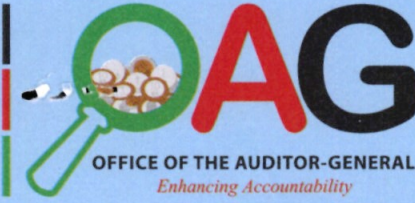


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 11 MAR 2026	
DAY: WEDNESDAY	
TABLED BY:	LEADER OF MAJORITY PARTY
OF AT THE TABLE:	HON. OWEN BAYAJ MP J. LEMERELLE

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OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

PEST CONTROL PRODUCTS BOARD

**FOR THE YEAR ENDED
30 JUNE, 2025**

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PEST CONTROL PRODUCTS BOARD

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)**

Pest Control Products Board
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	iv
3. The Board of Directors	ix
4. Key Management Team	xv
5. Chairman's Statement	xviii
6. Report of the Chief Executive Officer	xxi
7. Statement of Performance against Predetermined Objectives for FY 2024/2025	xxiv
8. Corporate Governance Statement	xxviii
9. Management Discussion and Analysis	xxxv
10. Environmental and Sustainability Reporting	xlvi
11. Report of the Directors	1
12. Statement of Directors Responsibilities	li
13. Report of the Independent Auditor for the Financial Statements of Pest Control Products Board	liii
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	3
17. Statement of Cash Flows for the year ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025	5
19. Notes to the Financial Statements	7

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Pest Control Products Board was established under the Act of Parliament, the Pest Control Products Act, Cap 346, Laws of Kenya of 1982 to regulate the importation and exportation, manufacture, distribution use and disposal of pest control products. The Entity is domiciled in Kenya, Nairobi and has branches in Western Region-Kisumu with three One Stop Border Post offices (OSBPs) Busia, Isabania and Malaba, North rift Region -Eldoret, South rift Region- Nakuru, Mt. Kenya region Embu with one Border post Moyale OSBP and Coastal Region- Mtwapa with four border posts- Lungalunga OSBP, Oloitoktok OSBP, Taveta OSBP and Namanga OSBP.

(b) Principal Activities

The principal mandate of the Pest control Products Board are:

- i) Regulation of Pest Control Products. This is the core function of the PCPB cutting across a wide range of products including chemicals and biopesticides. It involves the registration, inspection, and monitoring of pest control products to ensure they meet safety and efficacy standards. This includes ensuring proper siting of manufacturing and formulation plants, as well as managing the containment of effluents.
- ii) Processing and issuance of import and export permits of pest control products.
- iii) Providing education and awareness creation to the public and industry stakeholders about the safe and responsible use of pest control products through training programs.
- iv) Advising the Cabinet Secretary on all matters relating to the provision of the act and regulations made there under.
- v) Post registration surveillance for the purpose of quality assurance of pest control products.
- vi) Investigation and facilitation of prosecution on offences under pest control products act and regulations made there under.
- vii) Supervision of disposal of obsolete and illegal pest control products.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

(c) Key Management

The Pest Control Products Board day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	Various, Chaired by Njoroge Kagwe
2.	Chief Executive Officer	Fredrick Njiru Muchiri
3.	Head, Finance and Accounts	Bernard Mwaniki Mang'ara
4.	Head, Technical & Registration Department	Maurice Barasa Wanyonyi
5.	Head, Analytical Services Department	Grace Nyawira Muchemi
6.	Head, Compliance and Enforcement Department	Lawrence Kalawa Ikiba
7.	Head, Research, Strategy, Performance Management and Planning.	Dr. Paul Njuguna Ngaruiya

(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/ Secretary	Fredrick N. Muchiri
2.	Head of Finance and Accounts	CPA Bernard M. Mang'ara
3.	Ag. General Manager, Technical & Registration	Maurice B. Wanyonyi
4.	General Manager Compliance & Enforcement	Lawrence K. Ikiba
5.	General Manager, Analytical Services	Grace N. Muchemi
6.	General Manager, Research, Strategy, Performance Management & Planning	Dr. Paul N. Ngaruiya
7.	Manager, Supply Chain Management Division	Pauline Kilonzo
8.	Internal Auditor	Rose M. Murigi
9.	Human Resource Management Officer	Jacquelyne Kiambura

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

1. Audit and Risk Committee

Terms of reference

- i. Oversight over internal control processes for realization of Pest Control Products Board objective.
- ii. Oversight over external audit (EA) and internal (IA); EA&IA: Appointment, Meetings, Integrity of Financial Statements, Key Audit Findings and Recommendation, Effective Structure, IA charter, IA Strategic plan and IA Annual Plans.
- iii. Review and monitor compliance with the organization code of ethics.
- iv. Monitor compliance with all applicable laws, regulations and standards.
- v. Initiate and oversee specialized audits and investigation.
- vi. Oversight risk and risk management review of risk management framework.
- vii. Approves decisions regarding appointment, promotion, removal and remuneration of the IA.
- viii. Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate.
- ix. Ensure that effective processes and systems of risk management and internal controls are in place.

2. Finance committee

Terms of reference

- i. To perform an advisory role on pest control products boards financial operations.
- ii. To make the recommendations to the Board on the matters finance, accounting and human resource management and administration in general.
- iii. Review and make recommendations to the board annual budget and procurement plan.
- iv. Review periodically the organization strategic objectives and human resource policy instrument and policies relate to sustainability and social responsibility.
- v. Ensure that the procurement process is cost effective and delivers value for money.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

- vi. Review on quarterly basis attainment of targets and objectives set out in the agreed performance contract framework with the government of Kenya.
- vii. Perform such other functions as assigned by Board

(f) Pest Control Products Board (PCPB) Headquarters

PCPB headquarters is in Nairobi County.

Postal address - 13794 - 00800

Physical address - PCPB Building, off Waiyaki way, Loresho

(g) Pest Control Products Board Contacts

Telephone: (254) 020-8021846/7/8, 0720480904 / 0735 778743

E-mail: info@pcpb.go.ke, md@pcpb.go.ke, pcpb016@gmail.com

Website: <https://www.pcpb.go.ke>

(h) Pest Control Products Board Bankers

- 1 Kenya Commercial Bank
Sarit Centre
P. O. Box 14959-00800
Nairobi, Kenya

2. Absa Bank of Kenya Ltd
Westlands
P. O. Box 14403-00300
Nairobi, Kenya

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

Key Entity Information and Management (continued)

(i) Independent Auditor

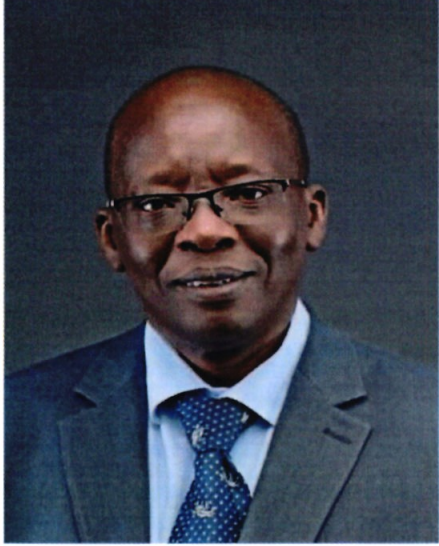


Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

3. The Board of Directors

Ref	Directors	Details
1.	 <p data-bbox="277 972 485 1043">Njoroge Kagwe Chairman</p>	<p data-bbox="751 421 890 450">Born 1959</p> <ul data-bbox="802 461 1445 1173" style="list-style-type: none"> • 2002 to date: First Africa Consulting – CEO and Chief Consultant • 1994-2002: World Ahead Consultancy Services, Uganda-Tanzania-Kenya, Managing Consultant • 1987-1994: Price Waterhouse Coopers, Kenya, Ghana and Uganda – Senior Consultant, Organization Development Services • 1985-1987: Britam, Manager, Branch Business Development and Training • 1983-1985: Insurance Company of East Africa, Superintendent • Graduate in Economics (Honours) and Political Science, University of Nairobi • Certified World Bank Business Edge Advisor • Diploma in Theology
2.	 <p data-bbox="277 1464 707 1581">Andrew Mware Kinyua Member, State Department for Water and Sanitation</p>	<p data-bbox="751 1182 890 1211">Born 1966</p> <ul data-bbox="802 1223 1445 1570" style="list-style-type: none"> • Jan 2015 to date: Head (Deputy Director) of Water Quality and Pollution Control Division, • 2010 - 2014: Senior Principal chemist II • 2008 - June 2010: Principal Chemist • 2006 - June 2008 Chief Chemist • 2002-2005: Senior Chemist in charge of Assay Laboratory • BSc Chemistry
3.	 <p data-bbox="277 1986 707 2060">Mr. Collin Marangu Member, State Department for</p>	<p data-bbox="751 1615 890 1644">Born 1965</p> <ul data-bbox="802 1655 1425 2029" style="list-style-type: none"> • Currently-Agriculture Secretary, State Department for Agriculture • 2011 - Master of Science in Agriculture & Rural Development from Kenya Methodist University • 2016 – Masters of science in crop protection from Egerton University • 1990 – Bachelor of Science in Horticulture from Egerton university

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Ref	Directors	Details
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Agriculture

4.



Dr. Ayub Macharia Ndaruga
**Member, Ministry of
Environment & Forestry**

Born 1969

- 2017 – Currently– Director Environmental Education and Awareness, Ministry of Environment and Forestry
- 2010 – 2012 – Acting Director General NEMA
- 2000-2003 - PhD in Environmental Education from Rhodes University, South Africa;
- 2011-2013 - Master of Science (Strategic Leadership) from California Miramar University;
- 1994-1998 - Masters of Environmental Science (Wetland Ecology) Kenyatta University (1998);
- 1990-1994 - Bachelor of Education (Botany and Zoology) from Kenyatta University.

5.






Dr. Geoffrey Muriira
**Member, Kenya Bureau of
Standard**




Born 1979

- July 2021 to date – Director, Quality Assurance & Inspection
- 2010-2014 – PhD Medical Biochemistry, Kenyatta University
- 2005 – 2008 – Msc. Biochemistry – Egerton University & Seattle Biomedical Research Institute, USA
- 2000-2005 – Bsc Biomedical Science and Technology, Egerton University

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Ref	Directors	Details
6.	 <p data-bbox="279 846 598 965">Geoffrey Mwikamba Member, The National Treasury</p>	<p data-bbox="751 369 890 398">Born 1972</p> <ul data-bbox="802 412 1409 954" style="list-style-type: none"> • Jan 2012 to date: Chief Information Communication Technology Officer at The National Treasury • Apr 2008 to Jan 2012: Senior Information Communication Technology Officer at Ministry of Finance • Dec 2003 to Apr 2008 ICT Officer I • Dec 1999 to Dec 2003: Systems Analyst/Programmer at City Council of Nairobi • 1997 – Bachelor of Science • 2002 – Diploma in information systems management
7.	 <p data-bbox="279 1350 534 1424">Eric Kimungunyi Co-opted Member</p>	<p data-bbox="751 974 890 1003">Born 1976</p> <ul data-bbox="802 1016 1398 1346" style="list-style-type: none"> • Chief Executive Officer, aak-GROW • 2016 to date PHD – Innovations and Technology Management -JKUAT • 2013: MBA – Strategic Management • 2008: Diploma in Marketing Management • 2008: Basis Certificate in Crop Protection (UK) • 2000: Bachelor of science in Horticulture
8.	 <p data-bbox="279 1843 671 1917">Sahara S. Ali Member, Ministry of Health</p>	<p data-bbox="751 1478 890 1507">Born 1974</p> <ul data-bbox="802 1520 1442 1928" style="list-style-type: none"> • Principal Public Health Officer of the department of Public Health Division of Food Safety, Ministry of Health • Master’s in Public health and Epidemiology – Student • Bachelor of Science and Environmental Health Sciences • Higher Diploma in Environmental Health – food science and inspection • Diploma, Environmental Sciences

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Ref	Directors	Details
9.	 <p data-bbox="277 654 721 734">Prof. Ezekiel Kiprop Member, University of Eldoret</p>	<p data-bbox="753 241 890 273">Born 1965</p> <ul data-bbox="801 282 1417 609" style="list-style-type: none"> ● Deputy Vice-Chancellor (Administration & Finance), University of Eldoret – Immediate ● Professor of Plant Pathology, University of Eldoret – Current ● 1997-2001 - PhD in Crop Protection ● 1990-1993 - MSc in Plant Pathology ● 1987-1990 - BSc in Agriculture
10.	 <p data-bbox="277 1182 721 1384">Dr. Zachary Kinyua Member, Kenya Agricultural & Livestock Research Organisation</p>	<p data-bbox="753 748 890 779">Born 1967</p> <ul data-bbox="801 788 1423 1205" style="list-style-type: none"> ● Assistant Director, Crop Health Research, Kenya Agricultural and Livestock Research Organization (KALRO) ● 2000-2003 - Ph.D. in Molecular Plant Pathology; University of London, United Kingdom ● 1993-1995 - MSc. in Plant Pathology; University of Nairobi, Kenya ● 1998-1991 - BSc. in Agriculture, University of Nairobi, Kenya
11.	 <p data-bbox="277 1729 721 1836">Mr. Mohammed Muktar Independent Member, Chair Audit Committee</p>	<p data-bbox="753 1397 890 1429">Born 1960</p> <ul data-bbox="801 1438 1449 1720" style="list-style-type: none"> ● Board Member, Adef (K) NGO ● Member of District Anti Corruption Civilian Oversight Committee, Wajir County ● 1986-1987 - Account Clerk National Certificate ● 1975-1978 - East Africa Certificate Education ● 1968-1974 - Certificate of Primary Education

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Ref	Directors	Details
12.	 <p data-bbox="277 763 579 837">Sophie Chepkorir Independent Member</p>	<p data-bbox="751 367 887 398">Born 1978</p> <ul data-bbox="799 412 1417 696" style="list-style-type: none"> ● 2008 to date – Social and Environmental Auditor, Fairtrade Labelling Organisation FLO-CET ● 2017 - Social Development Specialist – The Wood Foundation Africa ● Ongoing - Msc Climate Change Adaptation ● Bsc. Agriculture
13	 <p data-bbox="277 1256 699 1541">Mr. William Munyoki Member, The Government Chemist. State Department for Internal Security and National Administration, Ministry of Interior and National Administration</p>	<p data-bbox="751 891 887 922">Born 1969</p> <ul data-bbox="799 936 1417 1592" style="list-style-type: none"> ● Forensic Chemist ● Government Chemist -JG “T” (9th October 2024-To Present) ● Deputy Government Chemist - JG “Q” and “R” (2011-2024) ● Principal Chemist - JG “N” (2008- 2011) ● Senior Analyst – JG”M” (2007- 2008) ● Analyst I – JG “L” (2001- 2007) ● Analyst II – JG “K” (1998-2001) ● Analyst III - JG” J” (1994-1998) ● Laboratory Analyst - 1992 ● MSc in Applied Analytical Chemistry, Department of Chemistry Bachelor of Science, ● BSc. (Chemistry) Second Class Honours (Upper division)
14.	 <p data-bbox="277 1980 592 2054">Mr. Fredrick N. Muchiri Chief Executive</p>	<p data-bbox="751 1603 887 1635">Born 1966</p> <ul data-bbox="799 1648 1430 2080" style="list-style-type: none"> ● Msc in Plant Pathology ● Bsc in Agriculture ● Dec. 2023 to date - Chief Executive Officer, PCPB Dec. 2019 to Nov. 2023 – Head, Registration Department ● 2010 to Nov. 2014 – Regional Manager, Mt. Kenya, Embu PCPB office ● 2014-2015- Regional Manager, Coast; PCPB office 2016-2019 Regional Manager, Mt. Kenya, Embu PCPB office ● 2004-2010 – Deputy to Head of Compliance and Enforcement Department

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Ref	Directors	Details
	Officer/Secretary to the Board	<ul style="list-style-type: none">• 1995 – Gazetted as a Prosecutor• 1994 - Gazetted as an Inspector



**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

**4. Key Management Team
Management**

Details

1.



Mr. Fredrick N. Muchiri
Msc: Plant Pathology Bsc: Agriculture

Chief Executive Officer

Mr. Muchiri is the current Chief Executive Officer of the Pest Control Products Board (PCPB), having worked there for over 30 years. He holds an MSc in Plant Pathology and a BSc degree in Agriculture from the University of Nairobi. He has progressed through various roles, including, Head of registration Department, and earlier as Manager, Compliance and Enforcement, before becoming the CEO. He has played a key role in developing and implementing critical policies and regulations related to pest control products in Kenya.

2.



CPA, Bernard M Mang'ara
BBM (Finance and Banking), CPA-K, MBA-
Finance – Ongoing

Head Finance and Accounts

CPA Mang'ara is the Head of Finance & Accounts Department at Pest Control Products Board (PCPB), having worked there for over 26 years since 1998. He is a Registered Certified Public Accountant. Currently, he is pursuing MBA majoring in Finance at Kenyatta University, and holds a Bachelor's degree in Business Management Finance Option from Mt. Kenya University. CPA Mang'ara has played a key role in shaping PCPB financial and managerial systems.

Management

3.



Dr. Paul N. Ngaruiya
PhD in Tropical Plant Sciences, Msc: Plant Pathology Bsc: Agriculture

Details

Head, Research, Strategy, Performance Management & Planning

Dr. Ngaruiya holds a doctorate degree in Tropical Plant Sciences from James Cook University, Australia, Masters of Science degree in Plant Pathology and BSc degree Agriculture from University of Nairobi. He has a wide experience in the pest control products regulation having served as the Head of Registration for over 15 years before transiting to the department of Research, Strategy, and Performance Management & Planning where he is currently the Head of Department. He has coordinated performance management at PCPB over the last five years, leading to PCPB being rated in the Very Good Category over the years. He also led in the review of recently gazetted PCP regulations.

4.




Mr. Baraza Wanyonyi
Msc. Environmental Chemistry
B.Ed (Science)

Head, Registration

Mr Wanyonyi joined PCPB in 2010 as a Registration Officer in the Department of Registration. He holds a Msc Degree in Environmental Chemistry from Nairobi University. Over the years, he has risen through the ranks to become the Head of the Registration Department.

Mr Wanyonyi has spearheaded review of molecules of human and environmental concern, and fast-tracked evaluation of low-risk products and development of GHS manual and label template to facilitate implementation of the PCP regulations 2024 on Labelling, Advertising and Packaging.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Management	Details
<p>5. </p> <p>Grace N. Muchemi Msc: Analytical Chemistry Bsc: Botany and Chemistry</p>	<p>Head, Analytical Services</p> <p>Ms Muchemi has over 25 years of experience in laboratory analysis of foods, formulated pesticides, pesticide residues in food and environmental samples. Currently, she is the Head of Analytical Services at PCPB overseeing the post registration surveillance of pesticides in the distribution chain as well as monitoring of pesticide residues in food commodities and environmental samples. Ms Muchemi is an analytical Chemist with an MSc in Analytical Chemistry from Kenyatta University and a BSc degree in Chemistry and Botany from Egerton University. She has trained on Food Safety, One Health, Mycotoxin inspection in foods, and Strategic Leadership. She was instrumental in design, construction and operationalization of the PCPB laboratory complex with state-of-the-art equipment.</p>
<p>6. </p> <p>Lawrence Kala Ikiba Msc: Agronomy, Bsc: Agriculture</p>	<p>Head, Compliance and Enforcement</p> <p>Kalawa has been the Head of Compliance and Enforcement Department since 2019 having joined PCPB in August 2001. He holds a Master's degree in Agronomy from Kenyatta University and BSc degree in Agriculture from University of Nairobi. He has been instrumental in the review of the new PCP Regulations 2024 and opening of PCPB offices at different gazetted exit and entry border post in the country.</p>

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

5. Chairman's Statement

On behalf of the PCPB Board of Directors, it is my pleasure to present the Annual Financial Statement Report of the Pest Control Products Board for the financial year 2024/2025. During the year under review, the operations were derived and based on the provisions of the Pest Control Products Act, Cap 346 Laws of Kenya under which the Board is established, the Strategic Plan 2023-2027 and the Government's economic blueprints.

Agriculture takes a significant position in the growth of Kenya's economy with the sector contributing 26% of the country's GDP directly and 27% of the GDP indirectly, through linkages with other related sectors. The sector employs 40% of the total population and 70% of Kenya's rural population. In this respect, the Board has continued to undertake its mandate of regulation of pesticides and service delivery to the public in general with great diligence to enhance agricultural productivity and promote food safety. The process of regulation begins with the registration of pesticides in the registration department where rigorous risk assessment of pesticides is conducted prior to registration to ensure introduction of quality and efficacious pesticides to the market. In the recent past, there has been concern on the safety of some molecules in the Kenyan market. To address this concern, PCPB has cumulatively reviewed a total of 430 end-use products, out of which 77 products have been withdrawn from the Kenyan market, 202 products restricted, and 151 awaiting final regulatory decision. The products were for use in the management of pests in various crops such as coffee, vegetables, flowers and ornamentals. Further, PCPB, through the Ministry of Agriculture and Livestock Development has cumulatively banned 45 products and severely restricted 5 products following reviews at the international and national levels using agreed protocols by parties.

In the period under review, the Board committed to improve the operations of the institution through the review of the legal framework. In the period under review, the Board demonstrated a commitment to enhancing institutional operations by supporting a review of the legal framework. To this end the Board registered a significant milestone achievement where the six Pest Control Products Regulations were gazetted in August-November 2024. This included Labelling, Advertising and Packaging Regulations, Inspection and Certification Regulations, Pest Control Products Registration Regulations, Importation and Exportation Regulations, Fees and Other Charges Regulations and the Disposal Regulations. The new regulations will strengthen legal support for enforcing compliance and improve best practices throughout the distribution chain by setting minimum qualifications for value chain actors. They will enable the Board to effectively address new challenges and emerging

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

issues, while the revised fees have already boosted the revenue collection by about 98% from 330 million (2023/24 FY) to 655 million (2024/25 FY) and support institutional sustainability. Additionally, the PCP Bill 2024 is at an advanced stage of review having been approved by the Cabinet and has been transmitted to the Parliament for debate and approval.

In order to ensure compliance of PCPs to set standards, the Board has undertaken quality assurance of pesticides through premises inspections and certification of products therein as well as training and awareness creation, survey on misuse of pest control products and enhanced enforcement activities. In the period under review, the Board has reported an increase in the achievement of targets in all the above-mentioned focus areas. The Compliance and Enforcement and Analytical Departments play crucial roles in post-registration surveillance and quality assurance activities. They work to ensure that registered products continue to meet the required standards and that their use does not pose any undue risks. The Analytical Services Department is responsible for testing and analyzing samples of products, during and after registration, to ensure they meet the required quality standards.

The availability of illegal pesticides in the market poses significant risks to human health, agricultural yields, and the environment. A general increase in these unregulated products entering the country through various border crossings and ports of entry has intensified these concerns. For instance, the illegal pesticides may contain highly hazardous chemicals not approved for use, exposing Kenyans to acute poisoning or long-term health issues. They may also contaminate water sources and soil, impacting ecosystems and posing long-term environmental risks. To enhance compliance, PCPB hired additional staff members who together with the experienced personnel embarked on an aggressive campaign to curb the influx of illegal pesticides. The efforts have borne fruits with multiple seizures and successful prosecutions being carried out country wide. Targeted training and awareness creation activities for PCPB staff and those from other government agencies working at border points have led to increased collaboration and more stringent import control. To further minimize the influx of illegal pesticides from outside the country, the Board employed and deployed staff at major gazetted points of entry to enhance surveillance. In addition, the Board has continued to build the capacity of farmers, consumers, and the general public about the dangers of illegal pesticides which has led to improved levels of compliance. Furthermore, the Board of Management visited ports of entry, border points to familiarize themselves with the challenges the management has been facing in delivering its mandate with a view of developing workable solutions. The Board has also continued to interact with essential stakeholders through consultative forums to identify partnerships necessary

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

for enhancing service delivery. It created and strengthened collaboration with private and public institutions, as well as other parties, in areas such as strategic planning, research, public health, the environment, agriculture, higher education institutions, and national and international standard-setting organizations purposely to enhance realization of the Board's mandate. During the year, the Board, with the support of the Head of Public Service, the Principal Secretary, State Department for Agriculture and Public Service Commission, secured resources for the Board from the National Treasury to recruit new personnel and acquire essential laboratory equipment, signifying a positive step forward. The increased staff numbers can now handle a greater volume of work, leading to improved efficiency and potentially increased output in achieving the institution's mandate. This explains why there was a 47% increase in the premises inspected and 49% rise in the training and public awareness creation activities compared to the previous financial year (2023/2024). This investment in personnel and tools suggests a commitment to addressing the previous limitations and improving the institution's operational capacity for a more sustainable and food secure future.

Succession planning is crucial for organizational sustainability and effective performance, while maintaining operational continuity and organizational memory. In an effort to address this, the Board approved the proposal to promote staff members in different grades. Additionally, a job evaluation process was initiated through the Salaries and Remuneration Commission (SRC) with a view to addressing staff retention issues currently plaguing the organization. SRC communicated an improvement in the outcome of the job evaluation which led to a commensurate improvement in salaries for some grades at PCPB.

On behalf of the Board, Management and the staff, I wish to emphasize our commitment to effective and efficient service in pesticide regulation and trade facilitation, with an aim to boost agricultural productivity, protect the environment and public health, and foster sustainable development.


Chairman

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

6. Report of the Chief Executive Officer

The Board is pleased to present the financial results for the year 2024/2025. The Board continued to implement the 2023-2027 Strategic Plan. It provides a roadmap for achieving long-term goals, and guides PCPB's activities for the next 3 years. The activities of the year 2024/2025 were identified at the beginning of the financial year and summarized in the work plans.

During this period, the Board advanced the completion of the new laboratory complex from 95% to 97% completion. The Board installed and commissioned LC-MS-MS and procured new analytical equipment such as a Raman spectrophotometer and UV-VIS spectrophotometer. The equipment will assist in verifying that pesticides meet established standards and specifications thus supporting the enforcement of the law and regulations.

During the FY 2024/2025, PCPB recurrent revenue was over Ksh 655 million, which translates to 243% increase in revenue compared to the previous financial years Ksh 269 million. This is the highest amount collected in the history of PCPB. The bulk of the revenue was collected from license fees, Ksh 383 Million, particularly from import levies following gazettement of PCP Regulations 2024 and enhanced inspection coverage. On Government support, PCPB received Ksh. 255 million in recurrent grant. Other incomes recorded Ksh 17 million. The absorption rate at 87.8% against the annual budget.

The Board has been diligent in carrying out its mandate with the Compliance and Enforcement Department inspecting 11,150 premises against a target of 7600, representing 131% achievement of the set target and 51% (7400) increase compared to the achievement in the previous year. The target was surpassed due to increased coverage occasioned by the enhanced staffing levels, opening of an additional regional office in North Rift and border posts. PCPB addressed infiltration of smuggled pesticides through the porous borders by deploying staff at key border points and by introducing targeted raids as was also recommended by the National Security Council. PCPB continued to implement the directives of the National Security Council Committee issued in 2023 and sustained a nationwide awareness campaign through various media platforms about the dangers posed by use of unregistered, smuggled and counterfeit pest control products. The two DCI officers deployed to PCPB by the Inspector General of Police continued to bolster PCPB's enforcement capacity. The DCI officers have been working closely with PCPB inspectors and have been instrumental in investigating non-compliances, conducting raids and prosecuting sellers of illegal pesticides. As part of the strategy to address illegal pest control products, the Board instituted a total of 41 cases in court against traders dealing with smuggled, unregistered and counterfeit products across the country. The Coast and Mount Kenya region recorded the highest number of cases. Twenty four of the 41 cases were concluded and seventeen are ongoing.

The department successfully completed 156 training and public awareness creation activities, surpassing the PC target of 90 and exceeding the previous financial year's performance by 95% (80). This achievement was facilitated by availability of resources and enhanced cooperation with other government agencies including county governments and partners involved in farmer and stakeholder

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

training.

The Registration Department presented to the Board for consideration a total of 156 new products. A total of 37 pre-registration trial sites were monitored to ensure the pesticides introduced in the Kenyan market are efficacious and offer value to the farmers. One hundred and ten (110) label extensions were evaluated for already registered products to increase scope of use. On supporting the fight against emerging pests and diseases, and emerging crops, 23 products were evaluated. Twenty-four Technical grade materials were considered to support local formulation of pest control products. PCPB also fast-tracked registration of 18 low risk products out of which 8 PCPs were for export purposes. To address rising concerns over human and environmental safety, and trade concerns, fourteen active ingredients and their associated end use products were reviewed.

In the 2024/2025 FY, the country imported approximately 22,847 metric tonnes of PCPs representing 18% increase in volume compared to the previous FY 19,368, metric tonnes. This observation could be attributed to favorable weather conditions that promoted agricultural activities and stringent border controls including reallocation of the Board's position at Mombasa Port that minimized influx of illegal PCPs from neighboring countries

PCPB continues to be part of the global community on matters concerning pesticide regulations. During the year, PCPB participated in fifteen meetings on multilateral environmental agreements MEAs/Conventions, East African Community pesticide technical working group (EAC-TWG), World Health Organization (WHO), and pesticide and chemical risk management (KEMI).

The Analytical department collected and analyzed 518 pesticides samples for quality assurance, against a target of 375 surpassing the set target. The results of analysis of pesticide samples is used as evidence in supporting court cases on non-compliant products. The PCPB analytical Services Department finalized the development of a National Residue Monitoring Framework. The monitoring framework will guide sampling of food commodities in the country for pesticide residue analysis. In the period under review, the Board through the department of Analytical Department conducted sampling and analysis of pesticide residues in food crops found in Kajiado, Narok, Taita Taveta, Kirinyaga and Kiambu counties as well as Lamu. The findings of the exercise was to provide crucial insights into the adherence of farmers to approved pesticides, the alignment of active ingredients with prescribed produce as approved, and the compliance with international standards regarding pesticide residue levels. With the purchase of the right analytical instruments, the Board is poised to conduct many such exercises with an aim of providing regulatory guidance on the use of PCPs.

The Research, Strategy and Planning Department undertook a survey to evaluate the nature and extent of misuse of pesticides during both pre- and post-harvest drying of maize in Trans Nzoia County. Key focus of the survey was to investigate the reported use of Glyphosate for pre-harvest drying and Malathion-based products for post-harvest drying of maize. Contrary to widespread suspicion, the study found no significant evidence of glyphosate being used for pre-harvest drying of maize among the surveyed farmers.

However, the misuse of Malathion-based pesticides for post-harvest purposes was found to be

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

prevalent in Trans Nzoia County. Thirty-three (33%) of farmers and traders interviewed admitted to using pesticides as a means to reduce moisture content in harvested maize in order to meet market demand and benefit from favorable prices. Peer influence by fellow farmers and traders emerged as a significant factor driving the continued use of this unsafe method. PCPB will enhance awareness creation on responsible use of pesticides in collaboration with the county government to discourage the practice. Further surveys will be carried out to establish the extent of the problem.

By the close of the financial year under review, PCPB had a total staff force of 138 under various terms of service against an approved staff establishment of 271, thus operating at 51% of its staff capacity. This was a remarkable increase from 57 (21%) recorded in the previous year. A long-term solution to PCPB's staffing deficit is being sought through the proposed Pest Control Products Bill that has a provision to obtain body corporate status. During the same period, PCPB also offered 41 attachment opportunities to students from various tertiary learning institutions.

In order to boost the staff morale and ensure continuity at the workplace, succession planning at PCPB has become a critical process. It is a strategic process focused on identifying and developing internal talent to fill critical roles within an organization and to ensure minimal disruptions caused by employee turnover or unexpected departures. In this respect, the Board has promoted several staff members in different departments and at different grades to address the succession management plan.

PCPB continued to digitalize services to enhance service delivery, boost operational efficiency and improve customer experience. During the year, PCPB completed digitalization of accreditation of pre-registration trial institutions and Disposal of Pest Control Products services.

In conclusion, the Board and management are dedicated to the ongoing enhancement of the institution to fulfil its mandate effectively and professionally.



**Fredrick N. Muchiri
CEO/Secretary PCPB**

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

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

Pest Control Products Board has two strategic pillars and six strategic objectives as outlined in the Strategic Plan for the FY 2023- FY2027. The strategic pillars are as follows:

Pillar 1: Ensuring availability of Quality and safe Pest Control Products to promote agricultural productivity while safeguarding human health, animal health and the environment.

Pillar 2: Enhance Institutional Growth and Sustainability.

Strategic objectives

The strategic objectives to support the key result areas are:

1. Enhance compliance of pest control products with set standards and facilitating trade.
2. Ensure safe, quality and efficacious pest control products are availed to users.
3. Promote responsible handling and use of pest control products.
4. Enhance compliance with food safety standards and market requirements
5. Improve resource mobilization and accountability
6. Improve quality and efficiency of service delivery

PCPB develops its annual work plans based on the above two pillars/themes/issues and strategic objectives. At the beginning of the financial year, PCPB negotiated and signed the annual performance contract with the Government. The Performance contract for 2024/2025 financial year was based on the 21st cycle Performance Contracting Guidelines. The milestones were monitored and reported on a quarterly basis to the Board of Management, Parent Ministry, National Treasury and specialized agencies. PCPB achieved its performance targets set for the FY 2024/2025 period as summarized in the *Table 1*.

Table 1: Performance Results Data

Strategic Pillar/Theme/Issues	Strategic Objectives	Key Performance Indicators	Activities	Achievements	
Ensuring availability of Quality and safe Pest Control Products to promote agricultural productivity while safeguarding human health, animal health and the environment	Enhance compliance of pest control products to set standards and facilitate trade	Maintain compliance through inspection of pesticide premises for licensing	Inspected premises manufacturing or stocking pesticides	11,150	
		Compliance of pesticides enhanced through monitoring of pesticide quality	Sampled and analysed pesticide samples	518	
		Safe disposal of obsolete, illegal pesticides and wastes encountered	All Obsolete, expired and illegal pesticides encountered were seized and safely disposed	100%	
		Raw materials for manufacturing Pesticides to boost trade	Fast-tracked registration of all technical grade materials applications to support local manufacturing	100%	
		Pesticides for export registered	Fast-tracked registration of pest control products meant for export	100%	
	Ensure safe, quality and efficacious pest control products are availed to users	Health and environmental risks mitigated	Held registration meetings and evaluated pest control products for registration purposes and prepared reports		100%
			Active ingredients and their associated end use pest control products of Health, environmental and/or trade concern reviewed		14
		Institutions Researching on Pesticide Performance Monitored	Monitored accredited institutions conducting pre-registration trials		37
		Regulatory environment improved	Participate in Multilateral Environmental Agreements MEAs/Conventions, EAC and CODEX & pesticide management		15

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

Strategic Pillar/Theme/Issues	Strategic Objectives	Key Performance Indicators	Activities	Achievements
	Enhance compliance to food safety standards and market requirements	Pesticides for emerging pests and diseases, and crops registered	meetings Fast-tracked registration of pest control products for control of emerging pest such as false codling moth in capsicum	100%
		Low risk products registered to address food safety and market requirements	Fast-tracked registration of potential low risk pest control products including biological Fast-tracked registration of pest control products for emerging export commodities and minor crops	100%
	Promote responsible handling and use of pest control products	Stakeholder Trainings and Awareness created	Organized trainings and participated in awareness creation activities (e.g farmers’ field days, shows, exhibitions etc) to disseminate information on the responsible use of pesticides to farmers and other users	156
Enhance Institutional Growth and Sustainability	Improve resource mobilization and Accountability	Project Completion Rate	Construction of PCPB residue laboratory—Progressed the project from 95% to 97% by procuring laboratory equipment as follows: 1. Laboratory analytical equipment (LC-MS-MS) installed and commissioned. 2. An Ultrasonic Bath Sonicator, a Raman spectrophotometer, a Refrigerated Research Centrifuge, and two ovens procured. 3. UV-VIS spectrophotometer, 2	97%

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Strategic Pillar/Theme/Issues	Strategic Objectives	Key Performance Indicators	Activities	Achievements
			fume hoods, Water Purification system procured	
	Improve quality and efficiency of service delivery	Science, Technology and Innovation Mainstreaming	Conducted a survey on the use of pesticides during pre and post-harvest drying of Maize in Trans Nzoia County.	100%
		Corporate Social responsibility	<p>Trees planted/grown.</p> <p>a. Over 30,077 trees were planted/grown in the field.</p> <p>b. PCPB maintained over 12,328 seedlings in the PCPB nursery avocado seedlings, Variety Haas, Coffee seedling, Variety Ruiru 11 & Variety, SL 34</p> <p>c. Seven tree planting events held— at Kinale forest; Mau Forest; the University of Nairobi, Kabete Campus; PCPB compound in the Headquarters, Loresho Nairobi; Mau Conservancy at Makutano Forest Station; Eastern Conservancy at Ontulili Forest Station; Central Highlands Conservancy at Gathiuru Forest Station.</p> <p>Total = 42, 405 tree planted</p>	

8. Corporate Governance Statement

i. Appointment of Board members, Process of appointment and removal of directors, Process of appointment and removal of directors

Appointment:

The President appoints the Chairman for a period of three years' renewable once. The Cabinet Secretary appoints Directors to serve the Board for a period of three years, renewable once, except for Alternate Directors for Principal Secretaries representing government ministries as provided for in the PCP Act, who are nominated by their Ministries. All the independent members are appointed through a gazette notice.

Removal:

The Board may recommend the removal of a member based on non-performance, no-attendance of meetings, unethical conduct or as set out in any constitutive documents and applicable laws. No board member was removed during the financial year. The size, diversity, and demographics of the Board, Existence of the Board charter is presented in *Table 2*.

Table 2: The size, diversity, and demographics of the Board of Management

Director Name	Position	Gender	Qualification	Ethnicity	PWD	Date Appointed	Age
Joseph Njoroge Kagwe	Chairperson	Male	Degree	Kikuyu	No	2022-07-05	65
Sahara Sheikh Ali	Alternate Member	Female	Degree	Somali	No	2024-01-26	51
Geoffrey Mwikamba	Alternate Member	Male	Degree	Taita	No	2015-10-14	52
Ayub Macharia Ndaruga	Alternate Member	Male	PhD	Kikuyu	No	2022-08-22	55
Collin M. Maranguh	Alternate Member	Male	Masters	Meru	No	2020-11-16	59
Mohamed Muktar	Independent Member	Male	Diploma	Somali	No	2022-07-13	65
Zakayo Murimi Kinyua	Alternate Member	Male	PhD	Kikuyu	No	2022-12-06	57
Andrew Mware Kinyua	Alternate Member	Male	Masters	Kikuyu	No	2023-11-07	58
Sophie Chepkorir	Independent Member	Female	Masters	Kalenjin	No	2023-07-28	46
Geoffrey	Alternate	Male	PhD	Meru	No	2023-10-27	46

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Director Name	Position	Gender	Qualification	Ethnicity	PWD	Date Appointed	Age
Muriira Karau	Member						
Eric Sitanda Kimunguyi	Co-opted member	Male	Masters	Luhya	No	2023-11-23	49
Fredrick Njiru Muchiri	Chief Executive Officer	Male	Masters	Meru	No	2023-12-19	59
William Kailo Munyoki	Alternate Member	Male	Masters	Kamba	No	2025-02-04	56
Ezekiel Kiprop	Independent Member	Male	PhD	Kalenjin	No	10/28/2021	60

Board Charter

The Board charter is in place and aligned to the Mwongozo code of governance.

ii. Roles and functions of the Board

Board of Directors

Currently, the Board consists of 13 Directors who possess qualification and a wide range of expertise and experience that enable them to contribute effectively in their capacities as Directors to the Pest Control Products Board.

Duties: The Board gives direction on the organization’s strategy, objectives and values and ensures procedures and practices are in place to oversee proper governance and the effective control over the organization’s assets and operations.

The Board of Management meets on quarterly basis or as required to continually review and monitor the organization's progress with respect to strategic direction and operational effectiveness.

Board Committees

There are three Board committees, with written terms of reference to facilitate effective assistance to the Board to enable efficient decision making in executing their duties and responsibilities. Delegation of the authority to the Board committees does not discharge the Board of its duties and responsibilities.

iii. Induction, training, and development

All the Board members undertook an Audit and Risk Oversight program at the Kenya School of Government. Members shall undertake Board Induction in the next training program by the State Corporations Advisory Committee.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

iv. Board and members' performance

During the financial year, the State Corporation Advisory Committee facilitated the Board Self Evaluation.

v. Number of Board meetings held and the attendance to those meetings by members

The Board held meetings (*Table 3*) as follows: -

- a) Full Board meetings - Seven (7);
- b) Technical and Registration committee meetings - Eight (8);
- c) Finance and Administration committee meetings (5);
- d) Audit committee meetings - Four (4); and
- e) Board Evaluation - Two (2).

Table 3: Attendance of Committee / Board meetings by individual members - Number of meetings FY 2024/2025

#	Board Member/ Organization	Technical & Registration Committee	Finance & Administration Committee	Audit Committee	Board Evaluation	Full Board meeting
Number of meetings		8	5	4	2	7
1.	Mr. Njoroge Kagwe - Chairman				2	7
2.	Ms. Sophie Chepkorir - Independent Member	3	4	1	2	4
3.	Mr. Geoffrey Mwikamba - The National Treasury		5	4		5
4.	Dr. Zachary M. Kinyua - Kenya Agricultural & Livestock Research Organization	8	4		1	7
5.	Mr. Mohammed Muktar - Independent Member		1	3	2	7
6.	Mr. Eric Kimunguyi - Co-opted Member		3	1	2	6
7.	Prof. Ezekiel	1		2	2	4

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

#	Board Member/ Organization	Technical & Registration Committee	Finance & Administration Committee	Audit Committee	Board Evaluation	Full Board meeting
Number of meetings		8	5	4	2	7
	Kiprop- University of Eldoret					
8.	Dr. Ayub Macharia - Ministry of Environment, Climate Change & Forestry	5		1	2	4
9.	Mr. Collins Marangu - State Department for Agriculture	4		1	1	4
10.	Mr. Andrew Mware Kinyua - State Department for Water & Sanitation	3	4		1	5
11.	Ms. Sahara Ali - Ministry of Health	5	1		2	5
12.	Dr. Geoffrey Muriira - Kenya Bureau of Standards	5			1	3
13.	Mr. William K. Munyoki- Government Chemist		1		2	1

vi. Succession plan

The institution has ensured that tenures of Board members do not expire at the same time. During the year, the terms of service for Prof. Ezekiel Kiprop and Mr. Mohammed Muktar were renewed for a period of three years. Mr. William Munyoki, the Government Chemist was appointed to replace Mr. Ali Gakweli who had retired. However, in the last quarter of the financial year, Mr. Geoffrey Mwikamba representing the National Treasury was transferred to another State Corporation and is yet to be replaced.

vii. Policy to manage conflicts of interest.

Conflict of interest - A conflict of interest register is maintained. Members sign to declare No

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

conflict of interest during all Committee and Board Meetings.

viii. Board remuneration

During the financial year, Board members were remunerated for their services in accordance with the prevailing relevant legislative provisions and guidance by government circulars issued from time to time. Members are currently entitled to the following allowances: -

- a. Sitting allowance of Kshs.20,000/=,
- b. Lunch allowance of Kshs.2,000/=,
- c. Transport – Provided /mileage allowance paid where applicable,
- d. Daily Subsistence Allowance - Kshs.17,500/=,
- e. Chairman’s honoraria Ksh.80,000/= per month,
- f. Chairman’s Airtime of Kshs.7,000/= per month.

ix. Ethics and Conduct

Ethics and conduct - A code of conduct is in place. During the financial year, all members of the organization adhered to the code of conduct and ethics.

x. Governance audit

Governance audit - The Board has not had a Governance audit yet in the period under review. However, the exercise will be budgeted for in the next financial year to procure the services of a Certified Governance Auditor.

xi. Communication policy

The policy is under development and the draft is ready for Board’s approval.

xii. Terms of Reference of Committees

Technical and Registration Committee

Duties

1. To assess and evaluate applications for Registration and make recommendations to the Board of Management (hereby “the Board”);
2. To consider and review registered products that may have health concerns to humans, animals, plants, trade and the environment.
3. To consider and review emerging issue in pesticide regulation and make recommendations to the Board;
4. To consider submissions by applicants whose products have concerns that may lead to rejection of applications for registration (Right to be heard);
5. To consider proposals for suspension or revocation of certificate of registration and make recommendations to the Board;
6. To evaluate accreditation and re-accreditation reports and make recommendations to the

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Board;

7. To consider guidelines on registration and licensing of premises and recommend to the Board;
8. To review fees and other charges from time to time and make recommendation to the Board;
9. To ensure creation of awareness to the stakeholders and the general public on all aspects of safety, storage, handling, disposal and use;
10. To advise the Board on any other Technical matters on Regulation of Pest Control Products;
11. To consider the budgetary allocation to the Technical departments as to its adequacy and make recommendations;
12. Any other duties assigned by the Board.

Finance and Administration Committee

Duties

1. To perform advisory roles on the Board's financial operations.
2. To make recommendations to the Board on matters of finance, accounting and human resource management and administration in general.
3. Review and make recommendations to the Boards annual budget and procurement plan.
4. Review periodically the organization's strategic objectives and human resource policy instruments and policies relating to sustainability and social responsibility;
5. Ensure that the procurement process is cost effective and delivers value for money;
6. Review on quarterly basis the attainment of targets and objectives set out in the agreed performance contract framework with the Government of Kenya; and;
7. Perform such other functions as assigned by the Board.

Audit Committee

Duties

1. Oversight over Internal Control processes for realization of Pest Control Products Board's objective;
2. Oversight over External Audit (EA) and Internal Audit (IA); EA & IA: appointment, meetings, integrity of financial statements, key audit findings and recommendations, effective structure, IA charter, IA Strategic plan and IA Annual plans;
3. Review and monitor compliance with the organization's code of Ethics.
4. Monitor compliance with Constitution, all applicable laws, regulations and standards;
5. Initiate and oversight- specialized audits and investigations.
6. Oversight over Risk Management- review of risk management framework;
7. Approves decisions regarding appointment, promotion, removal and remuneration of the Internal Auditor;
8. Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate; and
9. Ensure that effective processes and systems of risk management and internal controls are in place.

**Pest Control Products Board
Annual Report and Financial Statements**

▼ **For the year ended June 30, 2025**

xiii. Policy on related party transactions

PCPB recognize and disclose related party transactions to comply with the government policy on transparency, tax compliance and good governance.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

9. Management Discussion and Analysis

Operational & Financial Performance

The Pest Control Products Board (PCPB) is a statutory organization of the Government of Kenya, tasked with regulating the pest control products (PCPs) industry. This regulatory oversight spans from manufacturing and distribution to the use and disposal of PCPs waste. The PCPB's mandate ensures that PCPs introduced and utilized within Kenya are safe, cost-beneficial, and effective. This contributes to enhanced sustainable agricultural productivity and food security, safeguards public health, facilitates trade, and promotes sustainable economic growth by providing tools for pest and disease management without inadvertently harming humans, animals, or the environment.

To undertake its mandate, the Board has various departments and divisions/sections charged with various activities for smooth operations; the departments are follows:

- a) Corporate services
- b) Registration
- c) Compliance & Enforcement
- d) Analytical Services
- e) Research, Strategy, Planning and Performance Management

The Finance and Accounts Division is mandated with Revenue Collection, Accounting, Budget process coordination and implementation, Expenditure Control and Budget implementation monitoring. The division ensures all other departments operate smoothly through prompt facilitation and guidance.

PCPB's financial performance has consistently improved over the past five years. This is attributed to continuous efforts to engage all stakeholders and ensure compliance with relevant levies/fees as stipulated in the Regulations, alongside prudent and effective resource utilization to fulfill its mandate and collect due revenue.

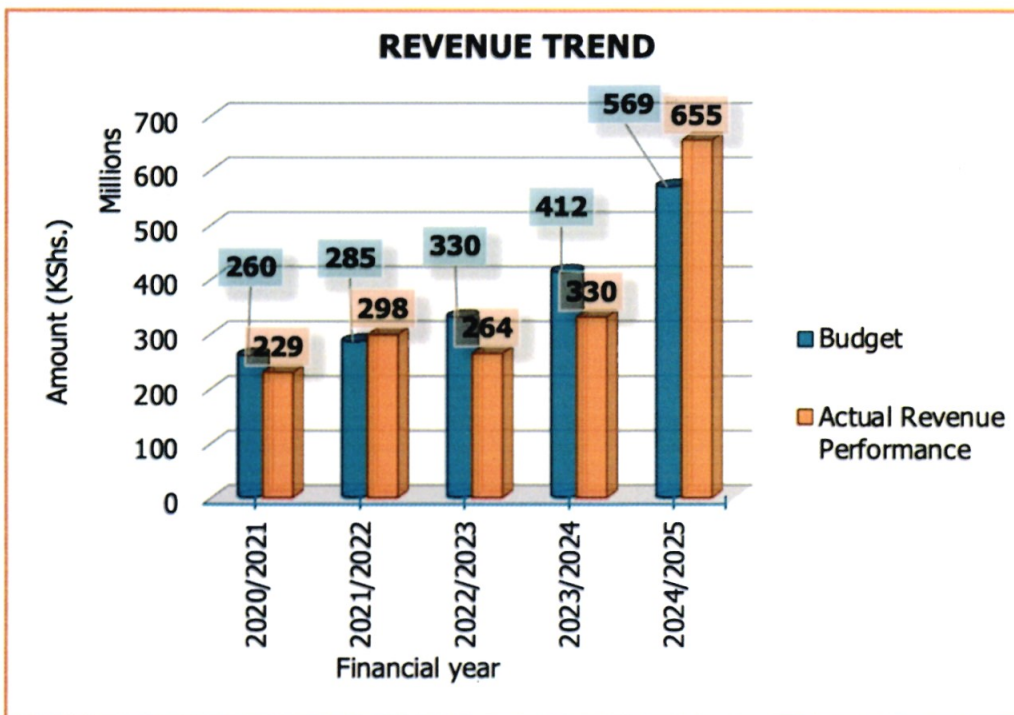


Figure 1 on revenue trend over 4 years indicate an exponential growth for the last five years from total revenue of Ksh. 229 million in FY 2020/2021 to Ksh 655 million in FY 2024/2025 a 186.1% growth while the expenditure increased from Ksh. 200 million in FY 2019/20 to Ksh. 491 million representing 144.5% growth. The improved revenue stream was occasioned by increased AIA, and grants by the National Treasury, intervention to support the Board's operations by

Figure 1: Revenue Trend over 4 years

the National Security Council,

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

The Fees and Charges Regulation, 2024 which came in force in December 2024, and digitization of PCPB services which was reflected in the improved revenue collection. The two major expenditure drivers are personnel emoluments, costs in recurrent expenditure and the on-going equipping of the pesticide residue laboratory in the capital expenditure section.

The table below (*Table 4*) and the graphical presentation highlight the revenue (*Figure 1*) and expenditure (*Figure 2*) performance for the last five years.

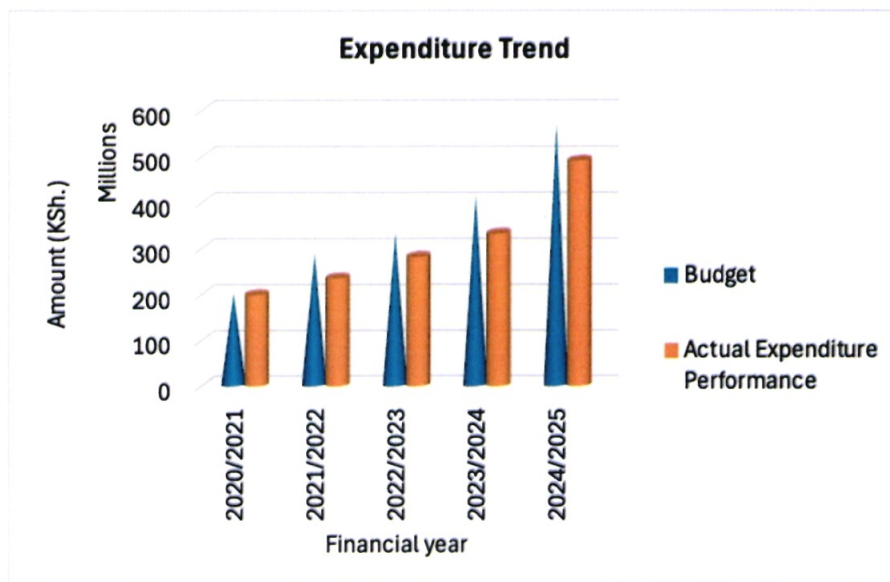


Figure 2: Trend of Expenditure in last 4 years

Table 4: Revenue & Expenditure Trends

	Revenue Trend				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Budget	259,941,436	285,400,000	330,000,000	412,000,000	569,000,000
Actual Performance	229,052,079	298,148,415	263,681,231	330,305,487	655,465,216
	Expenditure Trend				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Budget	198,804,436	285,400,000	330,000,000	412,000,000	569,000,000
Actual Performance	200,140,108	236,521,948	283,046,698	333,582,215	491,761,066

Registration Department

The Department is responsible for the pre-approval assessment of scientific data, risk evaluation, and post-registration re-evaluation of pest control products. During the financial year, the Registration Department submitted 156 new products to the Board for full registration. These products were evaluated across various disciplines: Chemistry, Toxicology, Ecotoxicology, Environmental Fate and Behavior, Efficacy, and Consumer Safety. Of the total, 24 products were technical grade materials designated for local formulation, and 18 were low-risk Plant Protection Products (PCPs). To support local value addition and manufacturing, the Board approved 8 PCPs specifically for export.

A total of 23 products were evaluated for emerging pests such as False Codling Moth and emerging crops such as avocado, flowers, pepper, mangoes. Ninety-seven (97) products were considered for parallel/daughter registration, A hundred and ten (110) products were considered for label extension for various use situations. A total of 2 products were de-registered from the market through voluntary

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

withdrawal by applicants (*Table 5* and *Figure 3* below).

Table 5: Summary of the reviewed molecules for the last three years

	2022/2023	2023/2024	2024/2025
New applications	67	128	132
Technical grade for local formulation	18	34	24
Parallel	114	108	97
Label extension	84	105	110
Deregistration	33	9	2
Review of active ingredients & associated end use products	7	8	14
Fast Track (emergency)	25	19	23

Review of active ingredients and associated end use products of human health, environmental and/or trade concern.

A review was conducted on 13 active ingredients and 1 co-formulant currently registered in Kenya, period under a review, this was an improved performance from the previous 2 years as shown in *Table 5* and *Figure 3*)

The listed products include Abamectin and Thiamethoxam (intended for pollinator protection in open fields), Profenofos, Acrinathrin, Hexaconazole, and Diazinon (with restricted application to mitigate risk to bees, specifically limited to dipping pineapple planting material/crowns). Additionally,

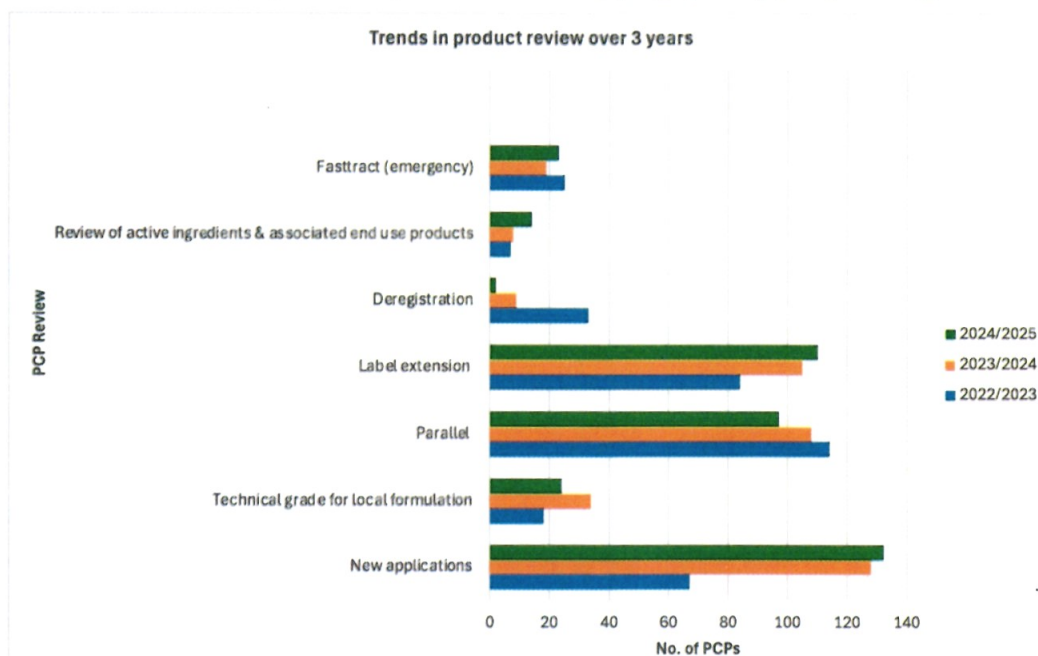


Figure 3: Trends in PCPs reviews

hazard (intrinsic properties) and risk (situational use and hazard), further substantiated by data from international regulatory bodies that indicated deleterious effects of these compounds on human health and the environment. This review was additionally undertaken in response to recommendations issued by the Parliamentary Departmental Committee on Health, subsequent to Public Petition No. 70 of 2019, which advocated for the removal of particular products from the Kenyan market.

Propoxur (for public use, addressing concerns regarding toddlers and children in domestic environments), Jarvine, Methomyl, Fenchlorazole-ethyl (a safener incorporated in weed control PCPs), Carbaryl, 1,3-Dichloropropene, Flubendiamide, and Paraquat Dichloride are included. The assessment was predicated upon evaluations of both

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Thirty-seven (37) institutions were accredited/re-accredited to conduct trials, 37 accredited institutions that are involved in pre-registration trials were monitored. This was an improvement from the previous 2 years as shown in *Table 6* and *Figure 4* below.

Table 6: Summary of the number of accreditation research Institutions

	2022/2023	2023/2024	2024/2025
Monitoring of pre-registration institutions	31	33	37
Accreditation/Re-accreditation	12	12	37

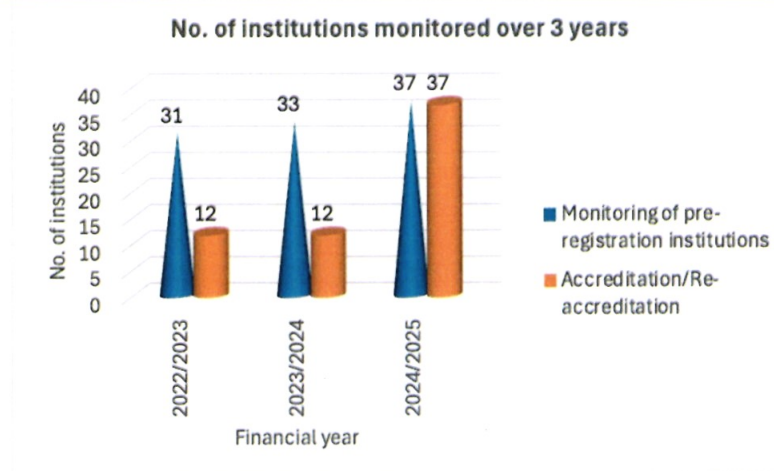


Figure 4: number of accreditation research Institutions

Importation of Pest control products

PCPB facilitates the importation of approved PCPs through the Kentrade online platform, maintaining an average turnaround time of one day. Importation volumes for the preceding three fiscal years are documented as follows: 13,633,789 Kgs (2022/2023), 19,368,042 Kgs (2023/2024), and 22,847,267 Kgs (2024/2025) as presented in *Figure 5* and *Table 7*. The 68% increase in imported pest control products from FY 2022/2023 can be attributed to several factors: favorable weather conditions that supported crop production compared to the dry spell in FY 2022/2023, increased surveillance and prevention of illegal importation at border points, the prohibition of consolidated cargo, and enhanced activities aimed at removing illegal pesticides from the local market. These regulatory actions have yielded positive results, fostering a more legitimate trade environment for pesticides.

Table 7: Summary of the volumes of Imported PCPS for the last three years

Import data for 3 years	2022/2023	2023/2024	2024/2025
Import (Kgs)	13,633,789	19,368,042	22,847,267



Figure 5: volumes of Imported PCPS for the last three years

Institutionalization of the Review of active ingredient and associated end use products:

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

The Department initiated the institutionalization of the periodic review of pest control products and their end-use products approved for national use. During the Financial Year 2024/2025, the Department developed the "Draft Guideline on Re-evaluation of Active Ingredients and Pest Control Products." The principal aim of this guideline is to establish a robust, science-based framework for both periodic and unscheduled re-evaluation of active ingredients and their corresponding end-use products.

Labeling guidelines in accordance to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) and the Kenya labeling regulations, 2024

In FY 2024/2025, the department began developing labeling guidelines aligned with the UN's GHS, which standardizes chemical hazard communication. This system requires specific labels on all chemical containers for safe transport and use of hazardous substances. The GHS encompasses the classification of physical, health, and environmental hazards associated with chemicals.

Labeling will accomplish the following:

- a. Enhance the protection of human health and the environment by providing an internationally comprehensible system for hazard communication.
- b. Reduce the need for testing and evaluation of chemicals.
- c. Facilitate international trade in chemicals whose hazards have been properly assessed and identified on an international basis.

Compliance & Enforcement Department

The Compliance and Enforcement department is mandated to safeguard human health and the environment by working towards reducing environmental impact associated with production, use and disposal of pesticides. The activities undertaken geared towards environmental protection and safety to human were:

- a. Assessment of suitability of premises used for manufacture, formulation, storage and distribution of pest control products for the purpose of licensing.
- b. Processing and issuance of import and export permits of pest control products
- c. Advising the Cabinet Secretary on all matters relating to the provisions of the Act and regulations made there under.
- d. Post registration surveillance for the purpose of quality assurance of pest control products.
- e. Awareness creation and training of stakeholders on responsible use of pest control products.
- f. Investigation and facilitation of prosecution on offences under Pest Control Products Act and regulations made there under.
- g. Supervision of disposal of obsolete and illegal pest control products.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Premises inspection and certification

10,150 premises were inspected—a 50.6% increase from last year—to ensure compliance with pest control product regulations and standards (*Figure 6*). The results affirm the enhanced country wide coverage in inspection and certification, a clear demonstration of the department’s commitment to the achievement of the institution's mandate.

Stakeholder trainings

The training and awareness creation are intended to guide the stakeholders on responsible and judicious use of pest control products. Over the last four financial years, the department has recorded a progressive increase in the number of the training and awareness activities with the highest number (156), this represented 28.9% increase over the previous financial year. The details of the conducted training and awareness creation activities are illustrated in the *Figure 7*.

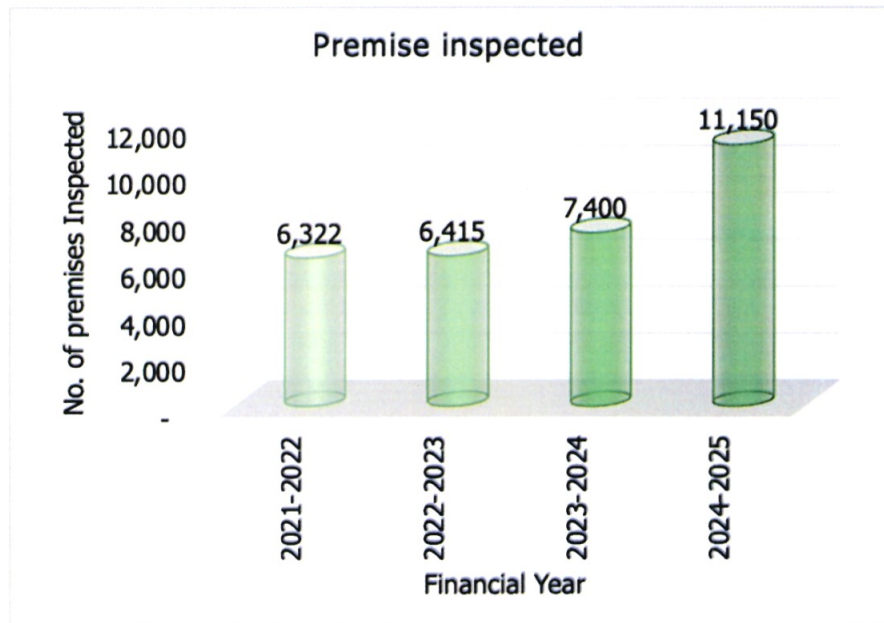


Figure 6: Premise inspected

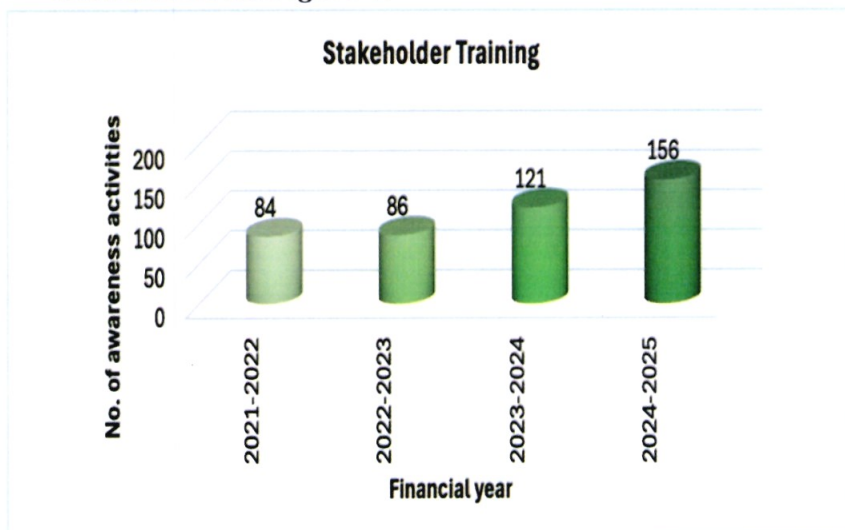


Figure 7: Trend in stakeholder engagement

Investigations and Prosecution:

During the period under review, Compliance & Enforcement Officers, in collaboration with relevant government agencies, initiated 41 legal cases. Of these, 24 were concluded, while 17 remain active. These are presented in

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

Table 8: Summary of Court cases in FY 2024/2025

Cases in the Law Courts across the Country			
Regional Office	Concluded	Ongoing	Total
Mt. Kenya	7	2	9
Coast	7	3	10
Nairobi	2	2	4
South Rift	5	6	11
North Rift	0	2	2
Western	3	2	5
Total	24	17	41

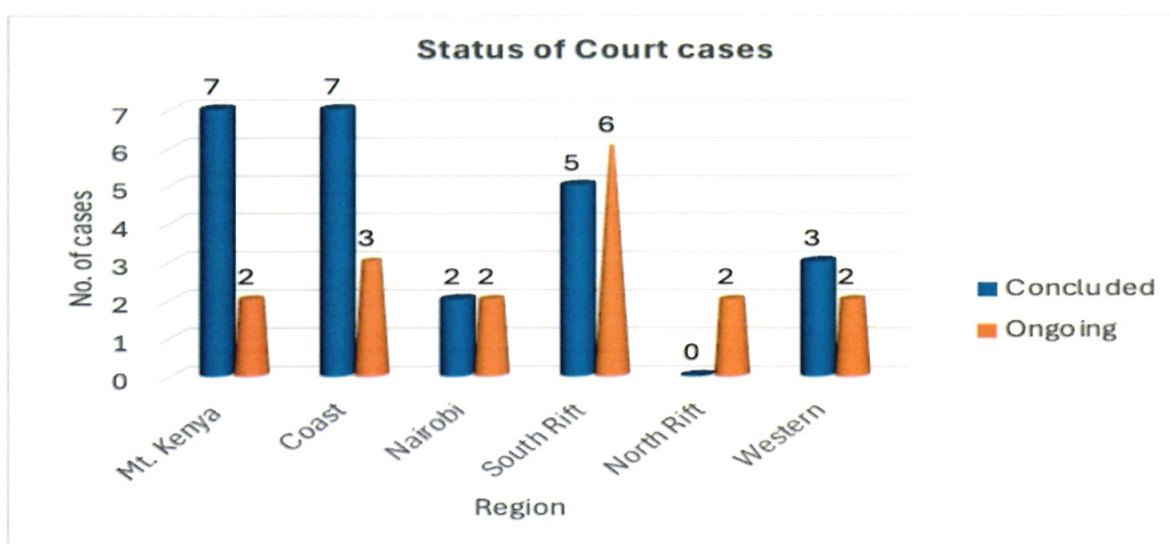


Figure 8: Status of Court cases in the FY 2024/2025

Analytical Services Department

PCPB analytical laboratory undertakes quality analysis of pesticide formulations in the distribution chain to ensure compliance with set standards and residue analysis of agricultural produce in the market **Table 9** and **Figure 9**.

The counterfeiting and adulteration of pesticides can reduce agricultural production affecting food security and is a risk to humans and contribute to loss of export markets due to non-compliance. Quality Public health products are required for effective control and management of vectors/insects such as mosquitoes, fleas, cockroaches, bed bugs etc.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**



Plate 1: Laboratory sample preparation

The purpose of analyzing these samples is to check on quality compliance to set standards thus ensuring that pesticides applied as per label instructions coupled with observance of Good Agricultural Practice (GAP), would lead to sustainable pest management and should not result in Maximum Residue Limit (MRL) exceedances. The laboratory is critical in facilitating trade in PCPs as the

country curbs the activities of counterfeiters by enhancing compliance to set standards.

In the last 4 years the laboratory analyzed samples collected by PCPB Compliance & Enforcement Officers during routine inspection or during investigations and staff from Analytical Services department to verify the quality of PCPs. In general, the Analytical Services department collects samples for post-registration surveillance and supports Compliance & Enforcement in adducing evidence in courts.

Table 9: Summary of the sampled & analyzed PCPs in the last three years

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
PCPs samples collected in the market & analyzed	357	370	407	412	518

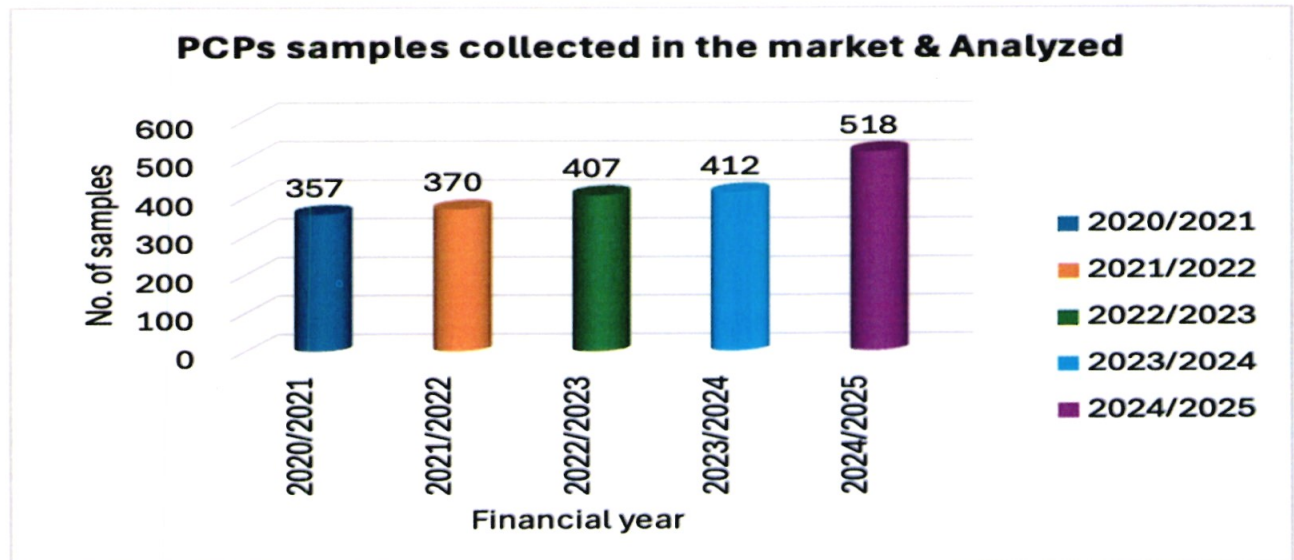
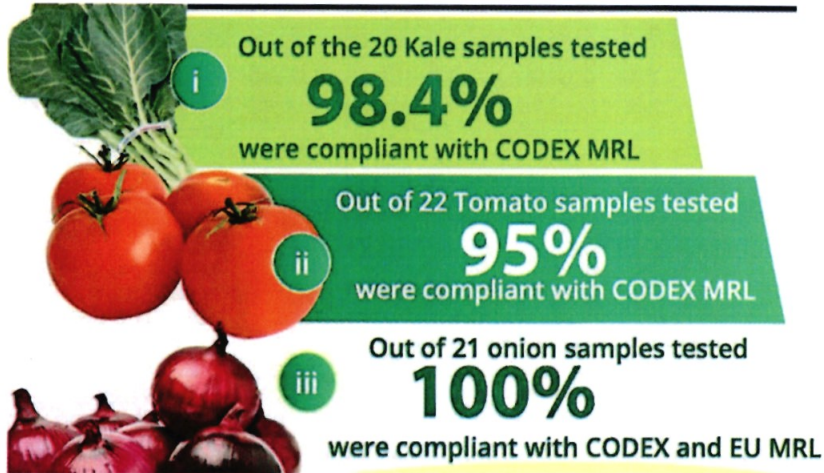


Figure 9: sampled & analyzed PCPs in the last three years

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

National Pesticide Residue Monitoring

In order to enhance food safety and protect consumers, the Board in the 2024/2025 FY sampled fresh agricultural produce in five (5) counties namely: Kajiado, Narok, Taita Taveta, Kirinyaga and



Kiambu, the exercise started in May 2025 and concluded on 30th June 2025, a total of 200 fresh produce samples were collected. The target crop was Kales, French beans and Tomatoes. In the previous period samples were collected from Kajiado, Nakuru, Nyandarua, Nyeri, Kirinyaga, Makueni, Meru & Taita Taveta Counties, targeting kale, tomatoes and onions to check for compliance with registered uses and

Plate 2: Level of Compliance to maximum residue limits

permitted levels of pesticides in food or feed) in produce in the local market (*Plate 2*).

Project: Construction of Laboratory Block

Through Government of Kenya support, PCPB laboratory complex consisting of pesticide residue laboratory, formulation laboratory, inorganic laboratory and biopesticide laboratory, research laboratory, conference facilities, library and offices has been completed (*Plate 3*).

The laboratory has undertaken monitoring and surveillance of pesticide residues in food commodities samples while also carrying out tests on formulated products to assess their level of compliance to residue limits and quality. PCPB laboratory has been analyzing pyrethrin products for companies promoting natural products by sourcing and paying pyrethrum from Kenyan farmers on a quality basis (% pyrethrin) hence encouraging local production and changing lives in the pyrethrum sub sector.



Plate 3: PCPB Laboratory block

**Research, Strategy, Performance Contracting & Planning Department
Performance Contract**

Performance Contract is part of the broader public sector reforms aimed at improving efficiency and effectiveness in the management of the public service. The Government has used Performance Contracting since 2003, as a key accountability framework in its endeavour to improve service delivery and PCPB has been participating since then. The Performance Contract for 2024/2025 was prepared, negotiated with the Ministry of Agriculture and Livestock Development, and vetted by the Performance Contracting office.

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

PCPB prepared and submitted PC reports for 2024/2025 and are awaiting evaluation by the PC contracting office. PCPB's performance over the last three years has been rated as Very Good. In 2020/2021 PCPB was awarded a corporate score of 3.0479 and placed in the 'Good' category. It was in position 10 out of 26 State corporations in the Agriculture, Rural and Urban sector working group, Position 19 out of 48 in the Regulatory State Corporations category, and position 103 out of 239 among State Corporations. In 2021/2022 PCPB was awarded a corporate score of 2.7281 and placed in the 'Very Good' category. It was placed in position 2 among Agencies in ARUD sector working group, Position 7 out of 57 in the Regulatory State Corporations category, Position 50 out of 249 State Corporations. In the year 2022/2023 PCPB was awarded a corporate score of 2.6186 and placed in the 'Very Good' category. In 2023/24 PCPB was evaluated on 27th January 2025 and was awarded a corporate score of 2.8977 and placed in the 'Very Good' category and now awaiting final reports.

Survey on misuse of pesticides

The Research, Strategy and Planning Department undertook a survey to evaluate the nature and extent of misuse of pesticides during both pre- and post-harvest drying of maize in Trans Nzoia County. The survey was conducted following some unconfirmed reports on misuse of Glyphosate for pre-harvest drying and Malathion-based products for post-harvest drying of maize. Contrary to widespread suspicion, the study found no significant evidence of glyphosate being used for pre-harvest drying of maize among the surveyed farmers. There were indications that some farmers and traders misuse Malathion-based pesticides for post-harvest purposes as a means to reduce moisture content in harvested maize in order to meet market demand and benefit from favourable prices. Peer influence by fellow farmers and traders emerged as a significant factor driving the continued use of this unsafe method. PCPB will enhance awareness creation on responsible use of pesticides in collaboration with the county government to discourage the practice. Further surveys will be carried out to establish the extent of the problem.

ISO 9001: 2015 Documentation

The Pest Control Products Board (PCPB) has renewed its commitment to enhance quality of service through the revival of ISO Quality Management System (QMS). Previously, PCPB was certified under ISO 9001:2008 until 2019. In 2024, the PCPB initiated the ISO certification process by training two lead auditors on the ISO 9001:2015 standard, appointing departmental champions, and conducting implementers and management training. In 2024/2025 PCPB developed ISO 9001: 2015 documents, including Standard Operating Procedures (SOPs) in key areas of operation. The ISO documents were approved for implementation. This renewed focus on ISO compliance is expected to enhance internal efficiency, customer satisfaction and regulatory effectiveness, while aligning PCPB's operations with international quality standards.

ICT Equipment Upgrade

In the year under review, PCPB enhanced internet connectivity through the installation of additional Wi-Fi access points, improving both coverage and network stability across offices. In addition, PCPB invested in modern ICT equipment, including new computers, printers, tablets, power banks, and uninterrupted power supply (UPS) units. Two core services viz, Accreditation of trial institutions and Disposal of Pest Control Products services were re-engineered and digitalized. These upgrades and digitalization have significantly improved workflow, communication, and overall service delivery.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Implementation of Strategic plan 2023-2027

The Strategic Plan 2023-2027 was successfully officially unveiled on 25th June 2024. PCPB continued implementing the strategic plan through annual work plans, annual performance contracts and staff performance appraisal systems.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Procurement and Consumption

PCPB commits to procuring and using products that have gone through good manufacturing practices and that can be recycled to minimize toxins in the supply chain. This helps to keep the environment pollutant free. To ensure this is done, PCPB will be guided by

- i. The Kenyan Green Public Procurement framework that The Ministry of Environment Climate Change and Forestry has developed.
- ii. Sustainable Development Goal (12) on Sustainable Consumption and Production (SCP).

In line with the above, PCPB will in future endeavor to sensitize all staff on institutional sustainable efforts, international best practices and ways to implement such practices using the above principles.

In the year under review PCPB participated in the launch of the UNEP/FAO FARM Child Project (Financing Agrochemical Reduction & Management) which is geared to support Kenya to incentive the adoption of safer alternatives to Highly Hazardous Pesticides (HHP's) and support the safe management and disposal of agricultural plastic. The project is foreseen to work with the private sector financial institutions to adopt green financing models and products to support the transition to the sustainable management of pesticides and agricultural plastics.

PCPB has also adopted paperless approaches in services offered, conduct of meetings and workshops. These measures include the use of video conferencing, digital transformation of services through E-Citizen and OPRS, electronic workflow and digital documents. These efforts, as a result, contribute to reducing the institution's overall carbon footprint and the attainment of SDG 12.

ii) Environmental performance

In line with PCPB's regulatory mandate on the import, manufacture, use and disposal of pest control products, PCPB is guided by the provisions of PCP Act, EMCA Act, Extended Producer Responsibility (EPR) Regulations 2020 and the International Multilateral Environmental Agreements.

As the Designated National Authority on Pesticides, PCPB also ensures adherence to;

- a) The Rotterdam Convention prior informed consent procedure for all Annex III listed pesticides
- b) Importing country and exporting country information exchange on obsolete, banned and restricted pesticides
- c) Basel, Rotterdam and Stockholm Conference of Party decisions with regards to molecules of concern.

In the year under review PCPB participated in the following pesticide management meetings among others;

1. EAC Regional meeting for finalization of procedures for Mutual Recognition Mechanism held from 29th - 31st July, 2024;
2. EAC Regional meeting on the draft EAC Highly Hazardous Pesticides Strategy from 26th - 31st August 2024;
3. Meeting on enhancing Trade Through Regulatory Harmonization and Biopesticide from 27th - 28th August;

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

4. 20th Meeting of the Chemical Review Committee of the Rotterdam Convention from 16th - 20th September 2024.
5. International Symposium on Building a Global Framework to support Operator Safety held in Brazil from October 22nd - 26th 2024.
6. Regional Validation Workshop on Guidelines for Labelling of Pest Control Products in EAC held in Nairobi, Kenya on November 5th-7th, 2024.
7. Globally Harmonised System for Classification and Labelling of Chemicals/Pesticides held in Pretoria from 12th to 14th November 2024. 4). Good Manufacturing Practices and Quality Control in Biopesticides production facility at Sineria Holland BV, Netherlands held from 3rd - 8th November 2024.
8. KEMI Workshop on Pesticides Management in Sundbyberg, Sweden held on 2nd - 6th December 2024.
9. Meeting on Verification of Sineria Mozambique Ltd. Pesticide Formulation Facility in Mozambique on 20th February 2025.
10. World Trade Organization Sanitary & Phytosanitary (WTO-SPS) Committee thematic session - Addressing antimicrobial resistance through SPS measures in international trade, WTO HQ Geneva Switzerland 16-20 June 2025
11. CropLife Africa Middle East - East & Southern Africa Hub Meeting Future Proofing Crop Protection in East and Southern Africa: Navigating and Adapting to Changes, Ethiopia June 24-26, 2025
12. Meetings of the conference of parties to the Basel Rotterdam and Stockholm conventions from 28th April to 9th May 2025 In Geneva Switzerland
13. Codex crop grouping and pesticide Registration Workshop from date 17th-19th June 2025 at Dar es Salaam Tanzania
14. Global frameworks on chemicals at Punta del Este, Uruguay from 23rd to 27th June 2025

iii) Employee welfare

PCPB has an approved human resource and guidelines manual that dictates the handling of employee welfare issues and also the expected norms, rewards and sanctions and behaviours at the workplaces. Further, PCPB has career guidelines that clearly guide the employees on the requirements for movement within the job cadres as well as the skills and training the employees are to be trained on. PCPB has also a contributory pension scheme where 20% of the basic salary of an employee is deposited every month with the employee also required to contribute 10% of the same to safeguard their old age. In the FY 2024/2025 a total of KShs. 4.5million was spent on staff training to improve skills and build capacity.

The Board as outlined in the HR Policy, maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents. To this effect, PCPB has put in place adequate measures for foreseeable incidents as advised by Occupational Safety & Health Act of 2007 which includes provision of Personal Protective Equipment, fire extinguishers, fire hose reels, designated fire assembly point and conducting safety fire drills for staff.

iv) Marketplace practices-

Pest Control Products Board has made efforts to ensure:

Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025

a) Responsible competition practice.

Activities relating to responsible competition practice and supply chain and supplier relations and responsible marketing and advertising and product stewardship are:

- Post registration surveillance ensures only registered pest control products are in the market.
- Routinely inspecting and licensing of all complying pesticide dealers so as to weed out rogue pesticide traders and to have a level playing ground.
- Imports are controlled so that only registered pest control products are imported.
- Capacity building and awareness raising to farmers and other stakeholders is done to ensure products are used responsibly and judiciously.
- Information sharing with other government agencies helps in reduction of illicit trade and promotes use of registered pest control products.

b) Responsible Supply chain and supplier relations

Pest Control Products Board (PCPB) being a government institution is guided by the Procurement and disposal Act 2012 and Regulations 2015 for all its procurement processes. Further, PCPB follows the time-to-time government guidelines to meet the government of the day objectives. Moreover, PCPB has in its charter promised to pay all suppliers within three days upon delivery of goods/services and submission of all the required documentation.

c) Responsible marketing and advertising

PCPB being a non-commercial Pest Control Products Board does not do marketing advertisements. However, PCPB advertises its tenders and vacancies available through the Government Advertising Agency that harmonize the public sector advertising.

d) Product stewardship

PCPB deals with Pesticides information that is private and confidential. To safeguard the rights and interests of the owners of such information, PCPB has an established secure room for information that is accessed only by the authorised officers.

v) National Tree Growing Restoration Campaign

In the FY 2024/2025 the key activities towards delivering on the Presidential directive for 15 billion trees. During the period over 30,077 trees were planted/grown in the field. PCPB maintained over 12,328 seedlings in the PCPB nursery, Seven tree planting events held—at Kinale forest; Mau forest; the University of Nairobi, Kabete Campus; PCPB compound in the Headquarters, Loresho Nairobi; Mau Conservancy at Makutano Forest Station; Eastern Conservancy at Ontulili Forest Station; Central Highlands Conservancy at Gathiuru Forest Station.

vi) Corporate Social Responsibility / Community Engagements

PCPB has been maintaining a tree nursery at the Headquarters at Loresho. As part of CSR, PCPB donated 200 55 avocado seedlings, Variety Hass at the University of Nairobi, Kabete Campus, 150 coffee seedlings, Variety SL 34 to Nyeri county and 10,000 coffee seedlings,

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Variety SL 34 to Uasin Gishu County.

In FY 2024/2025, PCPB also visited Imani Children's home at Kayole in Nairobi and donated several household supplies.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Pest Control Products Board's affairs.

i) Principal activities

The principal activities of the Pest Control Products Board are to regulate the importation, exportation, manufacture, distribution, and use of pest control products, as outlined in the Pest Control Products Act, Cap 346, Laws of Kenya.

ii) Results

The results of the Pest Control Products Board for the year ended June 30, 2025, are set out on pages 1 to 5.

iii) Directors

The members of the Board of Directors who served during the year are shown on page ix to xiii. During the year 2024/2025 Mr. Geoffrey Mwikamba from the National Treasury was transferred to another State Department, Mr. William Munyoki, the Government Chemist came on board while Mr. Mohammed Muktar and Prof. Ezekiel Kiprop were re-appointed.

iv) Surplus remission

The Pest Control Products Board operates on an accrual basis of accounting. PCPB is also allowed to collect and use revenue so collected for its operations and also supplemented by the Government. Surplus generated is therefore deployed in the coming financial years for development or capital expenditure. The surplus for the current year will be deployed to fund the ongoing development project (Residual Lab), Secondly, the Board is in the process of preparing for the initiation of a staff mortgage and car loan scheme like other government entities through the surplus funds, construction of Embu and Mtwapa office blocks that will utilize the surplus funds generated in the prior years.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Pest Control Products Board Entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


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**Frederick N. Muchiri
Chief Executive Officer/Secretary to the Board**

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of that Entity, which give a true and fair view of the state of affairs of the Pest Control Products Board at the end of the financial year 2024/2025 and the operating results for that period. The Directors are also required to ensure that the Entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the Entity. The Directors are also responsible for safeguarding the assets of the Entity.

The Directors are responsible for the preparation and presentation of the Pest Control Products Board financial statements, which give a true and fair view of the state of affairs of the Entity for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

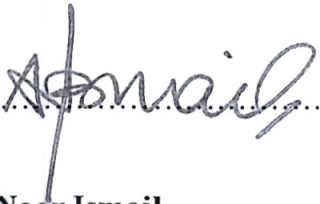
The Directors accept responsibility for the Pest Control Products Board financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Pest Control Act Cap 346. The Directors are of the opinion that the Pest Control Products Board financial statements give a true and fair view of the state of Pest Control Products Board transactions during the financial year ended June 30, 2025, and of the Pest Control Products Board financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Entity, which have been relied upon in the preparation of the Pest Control Products Board financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have not identified any material uncertainties that the Entity will not remain a going concern for at least the next twelve months from the date of this statement.

**Pest Control Products Board
Annual Report and Financial Statements
For the year ended June 30, 2025**

Approval of the financial statements

The Pest Control Products Board financial statements were approved by the Board on 14th July 2025 and signed on its behalf by:


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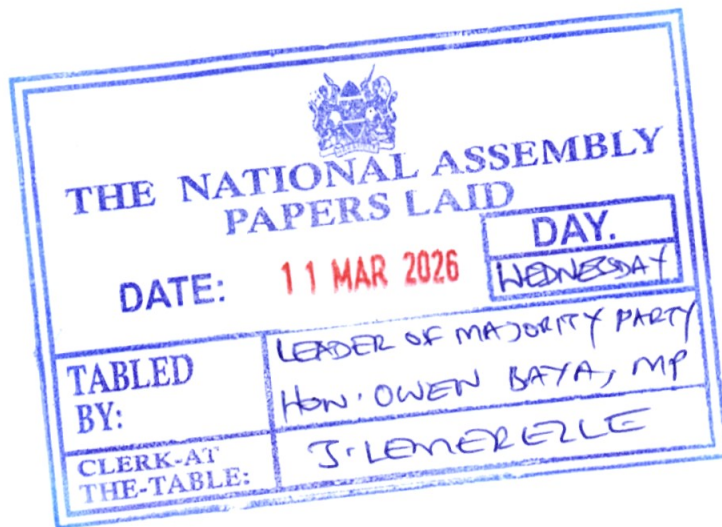
Ali Noor Ismail

Chairperson of the Board


.....

Fredrick N Muchiri

Accounting Officer



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REPORT OF THE AUDITOR-GENERAL ON PEST CONTROL PRODUCTS BOARD 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of Pest Control Products Board set out on pages 1 to 42, which comprise of the statement of financial position as 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Pest Control Products Board 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 the Pest Control Products Act, 1982 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Expenditure on Laboratory Consumables

The statement of financial performance reflects use of goods and services amount of Kshs.127,798,347 as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.2,716,994 in respect of laboratory consumables. However, store's ledger, stock control card (S3) or counter requisition and issue vouchers were not provided for audit review.

In the circumstances, the accuracy, completeness and occurrence of Kshs.2,716,994 expenditure on laboratory consumables could not be confirmed.

2. License and Permit Revenue

The statement of financial performance reflects licenses and permits amount of Kshs.383,526,136 as disclosed in Notes 8 to the financial statements. Included in the amount is Kshs.40,410,558 which was not classified to the relevant class but indicated as E-Citizen. Further, records from the E-Citizen platform indicate Kshs.173,643,408 as collected and transferred to the Board while the total revenue recognized as collected through E-citizen was Kshs.383,526,136 resulting to unreconciled variance of Kshs.209,882,728.

In the circumstances, the accuracy and completeness of licenses and permits revenue totalling Kshs.383,526,136 could not be confirmed.

3. Unsupported Board Expense

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect board expense of Kshs.12,787,398. However, review of Board expenditure revealed that an amount of Kshs.377,000 was not supported by documents including boarding passes, attendance registers and invitations.

In the circumstances, the accuracy and propriety of board expenses totalling Kshs.12,787,398 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Pest Control Products Board 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 qualified opinion.

Emphasis of Matter

Long Outstanding Insurance Claim Settlement

The statement of financial position and as disclosed in Note 22 to the financial statements reflect property, plant and equipment balance of Kshs.1,738,857,053, which include motor vehicles valued at Kshs.74,878,408. During the year under review, the Board wrote off a Toyota Prado, with a carrying amount of Kshs.12,780,000, against an insurance settlement of Kshs.11,617,000 as per discharge voucher (motor vehicle loss) claim. The Board submitted the compensation agreement form and transferred ownership of the vehicle to the insurer through the National Transport and Safety Authority on 28 June, 2024 and 30 July, 2024, respectively. However, as at 30 June, 2025, the insurer had only remitted Kshs.850,000, leaving an outstanding balance of Kshs.10,767,000. The insurer had not settled the claim in full, more than one year and four months after submission of the required documentation and transfer of ownership contrary to Section 203(1) of the Insurance Act, Cap 487 (2023), which requires insurers to settle claims within ninety (90) days from the date of reporting or, where liability is determined by a court, within ninety (90) days of such determination.

In the circumstances, the delay in settling the outstanding balance of Kshs. 10,767,000 was non-compliance with statutory requirements.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the previous year's audit report, several issues were raised under the Basis for Qualified Opinion, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management, and Governance. Issues which were raised in the report of 2023/2024 are as listed below:

Summary of Issues;

1. Unsupported fuel, oil and lubricants.
2. Failure to revalue fully depreciated assets.
3. Unsupported employer contribution to health insurance scheme.
4. Lack of capital work in progress register.

5. Repairs and maintenance of property, plant and equipment.
6. Issuance of local purchase order without signed contract.
7. Lack of disaster recovery plan.
8. Non-compliance with treasury guidelines.
9. Understaffing in staff establishment.

Other Information

The Directors are responsible for the Other Information set out on pages iv to lii which comprise of Key Entity Information and Management, The Board of Directors, 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 Board's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Engagement of Property Valuation Services

The statement of financial performance and as disclosed in Note 16 to the financial statements reflect Kshs.5,551,520 in respect of contracted services which includes Kshs.1,650,000 being cost of valuation of land by a private valuer. This was contrary to Section 119 of the Guidelines on Asset and Liability Management in the Public Sector (2020) issued by The National Treasury that require revaluation of assets to be performed by the government valuer or a professional valuer appointed by a government valuer.

Further, review of supporting documents revealed several procurement irregularities, such as the requisition from the user department and the quotations opened on 14 May, 2025 were not provided for audit review, the chairperson of the opening committee was not among the appointed members, evaluation of quotations was done on May 16, 2025 for five firms but did not indicate the bid amounts and professional opinion dated May 26, 2025 did not specify the contract price contrary to the Public Procurement and Asset Disposal Act, 2015.

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

2. Expired Laboratory Reagents

Review of stores and inventory management analysis identified thirty-five (35) units of expired laboratory reagents, indicating lapses in inventory control and stock management practices contrary to Regulation 172 (j) of the Public Procurement and Asset Disposal Regulations, 2020 that requires the officer in charge of stores of a procuring entity to ensure that stores are not allowed to expire through a lapse of shelf life.

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

3. Absence of Designated Climate Change Coordination Unit

Discussions with Management revealed that there was no designated unit with adequate staff and financial resources. In addition, there was no senior officer appointed as head of the unit to coordinate the mainstreaming of the climate change action plan and other climate change statutory functions and mandates into sectoral strategies for implementation. This was contrary to Climate Change Act, 2016 Part IV(15) (5) which states that each state department and national government public entity shall (c) designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the mainstreaming of the climate change action plan and other climate change statutory functions and mandates into sectoral strategies for implementation.

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

4. Contract Management Practices- Fuel Procurement

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect use of goods and services amounting to Kshs.127,798,347 which includes transport operating expenses of Kshs.11,645,281. Review of supporting documents for fuel expenditure revealed that the contract in place was initiated in 2010 whose contract period was not defined. Further, a payment of Kshs.490,000 was made in advance for delivery of fuel, contrary to Sections 146 and 147 of the Public Procurement and Asset Disposal Act, 2015 and Regulation 136 (2) of the Public Procurement and Asset Disposal Regulations, 2020 which require that no payment shall be made for works, goods or services before execution.

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

5. Irregular Receipt of Goods Beyond Thirty (30) Days of LPO Issue

The statement of financial performance reflects use of goods and services of Kshs.127,798,347 as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.2,716,994 in respect of laboratory consumables which further includes an expenditure of Kshs.576,990 for forced air-drying oven. Review of the expenditure revealed that the Board procured a forced air-drying oven through local purchase order dated 21 February, 2025. However, the goods were delivered on 24 June, 2025 four (4) months after the LPO was issued. This was contrary to Regulation 53(1) of the Public Procurement and Asset Disposal Regulations, 2020, which provides that local purchase orders or local service orders are valid for thirty days from the date of issue. Further, the requisition from user department was not provided for audit review. In addition, the equipment was delivered on 24 June, 2025 while the inspection and acceptance were conducted on June 23, 2024.

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

6. Failure to Tag Assets Acquired During the Year

The statement of financial position and as disclosed in Note 22 to the financial statements reflect total non-current assets amounting to Kshs.1,738,857,053. However, physical verification revealed that newly acquired assets costing Kshs. 49,921,622 had not been tagged for identification and tracking purposes as required by Regulation 139 (1) (b) that requires Accounting Officer of a national government entity to take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

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

7. Non-Compliance with Staffing Gaps in Recruitment and Promotion of Staff

The statement of financial performance and as disclosed in Note 12 to the financial statements reflect employee costs of Kshs.200,025,560. Review of the related expenditure and recruitment records indicated that the Board recruited eighty (80) employees during the year despite the initiating memo dated June 6, 2024 from the Human Resource Department to the Chief Executive Officer, highlighting staffing gaps and recommending consideration of thirty-five (35) individuals who were serving under temporary engagement. Further, an internal advertisement for various job opportunities targeting temporary staff—Ref No: PCPB/CEO/2025/VOL.6/016—was issued on 1st April, 2025. There was no documentary evidence that a competitive process was followed to recruit the eighty (80) employees. Further, the Board promoted sixteen (16) employees during the year. Apart from the advertisement of four (4) General Manager positions published on the Board's website on February 12, 2024, no document was provided to confirm that the promotions were preceded by a competitive recruitment process. The approach contravened the principles of fairness, transparency, merit-based appointment and competitive recruitment as expressed in Article 232(1)(g), (h), and (i) of the Constitution of Kenya, 2010.

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

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. Ownership and Control Over Online Pesticide Registration System

The Board utilizes the Online Pesticide Registration System to automate the operations of its registration department that was funded by the East African Community Secretariat as part of a regional initiative, with the Pest Control Products Board selected as the pilot Institution. Although the Secretariat directed that the Board assume ownership of the system, including the source code and data backup, the system and its associated data continue to be hosted and owned by the East African Community. As a result, the Board is unable to independently manage key system functions such as user administration, upgrades, routine maintenance, operational support and data backup.

In the circumstances, the Board control over data security, confidentiality and effective management of potential operational disruptions in the event of system malfunction or failure could not be confirmed.

2. Lack of a Risk Management Policy

During the financial year under review, Management did not establish or implement a Risk Management Policy to identify, assess and mitigate potential risks. The lack of a formal policy may have exposed the organization to unforeseen challenges, vulnerabilities and inefficiencies in addressing operational, financial and compliance-related risks. A comprehensive risk management framework would have been critical in safeguarding the organization's assets and ensuring long-term sustainability.

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

Auditor-General's Responsibilities for the Audit

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

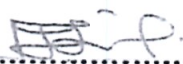
18 December, 2025

Pest Control Products Board
Annual Report and Financial Statements
for the year ended June 30, 2025

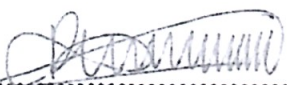
14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	FY 2024/2025	FY 2023/24
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	255,000,000	124,000,000
Public contributions and donations	7	1,787,654	819,517
Licenses and permits	8	383,526,136	133,968,188
		640,313,790	258,787,705
Revenue from exchange transactions			
Rental revenue from facilities and equipment	9	7,346,910	7,478,554
Other income	10	3,901,709	3,358,746
Total revenue		651,562,409	269,625,005
Expenses			
Use of goods and services	11	127,798,347	68,966,539
Employee costs	12	200,025,560	138,245,493
Board Expenses	13	12,787,398	10,189,348
Depreciation and amortization expense	14	31,167,721	21,674,541
Repairs and maintenance	15	13,097,022	4,904,695
Contracted services	16	5,551,520	3,371,793
Grants and subsidies	17	3,466,498	381,091
Taxes and fines	18	2,047,355	-
Total expenses		395,941,420	247,733,500
Other gains/Losses			
Gain on Disposal		5,690,461	-
Surplus/ (deficit) before tax		261,311,450	21,891,505
Surplus/(deficit) for the period/year		261,311,450	21,891,505
Net Surplus for the year		261,311,450	21,891,505

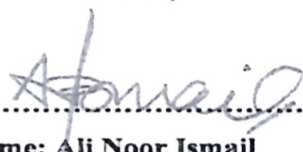
The notes set out on pages 6 to 41 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


 Name: Frdrick N Muchiri
 Accounting Officer

Date 3/12/2025


 Name: Bernard M Mang'ara
 Head of Finance

ICPAK M/No: 12615
 Date 3/12/2025


 Name: Ali Noor Ismail
 Chairman of the Board

Date 4/2/2025

**Pest Control Products Board
Annual Report and Financial Statements
for the year ended June 30, 2025.**

15. Statement of Financial Position as at 30 June 2025


	Notes	FY 2024/ 2025	FY2023/2024
		KShs	KShs
Assets			
Current Assets			
Cash and Cash equivalents	19	253,099,405	66,962,918
Prepayments	20	15,434,801	-
Receivables from Exchange Transactions	21	16,526,455	13,461,625
Total Current Assets		285,060,661	80,424,543]
Non-Current Assets			
Property, Plant and Equipment	22	1,738,857,053	665,121,090
Total Non- Current Assets		1,738,857,053	665,121,090
Total Assets (A)		2,023,917,714	745,545,633
Liabilities			
Current Liabilities			
Trade and Other Payables	23	2,883,578	3,292,923
Refundable deposits	24	692,286	692,011
Current Provision	25	4,013,665	1,543,963
Total Current Liabilities		7,589,529	5,528,897
Total Liabilities (B)		7,589,529	5,528,897
Net Assets (A-B)		2,016,328,186	740,016,737
Represented by:			
Capital Reserves		67,354,425	67,354,425
Accumulated Surplus		685,591,948	424,280,498
Capital Fund		236,551,456	236,551,456
Revaluation reserve		1,026,830,357	11,830,357
Net Assets		2,016,328,186	740,016,736

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


.....

Name: Frdrick N Muchiri
Accounting Officer

Date 3/12/2025


.....

Name: Bernard M Mang'ara
Head of Finance

ICPAK M/No: 12615

Date 3/12/2025


.....

Name: Ali Noor Ismail
Chairman of the Board

Date 4/2/2025

Pest Control Products Board
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

Description	Capital reserve	Revaluation Reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	KShs	KShs	KShs	KShs	KShs
As at July 1, 2023	67,354,425	11,830,357	402,061,023	175,051,456	656,297,261
Prior year adjustment	-	-	327,970		327,970
Surplus/ deficit for the year	-	-	21,891,505		21,891,505
Capital/development grants received during the year	-	-	-	61,500,000	61,500,000
As at June 30, 2024	67,354,425	11,830,357	424,280,498	236,551,456	740,016,736
As at July 1, (Current FY)	67,354,425	11,830,357	424,280,498	236,551,456	740,016,736
Revaluation Gain/ Reserve	-	1,015,000,000	-	-	1,015,000,000
Surplus/ (deficit) for the year	-	-	261,311,450	-	261,311,450
As at June 30, 2025	67,354,425	1,026,830,357	685,591,948	236,551,456	2,016,328,186

Note:

1. During the year, PCPB engaged the services of a Valuer to value the Nairobi Land, this resulted to a revaluation increase of Kshs. p1,015,000,000
2. Prior year adjustment in the financial year 2023/2024 of Ksh 327,970 was release of retention carried forward from previous years and which were not earned for services not rendered.

**Pest Control Products Board
Annual Report and Financial Statements
for the year ended June 30, 2025**

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

	Notes	FY2024/2025	FY2023/2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		255,000,000	203,000,000
Public contributions and donations		-	819,517
Licenses and permits		383,526,136	133,968,188
Rental revenue from facilities		4,421,837	5,513,861
Other income		2,500,514	410,446
Total receipts		645,448,487	343,712,012
Payments			
Use of goods and services		129,236,506	68,960,109
Employee costs		200,704,135	139,761,133
Board Expenses		12,787,398	10,189,348
Repairs and maintenance		13,097,022	4,904,695
Contracted services		5,551,520	3,371,793
Grants and subsidies		3,466,497	381,091
Total payments		364,843,078	227,568,169
Net cash flows from/(used in) operating activities		280,605,409	116,143,843
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(96,768,287)	(86,668,234)
Release of retention on lab construction		(662,705)	
Proceeds from sale of PPE		2,112,070	
Insurance compensation for W/Off Vehicle		850,000	-
Net cash flows from/(used in) investing activities		(94,468,922)	(86,668,234)
Net increase/(decrease) in cash & Cash equivalents		186,136,487	(22,278,455)
Cash and cash equivalents at 1 July	19	66,962,918	44,684,463
Cash and cash equivalents at 30 June	19	253,099,405	66,962,918

Pest Control Products Board
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 comparable basis	Performance difference	% of utilization
	KShs	KShs	KShs	KShs	KShs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers	0	66,962,918	66,962,918	66,962,918	-	-
Receipts						
Transfers from other Government entities	255,000,000	0	255,000,000	255,000,000	-	100%
Licenses and permits	139,000,000	161,500,000	300,500,000	383,526,136	83,026,136	128%
Rental Revenue from Facilities and Equipment	7,500,000	-	7,500,000	4,421,837	(3,078,163)	59%
Other Income	3,500,000	2,500,000	6,000,000	2,500,514	(3,497,432)	42%
Total Receipts	405,000,000	164,000,000	569,000,000	645,448,487	76,450,541	113%
Total revenue	471,962,918	164,000,000	635,962,918	712,411,405	76,450,541	112%
Payments						
Use of Goods and Services	110,375,211	43,500,526	153,875,737	129,236,506	24,639,231	83%
Employee costs	200,059,762	44,609,058	244,668,820	200,704,135	43,964,685	83%
Remuneration of Directors	7,054,000	5,467,200	12,521,200	12,787,398	(266,198)	102%
Repairs and Maintenance	7,327,001	10,603,400	17,930,401	13,097,022	4,833,379	73%
Contracted Services	4,910,000	-	4,910,000	5,551,520	(641,520)	113%
Grants and Subsidies	350,000	3,000,000	3,350,000	3,466,498	(116,498)	103%
Total Payments	330,075,974	107,180,184	437,256,158	364,843,079	72,413,079	
Capital Expenditure	141,886,944	56,819,816	198,706,760	96,768,287	101,938,473	
Surplus	-	-	-	250,800,039	-	

Budget notes – The statement is prepared on cash basis as the budget.

1. License revenue collection recorded Ksh 383.5 million; 128% more than the targeted Ksh. 300 Million. This was as a result of review of fees and other charges regulations in June 2024.
2. For employee cost, expected review of salaries by SRC & recruitment came late in the year without backdating option though it was budgeted for the whole year.
4. Contracted Professional service was above the target due to land valuation cost which was above the targeted cost.
5. Capital expense was below target. However, some capital expenditures for laboratory equipment was still ongoing.

**Pest Control Products Board
Annual Report and Financial Statements
for the year ended June 30, 2025.**

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	250,800,039
1	Release of retention on lab construction	(662,705)
2	Proceeds from sale of PPE	2,112,070
3	Insurance compensation for W/Off Vehicle	850,000
	Closing Cash and Cash Equivalent as per the statement of Cash flows	253,099,405

19. Notes to the Financial Statements

1. General Information

The Pest Control Products Board, a statutory organization wholly owned by the Government of Kenya and domiciled within the nation, was established by the Pest Control Products Act Cap 346, Laws of Kenya, 1982, from which it derives its authority and accountability. Its primary function is to regulate all aspects pertaining to pest control products except the Veterinary pesticides. It encompasses, but not limited to, the importation, exportation, manufacture, distribution, sale, use, and disposal of these products, while concurrently facilitating trade and mitigating their detrimental effects on human health, animal health, and the environment.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Pest Control Products Board accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Pest Control Products Board. The financial statements have been prepared in accordance with the Public Finance Management Act, Cap 412A, the State Corporations Act Cap 446 and International Public Sector Accounting Standards (IPSAS). The accounting policies employed have been consistently applied throughout all fiscal years presented.

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i.* Pest Control Products Board adopted IPSAS 45 in valuation of land which was revalued at the current market price and adopted for use in the report.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

The Pest control Products Board recognizes revenues from taxes, levies, and fines when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

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 Pest control Products Board and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

Pest Control Products Board 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.

Rental income

Rental income arising from vacant space let out is accounted for on a straight-line basis over the lease terms and included in revenue.

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

b) Budget information

The original budget for the Current FY 2024/2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. Accordingly, PCPB recorded additional appropriations of Ksh 164 million on the 2024/25 budget following the National Treasury's approval.

The Pest Control Products Board budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an 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 cash flows has been presented under Section 2 of these financial statements.

c) Taxes

Current income tax

Pest Control Products Board is fully funded by the exchequer and is not a body Corporate but a semi-autonomous Government agency and therefore not responsible for payment of corporate tax. However, PCPB pays VAT on rental income.

Deferred tax

The Pest Control Products Board did not have deferred tax.

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.

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

- 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

Pest Control Products Board did not have any investments property during the year.

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. 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 charged so as to write off the cost of valuation of property, plant and equipment to their residual values over their expected useful lives using the straight-line method at the following rates: Equipment 12.5% (8years), Furniture 12.5% (8 years), Motor Vehicles 25% (4 years), Computer Equipment 33.3% (3 years), Laboratory equipment 12.5% (8 years).

f) Leases

Pest Control Products Board did not have any finance lease during the period.

g) Intangible assets

The Pest Control Products Board did not have any intangible assets.

h) Biological Assets

The Pest Control Products Board did not have any intangible assets.

i) Research and development costs

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

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

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

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

j) Financial instruments

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

k) Financial assets

Classification of financial assets

Pest Control Products Board classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Pest Control Products Board 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 cash flows 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

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. PCPB did not have any expected credit loss.

a) Financial liabilities

Classification

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

l) Inventories

Inventory is measured at cost upon acquisition. PCPB inventories are received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is at cost and expensed at the date of acquisition.

In the current year PCPB did not recognize inventory held at the end of the period because of their nature. Inventory held could not be classified as assets for two reasons i.e. the inventory was held for distribution at no cost for office use such as stationery and office consumables and were expensed on purchase. Other inventory such as avocados seedlings are for corporate social service and although some are sold to individuals on need basis, most of them are donated to various counties and other organizations to improve the livelihood of citizens, therefore guarantee of future value flowing from them is uncertain and therefore could not be considered as asset. The economic benefit of the inventories value held could not be reliably measured due to the above reasons.

m) Provisions

Provisions are recognized when the Pest Control Products Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Pest Control Products Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

n) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

o) Contingent liabilities

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

p) Contingent assets

The Pest Control Products Board does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an 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.

q) Nature and purpose of reserves

PCPB creates and maintains reserves in terms of specific requirements. Pest Control Products Board maintains general reserves, revaluation reserve, and Capital fund and accumulated earnings.

r) Changes in accounting policies and estimates

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

s) Employee benefits

Retirement benefit plans

Pest Control Products Board provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which PCPB pays fixed contributions into a separate entity 20% of the basic salary of every employee (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. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

t) Foreign currency transactions

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

u) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance. Pest Control Products Board did not borrow during the year.

v) Related parties

The Pest Control Products Board 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 Pest Control Products Board, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

w) Service concession arrangements

The Pest Control Products Board analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Pest Control Products Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Pest Control Products Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

x) 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 KCB and Absa banks at the end of the financial year.

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

y) Comparative figures

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

z) 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 Pest Control Products Board 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.

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

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 24. 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

<i>Description</i>	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Unconditional Grants		
Operational Grant	255,000,000	124,000,000
Development grants	-	61,500,000
Total Unconditional Grants	255,000,000	154,208,333
Other Organizational Grants (specify)	-	-
Total Government Grants and Subsidies	255,000,000	185,500,000

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance Ksh	Amount deferred under deferred income. Ksh	Amount recognized in capital fund.	FY 2024/2025	FY 2023/2024
			Ksh	Ksh	Ksh
State Department of Agriculture	255,000,000	-	-	255,000,000	185,500,000
Total	255,000,000	-	-	255,000,000	185,500,000

7. Public Contributions & Donations

<i>Description</i>	FY 2024/2025	FY2023/2024
	KShs	KShs
Donation in kind	1,787,654	-
Total	1,787,654	-

8. Levies, Fines and Penalties

<i>Description</i>	FY 2024/2025	FY2023/2024
	KShs	KShs
Licenses fees	383,526,136	133,968,188
Total	383,526,136	133,968,188

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

9. Rental Revenue from Facilities and Equipment

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Operating Lease Revenues	7,346,910	7,478,554
Total Rentals	7,346,910	7,478,554

PCPB Head office vacant spaces have been let out to other parties at a fee.

10. Other Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Miscellaneous incomes	9,592,170	3,358,746
Total Other income	9,592,170	3,358,746

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

11. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Advertising and Publicity	177,452	490,137
Audit fees	348,000	348,000
Bank Charges	316,372	231,082
Computer Expenses	4,931,257	391,494
Exhibitions and Shows	14,038,175	1,310,460
External Traveling	3,445,983	2,651,155
Electricity and Water	2,438,587	1,434,587
Insurance	3,181,498	2,242,517
Library Expenses	245,357	215,000
Miscellaneous & Consumable Stores	8,631,706	3,854,271
Laboratory Consumables	2,716,994	639,121
Official Entertainment	1,855,928	1,410,486
Postal and Telegram	1,718,159	1,482,755
Printing & Publication	420,419	462,521
Purchase of Samples	1,192,263	181,905
Purchase of Stationary	3,199,931	1,229,410
Rent & Rates	3,736,074	4,183,723
Telephone Expenses	74,510	64,380
Training Expenses	4,500,823	1,646,169
Transport Operating Expenses	11,645,281	6,193,804
Traveling & Accommodation	57,902,791	38,204,379
Purchase of uniform	953,588	6,350
Disposal	127,200	92,800
	127,798,348	68,966,539

11 (a) Use of Goods and Services Cashflow amount

Description	FY2024/2025
	KShs
Use of Goods and Services	127,798,347
Add Payables 2024/2025	2,321,239
Less Payable 2023/2024 Paid	(883,080)
Total	129,236,506

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	100,702,951	70,250,210
Employer contribution to health insurance schemes	14,864,873	10,133,732
Employer contribution to pension schemes	13,985,979	13,402,817
Travel, accommodation, subsistence, & other allowances	10,525,628	6,397,548
Housing benefits and allowances	45,277,960	26,761,081
Passage and Leave allowances	962,000	713,793
Company NSSF Contribution	1,595,695	
Other Personal allowances	3,460,146	3,107,484
Telephone Allowance	5,580,627	5,002,113
Gratuity	3,069,702	803,680
Housing levy	-	1,673,035
Employee costs	200,025,560	138,245,493

12 (a) Employees Cost Cashflow

Description	FY2024/2025
	KShs
Employee Cost amount	200,025,560
Add Payables 2024/2025	1,947,529
Less Payable 2023/2024 Paid	(1,268,954)
Employee costs Cashflow	200,704,135

13. Board Expenses

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Chairman/Directors' Honoraria	1,044,000	1,044,000
Sitting Allowances	11,743,398	9,145,348
Total	12,787,398	10,189,348

14. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant and equipment	31,167,721	21,674,541
Total depreciation and amortization	31,167,721	21,674,541

15. Repairs and Maintenance

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Property and equipment	9,519,389	1,724,483
Equipment and Machinery	2,136,025	485,539
Vehicles	1,441,608	2,694,673
Total Repairs and Maintenance	13,097,022	4,906,695

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

16. Contracted Services

Description	FY 2024/2025	FY2023/2024
	KShs	KShs
Security services	3,257,730	2,744,888
Property Management Services	671,789.9	626,909
Property Valuations	1,622,000	-
Total Contracted Services	5,551,520	3,371,797

During the year, PCPB did value its land which led to an increase in the contracted expenses.

17. Grants and Subsidies

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Corporate Social responsibilities	3,466,498	381,091
Total Grants and Subsidies	3,466,498	381,091

Due to the presidential directive to grow 15 billion trees by 2032, PCPB is supposed to plant 10,000,000 in 7 years. Therefore, the need to increase the CSR budget and expenditure. PCPB planted over 40,000 trees in the year.

18. Taxation, Fines

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Court fines on Orion E.A ltd case	2,047,355	-
Income tax expense reported in the statement of financial performance	2,047,355	-

The court case of 2010 (Orion Vs PCPB) Court ruled in favor of Orion East Africa Ltd awarding the complainant costs associated with the case. PCPB and Pyrethrum Processing Company of Kenya (PCPK) (formerly Pyrethrum Board of Kenya; were to pay half of the costs each.

19. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
731026785 Absa	21,500,126	12,984,881
1106876067 KCB	198,952,212	24,644,722
1106877357 KCB	32,647,068	29,333,319
Total Cash and Cash Equivalents	253,099,405	66,962,918

PCPB cashflows during the year improved compared to previous year due to review of fees and other charges regulations among other factors

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

20. Prepayments

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pelican - Medical Insurance	15,076,045	7,802,286
Nairobi County – Land Rates	208,732	150,025
Ministry of Lands – Land rent	150,025	215,188
Total	15,434,801	8,1667,499

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Receivables		
Telkom	10,000	-
Total Kenya ltd	1,720,000	-
Kiragu & Mwangi ltd	272,367	-
NCPB Embu rent deposit	155,000.00	-
NCPB Kisumu rent deposit	246,969	-
Maseno University Retirement Benefit Scheme Kisumu office	217,152	-
Rent Due (April to June 2024)	2,476,125	-
Rent Due (Jan to June 2024)	451,002	-
Rent Due (Jan to June 2024)	-	-
Kebs	200	200
Oscar Training levy	80,628	187,848
Employee debts (Salary advance)	28,666	170,021
NSSF	21,160	-
KRA / Housing levy overpayment	81,186	-
Corporate Insurance	10,766,000	-
Other exchange from debtors		4,936,057
Total Current Receivables	16,526,455	5,294,126

**Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

(c) Ageing analysis for Receivables from exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
	Current FY	% of the total	Comparative FY 2023/24	% of the total
Less than 1 year	2,925,073	100%	8,111,421	100%
Between 1- 2 years	10,977,840	100%	-	-%
Between 2-3 years	-	-%	-	100%
Over 3 years - Deposits	2,621,488	100%		%
Total (a+b)	16,524,401	100%		%

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

<i>Cost</i>	<i>Land</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>Computers</i>	<i>Office Equipments</i>	<i>Lab Equipments</i>	<i>Capital Work in progress</i>	<i>Total</i>
	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
<i>As At 1 July 2023</i>	35,000,000	351,788,417	65,644,400	8,112,888	5,354,363	11,619,212	1,821,500	251,361,960	730,702,740
<i>Additions</i>	-	9,094,786	46,932,828	-	2,637,140	-	28,003,480	-	86,668,234
<i>Disposals</i>	-	-	-	-	-	-	-	-	-
<i>Transfers/Adjustments</i>	-	251,361,960	-	-	-	-	-	(251,361,960)	-
<i>Revaluation Adjustments</i>	-	-	-	-	-	-	-	-	-
<i>As At 30th June 2024</i>	35,000,000	612,245,163	112,577,228	8,112,888	7,991,503	11,619,212	29,824,980	-	817,370,974
<i>Additions</i>	-	7,710,980	27,956,000	1,425,960	10,204,193	3,671,740	46,924,363	-	97,893,236
<i>Disposals</i>	-	-	(18,180,000)	-	-	-	-	-	-
<i>Transfer/Adjustments</i>	-	-	-	-	-	-	-	-	-
<i>Revaluation adjustments</i>	1,015,000,000	-	-	-	-	-	-	-	1,050,000,000
<i>As At 30th June 2025</i>	1,050,000,000	619,956,143	122,353,228	9,538,848	18,195,696	15,290,952	76,749,343	-	1,922,117,449
<i>Depreciation And Impairment</i>									
<i>At 1 July 2024</i>	-	81,786,597	44,645,400	7,834,683	5,007,912	11,153,790	1,821,500	-	152,249,882
<i>Depreciation</i>	-	12,294,228	13,021,920	161,069	1,953,423	228,863	3,508,218	-	31,167,721
<i>Disposals</i>	-	-	(10,192,500)	-	-	-	-	-	-
<i>Transfers/ Adjustments</i>	-	-	-	-	-	-	-	-	-
<i>As At 30 June 2025</i>	-	94,080,825	47,474,820	7,997,806	6,961,335	11,382,653	5,329,718	-	183,419,656
<i>Depreciation</i>	-	-	-	-	-	-	-	-	-

Pest Control Products Board
Annual Reports and Financial Statements
For the year ended June 30, 2025.

<i>Cost</i>	<i>Land</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>Computers</i>	<i>Office Equipments</i>	<i>Lab Equipments</i>	<i>Capital Work in progress</i>	<i>Total</i>
<i>Depreciation Rate</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
<i>Disposals</i>	-		-	-	-	-	-	-	-
<i>Impairment</i>	-	-	-	-	-	-	-	-	-
<i>Transfer/Adjustment</i>	-	-	-	-	-	-	-	-	-
<i>As At 30th June 2025</i>	<i>1,050,000,000</i>	<i>525,875,318</i>	<i>74,878,408</i>	<i>1,541,042</i>	<i>11,234,361</i>	<i>3,908,299</i>	<i>71,419,625</i>	-	<i>1,738,857,053</i>
<i>Net Book Values</i>									
<i>As At 30th June 2024</i>	<i>35,000,000</i>	<i>530,458,566</i>	<i>67,931,828</i>	<i>278,205</i>	<i>2,983,591</i>	<i>465,422</i>	<i>28,003,480</i>	-	<i>665,121,090</i>
<i>As At 30th June 2025</i>	<i>1,050,000,000</i>	<i>525,875,318</i>	<i>74,878,408</i>	<i>1,541,042</i>	<i>11,234,361</i>	<i>3,908,299</i>	<i>71,419,625</i>	-	<i>1,738,857,053</i>

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Valuation

Land was valued by Value Zone Ltd registered by the Valuers Board in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The other assets will be revalued in the coming year. The land valuation amounts was adopted by the Board on 14th July 2025.

22 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	KShs	KShs	KShs
Land	1,050,000,000	-	1,050,000,000
Buildings	616,959,143	94,080,825	525,875,318
Lab equipment	76,172,353	5,329,718	74,878,408
Motor Vehicles, Including Motorcycles	122,353,228	47,474,820	71,419,625
Computers And Related Equipment	18,195,696	6,961,335	11,234,361
Furniture, And Fittings	9,538,848	7,997,806	1,541,042
Office Equipment,	15,290,952	11,273,188	3,908,299
Total	1,922,117,449	183,419,656	1,738,857,053

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Laboratory Equipment	1,821,500	227,687
Motor Vehicles including Motorcycles	17,150,000	4,287,500
Computers and Related Equipment	3,658,883	457,360.38
Office Equipment, Furniture and Fittings	10,664,027	1,333,003.38
Furniture & Fittings	7,228,968	903,614.5
Total	40,523,378	7,209,165.26

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

23. Trade and Other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
PAYE	552,693		1,942,379	
Total Energies	982,281		-	
Commissioner of VAT	600,379		220,375	
SHA/ NHIF - Staff over deduction	9,646		-	
PPRA	2,446		-	
KRA - Income tax on procurement	29,518		-	
KPLC	210,655		-	
F&S Scientific	495,960		-	
Retention	-		662,705	
NITA	-		5,150	
Housing levy	-		462,314	
Total trade and other payables	2,883,578		3,292,923	
Ageing analysis: (Trade and other payables)	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	2,883,578	100%	3,292,923	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,883,578		3,292,923	

24. Refundable Deposits

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Jawab - Tenant overpayment	275		-	
Rent Deposit - Frankfurt	156,831		156,831	
Rent Deposit - Purple Digital	62,442		62,442	
Rent deposit Kayzen	117,975		117,975	
Rent Deposit_Gem Engeering	121,545		121,545	
Rent Deposit - Yeyuka Africa Tours & T	163,603		163,603	
Rent Deposit - Jawab Construction	69,615		69,615	
Total deposits	692,286		692,011	

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Ageing analysis: (Refundable deposits)	FY 2024/25	% of the Total	FY 2023/24	% of the Total
Under one year	275	%	-	%
1-2 years	-	%	-	%
2-3 years	692,011	%	8,111,421	%
Over 3 years	-	%	-	%
Total	692,286		8,111,421	

25. Current Provisions

Description	Rent Provison	Gratuity Provision	Audit Fee	Total
	KShs	KShs	KShs	KShs
Balance b/f	600,000	595,963	348,000	1,543,963
Audit Provision FY 23/24 (Audit fees) paid	-		(348,000)	(348,000)
Provision for Gratuity	-	3,069,702	-	3,069,702
Provision for Mombasa rent Paid	(600,000)	-	-	(600,000)
KENAO (Audit Provision for Audit fees)	-	-	348,000	348,000
Total provisions year end	-	3,665,665	348,000	4,013,665

Retirement benefit Asset/ Liability

Pest Control Products Board contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Pest Control Products Board's obligation under the scheme is limited to specific contributions legislated from time to time. Other than NSSF, PCPB also has a defined contribution scheme operated by Britam Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred:

26. Surplus Remission

Pest Control Products Board is a semi-autonomous government agency permitted to collect and use funds for its operations and gets supplementary funding through National Government grants.

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

27. Cash Generated from Operations

Description	Insert Current FY2024/2025	Insert Comparative FY2023/2024
	KShs	KShs
Surplus for the year before tax	261,311,450	21,891,506
Adjusted for:		
Depreciation	31,167,721	21,674,541
Non-cash grants received	-	61,500,000
Contributed assets	(1,124,949)	-
Impairment	-	-
Gains and losses on disposal of assets	5,690,461	-
Contribution to provisions	2,469,702	(1,784,384)
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	(3,064,830)	22,058,481
Increase in deferred income		-
Decrease in payables	(409,345)	(9,196,301)
Increase in Prepayments	(15,434,801)	-
Net cash flow from operating activities	280,605,409	116,143,843

28. Financial Risk Management

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

i) Credit risk

Pest Control Products Board has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Pest Control Products Board management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Pest Control Products Board maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30th June 2025				
Receivables from exchange transactions	16,524,401	5,758,401	10,766,000	-
Receivables from non-exchange transactions	15,434,801	-	-	-
Bank balances	253,099,405	-	-	-
Total	285,058,607	5,758,401	10,766,000	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	13,461,625	13,461,625	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	66,962,918	-	-	-
Total	80,424,543	13,461,625	-	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Pest Control Products Board has no significant concentration of credit risk. The board of directors sets the Pest Control Products Board credit

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
As at 30th June 2025				
Trade payables	-	-	2,883,578	2,883,578
Provisions	-	-	4,013,665	4,013,665
Total	-	-	6,897,243	6,897,243
As at 30th June (Previous FY)				
Trade payables	2,404,693	-	1,908,211	4,312,904
Provisions	-	-	1,543,963	1,543,963
Total	2404693	-	3,452,174	5,856,867

Financial Risk Management

iii) Market risk

The Pest Control Products Board has put in place an internal audit function to assist it in assessing the risk faced by the Pest Control Products Board on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Pest Control Products Board income or the value of its

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Pest Control Products Board Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Pest Control Products Board exposure to market risks or the way it manages and measures the risk.

iv) Capital Risk Management

The objective of the Pest Control Products Board capital risk management is to safeguard the Pest Control Products Board ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Revaluation Reserve	1,026,830,357	11,830,357
Retained Earnings	685,591,948	424,280,498
Capital Fund	236,551,456	303,905,881
Capital Reserves	67,354,425	67,354,425
Total Funds	2,016,328,186	740,016,736
Less: Cash and Bank Balances	(383,526,136)	(66,962,918)
Net Debt/(Excess Cash And Cash Equivalents)	1,627,726,341	673,053,818
Gearing	0%	0%

29. Related Party Disclosures

i) **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.

ii) **Government of Kenya**

The Government of Kenya is the principal shareholder of the Pest Control Products Board holding

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

100% of the Pest Control Products Board equity interest. The Government of Kenya has

Notes to the Financial Statements (Continued)

provided full guarantees to all long-term lenders of the Entity, both domestic and external.

iii) **Other related parties include:**

- i) The Parent Ministry.
- ii) The national Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	FY 2024/2025	FY2023/2024
	KShs	KShs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	5,677,185	7,478,554
Total	5,677,185	7,478,554
B) purchases from related parties		
Purchases of electricity from KPLC	2,438,587	1,434,587
Rent expenses paid to govt agencies	3,736,074	4,183,723
Training and conference fees paid to govt. Agencies	3,166,152	1,646,169
Total	9,340,813	7,264,479
b) Grants /transfers from the government		
Grants from national govt	255,000,000	185,500,000
Total	255,000,000	185,500,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total		-
d) Key management compensation		
Directors' emoluments	12,787,398	10,189,348
Compensation to key management	16,575,116	27,773,184
Total	29,362,507	37,962,532

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

30. Segment Information

Pest Control Products Board has 5 regional offices across Kenya for compliance and enforcement mandate but financial and accounting services are centralized in the Head office and therefore no segment financial reporting. The regional offices are in Mtwapa, Kisumu, Nakuru, Embu, and Eldoret while Nairobi doubles up for head office and Nairobi regional offices.

31. Capital Commitments

Capital Commitments	FY2024/2025	FY2023/2024
	KShs	KShs
Africa Biosystem Ltd -UV-VIS Spectrometer	1,264,463	-
Danphis Enterprises Ltd-Fume Hood	1,918,560	
Tracy Enterprises-Printing awareness materials	486,100	-
Intersource Autolab Ltd-Water purification system	1,060,000	
Nariana Enterprises Ltd-Raman Spectrometer	6,789,570	
Total	11,515,793	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

32. Events after the Reporting Period

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

33. Ultimate And Holding Entity

Pest Control Products Board is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Agriculture and livestock. Its ultimate parent is the Government of Kenya.

34. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

35. 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.

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
Report on Financial Statements Basis for Qualified Opinion	<p>Unsupported Fuel, Oil and Lubricants. The statement of financial performance for the year under review reflects the use of goods and services expenses totaling Kshs.68,966,539 and as disclosed in Note 11 of the financial statements included fuel, oil, and lubricants amounting to Kshs. 6,193,804. A review of fuel records provided for audit revealed that fuel drawn for various vehicles on diverse dates as reflected in the invoices, supplier statement, detail orders, and work tickets were not entered in the fuel register since management does not maintain the register. It was therefore not possible to reconcile the fuel records as reflected in the invoices, supplier statements, detail order, and work tickets. The management only relied on the supplier records in making payments for fuel, oil, and lubricants. In the circumstances, the accuracy, completeness, and value for money of Kshs.</p>	<p>PCPB has implemented an automated fuel management system that mitigates risks associated with fuel fraud and misuse. This is achieved by assigning a designated fuel card to each vehicle, with an expenditure ceiling that varies according to the consumption of each vehicle. Drivers can only refuel at designated filling stations outlets of Total Energies Kenya, which issues a monthly invoice detailing the vehicle registration number, the amount of fuel drawn, the kilometers covered and the location of the fueling. Additionally, PCPB has implemented a fuel register to reconcile supplier invoices with monthly fuel consumption before processing payments.</p>	Resolved	N/A

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	6,193,804 could not be confirmed.			
Property Plant and Equipment 3.1	<p>Failure to Revalue Fully Depreciated Assets Failure to Revalue Fully Depreciated Assets</p> <p>The statement of financial position reflects the Property, Plant, and Equipment balance of Kshs. 665,121,090 as disclosed under Note 20 to the financial statements. The balance excludes the fair value of the assets that have been fully depreciated, and which are still in use by the board. Further, the Board has not disclosed the valuation policy on its fixed asset in the Notes to the financial statement. This was contrary to the International Public Sector Accounting Standard Section 17(44) which requires sufficient regularity in revaluation of property, plant and equipment to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.</p> <p>In the circumstances, the accuracy and fair</p>	PCPB engaged the Government valuer, Ministry of Land and Public works, Housing and Urban Development to conduct the valuation of PCPB assets and they proposed a work schedule that had a cost implication of Ksh 4,774,000. This was way beyond our financial capacity and therefore PCPB opted to undertake valuation in phases. In FY 2024/2025 PCPB valued land and in the FY 2025/2026 valuation of other movable assets will be done.	Ongoing	FY2026/2027

Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	value of property, plant and equipment, a balance of Kshs.665,121,090 could not be confirmed.			
3.2	<p>Note 20 to the financial statements reflects Property, plant and equipment amounting to Kshs.665,121,090. Included are additional expenditure on capital work in progress of Kshs. 9,094,786 for the year ended 30th June 2024. However, the level of completion and the outstanding costs of the project could not be confirmed as the project implementation committee minutes, which would outline the progress of the projects, were not provided for audit. This is Contrary to the National Treasury Guidelines on Assets and Liability Management in the Public Sector, March 2020, paragraph 67(8) and Appendix 6(1), the state corporation should prepare a work-in-progress register for each category of assets.</p> <p>In the circumstances, the accuracy and completeness of capital work in the progress balance of Kshs. 9,094,786 could not be confirmed.</p>	<p>PCPB had no ongoing projects as at June 30th, 2024, hence there was no work- in-progress for the period being audited.</p> <p>A work-in-progress register will be maintained for future projects to ensure compliance with financial reporting standards.</p>	Resolved	N/A

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
Other matter	<p>Unresolved prior year issues.</p> <p>In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues as required or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.</p>	<p>PCPB uses a straight-line depreciation method which was disclosed in notes of the financial statement Note 3(e) Property, Plant, and Equipment.</p> <p>PCPB has been understaffed for the past financial years and to address the understaffing issue, authority to recruit has been granted. The process was undertaken.</p>	Resolved	N/A
Report on Lawfulness and effectiveness in the use of public resources Basis for conclusion	<p>Repair and maintenance - Lack of procurement for Property management services.</p> <p>The statement of financial performance reflects Repair and maintenance of property of Kshs.3,371,793 as disclosed under Note 15 to the financial statements Included in this amount is Kshs.1,724,483 in relation to repairs and maintenance of property plant and equipment paid to a company was not among the prequalified companies listed for the service. Further management did not institute a fresh procurement process as the</p>	<p>PCPB has a prequalified list of suppliers which is regularly updated. The supplier in question was listed in the prequalified list under the construction category.</p> <p>PCPB also requested supplier lists from other procuring entities that had undertaken competitive registration processes. This was done to ensure continuity of service delivery while upholding procurement integrity. This action is</p>	Resolved	N/A

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	<p>previous contract had expired nor was the previous contract renewed. In the circumstances, the value for money of Kshs.1,724,483 could not be confirmed. Also, the management was in breach of the law.</p>	<p>guided by Section 56 of the Public Procurement and Asset Disposal Act, 2015, which states that a State organ or public Pest Control Products Board may seek, in writing, to use another State organ's, public Pest Control Products Board's, or regulated professional body's registration list of all registered persons in a category, provided that the list is valid and developed through a competitive process in accordance with the relevant provisions of this Act.</p>		
2.1	<p>Issuance of Local Purchase Order Without Signed Contract. Note 20 to the financial statements reflects property, plant and equipment amounting to Kshs. 665,121,090. Included are additions in respect of purchase of laboratory equipment of Kshs.28,003,480 and purchase of computers of Kshs.2,637,140. However, the Board did not enter into a binding contract with the successful tenderer and instead</p>	<p>PCPB has enhanced internal procurement control and ensured that all future awards will be supported by a fully signed contract. PCPB will ensure the procurement staff are sensitized on the legal requirement to ensure full compliance.</p>	Ongoing	FY2025/2026

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	<p>issued a Local Purchase Order (LPO) as a substitute. This approach bypasses the formal contract process and contravenes regulation 131(1)(b) of the Public Procurement and asset disposal Regulations, 2020, which mandates that the accounting officer of a procuring Pest Control Products Board, in accordance with Section 138 of the Act, must publish and publicize all procurement contracts at the Pest Control Products Board's notice boards and websites within fourteen days after the contract is signed.</p> <p>In the circumstances, management was in breach of the law.</p>			
3.	<p>Non-Compliance to a One-Third of Basic Salary Rule.</p> <p>A review of the payroll revealed that fifty-nine (59) staff received less than a third of their salary contrary to the provisions of Section 19 (3) of the Employment Act, 2007 which states that the total amount of all deductions which may be made by an employer from the wages of his employee at</p>	<p>During the audit period, it was noted three officers were under the one-third rule, however, the anomaly has since been corrected and no officer has the under one-third rule due to the new HRIS system which automatically does not allow the anomaly.</p>	Resolved	N/A

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	<p>any one time shall not exceed two-thirds of such wages. Staff with over-committed salaries may lack funds to meet their needs thus pecuniary embarrassment which leads to low morale.</p> <p>In the circumstances, management was a breach of the law.</p>			
<p>Report on effectiveness of Internal Controls, Risk Management and Governance Basis for Conclusion</p> <p>1.</p>	<p>Lack of Disaster Recovery Plan.</p> <p>Review of record revealed that the Board Management did not have a Disaster Recovery Plan and a Risk Management Policy during the year under review.</p> <p>This may result in failure by management to properly plan and act in the event of a disaster.</p>	<p>A formal risk management policy and disaster recovery plan have been developed currently in draft form for approval by the Board.</p>	<p>Resolved</p>	<p>N/A</p>
<p>2.</p>	<p>Non-Compliance With Treasury Guidelines.</p> <p>The statement of financial performance reflects revenue amounting to Kshs. 268,805,488 and employee cost payments totaling Kshs. 138,245,493. The Compensation of employees' costs</p>	<p>PCPB has increased the revenue and has resolved the personnel-to-revenue ratio and ensured that staffing and funding allocations are adjusted to meet the prescribed 35% threshold as guided.</p>	<p>Resolved</p>	<p>N/A</p>

**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management comment/Action Taken	Status: (Resolved /Not Resolved)	Timeframe:
	<p>constituted fifty-one (51%) of the total revenue for the year under review, which is contrary to Treasury Circular No.16/2020 dated 26th August 2020 states that in line with the Public Finance Management Regulations 2015, the National Government expenditure on compensation to employees is not expected to exceed 35% of equitable revenue share</p> <p>In the circumstances, Management was in breach of the law.</p>			
3.	<p>Understaffing in staff Establishment.</p> <p>The Board has an approved staff establishment of two hundred and seventy-one (271) while the filled positions are fifty-nine (59) leaving unfilled positions of two hundred and twelve staff members. (212). In the circumstances, failure to achieve Board mandate due to understaffing may negatively impact the staff morale due to work overload leading to poor service delivery.</p>	PCPB has been understaffed for the past financial years and to address the understaffing issue, authority to recruit has been granted. The process has been undertaken.	Resolved	N/A

C.E.O



**Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Reference No. on the external audit Report	Findings / Observations from Auditor	Management Taken comment/Action	Status: (Resolved /Not Resolved)	Timeframe:
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Date: 03/12/2025.....

Appendix IV: Transfers from Other Government Entities

Pest Control Products Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Pest Control and Products Board as at 30 June 2025							Amount Received by SAGAS at 30 June, 2025	Difference (Ksh) (F)=(D-E)
Amount Disbursed by State Department for Agriculture as at 30 June 2025								
Reference Number	Date Disbursed	Recurrent (Ksh) (A)	Development (Ksh) (B)	Inter-Ministerial (Ksh) (C)	Total (Ksh) (D)=(A+B+C)			
FT24215D4FZ	02.08.2024	21,250,000.00	-	-	21,250,000.00	21,250,000	-	
FT24256L834M	12.09.2024	21,250,000.00	-	-	21,250,000.00	21,250,000	-	
FT24277S70JI	03.10.2024	21,250,000.00	-	-	21,250,000.00	21,250,000	-	
FT243119480V	06.11.2024	63,750,000.00	-	-	63,750,000.00	63,750,000	-	
FT25038TK9RS	07.02.2025	63,750,000.00	-	-	63,750,000.00	63,750,000	-	
FT25125PDGNZ	05.05.2025	63,750,000.00	-	-	63,750,000.00	63,750,000	-	
TOTAL		255,000,000.00	-	-	255,000,000.00			

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

Head of Accounts Department

Name Bernard M Mwangi

Signature



Date

18/07/2025

Copy to - Director General Accounting Services and Quality Assurance, National Treasury