statements reflects government grant of Kshs.463,760,507 which includes realigned development grant of Kshs.99,360,507 transferred from development grant to fund recurrent expenditure as revealed in the statement of changes in net assets. This was contrary to section 43	The National Treasury realigned the Agency's Budget for FY 2024/2025 hence enhanced the recurrent grant and reduced the development grant hence resolving this issue.	Resolved	FY 2024/2025

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timefram e: (Put a date when you expect the issue to be resolved)
	(1)(b) of the Public Finance Management Act, 2012 which states that, an Accounting Officer may reallocate funds from the authorized use but may not reallocate funds where funds are appropriated for capital expenditure except to defray other capital expenditure. In the circumstances, Management was in breach of the law.			
5.0	Improper Board Constitution During the year under review, the Board of Kenya Trade Network Agency did not have a representative from the Shippers Council of East Africa as required by chapter 2(2.1) of the board charter. The Cabinet Secretary National Treasury reappointed a representative of	A representative from the Shippers Council of East Africa was appointed on May 2024	Resolved	May 2024

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the council vide letter ref no: KTNA/ADM/4/CONF/4/(28) DATED January 26, 2022. However, the said representative had already served for six (6) terms thus was not eligible for appointment. The shipper's council later substituted the representative with a new one through a letter to the Cabinet Secretary, The National Treasury dated 28 September 2022. However, as at the time of this audit, the Cabinet Secretary had not appointed and gazetted the appointee. In the circumstances, the board was not properly constituted.			
6.0	Transfer of Scheme's Funds to Fund Agency Operations Review of the agency's mortgage and staff car loan	The Agency prepared separate financial statements for the Mortgage and Car Loan scheme. The Agency has also commenced the process of refunding all the cash withdrawn from the scheme.	In progress	30/09/2024

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Reference No. on the external audit Report	Issue/ Auditor	Observations from	Management comments	Status: (Resolved / Not Resolved)	Timefram e: (Put a date when you expect the issue to be resolved)
		<p>scheme's bank statements revealed that Management had transferred back to the agency amounts totalling to kshs.12,100,000 transferred during the year under review. Although the withdrawals were approved by the Agency's board, the transfer of funds from the scheme is likely to affect the effectiveness of the Mortgage and Staff Car Loan Scheme.</p> <p>In the circumstances, the transfer of the funds has greatly affected the effectiveness of the Mortgage and Staff Car Loan Scheme.</p>			

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Chief Executive Officer

Date: 23/12/24

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Appendix II: Projects implemented by Kenya Trade Network Agency

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source funds

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfer s during the Year
					Capital Fund	Deferr ed Incom e	Receiv ables	Total realignment during the Year	
The National Treasury	Various	Recurrent	364,400,000	364,400,000	-	-	-	131,812,240	-
The National Treasury	Various	Developme nt	558,250,000	-	558,250,000	-	-	(131,812,240)	-
Total			922,650,000	364,400,000	558,250,000	-	-	-	-

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Appendix IV- Inter-Entity Confirmation Letter

The National Treasury
P.O. Box 30007 - 00200
Nairobi - Kenya

The Kenya Trade Network Agency wishes to confirm the amounts received from The National Treasury as at 30th June 2024 as indicated in the table below.

Confirmation of amounts received by Kenya Trade Network Agency as at 30 th June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by The National Treasury as at 30 th June 2024			Amount Received by [beneficiary Fund] (Kshs) as at 30 th June 2024 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
	16/08/2023	91,100,000	-	-	91,100,000	-
	25/08/2023	-	139,562,500	-	139,562,500	-
	14/11/2023	91,100,000	-	-	91,100,000	-
	29/01/2024	-	118,687,500	-	118,687,500	-
	15/02/2024	91,100,000	-	-	91,100,000	-
	16/05/2024	91,100,000	-	-	91,100,000	-
	10/07/2024		300,000,000		300,000,000	
Total		364,400,000	558,250,000	-	922,650,000	-
I confirm that the amounts shown above are correct as of the date indicated.						
DCS		Sign		Date 23/12/2024		

Appendix V: Reporting of Climate Relevant Expenditures

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Appendix VI: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2024.

Appendix VII: Pending Bills Register as at June 30, 2024

S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at June 30, 2024
1	700300	Single Window Base Software	Singapore Co-operation Enterprise	Maintenance of Single Window System	KTNA/LEG/0039/2019	2024020	51,658,992