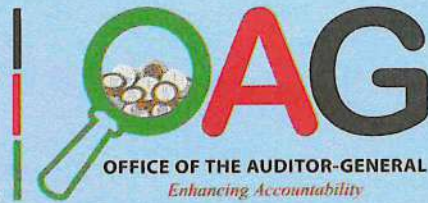


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA TRADE NETWORK AGENCY

FOR THE YEAR ENDED
30 JUNE, 2025

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Trade Made Simple

KENYA TRADE NETWORK AGENCY (KENTRADE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Table of Contents	Page
1. Acronyms and Definition of Key Terms	iii
2. Key Entity Information and Management	v
3. The Board of Directors	xi
4. Key Management Team.....	xix
5. Chairman's Statement.....	xxv
6. Report of The Chief Executive Officer	xxvii
7. Statement of Performance Against Predetermined Objectives for FY 2024/2025.....	xxxii
8. Corporate Governance Statement	xli
9. Management Discussion and Analysis.....	xlix
10. Environmental and Sustainability Reporting.....	lxi
11. Report of The Directors.....	lxix
12. Statement of Directors' Responsibilities.....	lxx
13. Report of The Independent Auditors on The Kenya Trade Network Agency	lxxii
14. Statement of Financial Performance for the year ended 30 June 2025	1
15. Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025	4
17. Statement of Cash Flows for the year ended 30 June 2025	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025.....	6
19. Notes to The Financial Statements	10
20. Appendices.....	53

1. Acronyms and Definition of Key Terms

A. Acronyms

BETA	- Bottom-up Economic Transformation Agenda
BIT	- Business Intelligence Tool
CEO	- Chief Executive Officer
CSR	- Corporate Social Responsibility
DCS	- Director Corporate Services
DVS	- Directorate of Veterinary Services
ETIMS	- Electronic Tax Invoice Management System
EXIM	- Exporter/Importer
GAA	- Government Advertising Agency
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
KENTRADE	- Kenya Trade Network Agency
KEBS	- Kenya Bureau of Standard
KEPHIS	- Kenya Plant Health Inspectorate Services
KMA	- Kenya Maritime Authority
KRA	- Key Result Area
MOU	- Memorandum of Understanding
NEMA	- National Environment Management Authority
NESWS	- National Electronic Single Window System
OAG	- Office of the Auditor General
PFM	- Public Finance Management
PIT	- Project Implementation Team
PPRA	- Public Procurement Regulatory Authority
SAGAs	- Semi-Autonomous Government Agencies
SCs	- State Corporations
SCAC	- State Corporations Advisory Committee
TFP	- Trade Facilitation Platform
UAT	- User Acceptance Testing
COMESA	- Common Market for East and Southern Africa

B: Definition of Key Terms

Agency	-	Means Kenya Trade Network Agency
Comparative Year	-	Means the prior period.
Fiduciary Management	-	Members of Management directly entrusted with the responsibility of financial resources of the organisation.
National Electronic Single Window System	-	Facility providing trade facilitation that allows parties involved in trade and transport to lodge standardized documents with a single-entry point to fulfil all import, export and transit related regulatory requirements
System	-	Means the National Electronic Single Window System

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 Cap 485D. The Agency is domiciled in Kenya, Nairobi, Upperhill at the Embankment Plaza and has branches in Mombasa, Malaba, Busia, Namanga, Isebania and ICD Nairobi.

The governance structure of the Agency consists of the Board of Directors, the Chief Executive Officer, Directors who head Directorates, and Heads of Departments. The Directorates include Trade Facilitation, Strategy Compliance and Business Development, Corporate Services and IT, Innovations and Information Security. Other support departments include Internal Audit, Supply Chain Management and Legal Affairs.

b. Principal Activities

The mandate of KenTrade is to establish and manage the National Electronic Single Window System and facilitate trade.

The National Electronic Single Window System Act Cap 485D provides that the functions of the Agency shall be to:

- (a) Establish and manage the System and to facilitate trade;
- (b) Implement policies relating to the System;
- (c) Integrate electronic systems of public and private entities involved in receipting, processing and approving documents relating to international trade transactions;
- (d) Provide an electronic platform for 'issuance of permits or approvals through the system;
- (e) Develop, manage, and promote interchange of electronic data for facilitation of trade;
- (f) Undertake and co-ordinate research and surveys in electronic commerce aimed at simplifying and harmonizing trade documentation;
- (g) Maintain an electronic database of all imported and exported goods and services and the levies, fees, duties and taxes charged on imported or exported goods and services;
- (h) Collect and provide trade statistics;
- (i) Plan, develop, monitor and evaluate training programmes for all stakeholders to conformity with international best practices; and
- (j) Perform such other functions related to trade facilitation and other such duties as the Cabinet Secretary may, from time to time, assign to the Agency.

Key Entity Information and Management (Continued)

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."

Strategic goals

The Agency strategic goals include the following:

- a) Trade environment and ease of doing business,
- b) Trade facilitation solutions development and management,
- c) Financial Sustainability,
- d) Visibility and organizational capacity, and
- e) Customer service excellence.

c. Key Management

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

No.	Designation	Name
1.	The Board of Directors	- Hon. Basil Criticos Dr. Florence Chemtai Mr. Paul Mwit Mr. Abubakar Lewano Mr. Meshack Kipturgo Mr. John Njera Ms. Rose Masita Mr. Ibrahim Maalim
2.	The Chief Executive Officer	- Mr. David Ngarama
3.	Directorate of Strategy, Compliance and Business Development	- CPA Fridah Kaberia

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

No.	Designation	Name
4.	Ag. Directorate of Trade Facilitation	CPA Fridah Kaberia
5.	Directorate of IT, Innovations & Information Security	Ms. Anne Waweru
6.	Director Corporate Services	CPA. Chrispus Mbogo
7.	Manager Supply Chain Management	Ms. Joanne Kweyu
8.	Corporation Secretary & Legal Affairs Manager	CS Bernard Milewa
9.	Manager Internal Audit	CPA, CIA, CRMA Loreen Vivian Otieno

d. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Mr. David Ngarama
2.	Director IT, Innovations & Information Security	Ms. Anne Waweru
3.	Director Corporate Services	CPA Chrispus Mbogo
4.	Director Strategy, Compliance and Business Development.	CPA Fridah Kaberia
5.	Ag. Directorate of Trade Facilitation	CPA Fridah Kaberia
6.	Corporation Secretary and Legal Affairs Manager	CS Bernard Milewa
7.	Manager, Supply Chain Management	Ms. Joanne Kweyu
8.	Manager, Internal Audit	CPA, CIA, CRMA Loreen Vivian Otieno

Key Entity Information and Management (Continued)

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.

i. Audit & Risk Committee

The Committee is responsible for providing oversight on the Agency's internal audit function, risk management framework, and governance systems. The membership of this Committee consists of:

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

ii. Finance & General Purposes Committee

The Committee is responsible for providing oversight on financial and procurement matters. The membership of this Committee consists of:

1. Dr. Florence Chemtai - Chairperson
2. Mr. Ibrahim Maalim Abdi - (Alternate Director to PS SDT)
3. Mr. John Njera - Member - (Alternate Director to PS NT)

iii. Human Resource and Compliance Committee

The Committee is responsible for providing oversight on human resource policy matters. The membership of this Committee consists of:

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

iv. Strategy and Business Committee

The Committee is responsible for formulation and monitoring the Agency's strategic direction and the implementation of its core business activities. The membership of this Committee consists of:

1. Mr. Paul Mwiti - Chairperson
2. Mr. Abubakar Lewano - Member

Key Entity Information and Management (Continued)

3. Mr. Meshack Kipturgo - Member
4. Ms. Rose Masita - Member- (Alternate Director to PS State Department for Trade)

f. Entity Headquarters

Embankment Plaza, First Floor
Longonot Road, Upperhill
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

Key Entity Information and Management (Continued)

j. Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P O Box 40112, 00200
Nairobi, Kenya

3. The Board of Directors

Hon. Basil Criticos

Chairperson

Hon Criticos was born in 1954. He was appointed as chairperson on 26th May 2023 in line with section 28(a) of the NESWS Act. He has over 30 years' experience in the Public Service.



Hon. Criticos 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). He 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

Independent Member



Dr. Chemtai was born in 1983. She was re-appointed to the Board on October 18, 2024, in accordance with section 28(1(g) of the NESWS Act. Dr Chemtai holds a PhD in Entrepreneurship and Innovation Management and a Master of 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).

Dr. Chemtai is a seasoned entrepreneurship development expert, serving as a consultant at the PTRE Incubation Centre under the African Centre for Excellence, an associate with Edmany Consult, Eldo hub innovation centre and the Director of Flossy Consult Ltd. With a distinguished career spanning several years, she has led impactful training and capacity-building initiatives in the entrepreneurship ecosystem, empowering innovators and businesses to achieve sustainable growth. Her leadership and strategic insights continue to shape and strengthen the entrepreneurial landscape across the region

She has attended various trainings including Strategic Leadership Development Programme and Senior Management Course (Kenya School of Government), Corporate Governance Training, Public Policy Programme from Strathmore Business School and Business Process

The Board of Directors (Continued)

Reengineering amongst others. She has served as an Assistant Registrar (Administration) at the Koitaleel Samoei University College (A Constituent College of University of Nairobi). Dr. Chemtai has also served as a Lecturer in the School of Business, Management Science and Economics at Kisii University and University of Eldoret. She is an active member of Kenya Institute of Management, Kenya Institute of Supplies Management, and Institute of Human Resource Management.

Mr. Paul Mwiti
Independent Member



Mr. Paul Mwiti was born in 1966. He was appointed on October 6, 2023 in accordance with section 28(1)(g) of the NESWS Act. 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 Board of Management (BOM), Murembu Secondary School; BOM Kiangua Boys High School, among others. He has also served in the Office of the President and Department of Immigration. Mr. Mwiti has an interest in farming and community development.

Dr. Abubakar Lewano
Member



Dr. Lewano was born in 1975. He was appointed on December 08, 2023 in accordance with section 28(1)(g) of the NESWS Act. Dr. Lewano is a seasoned private equity and impact investment professional with over 20 years' experience in frontier markets across Africa. Until recently, he served as the Africa Lead and Investment Principal at the Soros Economic Development Fund, the impact investment arm of the Open Society Foundations, where he also sat on the advisory boards of several portfolio companies in the region.

His earlier career includes senior investment roles with Norfund, Norway's Development Finance institution, and senior corporate banking roles with Commercial Bank of Africa (now NCBA).

The Board of Directors (Continued)

Dr. Lewano holds a PhD in Finance from USIU-Africa in partnership with Columbia Business School, New York; MBA with distinction in Finance from Birmingham Business School (UK) and a Bachelor of Commerce (Finance) from the University of Nairobi, Kenya.

Mr. Meshack Kipturgo
Independent Member



Mr Kipturgo was born in 1969. He was appointed on May 24, 2024 in accordance with section 28(1(f) of the NESWS Act as a representative from the Shippers Council of East Africa. He 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, he has held office in key associations such as Director and immediate past Chairman of the Shippers Council of Eastern 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, he 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. Mr. Kipturgo 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.

The Board of Directors (Continued)

FA, CPA Isabella Kogei (served upto December 12,2024)

Alternate Member for the Principal Secretary, The National Treasury



Ms. Kogei was born in 1983. She 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). 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. John Njera

Alternate Member for the Principal Secretary, The National Treasury (Appointed on 02/12/2024)



Mr Njera was born in 1967. He was appointed on December 02, 2024 in accordance with section 28(1(c) of the NESWS Act. Mr. Njera currently serves as the Director of Planning, Macro and Fiscal Affairs Department at the National Treasury and Economic Planning where he has previously held various other roles. Mr Njera holds a Master of Science Degree from the National University of Science & Technology, Zimbabwe and a Bachelor of Science, from Kenyatta University. He is currently pursuing Master of Arts in Economics from the University of Nairobi.

The Board of Directors (Continued)

Mr. Ibrahim Maalim Abdi, HSC

Alternate Director to the Principal Secretary, State Department for Transport



Mr Abdi was born in 1969. He was appointed on in accordance with section 28(1(e) of the NESWS Act as a representative of Principal Secretary, State Department for Transport. 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.

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.

Previously, Mr. Abdi 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. Mr. Abdi 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).

Mr. Abdi has attended various trainings in Management and Leadership Programs which include strategic Leadership Development Programme, Senior Management Course and 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.

The Board of Directors (Continued)

Ms. Rose Masita

Alternate Member for the Principal Secretary, State Department for Trade



Ms. Masita was born in 1968. Ms. Masita was appointed on October 16, 2020 as a representative to the principal secretary, State Department for Trade and has a Master of Science Degree in Entrepreneurship (MSc Entrepreneurship, a Bachelor of Arts in Anthropology and a BA (Anthropology and Economics). She is a member of the Strategy and Business Committee of the Board and the Audit and Risk Committee of the Board. Ms. Masita 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.

Mr. David Ngarama

Chief Executive Officer



Mr. David Ngarama was born in 1970. He 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 served for over eight years as the Manager Strategy and Planning at 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.

The Board of Directors (Continued)

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.

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 was born in 1979 .He 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 and Notary Public. Mr. Milewa holds a Master of Business Administration (MBA) Strategic Management from the University of Nairobi, Bachelor of Law degree 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 Law Society of Kenya, Institute of Certified Secretary of Kenya, Institute of Certified Public Accountant and Chartered Institute of Arbitrators.

The Board of Directors (Continued)

Mr. Milewa has 19 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.

He 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.

4. Key Management Team

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. He 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.

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.

Key Management Team (Continued)

Ms. Anne Waweru

Director IT Infrastructure Innovation & Information Security

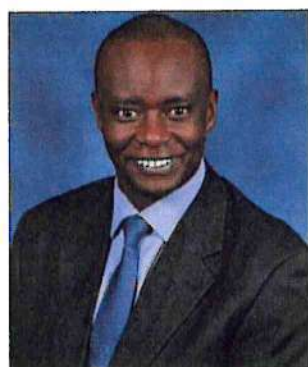


Ms. Waweru joined the Agency in June 2019 as Director IT Infrastructure, Innovations & Information Security. She has extensive experience in the ICT profession, mainly from the private sector. Before joining the Agency, she worked as Business Manager, ICT at Eagle Africa Insurance Brokers. Prior to this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

CPA Chrispus Mbogo

Director, Corporate Services



CPA Chrispus 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.

Key Management Team (Continued)

He has worked for 25 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 and now Commodities Fund) from 2010-2013 as Head of Internal Audit and Acting Finance & Administration Manager.

CPA Mbogo is an active member of ICPAK and currently serves as an elected member of the ICPAK Council, beginning in June 2025. He is a member of the ICPAK Committee for Public Sector Accountants and also serves in the Taskforce for the Review of the Accountants Act, 2008. He has served as Chairman of the Board of Trustees of the KenTrade Staff Pension Scheme (2020-2025), as well as serving in other leadership capacities in the society.

Ms. Fridah Kaberia

Director, Strategy, Compliance & Business Development



Ms. 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. Prior to this she held various positions.

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).

Key Management Team (Continued)

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.

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



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

He 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 Secretaries of Kenya, Institute of Certified Public Accountants (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.

Key Management Team (Continued)

Ms. Joanne Kweyu, MCIPS, MKISM, CPM.
Manager, Supply Chain Management



Ms. 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). Ms. Kweyu is also a Certified Professional mediator. She holds various certifications in Management, Corporate Governance, Strategic leadership, Enterprise Risk Management, ISO Quality Standards, and Public Policy. She is the current Chairperson of the Board of Trustees of the KenTrade Staff Pension Scheme, and a former member of the Disciplinary Committee of the Kenya Institute of Supply Management (KISM) Council.

CPA Peter Wafula

Ag. Manager Internal Audit (Up to 14/04/2024)



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.

Key Management Team (Continued)

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).

CPA, CIA, CRMA. Loreen Vivian Otieno
Manager, Internal Audit (Appointed on 15/04/2024)



Ms. Loreen Vivian Otieno is a seasoned internal auditor and a recognized expert in risk management and governance, currently serving as Manager, Internal Audit reporting functionally to the Audit & Risk Committee of the Board and administratively to the CEO. With over 13 years of extensive experience spanning both private and government institutions, she has built a strong track record in internal audit, risk management, internal controls, corporate governance and financial management and reporting.

She holds a Master of Business Administration (MBA) from the United States International University (USIU) and a Bachelor of Commerce degree from the University of Nairobi. She is also a Certified Public Accountant of Kenya (CPAK), a Certified Internal Auditor (CIA), and holds the Certification in Risk Management Assurance (CRMA). Additionally, she has an advanced diploma in management accounting from the Chartered Institute of Management Accountants (CIMA).

Ms. Loreen is an active member of Institute of Internal Auditors (IIA), the Institute of Certified Public Accountants of Kenya (ICPAK), and the Information Systems Audit and Control Association (ISACA). Known for her strategic insight, analytical acumen, and commitment to best practices, she continues to drive value and integrity through robust internal audit processes and risk management frameworks.

5. Chairman's Statement

On behalf of the Board of Directors, I am delighted to present to you KenTrade's Annual Report and Financial Statements for the year 2024/2025. The year under review showed impressive growth and we remain focused in offering efficient trade facilitation services.

This report provides an outline of our strides in the continued fulfilment of our Vision to be a Global Leader in Trade Facilitation. The Agency prides itself as a trusted enabler of trade facilitation 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 under review recorded a significant milestone compared to the previous years as we continued to focus on measures to strengthen our sustainability, with the implementation of the National Electronic Single Window System (NESWS) Regulations 2024, and charges as outlined in the Second schedule.

During the period, KenTrade structured various engagements with its stakeholders through surveys, webinars and meetings. These engagements resulted in proposing recommendations to alienate some of the key impediments faced by businesses and presented them for consideration in various policy meetings. For instance, arising from feedback from our stakeholders, and in consultation with the Cabinet Secretary, The National Treasury and Economic Planning, we developed the draft National Electronic Single Window System (Fee Reduction and Exemption) Regulations, 2025. The proposed regulations provide for reduction and exemption of fees payable and the conditions for reduction and exemption. We are carrying out public participation on the proposed Regulations before being forwarded to the National Assembly for approval.

I also wish to highlight various initiatives that strengthened our participation in regional and continental forums for increased partnerships and alliances in our trade facilitation role. We hosted a delegation from Malawi who visited for purposes of benchmarking with the National Electronic Single Window System and InfoTrade portal to identify best adaptable practices for their trade modernization efforts.

We also hosted over twenty participants drawn from eleven African Countries sponsored by the Government of Australia to attend a course in trade facilitation in the context of African Continental Free Trade Area, to understand our role in trade facilitation.

Chairman's Statement (continued)

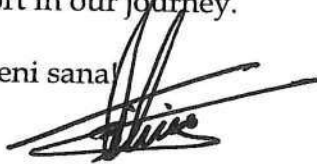
I am happy to report that KenTrade was ranked the 3rd best performing public entities by Public Service Commission of Kenya. This was recognition of the Agency's commitment to excellence and a reflection of dedication to exemplary service delivery, professional ethics in public service, transparency and adherence to principles of good governance.

The Board of Directors also made impressive gains in the Board Evaluation facilitated by the Regulator, the State Corporations Advisory Committee (SCAC) by obtaining a score of 96.35%. The Board's performance speaks to excellence and dedication in discharging the mandate of oversight and strategic policy guidance to the Management.

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 its implementation. Looking ahead, the trade facilitation landscape remains resilient albeit the challenges. We will continue to strive towards *Making Trade Simple* and progress towards achieving our vision for the benefit of our nation, industry and citizens.

Finally, I also want to express appreciation to our Board for their invaluable insights and guidance. I would like to take this opportunity to express sincere gratitude for the support that KenTrade has received from our Parent Ministry - The National Treasury and Economic Planning and Partner Government Agencies. To the employees, our deepest gratitude for your hard work and dedication over the past year in driving KenTrade's success. As for trade associations, partners, suppliers and customers, we thank you for your continued trust and support in our journey.

Asanteni sana!



Hon. Basil Criticos
CHAIRMAN

6. Report of The Chief Executive Officer

It is with great pleasure that I present KenTrade's Annual Report and Financial Statements for the year 2024/2025. Since its establishment in 2011, KenTrade has witnessed major developments in its operations which have greatly shaped the milestones the trade facilitation industry has experienced.

Our trade facilitation platform continues to yield measurable time and cost savings, while also enhancing transparency and accountability envisaged during the Agency's inception. The implementation and management of this trade facilitation platform is a testament to the brilliant work of the KenTrade team, and I want to thank each and every colleague for their commitment.

KenTrade is also guided by the Bottom-up Economic Transformation Agenda (BETA) aimed at transforming our country through trade facilitation and empowerment of ordinary Kenyans. We commit to the implement the BETA Plan as enunciated by His Excellency the President William S. Ruto PhD as evident in our operations and activities.

The Agency has continued to be a good steward of public resources as confirmed by consistent Unqualified audit reports issued by the Office of the Auditor General from the year 2020. In line with the Zero Fault Audit campaign launched by the Chief of Staff and Head of Public Service, the Agency continues to resolve any audit issues raised in previous audit reports and conducts its affairs in full compliance with the Constitution of Kenya, 2010, all applicable laws and regulations, and all circulars issued from time to time by the Cabinet Secretary the National Treasury and Economic Planning and other competent authorities.

I am delighted to highlight the progress we made since launching our strategic priorities and performance framework during the period under review.

The Agency sensitized and built capacity of our stakeholders with a view of onboarding more users to utilise National Electronic Single Window System (NESWS) to enable them conduct trade related activities more efficiently. I am happy to report that the number of System users continue to grow. The NESWS currently serves over 20,000 users with forty (40) Partner Government Agencies (PGAs) onboarded. An average of 4,000 permits are lodged through the System daily, with over 70% of Partner Government Agencies (PGAs) processing their permits within a day.

Report of The Chief Executive Officer (Continued)

I would like to draw attention to a key issue and update on the National Electronic Single Window Regulations 2024. The National Assembly approved the NESWS Regulations which subsequently came into effect on April 29, 2024. Following the approval, the Agency received feedback that some stakeholders, especially fresh produce exporters, had raised concerns about the impact of the user fees on their cost of business.

The Agency in consultation with the National Treasury subsequently developed draft National Electronic Single Window System (Fee Reduction and Exemption) Regulations and proposed a 50% reduction of UCR fees for all exports. The draft Regulations further proposed exemption of all fees for any System user who has been granted exemption from payment of administrative fees under any written law. We are set to commence the public participation on the draft regulation in August 2025, which will be submitted to the National Assembly for consideration.

Another key platform that is of interest, is the InfoTrade portal, which is intended to increase access to information on international trade procedures and regulations. We have consolidated procedures for more than one hundred and thirty (130) commodities required for import and export business in Kenya in the online platform.

In addition, we continued to conduct simplification exercise which aims at reducing the steps and duplication of documentation. As of the end of the last financial year, we had managed to simplify 54 procedures of various commodities exported and imported to Kenya. The goal of this platform is to reduce the effort and time used by traders to access authentic information and documentation required for trade.

I am happy to report that the Agency performed exceptionally well in the Resolution of Public Complaints, where we are subjected to quarterly appraisal by the Commission of Administrative Justice (Ombudsman). As we await our performance for the 2024/25, am hopeful that we will get an excellent score of 100%. We continue to ensure that the public can access our Information as enshrined in the Access to Information Act, 2016.

The Board of Directors hired new employees to bring fresh energy and perspectives to our organization. I am certain these employees have new ideas, skills, and enthusiasm that will positively impact the workplace.

Report of The Chief Executive Officer (Continued)

Culture change always has a critical aspect in ensuring that employees needs are taken care of especially in today's dynamic environment. To ensure our employee's are all engaged and to improve overall performance, we revamped the Agency's culture change program by reconstituting a new committee to work towards ensuring that KenTrade builds a strong team that is coherent with its strategic direction.

The committee met to refine a roadmap for implementing the culture change programme and identifying key areas that need transformation. We believe this move will contribute towards improving employee satisfaction from 73% to 83% by 2027/28 as well as increase awareness of the KenTrade brand to 100%.

Having a positive impact on the communities we serve is also central to our purpose, and it was essential that we stepped up for them when they most needed our support. We did this through assisting the convicts at Langáta Women's Prison. During the visit the Agency donated foodstuff, toiletries to assist both mothers serving various sentences and their children. Closely related to serving our communities, a lot of time was spent conserving the environment against the backdrop that without conservation efforts, we risk irreversible damage to the environment, impacting everything from our access to clean air and water to the stability of our economy.

For this reason, the Agency staff in collaboration with the Kenya Forest Service and other stakeholders, planted a total of 239,160 trees in the counties of Nyandarua, Kiambu, Nairobi, Kericho and Taita-Taveta. We want to be counted as Kenyan's who took active part in the planting of trees to restore our forests, not only to combat climate change but to also safeguard our environment for future generations. The tree planting exercises are aligned with the government's target of planting 15 billion trees by 2032, as envisioned by H.E. President Dr. William Samoei Ruto.

As this report describes, we have made significant progress from where we were a year ago. As a team, we are committed to serving all our stakeholders and customers better every day, in what remains a challenging environment. I am confident that the initiatives we are making will lead to improvements in trade whilst creating value to those who interact with us.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Report of The Chief Executive Officer (Continued)

I thank the management who have worked closely with me for their passion and dedication in keeping our operations running seamlessly. I am equally grateful to all staff for their relentless spirit 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 2024/25.

Thank you,



David Ngarama
CHIEF EXECUTIVE OFFICER

7. Statement of Performance Against Predetermined Objectives for FY 2024/2025

The Financial Year 2024/2025 was the second year in the implementation of the 4th Strategic Plan for the period 2023/2024 - 2027/2028. The 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. The Key Result Areas include:

- a) Trade environment and ease of doing business,
- b) Trade facilitation solutions development and management,
- c) Financial Sustainability,
- d) Visibility and organizational capacity, and
- e) Customer service excellence.

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 further 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 six (6) strategic objectives as outlined below:

- a) To increase automation of cross-border cargo documentation and clearance processes from a baseline of 95% to 99% by FY 2027/28.
- b) To publish the identified and documented import, export and transit cargo documentation and clearance processes from the 126 commodities in FY 2023/24 to 176 by FY 2027/28 on the information for trade portal.
- c) To simplify and publish import and export cargo documentation and clearance processes from the 8 commodities in FY 2023/24 to 18 by FY 2027/28 on the information for trade portal.
- d) To promote e-commerce by providing a National Logistics Platform for eight trade logistics services by FY 2027/28.
- e) To build capacity for 2,500 stakeholders annually in trade facilitation and other services.
- f) To facilitate domestic trade by automating issuance of all the identified domestic trade permits or licenses issued by National Government Agencies by FY 2027/2028.

Statement of Performance Against Predetermined Objectives for FY 2024/2025
(continued)

The specific achievements during the financial year 2024/2025 under this KRA are as outlined:

- a) The Agency had targeted to onboard/integrate one stakeholder on the National Electronic Single Window System during the financial year – The Agency managed to onboard import and export processes for National Agency for the Campaign Against Drug Abuse (NACADA), Kenya Civil Aviation Authority (KCAA) and Scrap Metal Council (SMC) surpassing the target on one stakeholder for the financial year.
- b) The target to publish the import, export and transit procedures for ten commodities on the information for trade portal annually was achieved for FY 2024/2025. The Agency was able to publish the following commodity procedures on the information for trade portal; Gum Arabic, Cooking Stove, Musical instruments, Polyacetals, Woven Articles, Ores Slag & Ash, Food Supplements, Human Vaccines, Cement Clinker and Cotton Seed cake.
- c) The target to simplify and publish import and export procedures for two commodities on the information for trade portal annually was achieved for FY 2024/2025. The Agency managed to simply and publish import and export procedures for pesticides and coconuts.
- d) The Agency targeted to establish two strategic partnerships with other stakeholders and institutions during the year. By the end of the financial year, the following Memorandum of understanding (MOUs) had been signed:
 - i. MOU with Maritime Organization for Eastern, Southern, and Northern Africa (MOESNA) - for collaboration in trade facilitation initiatives with focus to shipping and maritime interests.
 - ii. MOU with ECOBANK - for collaboration in implementation of Digital Logistics Market Place (DLMP) through onboarding of the Bank. This MOU was in draft phase by the closure of the financial year.
 - iii. MOU with ICS.
- e) The Agency trained 517 users on the Single Window System during the financial year against the annual target of training 500 stakeholders. The annual target was met and surpassed as 517 stakeholders were trained, implying 103.4% achievement against the 100% target.

Statement of Performance Against Predetermined Objectives for FY 2024/2025
(continued)

- f) The Agency sensitized 4,912 stakeholders on the various modules of the National Electronic Single Window System during the financial year. The annual target of 2,000 stakeholders was surpassed as 4,912 stakeholders were sensitized implying 245.6% achievement against the 100% target.
- g) The Agency initiated a baseline study to identify domestic permits/licenses for automation. This was to ensure that the objective to facilitate domestic trade by automating issuance of all the identified domestic trade permits or licenses issued by National Government Agencies by FY 2027/2028 is achieved. The implementation of the activity was in the phase of data collection by the closure of the financial year.

Key Result Area 2: Trade Facilitation Solutions Development and Management

The main objective under this Key Result Area is to maintain an average of 99.5% availability of information systems. This will ensure that the National Electronic Single Window System is available and users are able to undertake their transactions seamlessly.

The specific achievements during the financial year included:

- a) Undertaking knowledge transfer for the System Developers to reduce overreliance on external vendors and ensure the target of maintaining 10% of the systems internally is achieved by the end of the financial year. Despite the expiry of the NESWS and Enterprise Resource Planning (ERP) Contracts, the internal system developers were able to support the systems to a large extent.
- b) The Agency managed to continuously monitor the systems performance through Zabbix and nagios to ensure 100% review of all systems and 99.5% availability of information systems.
- c) During the financial year, the Agency undertook 100% review of all systems. This was to ensure that any emerging technology was undertaken into consideration for the systems upgrade.
- d) The Agency was certified in ISO/IEC 27001: 2022, a certification which runs from 3rd January 2025 to 2nd January 2028 an indication that the target of establishing information security, cyber security and privacy protection of 100% of trade facilitation solutions was achieved.

Statement of Performance Against Predetermined Objectives for FY 2024/2025
(continued)

Key Result Area 3: Financial Sustainability

The objective of this Key Result Area is to enhance revenue raising strategies to finance 90% of the Agency's annual budget. This objective is achieved through the following strategies; implementing the fees component of the National Electronic Single Window Act and Regulations, raising additional revenue from other revenue streams and undertaking resource mobilization through partnership and collaboration.

The specific achievements during the Financial Year 2024/2025 included:

- a) Raising Kshs.1,278,755,845 against the budget of Kshs.1,202,684,511 implying 106.32% achievement against the 100% budget, thus surpassing the planned target.
- b) Drafting Reviewed Regulations to bring into effect the amendments on the National Electronic Single Window System Act, Cap. 485D which was amended through the Business Laws (Amendment) Act 2024 assented to in December 2024. The amendment grants the Cabinet Secretary, National Treasury and Economic Planning powers to reduce or exempt certain categories of users from paying prescribed fees through Regulations. The Regulations are to provide the conditions upon which the Cabinet Secretary may grant such exemptions as well as define category of users to which exemptions or reduction of fees may apply. This initiative is to ensure that the target of sustaining revenue sources at 100% is achieved. The process was still underway by the closure of the financial year.

During the financial year, the Agency also partnered with COMESA, ITC, Horn of Africa and Trademark for various financial and non-financial support of furniture, ICT equipment and capacity building. These initiatives amounted to approximately Kshs.36.5 million.

Key Result Area 4: Visibility and Organizational Capacity

The Agency is committed to ensuring excellence in service delivery by enhancing visibility and organizational capacity. The specific achievements during quarter four, FY 2024/2025 included:

- a) Undertaking the 2nd surveillance external audit on Quality Management System (QMS) to maintain ISO 9001:2015 certification and improve internal processes and ensure 100% operational efficiency within the financial year.

Statement of Performance Against Predetermined Objectives for FY 2024/2025
(continued)

- b) Undertaking quarterly risk assessments to mitigate risks and strengthen internal controls.
- c) Undertaking quarterly internal audits to provide assurance on the effectiveness of risk management, internal controls & governance structures.
- d) Developing several policies and procedures to strengthen internal processes e.g Remote Working Policy, Data Protection, Information Security, Revised Innovation policy and Software Development policy, Staff Car Loans and Mortgage Policy, Assets and Liabilities Management Policy.
- e) Participating in corporate social responsibility functions to promote the Agency's brand in particular, the Presidential directive on tree growing. The Agency was able to plant 239,200 trees during the year as follows:
 - 540 indigenous trees in Nyandarua County in quarter two,
 - 1,000 trees at Lang'ata Women's Prison during the World Forest Day which was celebrated on 21st March 2025 i.e quarter three,
 - 12,000 trees in Mwatate and Taita in Taita Taveta County,
 - 440 trees in Karen C , Nairobi County,
 - 225,000 trees in Sorget Forest in Kericho County, and
 - 220 trees in Kibichiku Secondary school in Kiambu County.

The total trees planted during quarter four were 237,660.

Key Result Area 5: Customer service excellence

Under this Key Result Area, the Agency aims to increase the customer satisfaction index by 3% from a baseline of 83.28% in 2023/2024 to 86.28% by 2027/28. This is to be achieved by revamping the Customer Service and Contact Centre operations within the financial year. The main activity to achieve this strategy was to implement the Customer Relationship management (CRM) system at the Contact Centre, the procurement process for the CRM was ongoing (the submitted bids being evaluated) by the end of the quarter. The delay in procurement was due to a delay in approval from the Ministry of ICT.

The Agency was also able to contract a consultant to undertake a survey on the customer satisfaction index. This activity was in the final stage of implementation by the closure of the financial year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Statement of Performance Against Predetermined Objectives for FY 2024/2025
(continued)

Table 1 below shows a summary of the Key Result Areas, Strategic objectives, Key Performance Indicators and Achievements for the Financial Year 2024/2025.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2024/2025				
Key Result Areas	Objective	Key Performance Indicators	Activities	Achievements
Key Result Area 1: Trade environment and ease of doing business	To increase automation of cross-border cargo documentation and clearance processes from a baseline of 95% to 99% by FY 2027/28	Number of Stakeholder identified and on-boarded onto NESWS	Identify and onboard the stakeholder on the National Electronic Single Window System (NESWS)	NACADA, KCAA and SCRAP Metal processes onboarded.
	To publish the identified and documented import, export and transit cargo documentation and clearance processes from 126 commodities in FY 2023/24 to 176 by FY 2027/28 on the	Number of published import, export and transit procedures on the information for trade portal.	Identify, document and publish import, export and transit procedures for commodities on the information for trade portal.	Ten commodities i.e Gum Arabic, cooking stove, musical instruments, polyacetals, woven articles, ores slag& ash, food supplements, Human vaccines, Cement clinker and cotton seed cake have been documented and published in the information for trade portal.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2024/2025				
Key Result Areas	Objective	Key Performance Indicators	Activities	Achievements
	information for trade portal.			
	To simplify and publish import and export cargo documentation and clearance processes from the 8 commodities in FY 2023/24 to 18 by FY 2027/28 on the information for trade portal.	Number of simplified and published import and export procedures on the information for trade portal.	Simplify and publish import and export procedures on the information for trade portal.	Two commodities simplified: Pesticides and coconuts simplified and published on the information for trade portal.
	To promote e-commerce by providing a National Logistics Platform for eight trade logistics services by FY 2027/28.	Research findings and recommendations	Conduct research/survey on e-commerce	The Agency identified Digital Logistics Market Place (DLMP) Platform as an ecommerce platform. The platform has eight services identified for implementation over the subsequent financial years.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2024/2025				
Key Result Areas	Objective	Key Performance Indicators	Activities	Achievements
	To build capacity for 2,500 stakeholders annually in trade facilitation and other services.	Number of stakeholders trained.	Undertake the stakeholders training.	517 stakeholders were trained during the financial year exceeding the 500 stakeholders' target.
		Number of stakeholders sensitized.	Undertake sensitization sessions.	4,912 stakeholders were sensitized during the financial year exceeding the 2,000 stakeholders' target.
	To facilitate domestic trade by automating issuance of all the identified domestic trade permits or licenses issued by National Government Agencies by FY 2027/2028.	Percentage of domestic permits/licenses identified for automation	Conduct baseline study to identify domestic permits/licenses for automation	The Agency was able to undertake data collection for the baseline study.
Key Result Area 2: Trade facilitation solutions development and management	To maintain an average of 99.5% availability of information systems annually.	Percentage availability of systems	-Undertake knowledge transfer from core service providers for KenTrade staff	The Agency was able to maintain an average Systems availability of 99.5% meeting the set target.

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2024/2025

Key Result Areas	Objective	Key Performance Indicators	Activities	Achievements
			-Upgrade and replace obsolete systems. -Implement the Cyber Security Strategy	
Key Result Area 3: Financial Sustainability	To enhance revenue raising strategies to finance 90% of the Agency's annual budget by FY 2027/28.	Revenue to total budget ratio.	-Roll out all chargeable Single Window System services -Identify the additional revenue streams	The total revenue raised in FY 2024/2025 was Kshs.1,278,579,839 compared to the budget of Kshs.1,202,684,511, implying 106.3% achievement against the 106.32% target. The target was surpassed due to the roll out of Unique Consignment References (UCR) charges collected.
Key Result Area 4: Visibility and organizational capacity	To increase the productivity index from a baseline of 2.019 in FY 2023/2024 to 4.0 by 2027/2028	Number of services outsourced	Identify inefficient processes and re-engineer as per business needs.	The Agency was able to reengineer letter-based exemptions and e-board solution processes during the financial year.
		ISO 9001:2015 & ISO 27001:2022 certification	Maintain ISO certifications	The Agency achieved 100% compliance to the ISO certification requirements

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Table 1: Key Result Areas, Strategic objectives, Strategies, Key Performance Indicators and Achievements during FY 2024/2025

Key Result Areas	Objective	Key Performance Indicators	Activities	Achievements
		Percentage of staff trained	Train 100% of the staff	100% as every staff was sponsored for a training opportunity.
	To enhance Corporate Image by increasing brand visibility and awareness from a baseline of 69.7% to 75% by 2027/2028.	Number of Corporate Social Sustainability initiatives	Undertake Corporate Social Sustainability (CSS) initiatives	The main CSS activity was tree planting where the Agency managed to plant 239,200 trees against the annual target of 3,000 trees.
Key Result Area 5: Customer service excellence	To increase the customer satisfaction index by 3% from a baseline of 83.28% in 2023/2024 to 86.28% by 2027/28.	Percentage availability of contact centre services	-Implement a backup Contact Centre for business continuity -Upgrade Contact Centre system	The Agency ensured 100% availability of contact centre services throughout the financial year.

8. Corporate Governance Statement

The Kenya Trade Network Agency (KenTrade) acknowledges that strong corporate governance is fundamental to the success and sustainability of its operations. The Agency remains fully committed to upholding sound governance practices across all its activities, ensuring transparency, accountability, and fairness in its dealings with customers, and all stakeholders.

At KenTrade, corporate governance serves as a foundation for value creation, responsible leadership, and effective management, thereby supporting the Agency's long-term growth and success.

The Agency's corporate governance framework is designed to promote compliance with statutory and regulatory obligations, while fostering a culture anchored on ethical values, integrity, and high personal standards. KenTrade ensures that its Board of Directors consistently applies the principles of good corporate governance to provide strategic direction, leadership, and robust oversight, in line with the Agency's mandate and strategic objectives.

The Board Structure

The Board of Directors consist of:

- a) a non-executive Chairman appointed by His Excellency, the President of the Republic of Kenya;
- b) the Chief Executive Officer of the Agency appointed by the Board;
- c) the Principal Secretary in the Ministry for the time being responsible for matters relating to finance or his or her representative;
- d) the Principal Secretary in the Ministry for the time being responsible for matters relating to trade or his or her representative;
- e) the Principal Secretary in the Ministry for the time being responsible for matters relating to transport or his or her representative;
- f) a representative from the Shippers Council of East Africa; and
- g) three other members, not being public officers, competitively recruited and appointed by the Cabinet Secretary by virtue of their knowledge and experience in matters relating to –
 - (i) trade logistics;
 - (ii) information communication technology; or
 - (iii) finance or administration.

Corporate Governance Statement (continued)

Roles and Functions of the Board of Directors

The Agency operates under the overall guidance of the Board of Directors, which is responsible for setting the Agency's strategic direction, exercising oversight, and ensuring accountability to its stakeholders. The Board also oversees the administration, management, and development of the Agency, while managing its assets and funds prudently to advance the Agency's best interests. In fulfilling its mandate, the Board remains firmly committed to the principles of good corporate 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;
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 behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the institution's own governing documents and Codes of Ethics.

The KenTrade Board is composed of members with diverse competencies, experience, talents, and skills essential for effective leadership and oversight of the Agency. To further strengthen their capacity, Board members regularly participate in trainings, seminars, and workshops on corporate governance and other relevant subjects, including regulatory changes, auditing, and government accounting policies and practices.

Corporate Governance Statement (continued)

During the year, Board members underwent a corporate governance training facilitated by the State Corporations Advisory Committee (SCAC) during a Board retreat held in Naivasha from 17th to 19th February 2025. The training covered governance and regulatory frameworks applicable to State Corporations. In addition, Board members were sensitized on public procurement regulations by a representative from the Public Procurement Regulatory Authority (PPRA) and on enhancing Board accountability by representatives from the Office of the Auditor General (OAG).

Further, six Board members attended the *Advanced Human Capital Planning and Development* training organized by the Institute of Directors (Kenya) [IoD-K]. This program is tailored to enhance the Board's human resource oversight capabilities and equip members with strategic tools to drive long-term organizational success. Additionally, three Board members attended the *Financial Insights for Non-Finance Directors* training, facilitated by the Institute of Internal Auditors (IIAK), designed to equip non-finance directors with essential financial knowledge to strengthen their role in corporate governance.

The Agency ensures that a structured Board induction program is in place for newly appointed members, enabling them to effectively understand their roles and responsibilities as directors. Following their appointment, all new Board members undergo a comprehensive induction program to familiarize them with the Agency's operations, governance framework, and strategic objectives.

In addition, the Agency is committed to providing the Board of Directors with the necessary resources, information, and professional support to facilitate effective decision-making. The Board is regularly consulted on key policy matters to ensure their active involvement in guiding the Agency's strategic direction.

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.

Board Evaluations

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

Corporate Governance Statement (continued)

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 July 02, 2024 facilitated by the State Corporations Advisory Committee (SCAC). The results of the board evaluation were presented to the board members at its meeting held on September 06, 2024. The results indicated an excellent board performance with a corporate score of 96.35%.

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.

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 are shown on page viii. 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 primary function of this Committee is to provide oversight on the Agency's internal audit function, risk management framework, and governance systems, ensuring sound internal controls and compliance with relevant laws and regulations.

2. Strategy and Business Committee

This Committee is responsible for monitoring the Agency's strategic direction and the implementation of its core business activities and operations to ensure the achievement of its strategic objectives.

Corporate Governance Statement (continued)

3. Finance and General-Purpose Committee

The Committee oversees financial and procurement matters, as well as other general affairs of the Agency. It reviews the Agency's financial statements and monitors compliance with applicable accounting standards, financial reporting requirements, and procurement regulations.

4. Human Resource and Compliance Committee

This Committee is tasked with overseeing human resource matters and policies, as well as other administrative and compliance-related issues, to ensure the Agency's operations align with best practices and legal obligations.

Board Meetings

According to Section 8 (1) (a) of the State Corporations Act, Cap 446, the Board of every State Corporation should meet at least four times in every financial year. The Board of KenTrade 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 8 meetings in the financial year 2024/2025 while the Committees held their meetings as scheduled.

The additional 2 board meetings were held for purposes of conducting the board evaluation exercise and conducting interviews for various management positions.

The Board and Committee attendance was as follows:

Table 2: Analysis of Agency Board and Committee meetings

Board Member	Full Board Meetings	Board committees			
		Audit & Risk	Strategy & Business	Finance & General Purpose	Human Resource & Compliance
Hon. Basil Criticos	6/8	N/A	N/A	N/A	N/A
Florence Chemtai	7/8	N/A	N/A	6/7	7/7
Ibrahim Abdi Maalim	8/8	N/A	N/A	7/7	7/7
Rose Masita	6/8	4/4	6/6	N/A	N/A
Paul Mwiti	7/8	4/4	6/6	N/A	N/A
Isabella Kogei	1/8	2/4	N/A	4/7	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Board Member	Full Board Meetings	Board committees			
		Audit & Risk	Strategy & Business	Finance & General Purpose	Human Resource & Compliance
Abubakar Lewano	8/8	4/4	6/6	N/A	N/A
Meshack Kipturgo	8/8	N/A	6/6	N/A	7/7
David Ngarama	8/8	N/A	5/6	7/7	6/7
New Appointments					
John Njera	3/8	1/4	N/A	1/7	N/A

Notes:

- N/A (Not applicable) means that a specific Board member was not a member of that committee;
- Dr. Florence 1st term came to an end on October 5, 2024 and she was re-appointed for her 2nd term on October 18, 2024.
- John Njera was appointed on December 02, 2024 to replace FCPA Isabella Kogei as the representative of the PS, National Treasury.

Conflict of interest

The Agency maintains a register where the directors are required to make a declaration of any conflict of interest they may have in the business under discussion. As per Mwongozo code of governance for State Corporations, the board members are under a statutory obligation to avoid a situation in which they may have a direct or indirect interest that conflicts or may conflict with the interest of the Authority. In all Board meetings, any conflicted director is obligated to declare the same and exclude himself/herself from any discussion or decision over the subject matter.

Succession Planning

The Board appointments and succession management are as prescribed in the State Corporations Act, the National Electronic Single Window Act, the Mwongozo Code of Governance for State Corporations and the various circulars. The Agency is in full compliance with these provisions.

Corporate Governance Statement (continued)

Board Remuneration

The Directors remuneration is based on the Government of Kenya regulations as guided from time to time by the State Corporations Advisory Committee, Salaries and Remuneration Commission and the various circulars. The remuneration of each director is as analysed in the table below.

Table 3: Analysis of Directors remunerations

Name	Position	Honoraria	Retainer	Sitting Allowance	Other Related Expenses	Total
Basil Criticos	Chairman	960,000	840,000	740,000	1,713,000	4,253,000
Florence Chemtai	Independent Member	-	580,645	1,200,000	3,235,565	5,016,210
Paul Mwititi	Independent Member	-	600,000	820,000	1,996,871	3,416,871
Abubakar Katemon Lewano	Independent Member	-	600,000	1,040,000	2,487,000	4,127,000
Meshack Kipturgo	Independent Member	-	600,000	960,000	450,231	2,010,231
Isabella Kogei	Alternate Member-PS The National Treasury	-	-	440,000	426,208	866,208
John Njera	Alternate Member-PS The National Treasury	-	-	320,000	124,917	444,917
Ibrahim Abdi	Alternate Member-PS State Department for Transport	-	-	980,000	363,197	1,343,197
Rose Masita	Alternate Member-PS State Department for Trade	-	-	740,000	349,980	1,089,980

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Name	Position	Honoraria	Retainer	Sitting Allowance	Other Related Expenses	Total
Noreen Wambui Kanyua	Inspectorate of State Corporations Representative	-	-	700,000	145,600	845,600
Eliud Mathu	SCAC Representative	-	-	20,000	-	20,000
Jacqueline Otworu	SCAC Representative	-	-	20,000	-	20,000
TOTAL		960,000	3,220,645	7,980,000	11,292,569	23,453,214

Note: Other related expenses include mileage, subsistence allowance and lunch allowance.

9. Management Discussion and Analysis

Operation performance analysis

The Financial Year 2024/25 was a period of strategic progress and operational stability for KenTrade, driven by continued system enhancements and the onboarding of new users to the NESWS. Following the National Assembly's approval of the NESWS Regulations, which took effect on April 29, 2024, the Agency continued charging for Single Window services accessed through the NESWS. This revenue stream has not only reduced reliance on exchequer funding but also enhanced responsiveness to stakeholder needs and supported ongoing technological advancements.

Demonstrating responsiveness to stakeholder feedback and reaffirming its commitment to facilitating export trade, KenTrade initiated stakeholder engagements aimed at implementing a 50% reduction in the Unique Consignment Reference (UCR) fee for exports from USD 10 to USD 5 per UCR. This proposed adjustment is intended to ease the cost burden on exporters, enhance the competitiveness of Kenyan goods in the global market and encourage greater adoption of the NESWS for processing cross-border trade transactions. By proactively involving stakeholders in the decision-making process, the Agency seeks to ensure that the fee structure remains fair, transparent, and aligned with national trade facilitation priorities.

Through prudent financial management and ongoing collaboration with stakeholders, the Agency maintained a strong financial position allowing it to pursue key development initiatives while aligning with national and regional trade facilitation goals. During the financial year 2024/2025, the Agency undertook eighteen (18) projects as indicated below:

- i. Pharmacy and Poisons Board (PPB) Integration to NESWS - Ongoing.
- ii. Kenya Wildlife Service (KWS) onboarding to NESWS - Ongoing.
- iii. Exemptions Module Implementation - Ongoing.
- iv. Integrated Protocol Management Information System Integration to NESWS- Ongoing.
- v. Scrap Metal Council (SMC) Integration to NESWS - Ongoing.
- vi. Maritime Single Window (MSW) Implementation - Ongoing.
- vii. Kenya Plant Health Inspectorate Service (KEPHIS) Integration enhancement - Ongoing.

Management Discussion and Analysis (continued)

- viii. Onboarding of Kenya Civil Aviation Authority (KCAA) on NESWS - Ongoing.
- ix. Agency Facilitated Permit/License lodgment Pilot Project - Ongoing.
- x. NESWS Upgrade - Completed.
- xi. eTIMS Integration to NESWS - Ongoing.
- xii. Kenya Forest Service (KFS) Onboarding on NESWS - Ongoing.
- xiii. Digital Logistics Market Place (DLMP) Implementation - Ongoing.
- xiv. Port Health Services Automation of non-trade Related Services - Ongoing.
- xv. Business Intelligence Tool, Integration Layer & Data Warehouse Implementation - Completed.
- xvi. Application Performance Monitoring (APM) Implementation - Initiation.
- xvii. Extended Detection and Response (XDR) End Point Security Solution Implementation - Initiation.
- xviii. Enterprise Resource Planning (ERP III) Implementation Support - Initiation

The above key projects that KenTrade is currently working on are:

- a. **Pharmacy and Poisons Board (PPB) Integration to NESWS Project** - The project involves integrating PPB's IMIS system to the NESWS. As at the end of the year under review, key project activities had been completed pending deployment of the developed integration to the Production environment. The project is scheduled to be completed by December 01, 2025.
- b. **KWS Onboarding to NESWS Project** - This project entails onboarding the Kenya Wildlife Service (KWS) import/export functionalities on the NESWS. Preparatory project initiation activities are underway. This project implementation has also paused awaiting finalization onboarding of the NESWS support partner.
- c. **Exemptions Module Implementation Project** - This project seeks to automate various duty exemptions such as import duty, or excise on goods or services under specific policy provisions through NESWS. The project scope was expanded in the financial year under review to include the letter-based exemptions. By automating the letter-based exemption system, the Agency seeks to eliminate manual processes, reduce paperwork, and minimize the potential for errors or delays. The project status is as follows:

Management Discussion and Analysis (continued)

- DA1 exemptions module has been rolled out.
- Requirements for the letter-based exemptions have been collected and further engagements with ten (10) state departments scheduled for July 2025.
- The Agency intends to engage all the state departments involved in the letter-based exemptions.

d. Integrated Protocol Management Information System (IPMIS) Integration Project

KenTrade, Ministry of Foreign Affairs (MoFA) and Kenya Revenue Authority (KRA) have been working to automate the diplomatic exemptions applications and processing of PRO 1A and PRO 1B. PRO 1A Form is required if importing alcohol, approved and PRO 1B Forms exempts diplomat from inspection. As at the end of the financial year, the Project was undergoing User Acceptance Testing (UAT) jointly with KRA and the Ministry of Foreign Affairs.

- e. Scrap Metal Council (SMC) Onboarding Project** - The project aims to onboard and integrate the Scrap Metal Council (SMC) portal on the NESWS. The goal is to ensure a seamless licensing, importation and exportation for the stakeholders in the scrap metal business. The direct onboarding of SMC to NESWS has been achieved in phase one and monitoring and support is ongoing. Phase 2 of the project is intended to address the integration of the SMC portal with the NESWS. The integration is expected to be completed by December 01, 2025.

- f. Maritime Single Window System Implementation Project** - The Agency, in collaboration with the Kenya Maritime Authority (KMA), is implementing the Maritime Single Window (MSW) system in Kenya in line with the International Maritime Organization (IMO). Phase I of the project was successfully completed during the financial year, with Partner Government Agencies (PGAs) under the MSW framework having designated approvers who have since undergone the necessary training.

The project has now progressed to Phase II which involves the onboarding of the Firearms and Licensing Board (FLB) and integration with the Kenya Revenue Authority's (KRA) Integrated Customs Management System (iCMS). FLB have been successfully onboarded and the development of the integration with iCMS has been completed. As at the end of the financial year, testing for the integration was ongoing. The project has been scheduled to be closed by July 31, 2025.

Management Discussion and Analysis (continued)

- g. KEPHIS Integration Enhancement Project-** This project involves the implementation of an enhanced workflow for the integration of KEPHIS services, enabling the initiation of applications for the Plant Import Permit (PIP) and Phytosanitary Certificates (Export Permits) through the NESWS. Development for the short-term solution has been completed and deployed in the trial environment, with User Acceptance Testing (UAT) ongoing.
- h. Onboarding of Kenya Civil Aviation Authority (KCAA) on NESWS Project-** This project entails the automation and digitalization of processes for Import/Export products regulated by KCAA. The requirements for the implementation were jointly developed between KenTrade and KCAA teams. The requirements have since been shared with KCAA for sign-off ahead of implementation.
- i. Agency Facilitated Permit License Lodgment Pilot Project**
This project entails enhancing NESWS to accommodate the lodgment of permits and licenses by KenTrade on behalf of Exporters/Importers (EXIMs). By end of the financial year, the solution had been developed, tested and piloting was ongoing.
- j. eTIMS integration to NESWS Project**
This project entails implementation of a seamless system-to-system integration between NESWS and the Kenya Revenue Authority's (KRA) Electronic Tax Invoice Management System (eTIMS). This integration will streamline the invoicing process, ensure real-time and accurate data exchange, enhance compliance with tax regulations. As at the end of the financial year, User Acceptance Testing (UAT) was ongoing.
- k. Kenya Forest Service (KFS) Onboarding on NESWS Project**
The Agency in collaboration with the Kenya Forest Services (KFS) is implementing the automation of KFS processes. As part of this initiative, the Agency has documented the export and import procedures on the Kenya Trade Information Portal (InfoTrade). The next phase involves automating the following KFS processes on the National Electronic Single Window System (NESWS): Application for Export Permit, Application for Import Permit. Issuance of Certificate of Grading, Issuance of Authority Letter for Imports.

This automation will streamline service delivery, reduce manual processing, and support faster clearance of forest products at the borders.

Management Discussion and Analysis (continued)

l. Digital Logistic Market Place (DLMP) Implementation Project

The Digital Logistics Marketplace (DLMP) implementation project aims to establish a digital platform that enhances efficiency in logistics and trade facilitation by providing a market linkage service for key industry stakeholders. The platform is poised to streamline operations, improve visibility, and promote transparency across the logistics value chain. Planned Deliverables (upon completion) include Transport Module, Track and Trace, Container Freight Station (CFS) Management, Trade Finance Integration et cetera. Development of the platform modules is currently underway.

m. Port Health Services Automation of Non-Trade Related Chargeable Services Project

The project involves the automation of Port Health Services (PHS) non-trade related chargeable services rendered at PHS offices based at points of entry/ exits and other locations. The implementation which is developed by the Agency's internal system developers has developed a portal. The portal includes the vaccines module as phase 1 implementation. By the end of the financial year, the Agency was following up with Port Heath Services (PHS) to avail relevant hosting infrastructure to deploy the solution. This will pave way for subsequent phases of implementation.

n. Application Performance Monitoring (APM) Project

The implementation of APM tool is intended to enhance the Agency's technical team's capacity to promptly and effectively address incidents, while also facilitating continuous performance optimization. An APM is a software solution used to monitor, manage and optimize the performance and availability of applications. The project is in the initiation phase.

o. Extended Detection and Response (XDR) End Point Security Solution Project

The solution is poised to provide centralized visibility, detection, and response across multiple security layers such as endpoints, networks, servers, cloud workloads, and email system. By the end of the financial year, the project was at the initiation phase.

p. Enterprise Resource Planning (ERP) System Project

The project involves providing support for the system, including system maintenance, customizations/enhancements, user documentation, training and ensuring compliance with copyright and licensing requirements.

Management Discussion and Analysis (continued)

Financial Performance Analysis

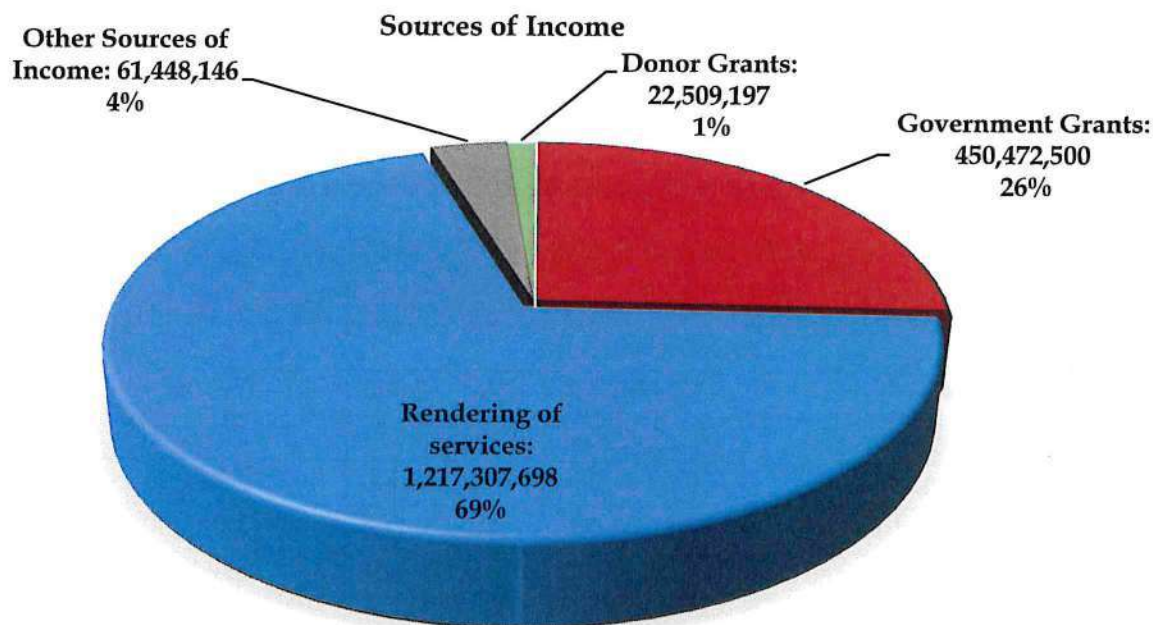
a) Revenue

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.450,472,500** was raised through Government grant representing **Kshs.375,472,500** for development and **Kshs.75,000,000** for recurrent expenditure. The collection of Single Window user fees commenced on May 20, 2024, and up to June 30, 2025, the Agency had raised **Kshs.1217,307,698 net of VAT**. Revenue generated from other sources, primarily interest income from call accounts and other miscellaneous sources was **Kshs.61,448,146**. The Agency also received a donor grant amounting to **Kshs.22,509,197**.

In comparative terms, GOK funding was 26%, rendering of services was 69% while other sources accounted for about 4%. Additionally, **donor grants represented 1%** of the total revenue, as illustrated in **Figure 1** below.

Figure 1:



KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Management Discussion and Analysis (Continued)

b) Exchequer Receipts FY 2024/2025

The Agency had an approved Government Grant allocation of **Kshs.600,630,000** for the FY 2024/2025 while the actual disbursement was **Kshs.450,472,500** resulting in a variance of **Kshs.150,157,500** that was reduced during Supplementary Estimates Nos.3.

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

Table 3: Exchequer Receipts

Period	Approved Government allocation 2024/2025	Disbursed amounts (exchequer receipts) 2024/2025	Variance
Quarter 1	150,157,500	150,157,500	-
Quarter 2	150,157,500	150,157,500	-
Quarter 3	150,157,500	150,157,500	-
Quarter 4	150,157,500	-	(150,157,500)
Total	600,630,000	450,472,500	(150,157,500)

c) Approved Budget Analysis and comparative with previous FY 2023/2024

The Agency budget FY 2024/2025 was **Kshs.1,202,684,511**. The comparative budget for the previous year was **Kshs.948,500,000** resulting in an increase of **Kshs.254,184,511** (26.80%).

Table 4: Comparative approved budget for FY 2024/2025 and 2023/2024

Details	Budget 2024/2025	Budget 2023/2024	Increase/ (decrease)	% Increase/ (decrease)
Amount in Kshs				
Capital expenditure	92,000,000	266,672,085	(174,672,085)	(65.50%)
Use of goods and services	701,018,501	307,098,051	393,920,450	128.27%
Personnel emoluments	374,574,000	346,600,000	27,974,000	8.07%
Remuneration of directors	30,000,000	23,000,000	7,000,000	30.43%
Repairs and maintenance	5,092,010	5,129,864	(37,854)	(0.74%)
Total	1,202,684,511	948,500,000	254,184,511	26.80%

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Management Discussion and Analysis (Continued)

d) Overall Expenditure Analysis

The Agency incurred a total of Kshs.939,362,740 in actual expenditure out of a budget of Kshs.1,202,684,511. The actual expenditure included Kshs.1,516,232 for capital expenditure and a total of Kshs.937,846,508 for recurrent expenditure.

Table 5: Overall budget performance for the period to 30 June 2025 of FY 2024/2025

Details	Budget 2024/2025	Actuals FY 2024/2025			Variance	% of utiliz ation
		First charge items /pending bills for FY 2023/2024	Actuals 2024/2025	Total Actuals		
Capital expenditure						
Capital expenditure, staff mortgage and car loan	92,000,000	-	1,516,232	1,516,232	90,483,768	1.65
Total Capital Expenditure	92,000,000	-	1,516,232	1,516,232	90,483,768	1.65
Recurrent Expenditure						
Use of goods and services	701,018,501	89,702,967	413,762,634	503,465,601	197,552,900	71.82
Personnel emoluments	374,574,000	-	333,144,459	333,144,459	41,429,541	88.94
Remuneration of directors	30,000,000	-	27,975,032	27,975,032	2,024,968	93.25
Repairs and maintenance	5,092,010	-	2,884,330	2,884,330	2,207,680	56.64
Total Recurrent	1,110,684,511	89,702,967	777,766,455	867,469,422	243,215,089	78.10
Total Expenditure	1,202,684,511	89,702,967	779,282,687	868,985,654	333,698,857	72.25

Management Discussion and Analysis (continued)

Table 5 above illustrates the following:

- i. The Agency incurred a total of **867,469,423** being recurrent expenditure with **Kshs.89,702,967** being settlement of pending bill of **Kshs.51,658,992** and Mortgage and Car Loan refunds payable of **Kshs.38,043,975**.
- ii. Most expenses were utilized according to the budgeted amounts, with the exception of Capital expenditures. This category had minimal utilization due to delays in the procurement of ICT services, which were caused by the requirement to seek approval from the Ministry of Information, Communications and the Digital Economy resulting in delayed procurements. In addition, approval from The National Treasury for the purchase of motor vehicles and Boardroom refurbishment was still pending by the end of the financial year.
- iii. Use of Goods vote whose highest expense is in computer expenses was the largest item in the recurrent expenditure, followed by Personal emoluments vote.
- iv. Computer expenses are made up of the following: internet, licenses, computer repairs and other ICT recurrent items such as vendor maintenance and support for the single window and other systems.
- v. The computer expenses which are included in the use of goods and services vote totaled to **Kshs.206,619,049**. On their own, the computer costs would account for 41% of the total use of goods and services expenditure. This is because the Agency's mandate is ICT driven.
- vi. The expenditure items listed above were direct cash items meaning they did not include **Kshs.247,859,438** which was a provision for depreciation and amortization.

Compliance with statutory requirements

The Agency is required to comply with various laws and constitutional provisions, which include the Constitution of Kenya, 2010, The NESWS Act, 2022, the NESWS Regulations, 2024, PFM Act, 2021, PFM Regulations, the Public Procurement and Asset Disposal Act (PPADA), 2015, among others. The Agency has been publishing Annual reports for the last three financial years. The Financial statements for FY 2023/2024 were submitted within the statutory timelines and an unqualified audit opinion issued by OAG on December 24, 2024.

Management Discussion and Analysis (continued)

Major risks facing the Agency

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

Table 6: Major risks facing the Agency

Nature of Risk	Possible Risk Description	Risk Rating	Mitigation Measures/ Controls
Strategic Risks	Legal- High fines and penalties due to non-compliance with legal and regulatory requirements e.g. (Data Protection Act Cap.411C, Computer misuse and cyber-crime Act among others).	Severe	<ul style="list-style-type: none"> ▪ 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 ▪ Data Compliance Committee, ▪ Data protection plan and policy have been developed and approved, ▪ Consent Form for personal data collected operationalized, ▪ Projects management office operationalized, ▪ Change control committee in place and ▪ Encryption of data in transit.
Operational Risks	Staff turn over	Medium	<ul style="list-style-type: none"> ▪ Review of organization structure and workload analysis. ▪ Enhanced staff training budgets. ▪ Enhanced allocation to car loan and house mortgage schemes. <p>Review the employee/employer pension benefits contribution under consideration.</p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Nature of Risk	Possible Risk Description	Risk Rating	Mitigation Measures/ Controls
Operational Risks	Staff turn over	Medium	<ul style="list-style-type: none"> Review of organization structure and workload analysis. Enhanced staff training budgets. Enhanced allocation to car loan and house mortgage schemes. Review the employee/employer pension benefits contribution under consideration.
	Delayed solutions development due to overdependence on third parties to provide services.	Medium	<ul style="list-style-type: none"> Increase the capacity of System Developers through knowledge transfer. Performance reviews of service providers and Service Level Agreements (SLAs) in place.
	System failures, user dissatisfaction, project delays and potential financial losses due to deployment of substandard applications.	Medium	<ul style="list-style-type: none"> Undertaking User Acceptance Testing (UAT) validations before Production Deployments. Undertake developer peer reviews.
	Inability to provide assurance on technical risk areas due to lack of IT audit capacity.	Medium	<ul style="list-style-type: none"> Training of Audit Staff. Read only access rights have been given to Internal Auditors for Single Window System and Internal Systems, View only access rights granted on Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM).
	Insider threats by staff (malicious access and accidental exposure	Medium	<ul style="list-style-type: none"> Segregation of technical roles. Continuous staff sensitization and training. Policies and procedures in place.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Nature of Risk	Possible Risk Description	Risk Rating	Mitigation Measures/ Controls
	to the System by staff).		<ul style="list-style-type: none"> Continuously conducting staff systems access reviews.
Financial Risks	Inadequate budget for projects implementation.	Low	<ul style="list-style-type: none"> Roll out of Single Window System charging model to enhance internally generated revenue.
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	<ul style="list-style-type: none"> 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.
	System failures, user dissatisfaction, project delays and potential financial losses due to deployment of substandard applications.	Medium	<ul style="list-style-type: none"> Developer peer reviews and knowledge transfer. Third party risk assessment. Third party risk management policy.

10. Environmental and Sustainability Reporting

The Agency recognizes its role and purpose to contribute to the economic development of the country by executing its mandate as stipulated in the NESWS Act Cap 485D through providing high quality and sustainable trade facilitation services.

This is what guides the Agency to deliver on its strategy which is rooted in our mission statement of *Trade Made Simple* and 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.

i) Sustainability strategy and profile

KenTrade's trade facilitation mandate involves simplifying, modernizing trade procedures, and promoting the use of digital technologies. The Agency plays a significant role in aiding business to avoid unnecessary costs and enhancing efficiency through streamlined and digitalized trade.

The Agency reviewed its business continuity plan to ensure its effectiveness, and that the operations and restoration of services in the face of potential disasters that could impact KenTrade's assets and infrastructure are addressed. The adoption of cloud computing for data backup enhanced the Agency's preparation and enabled 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.

In implementing the digitization and trade facilitation platforms, the Agency considers measures from UN/CEFACT Recommendations, United Nations Conference on Trade and Development (UNCTAD). World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and regional trade digitalization initiatives such as the Africa Alliance for e-Commerce (AAEC). These recommendations and alliances help the member bodies or states to co-operate with one another and promote constructive measures geared towards sustainability of the programs or projects.

ii) Environmental Performance

KenTrade's nature of business is predominantly in technology, which can greatly decrease environmental pollution by eliminating the improper usage of the available natural resources. These technological advancements have not only enhanced the efficiency and effectiveness of the Agency's operations but also contributed to its overall sustainability goals.

Environmental and Sustainability Reporting (continued)

The Agency undertook a series of proactive initiatives to ensure the long-term sustainability of its environmental activities. These efforts are exemplified by the implementation of the corporate social responsibility / environmental and ICT policies.

The Agency implemented policies and practices, such as the proper disposal of electronic waste, consolidation of water dispenser units, 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.

KenTrade commenced the process of improving its Enterprise Resource Planning (ERP) System to enhance efficiency and improve decision-making by integrating various business processes into a single, unified platform. This will help in managing costs effectively which will lead to increased productivity and better customer service. The Agency has developed an e - waste policy to guide in the disposal of e-waste.

iii) Employee welfare

The Agency demonstrates a robust commitment to public service values and principles, as outlined in Article 232 of the Constitution of Kenya, 2010, 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.

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 of Kenya, 2010. 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.

Environmental and Sustainability Reporting (continued)

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.

iv) Market place practices

a) Responsible Competition Practice

KenTrade promotes responsible competition and ethical conduct by enforcing a zero-tolerance policy on corruption, conducting all procurements through open and competitive tendering, and maintaining neutrality in political matters in line with public service regulations.

To enhance service delivery, KenTrade has fully automated its processes through the NESWS, enabling efficient self-service and reducing human intervention. All payments for services are strictly made through the government's E-Citizen platform, with no acceptance of cash, ensuring transparency and minimizing fraud risks. Additionally, KenTrade maintains a public Service Charter and adheres to the defined service standards expected from the Agency.

The Agency has established Corruption Prevention Committee and trained Integrity Assurance Officers who are responsible for ensuring that the Agency adheres to the Bribery Act and Anti-Corruption and Economic Crimes Act.

b) Responsible Supply Chain and Supplier Relations

The Agency adheres to the PPADA by using the open Tender Method as its preferred procurement approach to foster market competition. The Agency evaluates economic, social, ethical, and environmental standards in all procurement and disposal processes.

Environmental and Sustainability Reporting (continued)

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.

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.

c) Responsible Marketing and Advertisement

The Agency publishes information through Government Advertising Agency, a body charged with authorizing public sector advertising and implementing standards, procedures, guidelines and managing consolidated Government advertising funds. In addition, the Agency has a communication policy which guides communication with the public or citizenry.

KenTrade is deeply committed to responsible engagement with citizens by upholding the highest standards of ethics, transparency, and inclusivity in all its communication and outreach initiatives. The Agency ensures that information shared through regular media briefings, website updates, stakeholder advisories, and digital platforms is accurate, timely, and free from exaggeration or misleading claims.

Public engagement is conducted through nationwide consultative forums, bringing together diverse groups including women, youth, persons with disabilities, and traders from marginalized communities, thereby fostering inclusivity and strengthening public trust. Communication materials are developed with cultural and linguistic sensitivity, often translated into Kiswahili, and are designed to be accessible to all, including persons with disabilities.

Environmental and Sustainability Reporting (continued)

d) Product Stewardship

The Agency products are technology oriented by nature ensuring that the products are sustainable and safe to use and minimizes environmental hazards.

The Agency has put the following measures to ensure consumer data and privacy protection:

- Encryption of data both on transit and at rest
- Implemented access control mechanisms on consumer data through physical access, multi factor authentication and passwords
- Sensitization of stakeholders and staff on data privacy and protection
- Staff signing Oath of Secrecy

v) Corporate Social Responsibility /Community Engagements

KenTrade is committed to undertaking activities that promote sustainable environmental conservation and focus on vulnerable communities, recognizing their role and purpose in contributing to the socio-economic development of the country. To achieve this goal, the organization has reviewed and implemented Corporate Social Responsibility (CSR) policy. By implementing an effective CSR policy, the Agency operates in alignment with the global agenda to address some of the world's most pressing concerns. Furthermore, a CSR and Environmental Committee was reconstituted to ensure that the Agency fulfils its responsibilities as a socially responsible corporate entity.

The Agency recognizes the importance of trees and forests in conserving the environment as well as tackling climate change and placed great emphasis on environmental conservation to mitigate the effects of climate change. 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 safeguarding our environment for future generations. In this regard, we liaised with the Kenya Forest Service and other stakeholder to plant trees in the areas of our operation as well as other parts of the country.

Environmental and Sustainability Reporting (continued)



KenTrade staff members share light moment during the tree planting exercise at Langáta Womens Prison, Nairobi.

On October 4, 2024, we joined the Ministry of National Treasury and Planning to plant tree at Lehsau Forest in Nyandarua County. The Agency planted a total of 540 tree seedlings. In March 2025, we partnered with Langata Women's Prison stakeholders including inmates to plant over 1,000 tree seedlings at Langáta Women's Prison in Nairobi County. We also donated baby diapers, soap, baby oil and foodstuff to assist the children whose mother were serving sentences for various crimes in the prison.

Environmental and Sustainability Reporting (continued)



KenTrade in collaboration with Langata Womens Prison stakeholders organized a tree planting exercise as part of environmental conservation on May 17, 2025.

On May 17, 2025, the Agency organised a tree planting exercise at Kibichiku Secondary School, to inculcate the culture of tree planting among the youth. Similar exercise was undertaken at Karen C Primary and Junior Secondary School in which the Agency staff together with teachers and learners planted 400 tree seedlings.



On April 11, 2025, the Agency organized in partnership with the Kibichiku Secondary School fraternity organized a tree planting exercise in the compound to plant 220 tree seedlings as part of environmental sustainability. Planting trees holds immense importance in our society, especially when it is incorporated into educational institutions such as schools.

Environmental and Sustainability Reporting (continued)

Between April 21- 24, 2025, the Agency working closely with the Kenya Forest Service, the Kenya Red Cross, the County Government and local administration undertook a weeklong tree planting exercise at Taita Taveta to over 12,000 tree seedlings. A major tree planting exercise was undertaken at Sorget Forest Kericho County in which the Agency in liaison with the Kenya Forest service in the County liaised with the local community to plant 225,000 tree seedlings.

In addition to the environmental conservation, we strive to undertake programs aimed at improving the well – being addressing the needs of the community. 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.

11. Report of The Directors

The Directors hereby submit their Report together with the Audited Financial Statements for the year ended June 30, 2025, 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, 2025 are set out on page 1 to 64.

Directors

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

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

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, 2025. 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 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, 2025 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.

Statement of Directors' Responsibilities (continued)

Approval of the financial statements

The Agency's financial statements were approved by the Board on August 28, 2025 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, 2025

PREAMBLE

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

- A. 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;
- B. 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 57, which comprise of the statement of financial position at

30 June, 2025 and the statement of financial performance statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Trade Network Agency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with State Corporations Act, Cap 446 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya 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.

Emphasis of Matter

The statement of comparison of budget and actual Amounts reflected the Agency's final approved expenditure budget of Kshs. 1,110,684,511. However, the Agency incurred total expenditure amounting to Kshs.867,469,422 resulting in an under-expenditure of Kshs. 243,215,088 or 21% of the approved budget. The under-expenditure may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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 Matter

Prior Year Unresolved Matters

In the report of the previous year, three issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources on unauthorized reallocation of funds,

irregular payment of acting allowance and irregular payment of convenience fees. The issues remained unresolved as at 30 June, 2025.

Other Information

The Directors are responsible for the Other Information set out on page v to lxxi 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 and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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

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. As previously reported, review of records revealed that two (2) staff were seconded to The National Treasury on 1 October, 2014 and 15 March, 2024 but earned salary 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. Although

Management sought resolution of the matter with The National Treasury, it had not been resolved as at 30 June, 2025.

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

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. Lack of Investment Policy

The statement of financial performance reflects finance income-external investments of Kshs.61,272,141 in respect of interest income from call deposits and treasury bills investments. Financial records provided for audit indicated that the Agency undertook call deposits investments in three local banks which had not been identified through a competitive procurement process for purposes of undertaking the investments. Further, the Agency invested in the call deposits without an approved policy guiding on the determination of where to invest, amount to be invested, duration of investment and details of how the most competitive investment returns (interest rates) were to be determined. No evidence was provided to show that management conducted market comparisons, obtained quotations from multiple banks, or evaluated competitiveness in interest rates before placing funds in fixed deposits. As a result, investment decisions were made without documented criteria or analysis to demonstrate that the entity secured optimal returns and was fair and transparent in determination of where the funds were invested.

In the circumstances, the effectiveness of Management investment decisions could not be confirmed.

2. 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.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 November, 2025

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

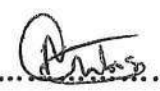
14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other Government entities	6a	375,472,500	496,212,240
Donor Grant	6b	22,509,197	-
		397,981,697	496,212,240
Revenue from exchange transactions			
Rendering of services	7	1,217,307,698	113,170,551
Finance income - external investments	8	61,272,141	4,883,409
Other income	9	176,006	5,475,090
		1,278,755,845	123,529,050
Total revenue		1,676,737,542	619,741,290
Expenses			
Use of goods and services	10	464,532,736	232,719,327
Employee costs	11	333,184,572	339,172,580
Board Expenses	12	28,429,510	18,896,000
Depreciation and amortization expense	13	247,859,438	256,942,360
Repairs and maintenance	14	3,615,154	4,358,403
Total expenses		1,077,621,410	852,088,670
Other gains/(losses)			
Loss on sale of assets	15	(260,251)	(425,754)
Loss on Foreign exchange	16	(96)	(3,599)
Surplus before tax		598,855,785	(232,776,733)
Taxation	17	(254,092,671)	(3,107,550)
Surplus for the period/year		344,763,114	(235,884,283)

The notes set out on pages 10 to 52 form an integral part of the Financial Statements. The Financial Statements set out on pages 1 to 64 were signed on behalf of the Board of Directors by:


.....
David Ngarama
Chief Executive Officer

Date 13/11/2025


.....
Chrispus Mbogo
Director Corporate Services
ICPAK M/No:7470

Date NOVEMBER 13, 2025


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

Date 13/11/2025

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025


15. Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024 Restated
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	762,322,684	89,634,907
Current receivables from exchange transactions	19(a)	25,377,209	44,641,012
Current receivables from non-exchange transactions	20(a)	197,600	300,089,790
Investment in Financial Assets	21	196,553,293	-
		984,450,786	434,365,709
Non-current assets			
Property, plant and equipment	22	107,377,279	149,939,880
Intangible assets	23	1,569,152,786	1,750,781,512
Long term receivables from exchange transactions	19(b)	6,917,718	7,313,871
Long term receivables from Non-exchange transactions	20(b)	-	-
		1,683,447,783	1,908,035,263
Total assets (A)		2,667,898,569	2,342,400,972
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	24	70,070,539	406,400,302
Prepayments from Customers	25	3,790,270	2,349,441
Current Provisions	26	696,000	696,000
Taxation	28	240,413,598	1,631,581
		314,970,407	411,077,324
Non-Current liabilities			
Non-Current Provisions	27	3,514,600	1,673,200
Total liabilities (B)		318,485,007	412,750,524
Net assets (A-B)		2,349,413,562	1,929,650,448
Represented by:			
Revaluation reserves		1,072,026,243	1,071,738,094
Donor grants		95,313,707	95,313,707
Accumulated deficit		(2,279,152,886)	(2,623,627,852)
Capital reserves		3,461,226,498	3,386,226,498
Net Assets		2,349,413,562	1,929,650,448


KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Statement of Financial Position as at 30 June 2025 (Continued)

The Financial Statements set out on pages 1 to 64 were signed on behalf of the Board of Directors by:


.....
David Ngarama
CEO

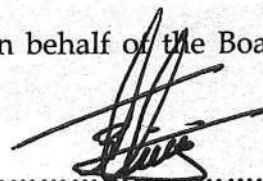
Date 13/11/2025


.....
Chrispus Mbogo
DCS

ICPAK Member Nos:7470

Date

NOVEMBER 13, 2025


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

Date 13/11/2025

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Capital Reserve	Donor Grants	Revaluation reserve	Accumulated surplus	Total
At July 1, 2023	2,959,788,738	95,313,707	68,704,634	(2,387,743,570)	736,063,509
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)	1,929,650,446
At July 1, 2024	3,386,226,498	95,313,707	1,071,738,094	(2,623,627,853)	1,929,650,446
Capital/Development grants received during the year	75,000,000	-	-	-	75,000,000
Surplus for the year	-	-	-	344,763,114	344,763,114
Transfer of Revaluation cost on disposal to retained Earnings			288,149	(288,149)	-
At June 30, 2025	3,461,226,498	95,313,707	1,072,026,243	(2,279,152,887)	2,349,413,561

Notes

1. The Capital reserve is the Cumulative cost of Development grants contributed by the Government of Kenya to the Agency.
2. The donor grants of Kshs.95,313,707 were contributed by ICF in FY 2012/2013 for establishment of KenTrade office in Mombasa and Nairobi.
3. The Revaluation reserve of Kshs.1,071,738,094 relates to revaluations done on the Property Plant & Equipment and Intangible assets.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

17. Statement of Cash Flows for the year ended 30 June 2025

		2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other Government entities	6a	675,472,500	496,212,240
Single Window User fees	7	1,239,267,486	113,170,551
Finance Income	8	60,101,222	4,883,409
Other Income	9	165,206	5,475,090
Mortgage and Car Loan Scheme transfers in		-	4,180,000
Total Receipts		1,975,006,414	623,921,290
Payments			
Use of goods and services	10	793,828,372	399,007,664
Employee costs	11	338,357,629	337,409,170
Board Expenses	12	28,435,586	18,896,000
Repairs and maintenance	14	3,413,842	5,219,633
Income tax paid	28	15,310,654	4,287,035
Total Payments		1,179,346,083	764,819,502
Net Cash flows from operating activities		795,660,331	(140,898,212)
Cash flows from investing activities			
Purchase of Fixed Assets	22	(1,516,232)	-
Purchase of intangible assets	23	-	(209,291,186)
Proceeds from sale of PPE	15	97,068	408,801
Foreign exchange loss	16	(96)	(3,599)
Purchase of investments	21	(196,553,293)	-
Net cashflows from investing activities		(197,972,553)	(208,885,984)
Cash flows from financing activities			
Increase in development grants	6a	75,000,000	426,437,760
Amortized ICF Grants		-	-
Decrease in Deferred grants		-	-
Net cash in financing activities		75,000,000	426,437,760
Net increase/decrease in cash and cash equivalents		672,687,778	76,653,564
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 July	18	89,634,907	12,981,343
Cash and cash equivalents at 30 June	18	762,322,684	89,634,907

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on	Performance	% of
	Kshs	Kshs	Kshs	Comparable	difference	utilization
	a	b	C=(a+b)	d	e=(d-c) or e=(c-d) *	f=d/c*100
Budget carryovers						
Cash and cash equivalents as at June 30, 2024	-	89,634,907	89,634,907	89,634,907	-	100.00
E citizen receivable FY 23/24	-	19,419,604	19,419,604	19,419,604	-	100.00
Total Budget carryovers		109,054,511	109,054,511	109,054,511	-	100.00
Receipts						
Government grants	600,630,000	-	600,630,000	450,472,500	(150,157,500)	75.00
Donor Grant	-	-	-	-	-	-
Rendering of services	477,150,000	406,950,000	884,100,000	1,217,307,698	333,207,698	137.69
Finance income - external investments	15,000,000	25,000,000	40,000,000	60,101,222	20,101,222	150.25
Other income	850,000	(180,000)	670,000	273,074	(396,926)	40.76
Total Receipts	1,093,630,000	540,824,511	1,634,454,511	1,837,209,005	202,754,494	112.41
Expenses						
Use of goods and services	589,907,990	111,110,511	701,018,501	503,465,601	197,552,900	71.82
Employee costs	368,630,000	5,944,000	374,574,000	333,144,459	41,429,541	88.94
Remuneration of directors	30,000,000	-	30,000,000	27,975,032	2,024,968	93.25
Repairs and maintenance	5,092,010	-	5,092,010	2,884,330	2,207,680	56.64
Total Payments	993,630,000	117,054,511	1,110,684,511	867,469,422	243,215,088	78.10
Capital Expenditure Payments	77,000,000	15,000,000	92,000,000	1,516,232	90,483,768	1.65
Surplus	23,000,000		431,770,000	968,223,350	333,698,856	80.51

* For revenues e=(d-c) For Expenditures e=(c-d)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025
(Continued)

Budget Notes

E-citizen receivable FY 23/24 of **Kshs.19,419,604** is explained as follows:

- a. Rendering of services net revenue received for 2023/2024 was **Kshs113,170,551** less e-Citizen charges **Kshs.4,116,000** thus a net amount of **Kshs.109,054,551** relate to FY 2023/2024 and out of which **Kshs.89,634,907** was in cash and cash equivalents as at 30th June 2024. The balance of **Kshs.19,419,644** was additional revenue for KenTrade included in e - Citizen receivable of **Kshs.36,325,193** as at 30th June 2025. The remainder of the e - Citizen receivable included **Kshs.14,579,212** which paid VAT Payable 2023/2024 and included Customer Prepayments **Kshs.2,349,441**
- b. Explanation of differences between actual and budgeted amounts for significant under/ over utilizations (90%) IPSAS 24.14
 - i. **Government Grants:** This target was not achieved as the Agency's Budget was reduced during Supplementary Estimates 3.
 - ii. **Rendering of services:** The Agency has exceeded its target for this vote, as it has collected more revenue than budgeted for single-window services.
 - iii. **Finance Income:** External Investments: The Agency exceeded its target for this vote due to increased revenue from Single Window user fees. The Agency reinvests all available cash raised from these fees into call deposits investments, awaiting the settlement of obligations when they fall due.
 - iv. **Other income:** The Agency did not achieve this target for the year due to reduced requests for Augmented services.
 - v. **Use of goods and services:** This vote experienced underutilization due to delays in the procurement of ICT services, which were caused by the requirement to seek approval from the Ministry of Information, Communications and the Digital Economy resulting in delayed procurements. A number of ICT related procurements were non-responsive.
 - vi. **Employee Costs:** This vote experienced underutilization due to pending staff recruitments at the end of the financial year. The delay was primarily caused by the time taken to obtain recruitment approval from the National Treasury.
 - vii. **Repairs and Maintenance:** This category has been underutilized because of reduced expenditures on the repair due to the donation of new ICT equipment from COMESA.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025
(Continued)

- viii. **Capital expenditure:** This category had underutilization due to delays in the procurement of assets, which were caused by the requirement to seek approval from the Ministry of Information, Communications and the Digital Economy and the National Treasury resulting in delayed procurements.
- c. Explanation of changes between original and final budget (IPSAS 24.29)
- i. **Budget Carryovers from Previous Year:** This amount was approved by the National Treasury on October 22, 2024 hence inclusion in the Budget.
 - ii. **Rendering of services-** This revenue figure was increased to adopt a more realistic revenue figure as compared to the actual revenue data from the financial year 2023/2024
 - iii. **Call deposits-** This revenue figure was increased to adopt a more realistic revenue figure as compared to the actual revenue data from the financial year 2023/2024
 - iv. **Other income -** This revenue figure was reduced to adopt a more realistic revenue figure as compared to the actual revenue data from the financial year 2023/2024
 - v. **Use of Goods:** The Agency increased the original budget for this category by Kshs.111,110,511 mainly because the initial budget, which was based on preliminary and constrained estimates, was not sustainable. This necessitated a review and subsequent adjustment of the allocated funds across various recurrent votes.
 - vi. **Employee Costs:** The Agency increased the original budget for this category by Kshs.5,944,000 to cater for recruitments for new positions awaiting approval by the National Treasury during the year.
 - vii. **Capital Expenditure:** The Agency increased the original budget for this category by Kshs.15,000,000 to cater for purchase of new motor Vehicles during the year.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025
(Continued)

Budget Reconciliation

Reconciliation of the Budget with the Closing Cash and Cash Equivalent as per the Statement of Cashflows		
Description	Note	Kshs
Surplus as per the Budget		968,223,350
Add:		
FY 2023/2024 Government grant receivable	20a	300,000,000
Decrease in e-Citizen Receivables	19a	20,518,959
Increase in prepayments from customers	25	1,440,829
Decrease in prepaid insurance & other prepayments	19a	311,916
PPRA levy payable	24	15,121
VAT Payable	24	2,763,455
Gratuity provisions	27	1,841,400
Less:		
Rendering of services E-citizen receivable cash utilised in FY 2023/2024	19a	(19,419,604)
Payment of FY 2023/2024 closing trade payables	24	(307,132,336)
TradeNet user fees refunds done in 2024/2025	24	(10,800)
Payment of FY 2023/2024 tax liability	28	(1,631,581)
Payment of FY 2023/2024 closing Staff statutory deductions payable	24	(6,946,760)
Increase in salary advance	20a	(107,810)
Payment of FY 2023/2024 closing payables in Board expenses	24	(460,554)
Payment of FY 2023/2024 closing payables repairs & maintenance	24	(529,512)
Foreign exchange loss not captured in the budget	16	(96)
Increase in Investments in Financial Assets	21	(196,553,293)
Closing Cash and Cash Equivalent as per the statement of Cash flows		762,322,685

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

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 Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency'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.

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that 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><i>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Agency has not yet applied IPSAS 43, Leases, in these financial statements. The Agency plans to adopt and apply IPSAS 43 for annual reporting periods beginning on or after July 1st, 2025, at which point lease accounting will conform to the requirements of IPSAS 43. This adoption will enhance the transparency and accuracy of lease-related assets and liabilities in the financial statements from that date onward</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The Agency has determined that IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations, is not applicable to these financial statements as the Agency does not currently have any non-current assets classified as held for sale or discontinued operations as defined by the standard.</i></p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The Agency has no heritage assets or infrastructure assets as defined in IPSAS 45, Property, Plant, and Equipment. The Agency will apply IPSAS 45 for annual reporting periods beginning on or after July 1, 2025. The standard's requirements related to heritage and infrastructure assets are therefore not applicable to the Agency's financial statements at this time</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The Agency has not applied IPSAS 46, Measurement, in these financial statements. The Agency intends to adopt and apply IPSAS 46 for reporting periods beginning on or after July 1, 2025. This adoption will enhance the consistency and clarity of asset and liability measurement in accordance with the latest public sector accounting standard.</i></p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Standard	Effective date and impact:
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> <p><i>The Agency has not early adopted IPSAS 47, Revenue, in these financial statements. The Agency intends to apply IPSAS 47 for annual reporting periods beginning on or after July 1, 2026.</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The Agency has not early adopted IPSAS 48, Transfer Expenses, in these financial statements. The Agency intends to apply IPSAS 48 for annual reporting periods beginning on or after July 1, 2026.</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The Agency contributes to a pension fund that manages retirement benefits on its behalf. As such, IPSAS 49, Retirement Benefit Plans, which applies to the accounting and reporting by the retirement benefit plans themselves, is not directly applicable to the Agency's financial statements.</i></p>

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The Agency does not engage in exploration for or evaluation of mineral resources activities as defined under IPSAS 50. Accordingly, IPSAS 50, Exploration for and Evaluation of Mineral Resources, is not applicable to these financial statements</i></p>

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, 2025

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 Agency 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 Agency and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for the current FY was approved by the National Treasury & Planning on June 28, 2024. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. 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, 2025

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.

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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

d) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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%
Office partitions	12.5%

f) 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.

Amortisation of intangible assets is calculated on a straight-line basis, at the following annual rates:

Single Window Software	10%
Software and Applications	20%

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

a) 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.

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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

k) 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.

l) 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.

m) 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.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.4,320 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.

n) 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.

o) 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.

p) 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, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Comparative figures

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

r) Subsequent events

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

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 26 and 27.

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

a) Government Grant

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	375,472,500	364,400,000
Realigned Development Grants	-	131,812,240
Total Unconditional Grants	375,472,500	496,212,240

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund	Total transfers 2024/2025	Total transfers 2023/2024
	KShs	KShs	KShs	KShs	KShs
National Treasury	375,472,500	-	75,000,000	450,472,500	922,650,000
Total	375,472,500	-	75,000,000	450,472,500	922,650,000

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Government grant

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		375,472,500
Add: Opening Government Grant Receivables	300,000,000	
Balance as per cash flow statement		675,472,500

b) Donations from COMESA

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Donation from COMESA	22,509,197	-
Total Unconditional Grants	22,509,197	-

The donation from COMESA was made in kind, meaning it was not received in cash. The donation comprised assets delivered directly to the Agency, specifically furniture valued at Kshs.8,037,941 and computers valued at Kshs.14,471,256. The Agency obtained control over these assets upon delivery.

7. Rendering of services

Description	2024/2025	2023/2024
	Kshs	Kshs
Unique Consignment Reference (UCR)	1,187,142,062	110,072,509
Impending Arrival Report (IAR)	21,869,538	2,229,657
Import and Export Exemption fees	2,296,062	286,688
Lifting of suspension fees	3,883	-
Registration fees	5,996,153	581,697
Total Rendering of services	1,217,307,698	113,170,551

Single Window Single Window User Fees refer to charges levied on clients for accessing and utilizing the National Electronic Single Window System (NESWS).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

The Single Window User Fees collected in the current year are higher compared to the previous year because the Agency only obtained approval to commence charging in May of the previous financial year. Revenue reported last year represented only one month's collections, whereas the current year reflects a full year's revenue.

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Single Window User Fees

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		1,217,307,698
Add:		
Closing Prepayments from Customers	3,790,270	
Opening e-Citizen Receivable	36,325,193	
Less:		
Opening Prepayments from Customer	(2,349,441)	
Closing e-Citizen Receivable	(15,806,234)	
Balance as per cash flow statement		1,239,267,486

8. Finance Income - External Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Cash investments and Call deposits	59,894,589	4,883,409
Interest income from Treasury Bills	1,377,552	-
Total finance income - external investments	61,272,141	4,883,409

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

Finance income for the current year was significantly higher than the previous year because this was the first full financial year in which the Agency charged for its services. The increased cash flows enabled the Agency to invest idle cash in call deposits and Treasury Bills awaiting settlement of obligations.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Consequently, the Agency is more liquid compared to the previous year, when its main source of income was Government Grants.

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Finance income

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		61,272,141
Less:		
Closing Interest Income Receivable	(1,170,919)	
Balance as per cash flow statement		60,101,222

9. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Training	-	4,898,636
Augmented fees	55,160	106,032
Value added services	31,009	452,654
Forex Gain	-	-
Miscellaneous Income	89,837	17,768
Total other income	176,006	5,475,090

Other income recorded a significant reduction compared to the previous year because the current year does not include training revenue. This revenue stream is now classified under Single Window User Fees, specifically under registration fee.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for other income

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		176,006
Add:		
Closing Payables (Trade Net User Fees)	77,200	
Less:		
Opening Payables (Trade Net User Fees)	(88,000)	
Balance as per cash flow statement		165,206

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

10. Use of Goods and Service

Description	2024/2025	2023/2024
	Kshs	Kshs
Local Travel	12,120,806	3,427,765
International Travel	4,813,157	1,289,882
Training expenses	20,016,434	751,140
Stakeholders expenses	7,182,754	1,968,740
Trade Facilitation Initiatives	2,960,973	-
PGA, Private Sector and Regional Integrations	3,043,150	-
Coordinated Border Management	1,163,500	-
Conference & Workshops	17,779,861	1,981,390
Staff welfare expenses	14,910,358	4,938,302
Club Membership	-	305,500
Membership Prof subscription	-	741,133
Organisational Membership subscription	4,000	807,950
Lease Expenses	24,624,189	24,691,819
Cleaning services	1,639,440	1,671,440
Security	2,185,027	2,185,027
Utilities	2,830,474	3,868,777
Telephone	1,563,629	1,546,235
Postage Services	24,380	22,593
Printing and Stationery	1,601,727	516,116
Fuel	2,101,779	2,370,973
Procurement Processing Expenses	1,222,750	128,426
Legal expenses	4,140,055	3,324,800
ISO Expenses	6,048,560	174,000
Risk management expenses	1,844,134	22,200
Business Continuity plan expense	916,580	-
Change management	1,440,340	-
Consultancy Fees	11,855,656	1,504,900
Publicity & Advertisement	4,601,183	43,295
Corporate Social Responsibilities	6,641,283	478,483
Bank Charges	953,024	729,462
E-Citizen Charges	4,960,550	4,116,000

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Description	2024/2025	2023/2024
	Kshs	Kshs
Audit fees	696,000	696,000
TV subscriptions	-	43,461
Newspapers and Periodicals	149,750	129,200
Mortgage and Car Loan	19,351,544	-
Staff Medical Insurance	31,414,033	34,400,259
Motor Vehicle Insurance	750,862	834,904
Insurance General	623,262	587,725
Internet Expenses	2,166,356	2,672,559
Computer accessories	11,854	38,500
ICT Recurrent expenses	109,363,575	104,438,285
Licences	31,417,984	24,701,396
Single Window System Support & Maintenance	103,397,763	-
Penalties to KRA	-	570,690
	464,532,736	232,719,327

There was an increase in expenditure under the Use of Goods vote compared to the previous year due to several factors. Firstly, the Single Window System Support and Maintenance vote is now classified as a recurrent expense, whereas in the previous year it was capitalised. Secondly, during the prior year, the Agency faced financial constraints and budget cuts, which necessitated a complete scale-down of operations. As a result, certain expenditures were deferred and have been undertaken in the year under review.

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		464,532,736
Add:		
Opening Trade Payables	399,071,476	
Closing Trade Receivables	15,317,774	
Less:		
Closing Trade Payables	(69,463,924)	
Opening Trade Receivables	(15,629,690)	
Balance as per cash flow statement		793,828,372

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

11. Employee Costs

	2024/2025	2023/2024
	KShs	KShs
Basic Salaries	216,554,525	219,509,013
House Allowance	45,642,945	47,433,101
Commuter Allowance	14,773,268	15,234,460
Other Staff Allowance	11,770,848	11,613,604
Acting/Special Duty Allowance	815,110	805,937
Leave Allowance	3,930,002	4,080,501
Casual Wages	1,195,988	1,451,201
Pension Contributions	31,804,670	32,737,703
Gratuity Expense	1,841,400	1,673,200
Fringe benefit tax	462,326	524,342
NITA	52,200	55,150
A.H.L Employer Contributions	4,341,290	4,054,368
Total	333,184,572	339,172,580

The amount of **Kshs.1,195,988** for wages related to payments made to Interns and casuals who were engaged during the financial year 2024-2025. The reduction in employee costs compared to the previous year is attributable to staff exits during the year without subsequent replacements.

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		333,184,572
Add:		
Opening Statutory Payables	8,619,960	
Closing Staff salary advance	197,600	
Less:		
Closing Statutory Payables	(3,554,713)	
Opening Staff salary advance	(89,790)	
Balance as per cash flow statement		338,357,629

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

12. Board Expenses

Description	2024/2025	2023/2024
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Directors' retainer	3,220,645	2,691,634
Directors Sitting Allowance	7,980,000	4,800,000
Other related expenses	16,268,865	10,444,366
Total Director emoluments	28,429,510	18,896,000

The amount of Kshs.16,268,865 for other related expenses comprises of accommodation allowances, mileage, medical insurance and training expenses during the year under review. The increase in Board expenses compared to the previous year is attributable to enhanced Board activities during the current year. In the previous year, the Agency had scaled down operations due to funding constraints.

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Remuneration of Directors

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		28,429,510
Add:		
Opening board expense Payables	460,554	
Less:		
Closing Payables	(454,478)	
Balance as per cash flow statement		28,435,586

13. Depreciation and Amortization

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant and equipment	66,230,712	56,647,460
Intangible assets	181,628,726	200,294,900
Total depreciation and amortization	247,859,438	256,942,360

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

14. Repairs and Maintenance

Description	2024/2025	2023/2024
	KShs	KShs
Equipment and machinery	502,074	498,220
Motor Vehicles	2,201,214	1,551,527
Computers and accessories	911,866	2,308,656
Total repairs and maintenance	3,615,154	4,358,403

The reduction in repairs compared to previous year was attributed to reduced expenditures on the repairs due to the donation of new ICT equipment and furniture from COMESA.

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

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		3,615,154
Add:		
Opening repairs & maintenance Payables	529,512	
Less:		
Closing repairs & maintenance Payables	(730,824)	
Balance as per cash flow statement		3,413,842

15. Loss on Sale of Assets

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant and equipment	260,251	425,754
Intangible assets	-	-
Other assets not capitalised	-	-
Total loss on sale of assets	260,251	425,754

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. The cost of assets disposed was Kshs.985,550 while the Accumulated Depreciation was Kshs.628,231 resulting in a net book value of Kshs.357,319. The actual cash received for the disposed assets was Kshs.97,068. hence the disposal loss of Kshs.260,251.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

16. Loss on Foreign exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Loss on Foreign exchange Transactions	(96)	(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	2024/2025	2023/2024
	Kshs	Kshs
Current income tax charge	254,092,671	3,107,550

No provision of tax has been made on income from grants received from Government of Kenya however, a tax charge of **Kshs.254,092,671** has been provided on income from rendering of services and investment interest on call account with banks and The tax liability is **Kshs.240,413,598** after adjusting for Withholding tax of **Kshs.9,190,784** and instalment taxes. See note 28 on taxation payable.

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Taxation

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		254,092,671
Add:		
Opening tax liability	1,631,581	
Less:		
Closing tax liability	(240,413,598)	
Balance as per cash flow statement		15,310,654

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

18. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account	762,302,034	89,563,317
On - call deposits	-	-
Fixed deposits account	-	-
Others-Cash	20,650	71,590
Total cash and cash equivalents	762,322,684	89,634,907

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

		2024/2025	2023/2024
Financial institution	Account number	Kshs	Kshs
a) Current account			
Equity bank –Main account	0810298272422	304,142,306	10,331,597
Equity bank –gratuity account	0810260715303	3,729,626	1,697,928
Equity bank –Collection account	0810279618173	42,390	42,486
Co-operative bank-Main account	01141162178000	345,535,420	121,694
Co-operative bank-Collection account	01141162178002	699,081	77,369,612
KCB Collection Account	1335251723	108,153,211	-
Sub- total		762,302,034	89,563,317
b) On - call deposits		-	-
Co-operative bank	-	-	-
Equity Bank	-	-	-
KCB	-	-	-
Sub- total	-	-	-
c) Others(specify)			
Cash in hand	-	20,650	71,590
Sub- total		20,650	71,590
Grand total		762,322,684	89,634,907

The restricted cash balances held by the Agency amounted to Kshs.3,514,600 as at year-end. This balance is maintained in a Gratuity Account to cater for gratuity payable at the end of the contract period for one employee on contract.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

19. Receivables from Exchange Transactions

19. (a) Receivables from Exchange Transactions (Current)

	2024/2025	2023/2024
	Kshs	Kshs
Current receivables		
Prepaid Insurance	8,400,056	8,315,819
E-Citizen Receivable	15,806,234	36,325,193
Interest income Receivable	1,170,919	-
Total current receivables	25,377,209	44,641,012

19 (b) Receivables from Exchange Transactions (Long-term)

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Non-current receivables				
Rent Deposits	2,487,600		2,487,600	
Other Prepayments	4,430,118		4,826,271	
Total non-current receivables	6,917,718		7,313,871	
Total receivables (a+b)	32,294,927		51,954,883	
Ageing Analysis- Receivables from exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	25,377,209	78.58	44,641,012	85.92
Between 1-2 years	4,430,118	13.72	4,826,271	9.29
Over 3 years	2,487,600	7.70	2,487,600	4.79
Total	32,294,927	100	51,954,883	100

20. Receivables from Non- Exchange Transactions

20. (a)

Description	2024/2025	2023/2024
	Kshs	Kshs
Current receivables		
Staff imprests	-	-
Staff salary advance	197,600	89,790
Government Receivable	-	300,000,000
Total Current receivables	197,600	300,089,790

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

20. (b)

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Non-current receivables	-		-	
Total receivables (a+b)	197,600		300,089,790	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	197,600	100	300,089,790	100
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	197,600	100	300,089,790	100

21. Investment in Financial Assets

Description	Period ended June 2025	Comparative June 2024
	KShs	KShs
Investment in Treasury Bills	196,553,293	-
Total	196,553,293	-

The Agency obtained approval to invest in Treasury bills in the last quarter of the current financial year. The Agency invested in 91-day Treasury Bills during the year. The Treasury Bills were purchased at a discount. The average interest rate applicable to the investments was 8.3%. The Treasury Bills are expected to mature in the first quarter of the next financial year (2025/2026).

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

22. 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 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
Revaluation						-
Additions		1,516,232	8,037,941	14,471,256	-	24,025,429
Disposals	-	(68,450)	(314,500)	(602,600)	-	(985,550)
At 30 June 2025	19,405,200	3,496,582	12,901,241	140,897,406	16,300,000	193,000,429
Depreciation and impairment						
At 1 July 2023	13,905,678	3,746,772	3,751,693	169,668,897	17,720,630	208,793,670
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)	(194,484,58)	-	(242,938,942)
At 30 June 2024	709,931	144,320	288,214	17,401,486	1,476,719	20,020,670
Depreciation	2,839,726	536,618	2,073,148	55,043,092	5,738,128	66,230,712

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

	Office Partitions	Office Equipment	Furniture and fittings	Computers & Peripherals	Motor vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Disposals	-	40,417	76,771	511,043	-	628,231
Depreciation eliminated on revaluation						-
At 30 June 2025	3,549,657	640,521	2,284,591	71,933,535	7,214,847	85,623,151
Net book values						
At 30 June 2025	15,855,543	2,856,061	10,616,650	68,963,871	9,085,153	107,377,278
At 30 th June 2024	18,695,269	1,904,480	4,889,586	109,627,264	14,823,281	149,939,880

1. The Agency's assets were revalued on April 01, 2024 during the financial year 2023/2024 by Recad Consulting Limited.
2. Additions for the current year comprised office equipment purchased by the Agency amounting to Kshs.1,516,232 and donated assets received from COMESA, being furniture valued at Kshs.8,037,941 and computers valued at Kshs.14,471,256. The total donated assets amounted to Kshs.22,509,197. See note 3 on revenue from non-exchange transactions.
3. The total costs of assets as at June 30, 2025 includes assets which are fully depreciated.
4. Disposals during the year comprised assets sold to employees and to ICTA for destruction with a net book value of Kshs.357,319. The total disposal amount received by the Agency from sale of assets was Kshs.97,068 resulting to disposal loss of Kshs.260,251 as disclosed in note 15.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025

Notes to the Financial Statements (Continued)

23. Intangible Assets-Software

Description	Period ended June 2025	Audited Prior year
	Kshs	Kshs
Cost		
At beginning of the year 2023	2,218,903,723	2,005,668,246
Revaluation	(637,150,923)	213,235,477
Additions-internal development	209,291,186	-
At end of year 2024	1,791,043,986	2,218,903,723
Revaluation	-	(637,150,923)
Additions-internal development	-	209,291,186
At end of year 2025	1,791,043,986	1,791,043,986
Amortization and impairment		
At beginning of the year 2024	40,262,474	1,370,040,241
Amortization	181,628,726.00	200,294,900
Amortization eliminated on revaluation	-	(1,530,072,667)
At end of year 2025	221,891,200	40,262,474
Impairment loss		
NBV at end of the year	1,569,152,786	1,750,781,512

1. 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.
2. The Agency's software were revalued on April 01,2024 during the financial year 2023/2024 by Recad Consulting Limited.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	67,174,650		345,707,224	
Statutory deductions payable	40,113		6,894,223	
Trade Net User fees payables	77,200		88,000	
VAT Payable	2,763,455		14,579,212	
Withholding Tax Payable	-		693,611	
PPRA Levy	15,121		-	
Other current liabilities	-		394,057	
Mortgage and Car loan scheme payable	-		38,043,975	
Total trade and other payables	70,070,539		406,400,302	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	69,993,339	99.89	368,268,327	90.60
1-2 years	-	-	4,180,000	1.0
2-3 years	-	-	33,863,975	8.4
Over 3 years	77,200	0.11	88,000	-
Total	70,070,539	100	406,400,302	100

Trade payables reduced compared to the previous year as the Agency had sufficient cash flows in the current year to settle its liabilities. The closing balance of **Kshs.69,993,339** relates to expenses incurred during the year but not yet invoiced as well as invoices that were still being validated at year end.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Notes to the Financial Statements (Continued)

25. Prepayments from Customers

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Prepayments from Customers	3,790,270		2,349,441	
Total Prepayments from Customers	3,790,270		2,349,441	
Ageing analysis: (Prepayments from Customers)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,790,270	100	2,349,441	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	3,790,270	100	2,349,441	100

The Agency operates an E-wallet account for its customers through the E-Citizen platform. Customers deposit lump-sum amounts into the E-wallet where the amount is configured in the TFP. The deposited funds are then drawn down progressively to pay for Single Window services on a need basis until the account balance is depleted.

26. Current Provisions

Description	Audit fees	Total
	Kshs	Kshs
Balance b/d (1.07.2024)	696,000	696,000
Additional Provisions	696,000	696,000
Provision utilised	(696,000)	(696,000)
Total provisions as at 30.6.2025	696,000	696,000

27. Non-Current Provisions

Description	Gratuity provision	2023/2024
	Kshs	Kshs
Balance b/d (1.07.2024)	1,673,200	-
Additional Provisions	1,841,400	1,673,200
Provision utilised	-	-
Total provisions as at 30.6.2025	3,514,600	1,673,200

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Notes to the Financial Statements (Continued)

28. Taxation

	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year	1,631,581	2,811,066
Income tax charge for the year (note 17)	254,092,671	3,107,550
Withholding tax paid during the year	(9,190,784)	(732,511)
Income tax paid during the year	(6,119,870)	(3,554,524)
At end of the year	240,413,598	1,631,581

The total tax paid to KRA in FY 2024/2025 was **Kshs.15,310,654**. This includes tax withheld by banks and paid directly to KRA of **Kshs.9,190,784** and income tax paid to KRA by the Agency of **Kshs.6,119,870**.

29. Cash Generated from Operations

		2024/2025	2023/2024
		Kshs	Kshs
Net surplus/ deficit for the year		598,855,785	(232,776,733)
Adjustments:			
For items not involving movement of cash			
Depreciation	12	66,230,712	56,647,460
Amortization	12	181,628,726	200,294,900
Non-Cash Grant Received	6b	(22,509,197)	-
Loss on disposal:	15	260,251	425,754
Foreign Exchange Loss	16	96	3,599
Operating surplus before working capital		824,466,373	24,594,980
Working capital adjustments:			-
Decrease/ (Increase) in inventories		-	-
Decrease/ (Increase) in accounts receivable		319,552,146	(336,593,364)
(Decrease)/ Increase in creditors and accruals		(333,047,534)	175,387,206
Working Capital prior year Adjustment		-	-
Tax paid	29	(15,310,654)	(4,287,035)
Working Capital changes		(28,806,042)	(165,493,193)
Total cash generated from operations		795,660,331	(140,898,213)

Notes to the Financial Statements (Continued)

30. 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.

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

	2024/2025	2023/2024
	Kshs	Kshs
Cash at Bank	762,322,684	89,634,907
Current Receivables	25,377,209	44,641,012
Non-Current Receivables	6,917,718	7,313,871
Staff Travel imprests	-	-
Salary Advances	197,600	89,790

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Total	794,815,211	141,679,580
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Notes to the Financial Statements (Continued)

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.

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		42,390	42,390
Debtors			
Total financial assets		42,390	42,390
Financial Liabilities			
Trade and other payables		-	-
Borrowings		-	-
Total financial liabilities		-	-
Net foreign currency asset/(liability)		-	-

Notes to the Financial Statements (Continued)

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.

v. Capital Risk Management

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

	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	1,072,026,243	1,071,738,094
Retained earnings	(2,279,152,886)	(2,623,627,852)
Donor Grant	95,313,707	95,313,707
Capital reserve	3,461,226,498	3,386,226,498
Total funds	2,349,413,562	1,929,650,447
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, 2025.

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 Agency 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, 2025				
Trade payables		69,993,339	77,200	70,070,539
Deferred income	3,790,270	-	-	3,790,270
Current portion of borrowings	-	-	-	-
Provisions	696,000	-	-	696,000
Employee benefit obligation	-	-	3,514,600	3,514,600
Total	4,486,270	69,993,339	3,591,800	78,071,409
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

31. 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, 2025.

Notes to the Financial Statements (Continued)

Government of Kenya

The Government of Kenya is the principal shareholder of the *Agency*, holding 100% of the *Agency's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Agency*, 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

	2024/2025	2023/2024
	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	2,830,474	3,868,777
Rent expenses paid to govt agencies	8,310,576	6,925,480
Training and conference fees paid to govt. Agencies	3,698,004	1,473,090
Others (specify)		
b) Grants from the Government		
Grants from National Govt	450,472,500	922,650,000
Grants from County Government	-	-
Donations in kind	22,509,197	-
Total	472,981,697	922,650,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

	2024/2025	2023/2024
	Kshs	Kshs
d) Key management compensation		
Directors' emoluments	28,429,510	18,896,000
Compensation to the CEO	8,714,000	8,364,000
Compensation to key management	122,201,774	137,421,612
Total	159,345,284	164,681,612

32. Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court case-Mweha Enterprise	13,858,266	13,858,266
Court Case -Godwin Barechi	2,000,000	2,000,000
Staff leave balances provision	-	5,462,667
Total	15,858,266	21,320,933

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

33. Events After the Reporting Period

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

34. Ultimate and Holding Entity

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Notes to the Financial Statements (Continued)

35. Currency

The amounts presented in these financial statements are shown in Kenya Shillings (Kshs.) and have been rounded to the nearest shilling.

36. Going Concern

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.

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>1. Unauthorized Reallocation of Funds</p> <p>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</p>	No reallocation in the current FY	Resolved	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the funds are appropriated for capital expenditure except to defray other capital expenditure.			
2.0	<p>Secondment of Staff to The National Treasury</p> <p>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.</p>	Management wrote to the PS National Treasury on the same seeking further guidance in line with policy.	Pending	N/A
3.0	<p>Irregular Payment of Acting allowance</p> <p>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,</p>	Recruitment in progress	Resolved	December 30, 2025

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	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.			
4.0	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.	The Agency fees was collected through the old E- Citizen platform under which the convenience fee was deducted from the Agency's collection and was not charged to the user occasioning the above cost during the FY 2023/2024 and part of current FY 2024/2025. The Agency has since been migrated to the new E -Citizen platform where the convenience fee is charged to the user.	Pending	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The Agency has written to E-Citizen on the refund of the cost charged due to the challenges with the E-Citizen old System that deducted convenience fee from KenTrade's collection instead of charging the users.		
5.0	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.	A new board member, Mr. John Njera, the Alternate Member for the Principal Secretary, The National Treasury has with Information Communication Technology background	Resolved	N/A
6.0	Transfer of Scheme's Funds to Fund Agency Operations	The Agency prepared separate financial statements for the Mortgage and Car Loan scheme. The Agency has also refunded all	Resolved	N/A

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	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.	the withdrawals made from the Mortgage and Car Loan scheme.		



Chief Executive Officer

Date: 12/11/2025

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 required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

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)

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

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2025.

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	Deferred Income	Receiv ables	Total realignme nt during the Year	
The National Treasury	Various	Recurrent	375,472,500	375,472,500	-	-	-	-	-
The National Treasury	Various	Development	75,000,000	-	75,000,000	-	-	-	-
Total			450,472,500	375,472,500	75,000,000	-	-	-	-

Appendix IV- Inter-Entity Confirmation Letter

The Kenya Trade Network Agency wishes to confirm the amounts received from The National Treasury as at 30th June 2025 as indicated in the table below.

I confirm that the amounts shown above are correct as of the date indicated.

..... Sign Date NOVEMBER 13, 2025

Appendix V: Reporting of Climate Relevant Expenditures

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, 2025.

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, 2025.

Appendix VII: Pending Bills Register as at June 30, 2025

S/N	Vote No	Vote Name	Description	Reference document	Invoice No	Amount	Paid	Pending
1	700300	Single Window Base Software	Single Window Base Software for one quarter in the previous financial year 2023/2024	KTNA/LEG/0039/2019	2024020	51,658,992	51,658,992	Nil
			TOTAL			51,658,992	51,658,992	Nil

50