

REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

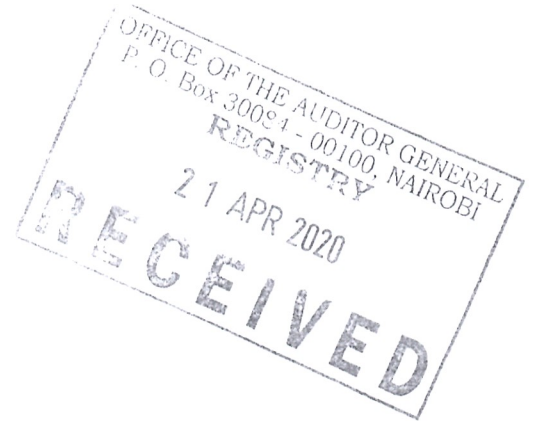
OF

THE AUDITOR-GENERAL

ON

PEST CONTROL PRODUCTS BOARD

**FOR THE YEAR ENDED
30 JUNE, 2019**



PEST CONTROL PRODUCTS BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

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KEY PEST CONTROL PRODUCTS BOARD INFORMATION AND MANAGEMENT

Background information

The Pest Control Products Board is a Statutory organization of Kenya Government established under an Act of parliament, the Pest Control Products Act, Cap 346, Laws of Kenya of 1982 to regulate the importation and exportation, manufacture, distribution and use of pest control products.

Principal Activities

Assessing the safety, efficacy, quality and economic value of pest control products with a view of registering them, if found suitable.

Assessing suitability of premises used for manufacture/formulation, storage and distribution of pest control products for purposes of licensing.

Processing and issuing import permits to ensure that only correct quantities of registered products are imported and in right quantities.

Advising the Minister on all matters relating to the Provisions of the Act and Regulations made there under.

Monitoring and ensuring adherence of quality standards of pest control products from production to use.

Creating awareness of the general public on all aspects of safety, storage, handling and use of pest control products.

Investigating and prosecuting offences related to Pest Control Products Act.

Supervising the disposal of obsolete or undesired pest control products.

Key Management

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

The Office of the Chief Executive
Finance and Planning
Human Resource and Administration
Compliance and Enforcement
Registration and Analysis

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|------------|------------------------------|--------------|
| 1. | Chief Executive/ Secretary | Peter Opiyo |
| 2. | Manager Finance & Accounting | James Mwaura |

**Fiduciary Oversight Arrangements
Finance and Administration Committee**

Terms of Reference

Deal with all financial and administration matters

Disburse payments

Maintain fully audited account record

Give service to client's effectively i.e. correspondence, requests etc.

Audit Committee

Terms of Reference

Assisting the accounting officer/chief executive officer in enhancing internal controls in order to improve efficiency, transparency and accountability.

Reviewing audit issues raised by both internal and external auditors.

Resolving unsettled and unimplemented Public Accounts and Public Investment Committees' (PAC/PIC) recommendations.

Enhancing communication between management, internal and external audit and fostering an effective internal audit function.

Pest Control Products Board Headquarters

P.O. Box 13794-00800

PCPB Headquarters

Loresho

Nairobi, KENYA

Pest Control Products Board Contacts

Telephone: (254) 020-8021846/7/8

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

Website: www.pcpb.go.ke

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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Pest Control Products Board Bankers

Kenya Commercial Bank Limited

Sarit Centre

P.O. Box 14959-00800

Nairobi.

Barclays Bank of Kenya Limited

Westlands

P.O. Box 14403-00300

Nairobi

Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue


P.O. Box 40112

City Square 00200

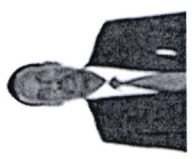
Nairobi, Kenya

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019



THE BOARD OF DIRECTORS

| | GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----|---|----------------------------|---|--|--------------|--------------|
| 1. | No.1737 of 17/03/2016 DoA 18/03/2016 | Kuria Gatonye Born 1964 |  | <p>Executive MBA, BSc Chemistry and Biochemistry, Advanced Diploma in Purchasing and Supply 2010, CIPS UK. And Diploma in Coffee Estate Management (Standard Chartered Estate Management Ltd)</p> <ul style="list-style-type: none"> ▪ 2018 to date: Consultant ▪ 2003 to 2018: Tropical Farm Management Ltd, Head of Supplies Department ▪ 1999- 2003: Technical Manager at Osho Chemical Industries ▪ 1995 -1999: Salas Representative at Kenwin Enterprises ▪ 1989 -1995: Coffee Estate Manager at Standard Chartered Estate Management Ltd | Consultant | Chairperson |
| 2. | Date of | Andrew Mware | | BSc Chemistry | State | Member |


PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|---------------------------|------------------------|---|--|---------------------------------------|--------------|
| Appointment 13/07/2016 | Kinyua Born 1966 |  | <ul style="list-style-type: none"> ▪ Jan 2015 to date: Head (Deputy Director) of Water Quality and Pollution Control Division, Water Resources dept, Ministry of Water and Irrigation ▪ 2010 - 2014: Senior Principal chemist II ▪ 2008 - June 2010: Principal Chemist ▪ -2006- June 2008 Chief Chemist (NB// All above under Ministry of Water & Irrigation) ▪ 2002-2005: Senior Chemist in charge of Assay Laboratory ▪ 1996-2002 Chemist I Nov 1992-1996: Chemist II Mineral processing,(NB: 1996 to 2005 in Assay Laboratory , Mines & Geology Department, Ministry of Environment and Natural | Department of National Water Services | |

PESI COUNCIL PRODUCE BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019



| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|--|---|--|-----------------------------------|--------------|
| 3. | No. 4451 of 30/5/2016 DoA 31/5/2016 Agnes Moraa Angwenyi Born 1954 |  | Resources 2002: Higher Diploma in Human Resource Management <ul style="list-style-type: none"> ▪ 1976-1976: Bachelor of Education ▪ 1987-2010: Held several management positions at Kenya Post Office Savings Bank ▪ 1979-1987: Graduate teacher at Kenya High School | Independent Member | Member |
| 4. | Date of Appointment 09/08/2016 Dr. Elijah K. Gichuru Born 1967 |  | PhD, Msc <ul style="list-style-type: none"> ▪ Aug 2014 to date: Director at Coffee Research Institute ▪ Feb 2013 to Aug 2014: Acting Director of Research/CEO at Coffee Research Foundation. ▪ July 2010 to 2013: Deputy Director of Research at CRF | KALRO –Coffee Research foundation | Member |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

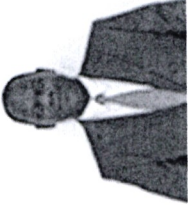
| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|---|------------------------------|---|---|----------------------------------|--------------|
| 5. Date of Appointment 01/07/2016 | Teresia Karanja Born 1966 |  | <p>Master's degree in Plant pathology</p> <ul style="list-style-type: none"> ▪ 2008 to date: State Department of Agriculture, Plant Protection Services Division as Pathology, weeds and Pesticide Advisory Officer. ▪ 2005-2008 at District Agricultural Office, Kiambu as District Horticultural Crops Officer ▪ 1996-2005 at Divisional Agricultural Office, Kikuyu as Divisional Horticultural Crops Officer | State Department of Agriculture. | Member |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|---|-------------------------------------|---|---|---------------------------|--------------|
| 6. Date of Appointment 01/07/2016 | Henry Kibet Rotich Born 1970 |  | PhD <ul style="list-style-type: none"> ▪ Oct 2015 to date: Director, Metrology, Testing and Market Surveillance division. Currently Chief Manager, Research and Development ▪ Jan Aug 2006: Part time Lead Consultant at Beijing China ▪ Sep 2003-Jul 2006: Teaching Assistant at Jilin University, China ▪ Dec 2000-Feb 2001: Spring Festival Volunteer at Changchun city, China ▪ Jan 1997-Aug 1998: Laboratory analyst at Kenya Bureau of Standards. | Kenya Bureau of Standards | Member |
| 7. Date of Appointment 13/07/2016 | Leonard Waweru Kariuki Born 1958 |  | BSc | The Government Chemist | Member |
| | | | | Ministry of | |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019


| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|--------------------------------------|-------------------------------|---|---|---|--------------|
| 8. Date of Appointment 13/07/2016 | William O. Ogola Born 1962 |  | <p>MSc in Land & Water Engineering, BSc in Agriculture</p> <ul style="list-style-type: none"> ▪ 2006 to date: Deputy Director ,Regional Development(Ministry of Natural Resource Management), Nairobi) ▪ 1998-2006: Project coordinator KOSFIP at Lake Basin Development Authority Headquarters, Kisumu. ▪ 1998: Consultant (Otieno Odongo & Partners Engineering Consultants ▪ 1996: Consultancy / Community Organisation Consultants ▪ 1992- 1996:Project Liason Officer (Embassy of Netherlands & Ministry of Agriculture ▪ 1993 – 1994: Superintendent Agronomist, Nucleas and Out | <p>Environment, Natural Resources & Regional Development Authorities</p> | Member |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED


30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|--|---|----------------------|--|--------------------|--------------|
| | | | growers Estates at Chemili Sugar Company ▪ 1988-1989: Agricultural Officer II | | |
| 9 Date of Appointment 13/07/2016 | Dr. Waqo Dulacha Ejersa Born 1968 | | MPH/MBchB ▪ Nov 2013 to date: Head, National Malaria Control Program, Ministry of Health, Kenya ▪ March 2009 –Oct 2013 Provincial Director, Ministry of Public Health and Sanitation, Rift valley province and County Director of Health, Narok County. ▪ Feb 2002 to Feb 2009: District Medical Officer of Health, Machakos District ▪ Aug 1999 to Jan 2002: District | Ministry of Health | Member |


PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|--|---|---|-----------------------|--------------|
| 10 | No. 4451 of 30/5/2016 DoA 31/5/2016 |  | <p>Medical Officer of Health, Marsabit</p> <ul style="list-style-type: none"> ▪ Dec 1997 to July 1999: District Medical Officer of Health, Moyale ▪ Sept 1996 to Dec 1997: Medical Officer Intern- Embu Provincial General Hospital | University of Nairobi | Member |


PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|--------------------------------|--|--|-----------------------|--------------|
| 11 | Geoffrey Mwikamba Born 1972 |  | <p>Technology</p> <ul style="list-style-type: none"> ▪ April 1991 – June 1998: Associate Professor University of Nairobi ▪ Oct 1986 – Mar 1991: Senior Lecturer University of Nairobi ▪ Jan 1984 – Oct 1986: Lecturer University of Nairobi ▪ April 1979 – Aug 1980: Tutorial fellow University of Nairobi | The National Treasury | Member |
| | | | <p>Degree</p> <ul 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 | | |


PESI CONIKOL PRODUKUS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|--------------------------------------|---|--|---|-----------------|
| 12 | Bernard Ngulalu Inspector General | | <ul style="list-style-type: none"> ▪ Dec 2003 to Apr 2008 ICT Officer I ▪ Dec 1999 to Dec 2003: Systems Analyst/Programmer at City Council of Nairobi | Inspector General (Corporations) Office of the Deputy President | In attendance |
| 13 | Eric Kimunguyi |  | <p>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 2015-2017: Board Member AAK- The 2016 to date PHD – Innovations and Technology Management -JKUAT 2013: MBA – Strategic Management</p> | AAK Representative | Co-opted member |

PESI CONIKUL PRODUKUS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|------------------------|--|--|--------------------|--------------|
| | | | <p>2008: Diploma in Marketing Management 2008: Basis Certificate in Crop Protection (UK) 2000: Bachelor of science in Horticulture 2015-2017: Board Member AAK- The Agrochemicals Association of Kenya- The umbrella organization in Kenya for the pesticide and agrochemical industry. -This is an elective post and I have successfully been voted in three years continuously with elections been held annually.</p> | | |
| 14 | Mark Rotich |  | <ul style="list-style-type: none"> ▪ Programme leadership and management for effective delivery of results ▪ Project design and bidding including for integrated complex programmes ▪ Client Relations Management including donor liaison and coordination ▪ Stakeholder engagements and partnerships with non-state and state actors ▪ Hands-on experience in financial | Independent Member | Member |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019






| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|------------------------|--|---|-----------------------------|--------------|
| | | | <p>management of large budgets with multi-agency complex partnerships</p> <ul style="list-style-type: none"> ▪ Experience in design and supervision of basic and operational research projects ▪ Experience on Sector Wide Approaches and in various sectors ▪ Strategic planning including formulation of strategies for organisations ▪ Institutional development including organizational re-structuring for efficiency and effectiveness ▪ Management of staff including managing staff of diverse cultures and in remote places | | |
| 15 | Peter Opiyo |  | <p>July 2014 to date: Chief Executive Officer/Secretary to the Pest Control Products Board August 2013 to July 2014: Acting Chief Executive Officer/Secretary July 2000 to July 2013: Head of Department: Registration & Analysis, PCPB July 2000 to July 2013: Head of Department: Registration & Analysis,</p> | Pest Control Products Board | Secretary |

PEST CONTROL PRODUCTS BOARD
 FINANCIAL STATEMENTS FOR THE YEAR ENDED
 30 JUNE 2019

| GAZETTE NOTICE | Name and Date of Birth | Pass Port Size Photo | Key Academic/ Professional Qualifications and Work Experience | ORGANIZATION | BOARD STATUS |
|----------------|------------------------|----------------------|--|--------------|--------------|
| | | | PCPB 1998-2000: Senior Analysts, PCPB 1996- 1998: Analyst I, Government Analyst, Government Chemist's Department 1991-1996: Section-Head, Forensic Toxicology | | |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

MANAGEMENT TEAM

| Name | Key Professional and Academic qualifications | Passport size Photo | Area of responsibility |
|-------------------|---|--|--|
| Peter Opiyo | Msc Analytical chemistry |  | Chief Executive Officer |
| James Mwaura | MBA (Finance), BBA (Finance and Accounting), CPAK , AKIB |  | Head, Finance and Accounts |
| Callen Okara | MBA (Human Resource), Higher Diploma in Human resource Management |  | Head, Human Resource & Administration. |
| Dr. Paul Ngaruiya | PhD in Tropical Plant Sciences. |  | Head, Registration & Analysis |
| Peter Kimwelle | Bsc Agriculture, Honours in crop Science |  | Head, Enforcement and Compliance. |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

CHAIRMAN'S STATEMENT

I am elated to present the Annual Report and the Financial Statement for the financial year 2018/2019 on the Pest Control Products Board operations.

The operations were derived and guided by the provisions of the Pest Control Products Act, Cap 346, Laws of Kenya under which the Board is established and based on the Board's Strategic Plan of 2018-2022.

The Board realized remarkable achievement in the regulation of pesticides and service delivery to the public in general. The activities undertaken included registration of pesticides, quality control/assurance of pesticides through premises inspection and certification of products therein among other enforcement activities.

To carry out these and other related activities, adequate resources were required and in this regard, I wish to recognize the Government funding to the Board which has enhanced its capacity to expand its operations including the on-going construction of a laboratory block.

The Board continued to engage with key stakeholders in consultative forums in order to identify partnerships required for improved service delivery. The Board sustained and enhanced collaboration with both private and public institutions and other stakeholders in areas of strategic planning, research, public health, environment, animal health, agriculture, institutions of higher learning and national and international standards setting bodies.

On behalf of the Board, management and staff, I wish to reaffirm our commitment for the effective and efficient service delivery in pesticide regulation and trade facilitation for improved agricultural productivity, safe guarding of human health and environment and the promotion of sustainable development.


Kuria Gatonye
Chairperson

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

REPORT OF THE CHIEF EXECUTIVE OFFICER

The Board is pleased to present the financial results for the year 2018/2019. During this period, the Board continued with the project of the construction of a laboratory which will go a long way in facilitating achievement of the desired levels of compliance to the law on pesticides.

On operations, the Board has been instrumental in carrying out its mandate with the Compliance and Enforcement Department inspecting approximately 8,044 premises compared to last year's 8320 this represents a 3% decrease in the number of premises inspected which could be attributed to the number of premises that closed down during the year. The Registration and analysis department received 262 applications against 273 in the previous year; 414 permits for trial purposes were issued against 417 received in the previous year. 156 applications were considered by the Board for registration of which 89 were approved against 38 approved in the previous period representing a 134% Increase. This was due to backlog which had been occasioned by lack of a fully constituted Board of Management which bears the responsibility of registering Pesticides during the previous period.

The income generated during the year from both internal and external sources was approximately Kshs 189 million against Kshs 213 million the previous year, which represents a 11.2% decrease. The Board with its limited financial resources has been able to prudently manage and avoid debts without compromising on achievement of its mandate.

The Board over the years has been dogged by the challenge of limited human resource capacity with the year under review having a total staff force of 67 against 74 in the previous period. In the period we also offered 5 internships and 27 attachments opportunities lasting between three and six months. This by all means is well within the required human capital entrusted with a broad mandate for all Kenyans in terms of food security, safety and safeguarding the environment. The Board is also at an advanced stage of repealing the current Act to comply with the dynamics of the industry and also comply with new local and international requirements on the standards of pest control products. This will see the Board being recognized the world over as a reputable regulator and facilitating trade by providing a conducive environment for agribusiness.

In summary, the management is committed to improving the outlook of the Board to effectively carry out its mandate in a prudent and professional manner.


Peter Opiyo

CEO/Secretary PCPB

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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CORPORATE GOVERNANCE STATEMENT

The Board has continued with its commitment to high corporate governance standards, values and ethics within the organization to abide by the laws governing in the country.

The Board continued to engage with key stakeholders in various consultative forums in order to identify partnerships required for improved service delivery.

The Board sustained and enhanced collaboration with both private and public institutions and other stakeholders in areas of strategic planning, research, public health, environment, animal health, agriculture, institutions of higher learning and national and international standards setting bodies.

MANAGEMENT DISCUSSION AND ANALYSIS

The institution is made up of three major departments namely the Corporate Services Department, the Registration and Analysis department and Inspection and enforcement department. These departments have been instrumental in carrying out the mandate of the Board with the compliance and enforcement department inspecting approximately 8,044 premises compared to last year's 8,320 this represents a 3% decrease.

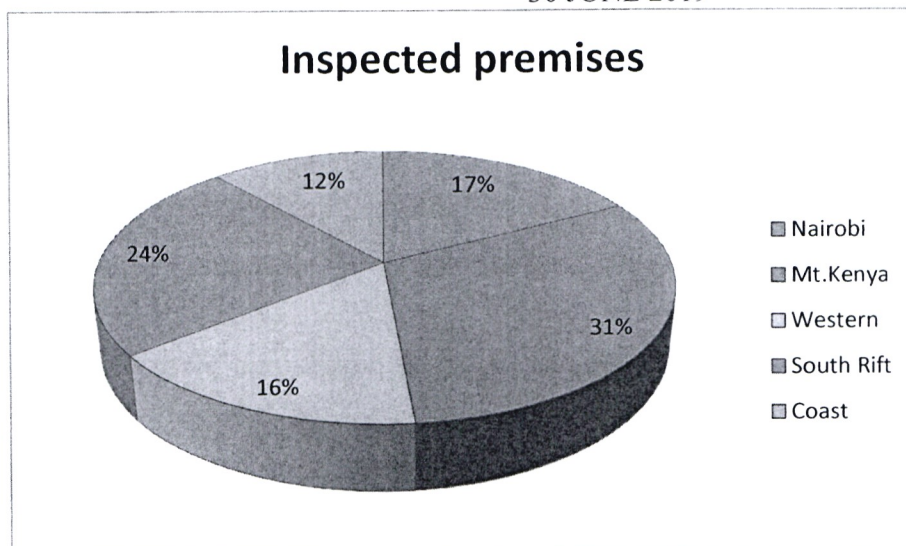
Pesticides premises are categorized as follows:

- Manufacturers/formulators
- Re-packers
- Warehousing
- Storage and use
- Wholesalers
- Distributors
- Supermarkets
- Retailers
- Pest control operators
- Local agents

1. A) INSPECTED PREMISES

| Region | 1 st quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | TOTAL |
|------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| Nairobi | 24 | 334 | 595 | 391 | 1344 |
| Mt. Kenya | 206 | 278 | 855 | 1126 | 2465 |
| South Rift | 105 | 279 | 512 | 754 | 1650 |
| Western | 15 | 89 | 735 | 849 | 1686 |
| Coast | 14 | 7 | 409 | 469 | 899 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019



2. A) TRAINING AND AWARENESS CREATION

The inspection and compliance department undertakes training of various pesticides stakeholders in the country to ensure prudent pesticide management throughout pesticides chain. Users are sensitized on the need to handle and use pesticides responsibly by reading and adhering to the label recommendations.

Increased consumer food safety concerns and quality standards challenges, like non-compliance with the market requirement resulting in interception of produce in the international market, emerging issues related to constant changes in MRLs, new EU regulations on pesticides and conformity of fruits and vegetables have made it necessary to ensure that farmers are trained on how to use pesticides responsibly.

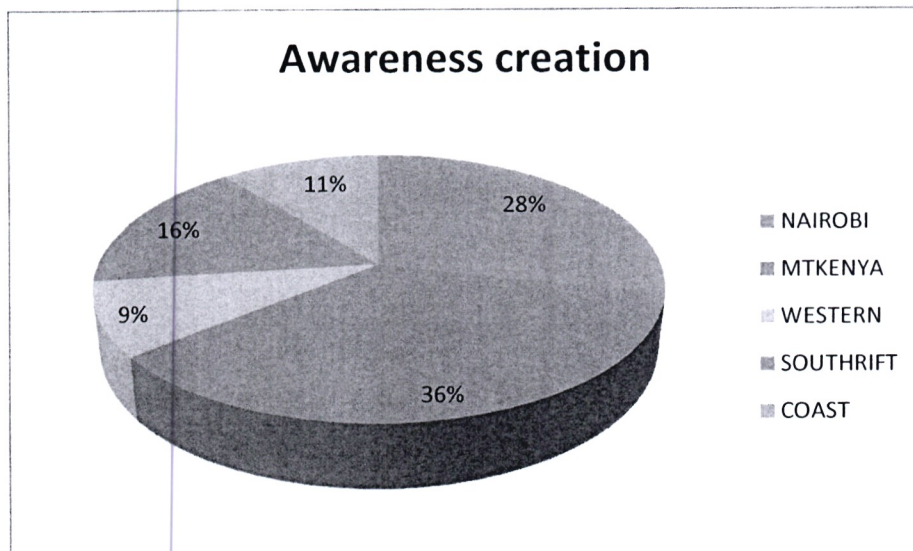
The need to safeguard human health and environment is also emphasized by stressing on the need to dispose empty pest control products containers responsibly as well as manage chemical effluent in an environment friendly manner.

Various awareness raising activities were conducted as stipulated below

Training activities for the Financial Year 2018/2019

| Region | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | TOTALS |
|------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------|
| Nairobi | 2 | 4 | 5 | 2 | 13 |
| Mt. Kenya | 5 | 4 | 5 | 4 | 18 |
| South Rift | 2 | 1 | 3 | 2 | 8 |
| Western | 4 | 2 | 2 | 3 | 11 |
| Coast | 2 | 1 | 2 | 4 | 9 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019



(to review)

The Registration and analysis department received 262 applications against 273 in the previous year; 414 permits for trial purposes were issued against 417 received in the previous year. 156 applications were considered by the Board for registration of which 89 were approved against 38 approved in the previous period representing a 134% Increase. This was due to backlog which had been occasioned by lack of a fully constituted Board of Management which bears the responsibility of registering Pesticides during the previous period.

2018/19: Annual report; Executive Summary

| Issue | Indicator | Number |
|---|--|-------------|
| Product registration | Total No New dossiers received | 262 |
| | Accepted dossiers | 195 |
| | Rejected dossiers | 67 |
| | Experimental permits issued to various accredited institutions | 414 |
| | Total Number of New Applications considered for registration | 156 |
| | No. of Pest Control Products granted full registration | 89 |
| | Cumulative number of registered products (Total) | 1360 |
| | Pesticides registered for use in crops | 1107 |
| | Products registered for use in public health | 134 |
| | Products registered for use in animal health | 42 |
| | Technical grade materials | 77 |
| | | |
| | No of Label extensions approved | 85 |
| | No of products deregistered | 8 |
| Number of products approved for change of trade | 9 | |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

| | name | |
|---|---|------------------------------|
| Imports/ exports | Volume of pesticide imported (in Kg) | 14.6 million kg |
| Efficacy trials | Number of accredited institutions in the year | 3 MIAD, EZNA, KARLO KIBOS |
| | Number of samples sent for efficacy trials | 268 |
| Laboratory sampling and analysis | Number of samples analyzed | 347 |

The income generated during the year from both internal and external sources was approximately Kshs 189 million against Kshs 213 million the previous year, which represents a 0.11% decrease. The Board with its limited financial resources has been able to prudently manage and avoid debts without compromising on its mandate.

The Board over the years has been dogged by the challenge of limited human resource capacity with the year under review having a total staff force of 67 against 74 in the previous period. In the period we also offered 5 internships and 27 attachments opportunities lasting between three and six months. This by all means is well within the required human capital entrusted with a broad mandate for all Kenyans in terms of food security, safety and clean environment. It is our hope that the improvements will enable us serve the public better and more efficiently.

The Board is also at an advanced stage of repealing the current Act to comply with the dynamics of the industry and also comply with new local and international requirements on the standards of pest control products. This will see the board being recognized the world over as a reputable regulator and agro business facilitator, ensuring food security, clean environment and also mitigate against the potential hazards stemming from use of pesticides.

In summary, the management is committed to improving the outlook of the Board to effectively carry out its mandate in a prudent and professional manner.

Board of Directors

The Board consists of 14 directors. The Directors possess qualification and a wide range of expertise and experience to enable them to contribute effectively in their capacities as Directors to the Pest Control Products Board.

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

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 company's assets and operations.

The Board of Management meets at least quarterly or as required to continually review and monitor the company'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.

Technical and Registration Committee

Duties

- To maintain a register of all pest control products being used in Kenya
- To maintain a register of all testing organizations
- To maintain a register of all licences of premises
- To maintain a register of all licences for import/export of pesticides
- To clarify the pesticides on the basis of toxicology, flash points and corrosiveness to spray gadgets as set out on the Third Schedule of the Act
- To index all pesticides
- Design model labels in accordance with the Act and Regulations
- To establish a data storage system on all pesticides

Finance and Administration Committee

Duties

- Deal with all financial and administration matters
- Disburse payments
- Maintain fully audited account record
- Give service to client's effectively i.e. correspondence, requests etc.

Audit Committee

Duties

- Assisting the accounting officer/chief executive officer in enhancing internal controls in order to improve efficiency, transparency and accountability.
- Reviewing audit issues raised by both internal and external auditors.
- Resolving unsettled and unimplemented Public Accounts and Public Investment Committees' (PAC/PIC) recommendations.
- Enhancing communication between management, internal and external audit and fostering an effective internal audit function.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

PCPB has strategically implemented CSR which has enhanced the Company's image thereby creating great public goodwill .CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government", In a nutshell, CSR is about business "giving back to society"

PCPB supports initiatives/projects that provide sustainable solutions to the most pressing social challenges.

PCPB's CSR Objectives are;

- To give back to the community by assisting the disadvantaged:
- As a Company that has benefited from tax payers money we are obligated to support community initiatives.
- To identify with the public and foster goodwill towards the Company:
- To support on-going national advocacy initiatives:
- There are numerous national campaigns that need support to have a greater impact e.g. HIV/AIDS, environment and health and sanitation campaigns.
- Create awareness about the company and build its public profile:
- To build a strong PCPB brand, the Company must be seen to have a human face.
- Our projects

In Kenya effects of climate change and other environmental challenges are having an enormous impact not only on human life but also on business. The pressure on natural resources and the environment in general calls for concerted efforts to alleviate the situation. PCPB has actively participated in environmental conservation initiatives aimed at conserving catchment areas and other delicate ecosystems

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

PCPB staff has over the years participated in various community based initiatives the latest being carrying out reforestation of part of the Mt. Kenya Forest that had been razed by fire. PCPB adopted over 2Ha of the forest and planting over 2,500 seedlings in the Ontulili Forest in Meru County.

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

REPORT OF THE DIRECTORS

The Directors submit their report together with the un audited financial statements for the year ended June 30, 2019 which show the state of the Pest Control Products Board's affairs.

Principal activities

The principal activities of the Pest Control Products Board are;

Assessing the safety, efficacy, quality and economic value of pest control products with a view of registering them, if found suitable.

Assessing suitability of premises used for manufacture/formulation, storage and distribution of pest control products for purposes of licensing.

Processing and issuing import permits to ensure that only correct quantities of registered products are imported and in right quantities.

Advising the Minister on all matters relating to the Provisions of the Act and Regulations made there under.

Monitoring and ensuring adherence of quality standards of pest control products from production to use.

Creating awareness of the general public on all aspects of safety, storage, handling and use of pest control products.

Investigating and prosecuting offences related to Pest Control Products Act.

Supervising the disposal of obsolete or undesired pest control products.

Directors

The members of the Board of Management who served during the year are shown on pages vi to xviii In accordance with the provisions of the Pest Control Products Act, Cap 346, Laws of Kenya

Auditors

The Auditor General is responsible for the statutory audit of the Pest Control Products Board in accordance with Section 81(4) a of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81(3) of the Public Finance Management Act, 2012 and section 14(3) of the State Corporations Act, require the Directors to prepare financial statements in respect of that Pest Control Products Board, 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/period and the operating results of the Pest Control Products Board for that year/period. The Directors are also required to ensure that the Pest Control Products Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Pest Control Products Board. The Directors are also responsible for safeguarding the assets of the Pest Control Products Board.

The Directors are responsible for the preparation and presentation of the Pest Control Products Board's financial statements, which give a true and fair view of the state of affairs of the Pest Control Products Board for and as at the end of the financial year (period) ended on June 30, 2019.

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 Pest Control Products Board; (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 Pest Control Products Board; (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's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act.

The Directors are of the opinion that the Pest Control Products Board's financial statements give a true and fair view of the state of Pest Control Products Board's transactions during the financial year ended June 30, 2019, and of the Pest Control Products Board's financial position as at that date.

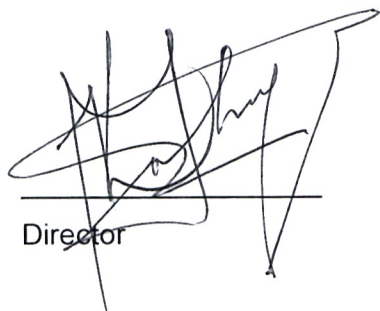
PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

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


Nothing has come to the attention of the Directors to indicate that the Pest Control Products Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Pest Control Products Board's financial statements were approved by the Board on ...30-SEP-2019....and signed on its behalf by:



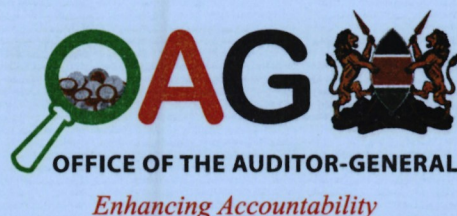
Director



Director

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PEST CONTROL PRODUCTS BOARD FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Pest Control Products Board set out on pages 33 to 53, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Pest Control Products Board as at 30 June, 2019, 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, Cap. 346 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Statement of Cash Flows

As disclosed in Note 14 to the financial statements, the statement of cash flows reflects cash and cash equivalents balance of Kshs.23,106,287. However, the balance differs with the re-casted balance of Kshs.28,231,771, resulting to an unreconciled variance of Kshs.5,125,484.

Further, the statement reflects an amount of Kshs.58,872,594 from investing activities, which differs with the additions amounting to Kshs.46,711,214 during the year as disclosed in Note 16 to the financial statements. The difference of Kshs.12,161,380 has not been reconciled or explained.

In addition, the statement reflects a balance of Kshs.10,000,000 under capital/development grants/fund. The balance has been disclosed in Note 21 to the

financial statements as funds provided by the government for the construction of a residual laboratory. However, this amount does not appear under financing activities in the statement of cash flows. No explanation has been provided for the omission.

Under the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.23,106,287 reflected in the financial statements as at 30 June, 2019 could not be confirmed.

2.0 Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of financial performance reflects rental income, contracted professional services and corporate social responsibility expenses of Kshs.10,370,200, Kshs.2,820,220 and Kshs.206,675, respectively. However, the expenditure items have been omitted from the statement of comparison of budget and actual amounts.

Consequently, the accuracy and completeness of the statement of comparison of budget and actual amounts for the year ended 30 June, 2019 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 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.

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. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 overall governance were not effective.

Basis for Conclusion

Lack of Internal Auditor

The Board's Internal Auditor resigned on 5 March, 2018. However, the position had not been filled as at 30 June, 2019. This has impacted negatively on the operations of the internal audit unit and Audit Committee of the Board.

Under the circumstances, the Board's internal control system and risk management processes were not be operating effectively.

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

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Board 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

11 August, 2021

**PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Statement of Financial performance

for the year ended 30 June 2019

| Note | 2018/2019 (Shs.) | 2017/2018 (Shs.) |
|---|---------------------|---------------------|
| Revenue from non exchange transactions | | |
| License and Permits 3 | 73,125,621 | 80,489,409 |
| Government Grant 4 | 88,200,000 | 127,800,000 |
| Rental Income 5 | 10,370,200 | |
| Revenue from exchange transactions | | |
| Other Receipts 6 | 15,793,600 | 4,914,852 |
| Total Revenue | 187,489,421 | 213,204,261 |
| Expenses | | |
| Staff Costs 7 | 106,625,688 | 119,823,368 |
| Depreciation & Amortization 8 | 9,610,004 | 18,104,241 |
| Repairs & Maintenance 9 | 3,211,481 | 2,962,627 |
| Contracted professional services 10 | 2,820,220 | 2,017,640 |
| Corporate Social Responsibility 11 | 206,675 | 100,000 |
| General expenses 12 | 40,795,350 | 40,952,884 |
| Remuneration of directors 13 | 6,018,959 | 6,965,278 |
| Total Expenditure | 169,288,378 | 190,926,038 |
| Net Surplus for the year | 18,201,043 | 22,278,223 |

The notes set out on pages 36 to 54 form an integral part of these Financial Statements.

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Financial Position

as at 30 June 2019

| NOTE | 2018/2019 (Shs.) | 2017/2018 (Shs) |
|---|---------------------------|---------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | 14 23,106,286 | 41,585,729 |
| Receivable from exchange transactions | 15 10,247,057 | 6,561,388 |
| | <u>33,353,343</u> | <u>48,147,117</u> |
| Non-Current Assets | | |
| Property, Plant and Equipment | 16 437,173,257 | 400,072,048 |
| Total Assets | 470,526,600 | 448,219,165 |
| Current Liabilities | | |
| Trade and Other payables from exchange transactions | 17 6,803,065 | 1,786,012 |
| Provisions | 18 16,235,292 | 27,145,953 |
| Total Liabilities | <u>23,038,357</u> | <u>28,931,965</u> |
| Net Assets | | |
| Capital Reserves | 19 67,354,425 | 67,354,425 |
| Accumulated Surplus | 20 358,303,460 | 340,102,418 |
| Capita/Development Grants/Fund | 21 10,000,000 | |
| Revaluation Surplus | 22 11,830,357 | 11,830,357 |
| | <u>447,488,242</u> | <u>419,287,200</u> |
| Total Liabilities | 470,526,600 | 448,219,165 |

The Financial Statements set out on pages 1 to 54 were signed on behalf of the Board by:

Chief Executive/Secretary

Name: PETER OPIYO



Date 20/4/2020

Manager Finance & Accounts

JAMES MWAURA

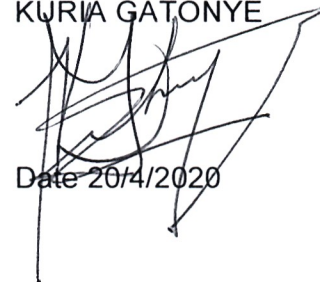
ICPAK No. 14575



Date 20/4/2020

Chairman of the Board

KURIA GATONYE



Date 20/4/2020

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Changes in net Assets

For the year ended 30 June 2019

| | Capital Reserves | Fair value adjustment reserve | Retained earnings | Capita/Development Grants/Fund | Total |
|---|---------------------|-------------------------------------|----------------------|-----------------------------------|-------------|
| | (Kshs.) | (Kshs.) | (Kshs.) | (Kshs.) | (Kshs.) |
| Balance as at 1 July 2017 | | | | | |
| As Previously Stated | 34,942,682 | 11,830,357 | 341,485,937 | | 388,258,976 |
| Prior Year Adjustments Note 21 | - | - | - | | - |
| As Restated | 34,942,682 | 11,830,357 | 341,485,937 | | 388,258,976 |
| Net surplus/(deficit) for the year (Restated) | - | - | 22,278,223 | | 22,278,223 |
| Development Grant | 8,750,000.00 | - | - | - | - |
| Transfers | 23,661,743.00 | - | (23,661,743) | - | |
| At 30 June 2018 | 67,354,425 | 11,830,357 | 340,102,417 | - | 419,287,199 |
| At 1 July 2018 | 67,354,425 | 11,830,357 | 340,102,417 | - | 419,287,199 |
| Net surplus/(deficit) for the year | - | - | 18,201,043 | - | 18,201,043 |
| Development Grant | - | - | - | 10,000,000 | 10,00,0000 |
| At 30 June 2019 | 67,354,425 | 11,830,357 | 358,303,460 | 10,000,000 | 447,488,242 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Cash Flows
for the year ended 30 June 2019

| Notes | 2018/2019 | 2017/2018 | |
|---|------------------|-------------------|-------------------|
| | (Kshs.) | (Kshs.) | |
| Cash flow from operating Activities | | | |
| License and Permits | 3 | 73,125,621 | 80,489,409 |
| Government grant and subsidies | 4 | 98,200,000 | 136,550,000 |
| Rental Income | 5 | 10,370,200 | |
| Other Incomes | 6 | 4,793,600 | 3,960,748 |
| Total Income | | 186,489,421 | 221,000,157 |
| Payments | | | |
| Compensation of employees | 7 | 104,439,294 | 93,025,415 |
| General expenses net | 12 | 41,656,975 | 55,079,894 |
| | | 146,096,269 | 148,105,309 |
| Net cash flow from operating activities | | 40,393,152 | 72,894,848 |
| Cash flow from Investing Activities | | | |
| Purchase of Property Plant & Equipment | 16 | 58,872,594 | (33,459,393) |
| Net cash used in investing activities | | 58,872,594 | (33,459,393) |
| Financing Activities | | | |
| Cash flow from financing activities | | - | - |
| Increase/(Decrease) in cash and cash equivalents | | (18,479,442) | (39,435,455) |
| Cash and cash equivalents at the start of the year | | 41,585,729 | 2,150,274 |
| Cash and cash equivalents at the end of the year | | 23,106,287 | 41,585,729 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**Statement of Comparison of Budget and Actual Amounts for the Year ended
30th June 2019**

| | | Original Budget | Adjustments | Final Budget | Actual comparable basis | Performance Difference |
|-------------|---------------------------|----------------------------|---------------------|-------------------------|--|-----------------------------------|
| | Revenue | 2018-2019 | | 2018-2019 | 2018-2019 | 2018-2019 |
| 640 | Retained earnings | 20,000,000 | - | 20,000,000 | 18,201,043 | - 1,798,957 |
| | Interest from investments | - | - | - | - | - |
| 660 | License Fees | 115,500,000 | (21,700,000) | 93,800,000 | 73,125,621 | - 20,674,379 |
| 670 | Miscellaneous Receipts | 9,000,000 | 2,000,000 | 11,000,000 | 15,793,600 | 4,793,600 |
| 690 | Government Grants | 100,000,000 | (1,800,000) | 98,200,000 | 98,200,000 | - |
| | Total Income | 244,500,000 | (21,500,000) | 223,000,000 | 205,320,264 | - 17,679,736 |
| Code | Expenses | | | | | |
| 131 | Board Expenses | 6,885,000 | 738,000 | 6,147,000 | 6,018,959 | 128,041 |
| | Personnel Emoluments | 118,002,954 | 1,615,877 | 116,387,077 | 106,625,688 | 9,761,389 |
| | Operational Expenses | 67,982,044 | 11,186,122 | 56,795,922 | 53,616,836 | 3,179,086 |
| | Capital Expenditure | 51,630,000 | 5,610,000 | 46,020,000 | 46,711,214 | - 691,214 |
| | Total | 244,499,998 | 19,149,999 | 225,349,999 | 212,972,697 | 12,377,302 |

Notes

660 The deficit of 22% on revenue correction was occasioned by a planned review of the rates that did not materialize. The proposed regulation for the review of the rates is at the ministry pending gazetment.

670 The positive 140% variance on miscellaneous incomes was occasioned by rental incomes, reduction in provision for salary review of Kshs 11, 000000 and direct credits in the bank statements from Kentrade.

PEST CONTROL PRODUCTS BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The Pest Control Products Board (PCPB) financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as follows;

- The financial statements are presented in Kenya shillings (Kshs), which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Kshs 000).
- The accounting policies have been consistently applied to all the years presented.
- The financial statements have been prepared on the basis of historical cost, unless stated otherwise.
- The cash flow statement has been prepared using the direct method.
- The financial statements are prepared on accrual basis.
- The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS).
- The accounting policies adopted have been consistently applied to all the years presented.

The directors have not applied any of the new and revised standards in issue but not yet effective and we do not foresee any significant impact in the preparation of the financial statements during the year. Pest Control Products Board did not adopt any new standards in the preparation of financial statements for the year ended 30 June 2019.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23 Fees.

Pest Control Products Board (PCPB) recognizes revenues from fees, 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.

b) Transfers from other government entities

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

c) b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the

PEST CONTROL PRODUCTS BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

d) Taxes – IPSAS 12

Corporate Tax

Pest Control Products Board is fully funded by exchequer and is not a body Corporate but a semi-autonomous Government agency and therefore not responsible for payment of corporate tax.

e) d) Property, plant and equipment – IPSAS 17

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, PCPB 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), and Lab equipment 12.5% (8 years).

f) Research and development costs

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

The technical feasibility of completing the asset so that the asset will be available for use or sale

Its intention to complete and its ability to use or sell the asset

How the asset will generate future economic benefits or service potential

The availability of resources to complete the asset

The ability to measure reliably the expenditure during development

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

g) Financial instruments – IPSAS 29

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. PCPB has receivables held by other entities

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

inform of deposits. Also when there is an amount of cash that is not put into immediate use, PCPB invests such money in treasury bills which it holds to maturity or rediscount them as the case maybe.

h) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. PCPB recognizes all financial liabilities initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

i) Provisions – IPSAS 19

PCPB recognizes provisions when it 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 PCPB 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 reimbursements.

PCPB makes 0.2% general provision of total debtors. For Financial 2018/2019, PCPB made a specific provision of Kshs 79,160 being the outstanding amount of dishonored cheques which are more than eight years old.

j) Nature and purpose of reserves

PCPB have created and maintains a Capital reserve, Revaluation Reserve and Accumulated Surplus/Retained earnings reserves. These reserves are exclusively used in acquiring fixed assets for the organization.

k) Employee benefits – IPSAS 25

Retirement benefit plans

PCPB provides retirement benefits for its employees. The institution has established a defined contribution plan which post-employment benefit plans under which an PCPB pays fixed contributions into a separate entity 15% of the basic salary of every employee (a fund), the contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

l) Related parties – IPSAS 20

PCPB 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 Entity, or vice versa. The central government is regarded as a related party in this case.

m) Cash and cash equivalents

In the case of PCPB, 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 Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. The cash and cash equivalent at the end of the year were as follows;

| Bank | Kshs |
|--|-------------------|
| 731026785 BBK | 8,385,226 |
| 1106876067 KCB | 9,310,167 |
| 1106877357 KCB | 5,410,893 |
| Total cash and cash equivalents | 23,106,286 |

n) Comparative figures

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

o) Subsequent events – IPSAS 14

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, 2019.

p) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of PCPB'S financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The assumptions made while preparing the financial statements include;

That the National treasury shall continue funding the activities of PCPB in the foreseeable future. That there shall be no change in Law or policy that will significantly affect the operations/existence of PCPB

Useful lives and residual values

The useful lives and residual values of assets have been assessed using Open Market value methodology

q) Provisions

Provisions have been made at 0.2% of the doubtful debt.

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3. License fee income

| | 2018 - 2019 | 2017 - 2018 |
|--------------------|-------------------|-------------------|
| | Shs | Shs |
| Total license fees | 73,125,621 | 80,489,409 |

4. Transfers from Ministries, Departments and Agencies

| Name of the Entity sending the grant | Amount recognized to Statement of Comprehensive Income Kshs | Amount deferred under deferred income Kshs. | Amount recognized in capital fund. | Total grant income during the year | 2017-2018 |
|--------------------------------------|---|---|------------------------------------|------------------------------------|--------------------|
| | | | Kshs | Kshs | Kshs |
| State Department of Agriculture | 88,200,000 | - | 10,000,000 | 98,200,000 | 136,550,000 |
| Total | 88,200,000 | - | 10,000,000 | 98,200,000 | 136,550,000 |

5. Rental Revenue from Facilities and Equipment.

| Description | 2018 - 2019 | 2017 - 2018 |
|---|-------------------|-------------|
| | Kshs 000 | Kshs 000 |
| Straight-lined operating lease receipts | 10,370,200 | - |
| Total rentals | 10,370,200 | |

6. Revenue from exchange transactions

| | 2018-2019 | 2017-2018 |
|---|-------------------|------------------|
| | Kshs 000 | Kshs 000 |
| Other receipts (Interest on Investments+ Miscellaneous incomes) | 15,793,600 | 4,914,852 |
| Total revenue from exchange transactions | 15,793,600 | 4,914,852 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7. Employee costs

| | 2018-2019 | 2017-2018 |
|------------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Basic Salary and Wages | 51,894,163 | 68,423,175 |
| Commuter allowance | 6,086,400 | 6,288,216 |
| Company NSSF Contribution | 7,964,517 | 6,824,111 |
| House allowance | 23,692,180 | 24,102,133 |
| Medical allowance | - | - |
| Medical Expenses Exgratia | - | - |
| Medical Expenses Cover | 11,576,343 | 8,932,408 |
| Other Personal allowances | 2,033,828 | 1,573,617 |
| Passage and Leave allowances | 731,007 | 1,279,883 |
| Service Gratuity | - | 1,147,825 |
| Telephone Allowance | 2,647,250 | 1,252,000 |
| Total employee costs | 106,625,688 | 119,823,368 |

8. Depreciation and amortization expense

| | 2018-2019 | 2017-2018 |
|--|------------------|-------------------|
| | Shs | Shs |
| Property, plant and equipment | 9,610,004 | 18,104,241 |
| Total depreciation and amortization | 9,610,004 | 18,104,241 |

9. Repairs and maintenance

| | 2018-2019 | 2017-2018 |
|--------------------------------------|------------------|------------------|
| | Shs | Shs |
| Property | 647,800 | 452,860 |
| Equipment | 441,658 | 254,331 |
| Vehicles | 2,122,023 | 2,255,436 |
| Total repairs and maintenance | 3,211,481 | 2,962,627 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10. Contracted services

| | 2018-2019 | 2017-2018 |
|----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Others | 2,820,220 | 2,017,640 |
| Total contracted services | 2,820,220 | 2,017,640 |

11. Grants and subsidies

| | 2018-2019 | 2017-2018 |
|-----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Social development | 206,675 | 100,000 |
| Total grants and subsidies | 206,675 | 100,000 |

12. General expenses

| | 2018-2019 | 2017-2018 |
|-----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Advertising and Publicity | 564,052 | 1,031,270 |
| Audit fees | 348,000 | 348,000 |
| Bank Charges | 188,293 | 282,180 |
| Computer Expenses | 502,403 | 571,120 |
| Exhibitions and Shows | 538,353 | 695,753 |
| External Traveling | 5,273,063 | 2,481,169 |
| Electricity and Water | 1,146,250 | 1,029,957 |
| Insurance | 956,061 | 1,296,627 |
| Library Expenses | 135,611 | 284,194 |
| Miscellaneous & Consumable Stores | 1,756,036 | 1,968,651 |
| Laboratory Consumables | 296,949 | 364,809 |
| Official Entertainment | 104,775 | 60,880 |
| Postal and Telegram | 1,123,065 | 1,138,230 |
| Printing & Publication | - | 146,400 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | |
|------------------------------|-------------------|-------------------|
| Purchase of Fungicides | 140,780 | 133,000 |
| Purchase of Staff Uniform | - | 179,695.00 |
| Purchase of Stationary | 1,614,250 | 1,249,519 |
| Rent & Rates | 4,377,093 | 4,231,354 |
| Telephone Expenses | 66,257 | 131,023 |
| Training Expenses | 1,053,590 | 1,063,334 |
| Transport Operating Expenses | 3,144,112 | 3,221,639 |
| Traveling & Accommodation | 17,456,178 | 18,964,920 |
| Provision for doubtful debts | 10,179 | 79,160 |
| | 40,795,350 | 40,952,884 |

13. Board Expenses

6,018,959 6,965,278

14. Cash and cash equivalents

| | 2018-2019 | 2017-2018 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Bank | | |
| 731026785 BBK | 8,385,226 | 778,780 |
| 1106876067 KCB | 9,310,167 | 24,246,570 |
| 1106877357 KCB | 5,410,893 | 16,560,379 |
| Total cash and cash equivalents | 23,106,286 | 41,585,729 |

15. Receivables from exchange transactions

| | 2018-2019 | 2017-2018 |
|-------------------------------|-------------------|------------------|
| | Kshs | Kshs |
| Current receivables | | |
| Medical Insurance | 4,797,124 | 3,898,617 |
| City Council of Nairobi | 212,240 | 150,000 |
| PS Ministry lands and Housing | 147,970 | 251,438 |
| Other exchange debtors | 5,089,723 | 2,261,333 |
| Total receivables | 10,247,057 | 6,561,388 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

16. Property, plant and equipment

| | Land | Construction Work in progress | Buildings | Computer Equipment | Office Equipment | Office Furniture | Motor Vehicle | Lab Equipment | Total |
|-----------------------|------------|-------------------------------|-------------|--------------------|------------------|------------------|---------------|---------------|-------------|
| Depreciation Rate | 0% | 0% | 2% | 33.3% | 12.5% | 12.5% | 25% | 12.5% | |
| Cost or valuation | | | | | | | | | |
| As at 1 July 2017 | 35,000,000 | 7,090,844 | 349,058,705 | 2,949,233 | 10,664,027 | 7,246,926 | 31,000,000 | 1,821,500 | 444,831,235 |
| Additions | - | 32,411,743 | - | 709,650 | - | 338,000 | - | - | 33,459,393 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Transfers/ Adjustment | - | - | - | - | - | - | - | - | - |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | | | | | | | | |
|-----------------------------|------------|------------|-------------|-----------|------------|-----------|------------|-----------|-------------|
| As at 30 June 2018 | 35,000,000 | 39,502,587 | 349,058,705 | 3,658,883 | 10,664,027 | 7,584,926 | 31,000,000 | 1,821,500 | 478,290,628 |
| Additions | - | 45,751,024 | - | - | 640,200 | 319,990 | - | - | 46,711,214 |
| Disposal | - | - | - | - | - | - | - | - | - |
| Transfers /Adjustment | - | - | - | - | - | - | - | - | - |
| As at 30 June 2019 | 35,000,000 | 85,253,611 | 349,058,705 | 3,658,883 | 11,304,227 | 7,904,916 | 31,000,000 | 1,821,500 | 525,001,842 |
| Depreciation and Impairment | - | - | 27,600,056 | 2,794,623 | 3,974,845 | 1,811,752 | 23,250,000 | 683,064 | 60,114,340 |
| Balance as at 1 July 2017 | - | - | 6,981,174 | 864,260 | 1,333,003 | 948,116 | 7,750,000 | 227,688 | 18,104,241 |
| Charge for the Year | - | - | 6,981,174 | 864,260 | 1,333,003 | 948,116 | 7,750,000 | 227,688 | 18,104,241 |

**PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

| | | | | | | | | |
|---------------------------|------------|------------|-----------|-----------|-----------|------------|-----------|-------------|
| Accumulated Depreciation | - | 34,581,230 | 3,658,883 | 5,307,848 | 2,759,868 | 31,000,000 | 910,752 | 78,218,581 |
| As at 30 June 2018 | - | 34,581,230 | 3,658,883 | 5,307,848 | 2,759,868 | 31,000,000 | 910,752 | 78,218,581 |
| Depreciation | - | 6,981,174 | - | 1,413,028 | 988,115 | - | 227,688 | 9,610,004 |
| Disposal | - | - | - | - | - | - | - | - |
| Transfer/ Adjustments | - | - | - | - | - | - | - | - |
| At 30 June 2019 | - | 41,562,404 | 3,658,883 | 6,720,877 | 3,747,983 | 31,000,000 | 1,138,439 | 87,828,585 |
| Net Book Values | - | - | - | - | - | - | - | - |
| Valuation at 30 June 2019 | 35,000,000 | 85,253,611 | - | 4,583,350 | 4,156,934 | - | 683,061 | 437,173,257 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | | | | | | | | |
|------------------------------|------------|------------|-------------|---|-----------|-----------|---|---------|-------------|
| Valuation at 30 June 2018 | 35,000,000 | 39,502,588 | 314,477,475 | - | 5,356,179 | 4,825,058 | - | 910,749 | 400,072,048 |
|------------------------------|------------|------------|-------------|---|-----------|-----------|---|---------|-------------|

17. Trade and other payables from exchange transactions

| | 2018-2019 | 2017-2018 |
|----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| PAYE | 2,181,494 | - |
| Department of housing | 4,900 | |
| Kenya Power and Lighting Company | | 74,583 |
| Safaricom Ltd | - | 5,641 |
| Retention NK Brothers | 4,242,753 | 1,316,799 |
| Prime Rigs & Drillers | 117,430 | 117,430 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | |
|-------------------------------------|------------------|------------------|
| Postal and Telegram | 23,407 | - |
| VAT | 22,541 | 61,019 |
| Rent Deposit: Horticultural Council | 210,540 | 210,540 |
| Deferred Income (Development Grant) | | |
| Sub Total | <u>6,803,065</u> | <u>1,786,012</u> |

18. Provisions

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| KENAO (Audit Provision for Audit fees) | 348,000 | 348,000 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | |
|--|--------------------------|--------------------------|
| Provision for Salary Review | 15,797,953 | 26,797,953 |
| Specific Provision(Dishonored cheques) | 79,160 | |
| General Provision for doubtful debts | <u>10,179</u> | |
| Total | <u><u>16,235,292</u></u> | <u><u>27,145,953</u></u> |

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

| | | |
|--|---|----------------------------|
| <u>19. Capital reserves</u> | Capital reserve relates to a capital item (Lease hold land less valuation cost) provided by the Government of Kenya the solo shareholder of the entity. In addition there have been transfers from retained earnings. | 67,354,425 67,354,425 |
| <u>20. Accumulated surplus</u> | This is the retained net earnings that has accumulated over the financial years | 358,303,460 340,102,417 |
| <u>21. Capital/Development Grants/Fund</u> | This is the Development funds availed by the Government for the construction of the residual laboratory. | 10,000,000 - |
| <u>22. Revaluation surplus</u> | This is valuation equity account that is adjusted upwards, caused by an upward valuation of capital assets and a resultant increase in the carrying value of such assets. | 11,830,357 11,830,357 |

PEST CONTROL PRODUCTS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

23. Related Party Disclosures

(a) The entity is related to:

- i) The National government
- ii) The Parent Ministry
- iii) Key management
- iv) Board of directors

(b) Related party transactions

| | 2017-2018 | 2016-2017 |
|------------------------|-------------|-------------|
| | Kshs | Kshs |
| i) The Parent Ministry | 98,200,000 | 136,550,000 |
| iii) Key management | 13,860,210 | 13,860,210 |
| iv) Board of directors | 6,018,959 | 6,965,278 |
| | 118,079,169 | 157,375,488 |

24. Financial risk management

(ii) Liquidity risk management

| | Less than 1 month Kshs | Between 1-3 months Kshs | Over 5 months Kshs | Total Kshs |
|------------------------|---------------------------|-------------------------------|-----------------------|-------------------|
| At 30 June 2019 | | | | |
| Trade Payables | 4,270,194 | - | 117,430 | 4,387,624 |
| Provisions | 16,235,292 | - | - | 16,235,292 |
| Total | 20,505,486 | - | 117,430 | 20,622,916 |
| At 30 June 2018 | | | | |
| Trade Payables | 629,239 | - | 117,430 | 746,669 |
| Provisions | 2,782 | - | - | - |
| Total | 632,021 | - | 117,430 | 746,669 |