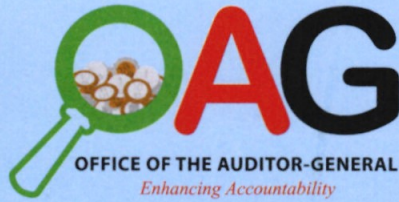


REPUBLIC OF KENYA



REPORT


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CLERK-AT THE-TABLE:	MIRIAM CHUMBO

THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR AGRICULTURE

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



**MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
STATE DEPARTMENT FOR AGRICULTURE**

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

Transitional IPSAS Financial Statements

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

ADB	African Development Bank
ADC	Agricultural Development Corporation
AGRA	Alliance for A Green Revolution in Africa
AFA	Agriculture Food Authority
AI	Artificial Insemination
AIRC	Agricultural Information Resource Centre
AIA	Appropriation in Aid
ARUD	Agriculture, Rural and Urban Development
ASALs	Arid and Semi-Arid Areas
ASDSP	Agricultural Sector Development Support Programme
ASTGS	Agriculture Sector Transformation and Growth Strategy
ATDCs	Agricultural Technology Development Centres
ATO	Agricultural Transformation Office
ATVET	Agriculture Technical Vocational Education and Training
AWS	Automatic Weather Stations
BETA	Bottom-Up Economic Transformation Agenda
CAADP	Comprehensive African Agriculture Development Programme
CADPERP	Capacity Development Project for Enhancing Rice Production
CIG	Common Interest Group
CTUs	Cane Testing Units
DRSLP	Drought Resilience and Sustainable Livelihood Programme
ET	Embryo Transfer
ELRP	Emergency Locust Response Project
FAW	Fall Army Worm
FAO	Food and Agriculture Organization
FMSC	Food Security Monitoring Committee
FSRP	Food Systems Resilience Project
FY	Financial Year
GAA	Government Advertising Agency
GDP	Gross Domestic Product
GHRIS	Government Human Resource Information System
GIS	Geographical Information System
GOK	Government of Kenya
HELB	Higher Education Loans Board
ICT	Information Communication Technology
KAGRC	Kenya Animal Genetic Resource Centre
KALRO	Kenya Agriculture & Livestock Research Organization
KAMIS	Kenya Agricultural Marketing Information System
KCEP CRAL	Kenya Cereals Enhancement Programme Climate Resilience Agricultural Livelihood -Window
KEBS	Kenya Bureau of Standards
KCSAP	Kenya Climate Smart Agriculture Project

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KENTTEC	Kenya Tse Tse & Trypanosomiasis Eradication Council
KEPHIS	Kenya Plant Health Inspectorate Service
KPIs	Key Performance Indicators
KSA	Kenya School of Agriculture
KShs	Kenya Shillings
KUCCPS	Kenya Universities and Colleges Central Placement Service
LR	Long rains
M&E	Monitoring and Evaluation
MAMER	Ministerial Annual Monitoring and Evaluation Report
MITT	Multi Institutional Technical Team
MoU	Memorandum of Association
MT	Metric Tonnes
MTEF	Medium Term Expenditure Framework
MTP III	Third Medium Term Plan
NAFIS	National Farmers Information System
NARIGP	National Agricultural and Rural Inclusive Project
NASEP	National Agricultural Sector Extension Policy
NAVCDP	National Agriculture Value Chain Development Project
NEMA	National Environmental Management Authority
NCPB	National Cereals and Produce Board
NPT	National Performance Trials
NRDS	National Rice Development Strategy
NVCSP	National Value Chain Support Program
NYS	National Youth Service
PCPB	Pest Control Products Board
PPE	Personal Protective Equipment
PPP	Public Private Partnership
RLACC	Rural Livelihoods' Adaptation to Climate Change
SAGAs	Semi-Autonomous Government Agencies
SDCD	State Department for Crop Development
SDGs	Sustainable Development Goals
SFR	Strategic Food Reserve
SHEP PLUS	Smallholder Horticulture Empowerment Promotion
SIVAP	Small-scale Irrigation and Value Addition Project
SLA	Subsidiary Loan Agreement
SMEs	Small and Medium Enterprises
SR	Short rains
SWAG	Sector Working Group
TIMPs	Technology Innovation Management Practices
TBK	Tea Board of Kenya
VC	Value Chains
VCOs	Value Chain Organizations
VMG	<i>Vulnerable and Marginalized Groups</i>
YABICS	Youth Agri Business Incubation Centers

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B: Definition of Key Terms

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

2. Key MDA Information and Management

(a) Background information

The Ministry of Agriculture and Livestock Development was established vide Executive Order Executive Order No. 2 of 2023 dated 1st November 2023. The Executive Order changed the State Department for Crop Development to the State Department for Agriculture. At cabinet level, the entity is represented by the Cabinet Secretary for Ministry of Agriculture and Livestock Development who is responsible for the general policy and strategic direction of the entity.

(b) Mandate

The mandate of the State Department for Agriculture is to create an enabling environment for sustainable development of agriculture for food and nutrition security and economic development. The theme of the Strategic Plan is “Food and Nutrition Security and improved income for all”. The theme underpins our desire and commitment to work with others to fulfil our nation’s collective aspiration of transforming Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment as envisaged in our development blueprint, the Kenya Vision 2030 and the Bottom-up Economic Transformation Agenda (BETA). It is also mandated to oversee the running of Semi-Autonomous Government Agencies (SAGAs) and training institutions under its purview.

Vision

A food secure and wealthy nation anchored on technology led, innovative, and commercially oriented agriculture sector.

Mission

The mission of the State Department is: “To improve the livelihood of Kenyans and ensure food and nutrition security through creation of an enabling environment, increased crop production and productivity, market access and supporting agricultural research and dissemination of research findings to stakeholders.”

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Core functions

- i. National Agricultural Policy and Management;
- ii. National Food Policy; § Strategic Food Reserves;
- iii. Agricultural Crops Development, Regulation and Promotion;
- iv. Agriculture Financing;
- v. Phytosanitary Services and International Standards Compliance;
- vi. Policy on Agricultural Training;
- vii. Agricultural Land Resources Inventory and Management;
- viii. Agricultural Mechanization Policy Management;
- ix. Policy on Land Consolidation for Agricultural Benefit;
- x. Agricultural Insurance Policy;
- xi. Agricultural Extension policy and Service Standards;
- xii. Capacity Building Policy for Agricultural Staff;
- xiii. Crop Research and Development;
- xiv. Support in administration of Irrigation Schemes;
- xv. Agriculture Seed Research and Development;
- xvi. Crop Genetic Research;
- xvii. Biosafety Management.

Strategic Objectives

- i. Appropriate enabling environment for sustainable crop resource development.
- ii. Increased crop production and productivity.
- iii. Enhanced food and nutrition security
- iv. Improved agricultural value addition, market access and trade
- v. Increased youth, women and vulnerable groups participation in agricultural value chains
- vi. Strengthened institutional capacity.

Core values

To implement this Strategic Plan, the department will be guided by the following values:

- (a) Professionalism
- (b) Integrity
- (c) Transparency and accountability
- (d) Efficiency and effectiveness
- (e) Responsiveness:

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- (f) Partnerships:
- (g) Innovativeness and creativity
- (h) Gender Equity

(c) Key Management

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

- Agricultural Policy Research and Regulation;
- Crop Resources, Agribusiness and Market Development;
- Agriculture Mechanization and Technology Development
- Land and Environment Management.
- Directorate of Administration and Support Services.

(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	Date of appointment
1	Cabinet Secretary	Mutahi Kagwe ,EGH	16.01.2025
2	Accounting Officer	Dr. Kipronoh Ronoh. P. CBS	02.12.2022
3	Secretary Administration	Harun Rashid Khator,OGW	09.06.2023
4	Agriculture Secretary	Collins Marangu	14.08.2024
5	Head Accounting Unit	Douglas Mutemi	01.07.2023
6	Head Finance Unit	Isabella Kogei	01.01.2025
7	Head-Supply Chain Mgt Services	Jackson Magembe	14.05.2025
8	Director Human Capital Management	Stephen Khaemba	01.06.2025
9	Deputy Internal Auditor General	Caleb Bulili	01.07.2022

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(e) Fiduciary Oversight Arrangements

The Accounting Officer are assisted in execution of the annual budget by various committee appointed as per prevailing laws, regulations laws and policies. These committees comprise of the following: -

- Audit committee.
- Ministerial Human Resource Management Advisory committee (MHRMAC).
- Public Finance Management Standing Committee.
- Project Management Committee.
- Budget Implementation Committee (BIC)

The various committee members within the State Department have wide range of skills and experience and each contributes independent judgement and knowledge of the committee discussions.

On appointment, each committee member is provided with a comprehensive and tailored induction processes covering the State Department business and operations and provided with information relating to their legal and regulatory obligations.

The members of these committees are professionals, technical staff drawn from various departments. The Committees meetings are usually scheduled monthly but may also be held on need basis. The following are the functions and composition of committees put in place to oversee the budget of State Department

i. Audit Committee Activities

The committee was responsible and instrumental in the following activities: -

- a) Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30th September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter;
- b) Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics;

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- c) Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan;
- d) Reviewing and monitoring the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements;
In fulfilling its duties, the committee reviews with the external auditors, the scope of their audit plan, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken;
- e) Reviewing any related party transactions that may arise within the State Department;
- f) Reviewing communication between external auditors and management including responses on audit queries on the annual financial statement raised by the Auditor General and
- g) Following up on recommendations of the Parliamentary Accounts Committee (PAC).

ii) Ministerial Human Resource Management Advisory committee (MHRMAC)

The duties of the Human Resources Management Advisory Committee include:

- a) Review of promotions of officers;
- b) Review of confirmations in appointment;
- c) Review of disciplinary matters;
- d) Review of re-designation of officers from one cadre to another;
- e) Confirmation of surcharge of officers found to have misused government resources;
- f) Payroll management;
- g) Training and development;
- h) Management of skills inventory and
- i) Recommendation of renewal of contracts.

iii. Public Finance Management Standing Committee

This is the committee charged with the responsibility of implementation of the State Department budget and its prudent management. The duties of the committee include:

- a) To review and consider the cash flow plans;
- b) To review the utilization of the cash limits and consider any changes as may be required;
- c) To review the utilization of the donor funds voted for the State Department;
- d) To advice the accounting officer on the challenges related to the budget implementation;

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- e) To review and recommend the reallocation of payments;
- f) To review and approve the submission of the payment returns, payroll IPPDs, pending bills and A-I-A returns for State Department and recommend actions to be taken;
- g) To participate in sector working groups and
- h) To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department.

iv) Project Management Committee

The duties of this committee include:

- a) To review project conceptualization and make recommendations for decision making;
- b) To identify the potential project risks and propose mitigating measures for those risks not covered during project conceptualization;
- c) To prioritize projects based on the State Department Strategic Plan and the National Development Plans;
- d) To recommend the mode of project financing and
- e) To provide guidance on changes in the project implementation.

v) Budget Implementation Committee (BIC)

The duties of this committee include:

- To review and consider the cash flow plans- this shall involve a regular review of the Ministerial cash plan and approval of any changes to the initial cash flow plan to be communicated to the National Treasury;
- To review the utilization of cash limits and consider any changes as may be required;
- To review the utilization of donor funds voted for the MDA;
- To advise the Accounting Officer on any challenges related to the budget implementation;
- To review and recommend reallocation of expenditures;
- To review and approve the submission of the expenditure returns, non-financial reports, IPPD, pending bills and A-I-A returns for the MDAs and recommend actions to be taken;
- To participate in Sector Working Groups; and
- To prepare the budgets for MDAs in consultation with Heads of Departments.

(f) MDA Headquarters

P.O. Box 30028
Kilimo house Building
Cathedral Road
Nairobi, Kenya

(g) MDA Contacts

Telephone: (254) 2718870/9
E-mail: psagriculture@kilimo.go.ke
Website: www.kilimo.go.ke

(h) MDA Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(i) Independent Auditors

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

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3. Profile of Cabinet Secretary



Mutahi Kagwe, EGH
Cabinet Secretary
Ministry of Agriculture and Livestock
Development

Mutahi Kagwe is Kenya’s Cabinet Secretary (CS) for Agriculture and Livestock Development (2024 to date), the immediate former CS for Health (2020-2022) – where he provided visionary leadership in the health sector as the country grappled with the COVID-19 pandemic; and a former Minister for Information, Communication and Technology (ICT) (2005-2007) where he pioneered the laying of innovative technologies such as The Fibre Optic Project for Eastern Africa that has transformed the information and telecommunications industry in Kenya and was Minister at the launch of the first global mobile money system - the now famous M-Pesa.

Prior to being a Cabinet Secretary, he served as a Member of Parliament for Mukurwe-ini constituency (2002-2007) and with the establishment of devolved factions, he served as the first Senator for Nyeri County (2013-2017).

He has a wealth of experience outside legislating and policy making spanning 30 years in various management positions in the media and corporate communications fields.

CS Kagwe holds a Bachelor of Commerce (Hons.) degree from the University of Nairobi and a Masters Degree in Business Administration from the United States International University.

For his astute dedication to public service, the President awarded him the special national recognition: Elder of the Golden Heart (EGH), which is the second highest honour in the republic.

4. Profile of Accounting Officer and Key Management.



DR. RONOH KIPRONOH PAUL, (PhD, MBA, BSc, MCSE, CCNA)
Principal Secretary
State Department for Agriculture

Dr. Ronoh is a Member of Harvard Leaders Excellence Alumni Network, U.S.A; he holds a PhD in Leadership and Governance, Masters’ Degree in Business Administration, BSc. in Computer Science, and Leadership Certification from Harvard Square, Strategic Leadership Certification from Kenya School of Government and Project Management Certification in addition to Microsoft certified software engineering (MCSE) and he is Cisco Certified network associate (CCNA). He is also a Member of Institute of Directors of Kenya and Fellow Member of Computer Society of Kenya as well as a member of Community of Researchers for Global Journals in UK and USA as a reviewer and researcher. He is also a member of Africa Regional Internet Development Dialogue on Technology in Education. He has gained a lot of international exposure and knowledge through research, collaboration and linkages.

Dr. Ronoh was a principal secretary for water and sanitation and currently the principal secretary for agriculture.



Harun Rashid Khator,OGW
Secretary Administration
State Department for Agriculture

Rashid Khator holds Master in Security Management and Police Studies from Kenyatta University. He also holds Bachelor of Arts and Masters of Arts (Political science) from University of Karachi.

He is a member of Kenya Association for Public Administration and Management (KAPAM with experience of 27 years in Public administration.

He is currently the Secretary Administration at the State Department for Agriculture.

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 <p>Collins Marangu Agriculture Secretary State Department for Agriculture</p>	<p>Mr Collins Marangu holds a Masters of Science in Agricultural and Rural Development from Kenya Methodist University Kenya, Diploma in Horticultural Crop Production In subtropical and Tropical Climates from Hebrew university – Israel, Diploma in Fruit Technology from Changli Institute of Pomology –China, Bachelor of science in Horticulture from Egerton University – Kenya.</p> <p>He professionally hold Economic Governance certificate from National School of governance</p> <p>South Africa, Strategic Leadership Development from Kenya School of Government, Leadership development and change from Kenya School of Professional Studies .</p> <p>He is currently the Agriculture Secretary.</p>
 <p>Caleb Bulili Deputy Internal Auditor General State Department For Agriculture</p>	<p>Mr. Caleb Bulili is a certified Fraud Examiner and a holder of Bachelor degree in Economics and Business Studies from Kenyatta University. He is a member of Internal Auditors Kenya and association of Certified Fraud Examiner.</p> <p>Has experience of 29 audit, 23 years of which is internal audit.</p> <p>He is currently the Head of Internal Audit Unit at the State Department for Agriculture.</p>

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	<p>CPA Douglas K. Mutemi holds a Master's of Business Administration (Finance) –University of Nairobi, Bachelor's Degree in Accounting from Maseno University, Bachelors of laws from University of Nairobi, Post graduate diploma in law from Kenya School of Law.</p> <p>He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and a member of Law society of Kenya. CPA Douglas Mutemi is a seasoned accounting, finance and Law professional with over 15 years finance& accounting and law experience in private and public sector. He is currently the Head of Accounting Unit at the State Department for Agriculture.</p>
<p>CPA Douglas Mutemi Senior Deputy Accountant General State Department For Agriculture</p>	<p>Mr. Stephen Khaemba is an accomplished Director of Human Resource Management and Development (HRM& D) with over 20 years of experience in public sector human capital management.</p> <p>He has led initiatives in workforce planning, organizational restructuring policy formulation, and performance management across several key government ministries and possess a deep understanding of Kenya's public service HR frameworks.</p> <p>He is a member of the Institute of Human Resource Management (IHRM). He has MBA in Human Resource Management – Kenyatta University, Bachelor of Arts – Kenyatta University, Postgraduate Diploma in Human Resource Development.</p>
	<p>Ms. Kogei holds a Master of Science (Finance) degree from Kenyatta University and a Bachelor of Commerce (Accounting) degree from the same university.</p> <p>She is a Certified Public Accountant CPA(K), Certified Financial Analyst (ICIFA) and a Member of the Institute of Internal Auditors (IIA-K) with over 17 years experience in Public and Private Financial Management. She is currently the Chief Finance Officer at the State Department for Agriculture.</p>
<p>Stephen Khaemba Director HRM&D State Department For Agriculture</p>	
<p>FA, CPA Isabella Kogei Chief Finance Officer, State Department For Agriculture</p>	

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Jackson Magembe
Supply Chain Management Services,
State Department For Agriculture

Mr. Jackson Magembe is a professional supplies chain management officer with fifteen (15) years working experience in the public procurement sector.

He holds a Masters of Science in Supply Chain Management and Bachelor degree in supply chain management from the University of Nairobi.

He also holds a Diploma in Purchasing and Supplies option from Kenya Institute of Management.

He is a member of Kenya Institute of Supplies Management. (KISM)

He is currently the Head of Procurement Unit at the State Department for Agriculture.

5. Statement by the Cabinet Secretary



On behalf of State Department for Agriculture, I am delighted to share the Annual Report and Financial Statement for the year ended 30th June 2025. The financial statements have been prepared in compliance with the Articles 226 of the Constitution and Section 81 (1) of the PFM Act, 2012. The statement has been prepared in accordance with the standards set out by the Public Sector Accounting Standards Board (PSASB) and the International Public Sector Accounting Standards (IPSAS) both of which prescribe the format, policies and treatment of expenditures, among others for such statements.

The statements have been derived from the records maintained in our financial transactions for the year ended 30th June, 2025. They thus disclose with accuracy the true position of financial affairs of the office during the reporting year and also reflect the true and fair position of the financial status. Nothing has been brought to my attention that the office will not continue to deliver services to the public to necessitate initiation of action to forestall such eventuality. The public should thus be rest assured of continued service delivery in a seamless manner.

The statements, besides expressing the financial status of the office have gone further to show how the votes funds were applied on the priority programmes and sub-programmes in the reporting period. The report has also outlined the outcomes and outputs achieved by the various programmes including the challenges faced where targets were not achieved. This is necessary for demonstrating to the tax payers how their resources were spent and for purposes of learning useful lessons for improving future programming.

The resources voted under the office were spent in strict adherence to the laws and regulations governing Public Finance Management. Due care was exercised to ensure that such expenditures realized value for money, and most importantly met Kenyans needs and aspirations. They were applied to fund Government priority policies, The Kenya Vision 2030, and other policies in force.

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This is necessary to strengthen Kenya's economic base for purposes of ensuring sustainable growth and prosperity.

The State Department will place more emphasis on achieving the Bottom-Up Economic Transformation Agenda and has already set measures towards food and nutrition security. Specific focus is on ensuring affordability of food, increased small holder production through subsidies, enhanced agricultural mechanization, reduced imports, increased agro-processing, MSMEs development and involvement of youth and women in agriculture.

I wish to thank the Cabinet Secretary, The National Treasury and Economic Planning for the cooperation and continued support. Further, I appreciate the Principal Secretary, State Department for Agriculture, for providing exemplary leadership and commitment in handling both technical and administrative functions within the Department. I am grateful to all the technical and administrative staff of the State Department for their team work and dedication which has been instrumental in achieving the milestones realized during the review period. Finally, I wish to recognize the valuable contribution made by various private sector players, development partners and all other sector stakeholders for their consistent support towards the implementation of various programmes and projects within the Ministry.



MUTAHI KAGWE, EGH
CABINET SECRETARY
MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT

6. Statement by the Accounting Officer



It is with great pleasure that I present the financial statements for the State Department Agriculture for the financial year 2024/2025. These statements provide a detailed overview of the financial performance of our State Department during the period under review shedding light on our budget performance against actual amounts and highlighting key achievements.

The agriculture sector is the backbone of the economy with great potential for growth & transformation and addressing fundamental concerns of food and nutrition security, income generation and employment creation. Over the years, there has been a direct correlation between the agricultural growth and the national economic growth rate due to the sector's huge contribution to the country's GDP. According to the Economic Survey, 2025, the agriculture sector performance decelerated from 7% recorded in 2023 to 4.4% in 2024. The agricultural sector's contribution to GDP increased marginally in 2024 compared to 2023, registering a contribution of 22.5%. The crop development sub-sector is a key economic and social driver of development in Kenya.

Kenya's development agenda is spelt out in the Kenya Vision 2030, MTP IV (2023-2027), other policy documents and Government initiatives. During the period, the sub-sector implemented various programmes and projects which contributed significantly towards the achievement of 100% food and nutrition security and promotion of agro-processing. The Kenya Vision 2030 flagship project was Fertilizer Cost Reduction Programme while the Bottom-Up Economic Transformation Agenda (BETA) Plan was implemented through the value chain approach focusing on tea, textile & apparel, rice and edible oils value chains, based on three pillars; food security, reduce imports and grow exports pillar. Other programmes implemented were on; food and nutrition security; enhancement of large-scale production; small scale holder productivity; reduction in the cost of food; enterprise development; market access and product development; agricultural insurance; youth in modern agriculture programme; pest disease management; agricultural technology development and mechanization; climate smart agriculture; and capacity building.

During the period under review, the sub-sector delivered key outputs based on MTEF priority programmes and the BETA. To create an enabling environment for agricultural development, the department developed/reviewed five (5) key policies, three (3) agricultural bills, seven (7)

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regulations, three (3) strategies and six (6) bilateral/multilateral agreements. Various interventions aimed at enhancing agricultural mechanization were undertaken during the period under review to increase agricultural production and productivity. To address climate change mitigation, the sub-sector implemented the Area Yield Index Crop Insurance program as one of the ways to de-risk the agriculture sector and reduce vulnerability of farmers and other value chain actors. To cushion Kenyans against high cost of living, the department initiated a subsidy programme targeting fertiliser and maize flour to lower the cost of production and improve access to food.

The sub-sector experienced challenges that impacted negatively on delivery of outputs. The main challenges were effects of climate change resulting into drought, rising lake water levels and floods thus displacement of families, destruction of irrigation infrastructures and crop destruction; emergence of transboundary and migratory pests mainly desert locusts and quelea quelea birds ; inadequate and delayed funding for priority activities; delays in approval of policies, bills and regulations ; unsustainable food production levels resulting into high demand for food that triggered civil unrest (GEN Z movement); reported cases of adulterated or low quality agricultural inputs due to inadequate enforcement capacities and quality controls; inadequate market information, segmentation, value addition and infrastructure; inadequate food safety and quality standards for agricultural produce and products.

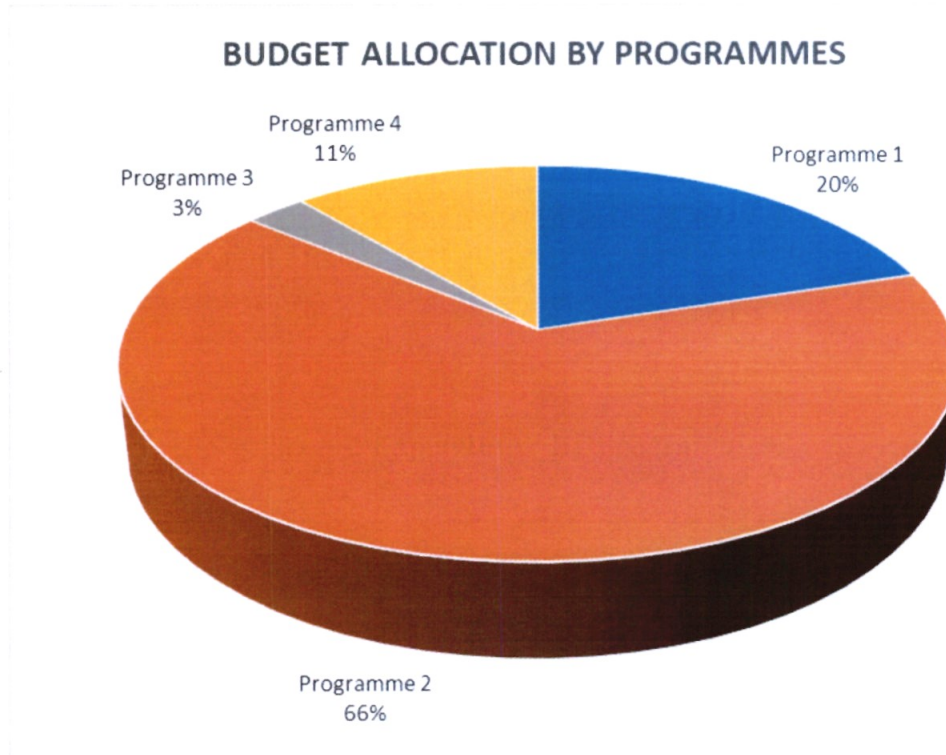
To address these challenges, the sub-sector had to reprioritize its activities and revise the set targets, increase cost efficiency in resource utilization and utilize investments in the big data systems. Further, finance shortfalls were bridged through development of partnership projects. Despite the challenges faced over the reporting period, the sub-sector is on track to deliver key outputs towards attainment of its mandate and strategic objectives on food and nutrition security, income generation and job creation for Kenyans.

BUDGET ALLOCATION.

In the financial year 2024/25 the State Department for Agriculture had a gross budget of Kshs. 46,630,390,408 made up of Kshs.17,781,404,100 and Kshs.28,848,986,308 for Recurrent and Development respectively vide Vote 1169.

The State Department was to expend the gross budget of Kshs.46,630,390,408 under the following four programmes;

Budgetary Allocation and Expenditure By Programmes



Programme 1: General Administration Planning and Support Services

The programme was allocated Kshs.9,432,076,712 representing 20% of the budget. A total of Kshs.8,504,731,402 was spent under the following sub programmes:

- 1.1 Agriculture Policy, legal and regulatory frames
- 1.2 Agriculture planning and financial management.

Programme 2: Crop Development and Management

The programme was allocated Kshs. 30,662,695,182 representing 66% of the budget. A total of Kshs.29,954,871,104 was spent under the following sub programmes;

- 2.1 Lands and crops development
- 2.2 Food security initiatives
- 2.3 Quality assurance and monitoring of outreach services

Programme 3: Agribusiness and Information Management

The programme was allocated Kshs.1,301,355,214 representing 3% of the budget. A total of Kshs. 896,475,762 was spent under the following sub programmes;

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3.1 Agribusiness and market development

3.2 Agriculture information management

Programme 4: Agricultural Research and Development

The programme was allocated Kshs.5,234,263,300 representing 11 % of the budget. A total of Kshs. 5,233,818,840 was spent under the following sub programmes;

4.1 Crop Research and Development

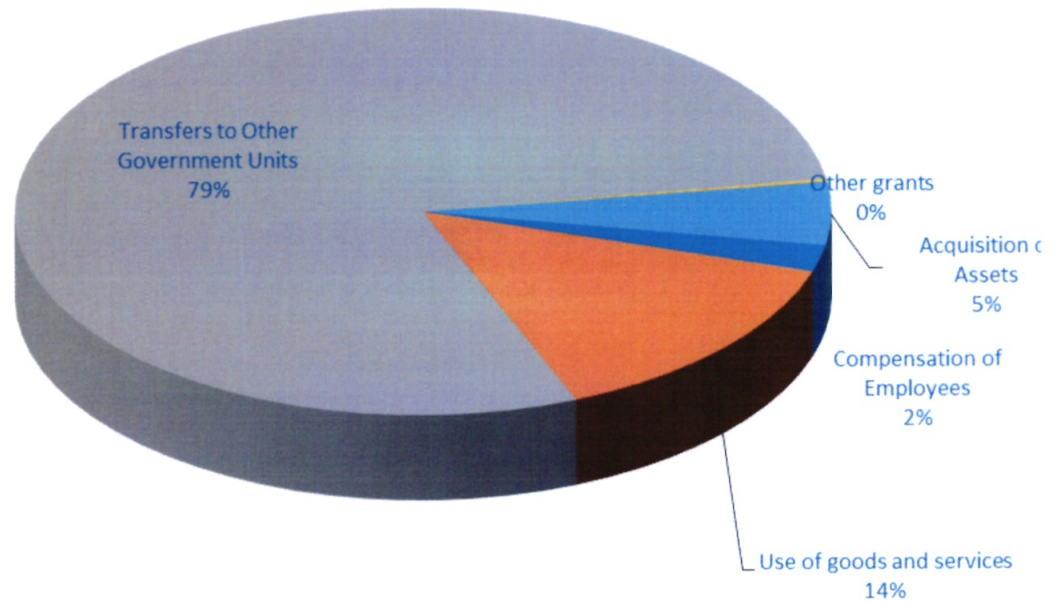
4.2 Livestock Research and Development

Budget allocation and utilisation as per economic items

The State Department spent **KShs. 44,589,897,108** against an approved budget of **KShs. 46,630,390,408** representing absorption of **96%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below: -

Economic Items	Approved Budget Allocation	Actual Payments	Variance	%
	KES	KES	KES	
Compensation of Employees	995,320,304	945,942,915	49,377,389	95
Use of goods and services	6,507,398,119	6,225,168,866	282,229,253	96
Transfers to Other Government Units	36,315,618,062	35,095,059,755	1,220,558,307	97
Other grants and transfers	92,263,648	84,601,100	7,662,548	92
Acquisition of Assets	2,719,790,275	2,239,124,472	480,665,803	82
TOTAL PAYMENTS	46,630,390,408	44,589,897,108	2,040,493,300	96

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It is noted that 79% of the State Departments budget was used in the Transfer to other Government entities, i.e Semi –autonomous Government Agencies (SAGAs),2% of the budget on employee compensation while 5% was utilized in Acquisition of assets ,14% on use of goods and services.

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1.0 Emerging issues related to the entity,

- Effects of climate change leading to increased frequency of droughts and floods impacting negatively on the food security situation
- Declining agricultural land due to combination of factors including uncontrolled subdivision and change land use from agricultural production
- Budget deficit on fertilizer subsidy program resulting to pending bills for the past 2 years
- Emergence of strategic pests and diseases (Desert locust, Golden apple snail, *Drosophila suzukii*, *ipomoea* etc)
- Delays/non-disbursement of exchequer for agricultural activities especially in counterpart funding delays in donor funded projects has led to an altogether non implementation of some projects.

2.0 Highlight key risk management strategies.

- Strengthen crop and livestock research and dissemination mechanism to increase access to suitable varieties and breeds (SAGAs to be allowed to replace retiring staff without increasing wage bill)
- Accelerate the development of farmer-facing Agricultural SMEs at National and County levels offer services to the farming communities, stimulating rural economies, and increase production and productivity of key commodities such as coffee, cotton, and pyrethrum
- Implement the land commercialization initiative and unlock new large-scale private farms operated by commercial agribusiness ventures on crops, pasture, livestock, and fisheries production
- Implement agribusiness incubation and acceleration activities for women and youth in agriculture;
- Implement the digitisation strategy to improve efficiency in the sector focusing on; e-extension, e-subsidies, digital food balance sheets, and early warning systems;
- Facilitate linkages between household consumption and overall food and nutrition security by providing for small-scale farmers to sustainably increase their productivity and shift production from subsistence to market-oriented output;
- Bolster household resilience in ASAL regions through enhancing production of drought-resistant crops and adapting environmentally friendly farming practices to ensure that affordable, quality food is available to Kenya's approximately 1.3 million ASAL chronically food-insecure households

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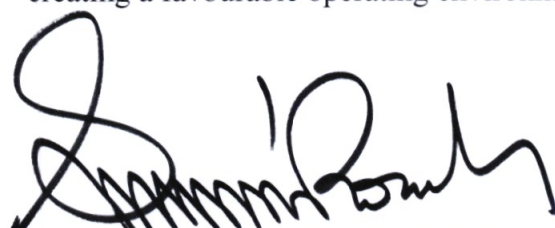
- Upscale the implementation of nutrition sensitive agriculture interventions such as flour blending and kitchen gardens to increase access to safe nutritious foods and ease the pressure on maize
- Lead and plan in the development, validation, and approval of regulations to address: the Kenya School of Agriculture Bill, National Agricultural Sector Extension Policy 2012, Agriculture Technical Vocational Education Training (ATVET), Access to Government Procurement Opportunities (AGPO) and procurement affirmative action (farmers), agricultural commodity import regulations and standards, CESS taxation provisions, exchange, and benefits sharing guidelines;

4.0 Lessons Learnt and Way Forward

- (i) Enhance collaboration and partnerships amongst at all levels of government in order to establish sharing of resources and information. There is need to continue with the efforts to enhance linkages and build stronger collaboration with all the stakeholders; particularly between the national and County Governments in order to ensure sustainable food security and efficient service delivery
- (ii) Fast track the development and review of the legal and policy frameworks to provide for an enabling environment for agricultural projects implementation.

5.0 Conclusion

In conclusion, the agriculture sub-sector is a key driver in delivering rural transformation and development by ensuring food and nutrition security, employment and income generation. The department will continue to implement interventions towards food self-sufficiency for food and nutrition security, increasing volumes of exports while reducing volumes imported in line with BETA and Vision 2030 aspirations. The sub sector will collaborate with other agencies on measures to insulate from disruptions caused by global input and food commodity supply chains while creating a favourable operating environment for investments.



DR. KIPRONOH RONO P. CBS
PRINCIPAL SECRETARY
STATE DEPARTMENT FOR AGRICULTURE.

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7. Statement of Performance Against Predetermined Objectives for FY2024/2025

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key strategic objectives as per the strategic plan for the year ended 30th June 2025 are to:

- a) Create an enabling environment for agricultural development
- b) Increase productivity and outputs in the agriculture sector
- c) Enhance food and nutrition security
- d) Improve market access and trade
- e) Strengthen institutional capacity
- f) Increase youth, women and vulnerable groups' participation in agricultural value chains

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
Develop and/or Review Policies	To create an enabling environment for agricultural development	Conducive policy environment	No. of policies developed	1	Sustainable Financing and Subsidy Management Policy was developed
			No. of bills developed	1	
Fertilizer Subsidy Program	To increase agricultural productivity and outputs	Access to agricultural farm inputs	MT. of assorted fertilizers availed	457,574.6	The subsidy was availed to farmers through the e-voucher system
			No. of farmers accessing fertilizer	1,375,537	
Revitalization of industrial crops	To increase agricultural productivity and outputs	Increased production of coffee, tea, cotton, sugar, pyrethrum, nuts and oil Subsectors for higher incomes	MT of clean coffee produced annually	49,500	The total production of coffee increased by 1.6% from 48,700 MT in 2023
			MT of tea produced	598,500	The total quantity of processed

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			annually		tea increased 5% from 570,300 MT in 2023
Support to Agricultural engineering technology development	To increase agricultural value addition, Market Access and Trade	Increased value addition	No of technologies /innovations developed and promoted	20	108 SMEs were incubated on 20 appropriate technologies
			No. of SMES incubated on appropriate technologies	108	
		Increased market access	No. of small holder farmers in ASALs organized in groups with established linkages with bulk buyers	9,459	The smallholder farmers were enrolled in the e-voucher and linked to bulk buyers
Reduce post-harvest losses	To increase agricultural productivity and out puts	Enhanced food security	MT of Aflasafe (KE 01) produced	100	The aflasafe was produced by KALRO on demand basis
Improved Agricultural Mechanization	To increase agricultural productivity and out puts	Increased mechanization levels for high yields	No. of aggregation centres and stores	2	The centres were constructed in Kibuline and Mogogosiek
Prioritized Crops Production	To Enhance Food and Nutrition Security	Enhanced maize production	No. of 90 Kgs bags of maize produced (million)	44.7	This was due to the favourable weather and intervention through fertilizer subsidy
		Enhanced potato	MT of ware potato	2.2	Productivity increased due to

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
		production and food sufficiency	produced (million) annually		use certified material and fertilizer subsidy
		Rice production increased from the current production levels	MT of rice produced	282,152	This high production is attributed to opening of new schemes like Lower Kuja, Bunyala, Hola, Bura irrigation schemes; adoption of upland rice; adoption of mechanized harvesting which has increased grain recovery and support to farmers with seed which is better yielding than the recycled seeds that was used by most farmers
Involve Youth in Modern Agriculture	To Increase Youth, Women and Vulnerable Groups Participation in Agricultural Value Chains	Increased Youth, Women and vulnerable groups employment in Agriculture (Urban and	No. of youth trained on enterprise development	120	The trainings were carried out in collaboration with Care International and TBK

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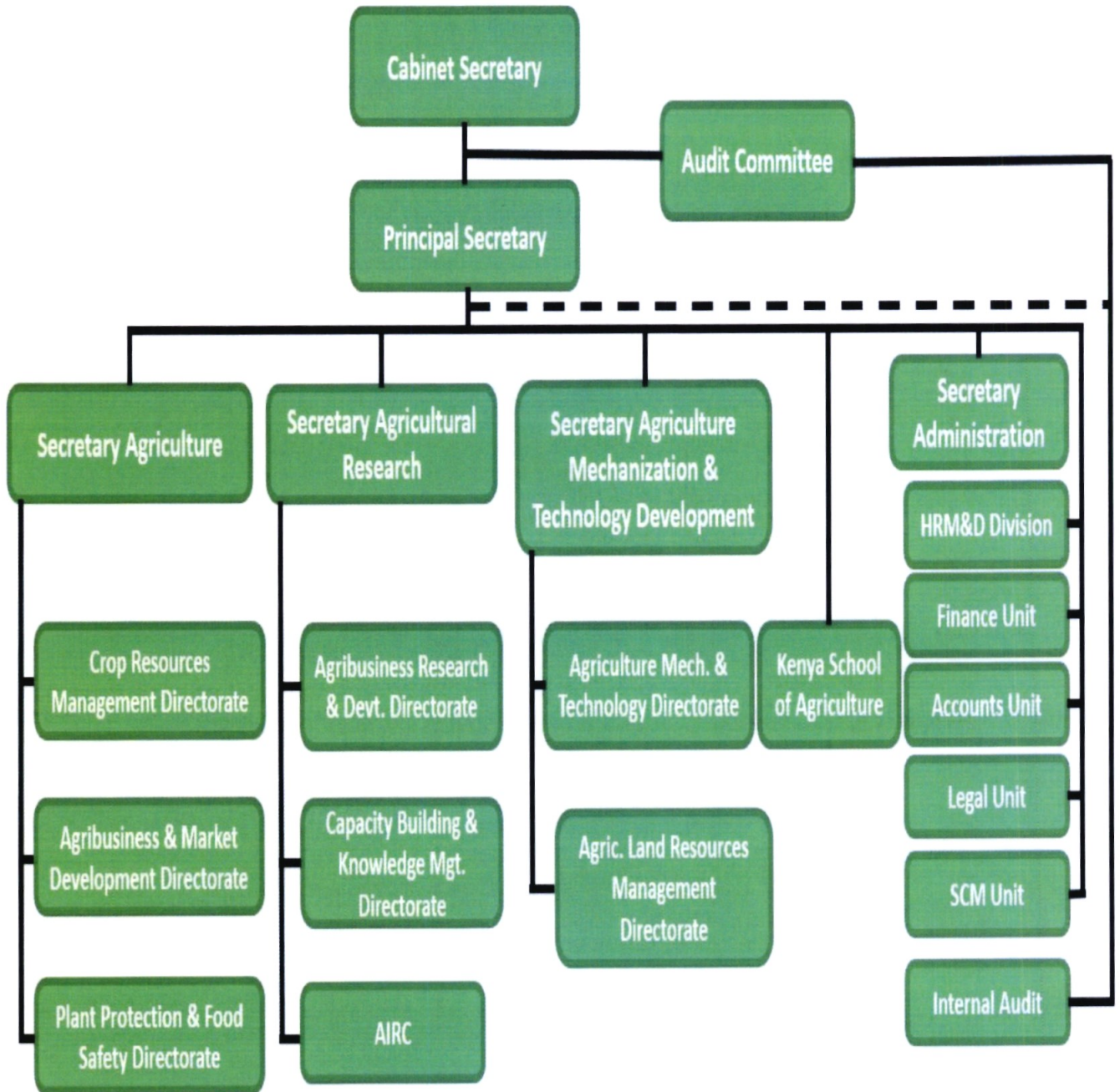
Program	Strategic Objective	Outcome	Indicator	Performance	Comments
		Peri urban agriculture)			
Financial and Agribusiness mentorship for youth	To Increase Youth, Women and Vulnerable Groups Participation in Agricultural Value Chains	Youth involvement in agribusiness	No. of youth agripreneurs funded	68	The financing was based on bankable business proposals



8. Governance Statement

The State Department comprise of four main departments which include: General Administration Planning and Support Services, Crop Development and Management, Agribusiness and Information Management and Agricultural Research and Development.

8.1 Leadership Structure



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8.2 Management Committees Established and their Roles

During the financial year 2024/2025 the State Department top management constituted various committees to oversee implementation of key functions and activities. The roles of the various committees constituted are as follows;

a) Human Resource Management Advisory Committee Roles

The State Department for Agriculture maintains operational Human Resource Management Advisory Committees in each of its three broad departments to oversee and advise on the execution of the Human resource function. The functions of the Departmental Human Resource management committees are as follows: -

- Recruitment, selection and Appointment;
- Promotions;
- Confirmations in Appointments;
- Training and Development;
- Training impact Assessment;
- Management of Skills Inventory;
- Establishment and Complements Control;
- Payroll Management;
- Deployment;
- Promotion of values and Principles of Public service;
- Recommendation of Waiver of requirement of Scheme of service;
- Recommendation for Retirement under 50 years rule;
- Recommendation for secondment and unpaid leave;
- Recommendation for retirement for on medical Grounds;
- Recommendation for Re-designation;
- Recommendation for Renewal of Contract and
- Discipline.

b) Performance Management Committee

The role of Performance Management Committee include: Undertaking quarterly review and implementation of strategic plans and performance contracts; Ensure linkage between institutional performance contract and performance appraisal system; Ensure that overall assessment of employee performance is within the context of institutional performance as evaluated through Staff

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Performance Appraisal System; Hold quarterly performance review meetings; Consider performance reports from various departments and recommend improvement; Make recommendations to the Authorizing Officer on the application of rewards or sanctions and ensuring that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

e) Tender Opening Committee

The role of this committee was to undertake tender opening exercises during the financial year 2024/2025. The committee was established pursuant to section 78(1) of the Public Procurement and Asset Disposal Act, 2015

d) Tender Evaluation Committee

This committee role was to undertake tender evaluation exercises during the financial year 2024/2025. This is an ad-hoc Committee which was established pursuant to section 46 of the Public Procurement and Asset Disposal Act, 2015.

e) Inspection and Acceptance Committees

The role of these committees was to accept or reject, on behalf of the procuring entity, the delivered goods, works or services during the financial year 2024/2025. These are ad-hoc committees which were established pursuant to section 48(1) of the Public Procurement and Asset Disposal Act, 2015.

f) Project Implementation Committee

The committee reviews project concept notes, pre-feasibility and feasibility studies and make recommendations to the accounting officer. It also identifies project risks and suggest mitigating measures. The committee also prioritizes projects based on State Department strategic plans, Medium Term Plans and the Bottom Up Economic transformation agenda (BETA). Further, the committee is also responsible for recommending the mode of project financing.

(g) Human resource and Development committee

The committee reviews the Human Resource policies and procedures and ensures that they support the strategy of the service. It ensures that the service maintains a policy of lobbying for remuneration packages that fairly reward staff for their contribution to the service, whilst considering the need to

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attract, retain and motivate staff of the highest calibre. The committee also ensures succession plans are in place for senior managers of the service.

8.3 The Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every National Government public entity shall establish an Audit committee whose composition and functions shall be as prescribed by the regulations. In compliance with the Public Financial Management Act, 2012 section 73(5) and Regulation 174 (1) of Public Financial Management Regulations, 2015,.

This marked a milestone for the State Department in improving and strengthening its governance, risk management and financial processes.

The purpose of the Audit Committee is stipulated in the PFM Regulation 175 as follows:

- a) Support the Accounting Officer with regard to their responsibility on issues of risk control and governance and associated assurance but the responsibility over the management of risk control and governance processes remains with the management of Ministry;
- b) Follow up on the implementation of the recommendations of internal and external auditors;
- c) Reviewing the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics and;
- d) Initiating special audit/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer.

8.4 Risk Management, Compliance and Conflict of Interest.

State Department continues undertaking a risk assessment of its operations to strengthen the controls and prevent disruptions, entailing developing measures to avoid an incident. Risk management is done through the Audit & Risk Committee. A risk register is maintained and regularly reviewed for relevance, as the conditions of State Department workplaces are dynamic. When an incident occurs, the State Department focuses on protecting life and has put measures to safeguard life and property. These include:

- a) Adherence to safety designs in the State Department;
- b) Strengthening barriers that reduce the spread of harm;
- c) Training and staff awareness with skills to detect and appropriately respond to emergencies and

- d) Disaster recovery plans and measures and continuity planning to enable the resumption of the operation of critical services as fast as possible.

State Department leadership is required to disclose any conflict of interest in relation to matters that are brought before them for deliberation. The service maintains a register of conflicts of interest which is updated where a conflict is declared. During the year under review, there were no governance issues and no undisclosed conflict of interest at the State Department.

8.5 Trainings and Development in Governance

The State Department programmes during the period under review were aligned to training needs. However, the programmes were not fully implemented owing to budget constraints occasioned by budget cuts through supplementary.

8.6 Public Participation Activities

The State Department engages stakeholders in several forums as part of service collaborations geared towards sustainability. Stakeholders' engagement is very important in the service world for growth and resolving challenges and finding permanent solutions to make the State Department efficient. During the year under review, there were no much public engagements activities as envisaged due to budget constraints.

8.7 Compliance with Laws and Regulations.

The State Department complied with all statutory and regulatory requirements. This includes and not limited to: The Constitution of Kenya, 2010, Executive Order No. 1 of 2020, Executive Order No. 1 of 2023, Executive Order No. 2 of 2023, the Public Procurement and Asset Disposal Act, 2015, and its attendant Regulations, 2020, the Public Finance Management Act, 2012 and its attendant Regulations, 2015, various Circulars from the National Treasury and PSC, Human Resource Manual, 2014, Leadership and Integrity Act, 2012 and Public Audit Act, 2015.

The State Department, also complied with applicable environmental laws and regulations in the public sector. The State Department has allocated in its budget funds for contracted cleaning service, supplies of cleaning material and services to facilitate general cleanliness in all its offices at the county and headquarter. The office has embraced climate-smart technologies to mitigate climate change impacts and other emerging issues.

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9. Management Discussion and Analysis

The State Department's budget intervention during the period was premised on provision of security to individuals in Kenya and their property as espoused in the Constitution of Kenya (COK) 2010 and Vision 2030 for Socio-Economic transformation.

Analysis of Recurrent Expenditure (KSh. Million)

Sector: Agriculture, Rural and Urban Development Sector (ARUD)						
Vote: 1169 State Department for Agriculture						
Economic Classification	Approved Expenditure			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	14,190.00	19,816.22	17,781.41	15,492.00	17,663.99	17,016.76
AIA	6,645.00	7,595.95	10,826.35	4,118.00	6,069.29	10,071.49
NET	7,545.00	12,220.27	6,955.06	11,374.00	11,594.70	6,945.27
Compensation to employees	816.00	825.72	834.80	744.00	797.26	829.90
Current transfers and Govt. agencies	13,190.00	18,714.00	16,682.24	10,595.00	16,621.32	15,949.30
Other recurrent	184.00	276.50	264.37	4,160.00	245.41	237.56
Of Which						
<i>Utilities</i>	20.00	23.80	21.04	14.00	22.43	20.01
<i>Rent</i>	37.00	39.69	32.19	30.00	33.79	31.44
<i>Insurance</i>	1.00	2.00	-	1.00	2.00	-
<i>Subsidies</i>	-	-	-	3,367.00	-	-
<i>Gratuity</i>	18.00	2.79	2.30	21.00	1.27	2.01
<i>Contracted Guards & Cleaners Services</i>	25.00	27.68	38.90	23.00	27.68	25.81
<i>Other Specify</i>	82.00	180.54	169.94	704.00	158.24	158.29

In the FY 2022/23, the sub-sector had an allocation of **Ksh. 14.19 billion** against an actual expenditure of **Ksh. 15.49 billion**, translating to an absorption of **109%**. This absorption is attributed to the maize flour subsidy funds of Ksh.4 billion that were loaded in the recurrent budget and were fully utilized to pay maize flour millers. However, the Ksh. 4billion was not appropriated by the National Assembly during finalization of Supplementary 1 and 2 of FY 2022/23. In FY 2023/24, actual recurrent expenditure was **Ksh. 17.66 billion** against an approved budget allocation of **Ksh. 19.82** translating to an absorption rate of **89%**. In FY 2024/25, actual recurrent expenditure was **Ksh. 17.02 billion** against an approved budget allocation of **Ksh. 17.78** translating to an absorption rate of **96%**.

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Analysis of Development Expenditure (KSh. Million)

Sector: Agriculture, Rural and Urban Development Sector (ARUD)						
Vote: 1169 State Department for Agriculture						
Economic Classification	Approved Expenditure			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	35,229.00	43,033.85	28,848.99	30,863.00	39,545.94	27,768.27
GOK	12,578.00	24,065.94	17,283.61	11,757.00	22,221.72	17,243.38
Loan	19,652.00	17,732.21	9,852.38	16,695.00	16,157.08	9,495.22
Grants	2,999.00	1,235.70	718.00	2,411.00	1,167.14	646.56
Local AIA	-	135.00	995.00	-	-	383.11

In the FY 2022/23, the sub-sector development expenditure was **Ksh.30.86 billion** against an approved budget of **Ksh.35.23 billion** translating to an absorption rate of **87.6%**. During the FY 2023/24, the State Department was allocated **Ksh.42.91 billion** out of which **Ksh. 39.55 billion** was utilized. This translated to an absorption rate of **85%**. In the FY 2024/25, the sub-sector development expenditure was **Ksh.28.15 billion** against an approved budget of **Ksh.28.85 billion** translating to an absorption rate of **96%**.



10. Environmental and Sustainability Reporting

The Mandate of the State Department for Agriculture is to: attain national food and nutrition security through development of relevant policies, strategies, standards and programs for the agricultural sector. The crops sub- sector plays a key role in economic and social development of the country through food and nutrition security, employment, wealth creation and contribution to foreign exchange earnings.

a) Sustainability strategy and profile

The sustainability strategies implemented by the State Department for Agriculture are anchored on the 3 pillars of sustainability; environmental, social and economic dimensions. The sustainability strategies contribute to the realization of Sustainable Development Goals, Constitutional provisions, Government Development blue prints and Strategies to transform agriculture and ensure food security for all Kenyans. The focus is to sustainably manage natural resources to meet the social, economic, ecological and cultural needs of present and future generations.

b) Environmental performance /climate change/ mitigation of natural disasters

The sustainability strategies are anchored on the following strategy documents;

- ASTGS 2019-2029 where the Government targets to Boost food resilience of ~1.3 million faming, pastoralist and fishing households in ASALs regions through community co-created design, and more active coordination of development partners, government and private sector resources
- Kenya Climate Smart Agriculture Strategy (2017-2026) whose broad objective is to adapt to climate change, build resilience of agricultural systems while minimizing emissions for enhanced food and nutritional security and improved livelihoods.
- To mitigate the effects of climate change, the Department is implementing projects addressing climate change mitigation such as, Food Security & Crop Diversification. Achievements include development and roll out of technologies, innovations and management practices to address sustainability
- Projects addressing disasters Emergency Locust Response Project and Fall Armyworm Management implemented in 20 Counties. Achievements include provision of chemicals and inputs to control the pests and address recovery.

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- The Department supports conservation of agricultural land which involves broad institutional and multi-stakeholder participation in accelerating the achievement of the Constitutional target of 10 percent tree cover of the national land area as provided for under Article 69 (1) (b). A total of 4.1 million fruit tree seedlings (avocado, macadamia, cashewnut, coconut, coffee, tea, citrus, banana, mango, paw paw, jack fruits) have been planted in 30 Counties.
- The seedlings distribution exercise has led to increased acreage under fruits, nuts and tree production while contributing to soil and water conservation and stimulating other nature based enterprises such as apiculture. The strategy has also enhanced the protection of the environment by securing riparian lands, water towers, improving the national forest cover and other measures to facilitate sustainable development
- The Department has also developed interventions to address soil fertility management and ensure sustainable utilization of the soil and other production resources
- Other Governance mechanisms implemented include adherence to environmental and social impact assessments for all development projects and certification schemes
- Challenges on implementing environmental management strategies include weak enforcement of existing regulations and inadequate resources

c) Employee welfare

The Department has operational Human Resource Directorate which supports;

- Awareness creation, capacity building, enforcement and monitoring of national values and principles of governance
- Job analysis, Training needs assessment and training projections to facilitate career progression
- Implementation of the annual performance appraisal system
- Ensuring that the gender ratio among the workforce is maintained at desired levels for men and women.
- Enforcement of Human Resource Manual and Public Service policies across the board

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d) Operational practices

The departmental activities support the responsible supply chain and supplier relations by

- Continuously implementing measures to support gender mainstreaming and youth empowerment by providing procurement opportunities to disadvantaged categories of the population such as women and youth through AGPO. A total of Kshs.128,240,290 has been used for procurement of goods and services under AGPO by the State Department.
- Ensuring compliance to all provisions through payment of statutory deductions such as VAT, PAYE etc

e) Community Engagements

- The Department has a stakeholder engagement plan to guide Public Participation sessions with stakeholders during the development of policies, strategies and regulations. (no of engagement fora held)
- Corporate Social Responsibility done through provision of assorted fruit tree seedlings to address environmental and nutrition issues (input subsidies and kitchen garden equipment to high need farmers to spur agricultural production and ensure self-reliance in food production)
- The Department has offered internship, attachment and mentorship opportunities to 75 youth (male, female) from diverse ethnic backgrounds across Kenya to support the technical and administration functions

11. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government MDA shall prepare financial statements in respect of that MDA. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Agriculture is responsible for the preparation and presentation of the State Department financial statements, which give a true and fair view of the state of affairs of the State Department for and as at the end of the financial year (period) 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 State Department, (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 State Department; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Agriculture accepts responsibility for the State Department financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department financial statements give a true and fair view of the state of MDA transactions during the financial year ended June 30, 2025, and of the State Department financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the State Department, which have been relied upon in the preparation of the State Department financial statements as well as the adequacy of the system of internal controls.


The Accounting Officer in charge of the State Department confirms that the MDA has complied fully with applicable Government Regulations and the terms of external financing covenants (where

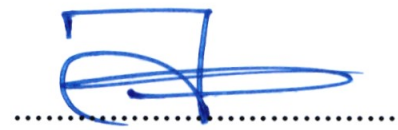
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applicable), and that the MDA's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the MDA's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The State Department financial statements were approved on 16/10/2025 2025 and signed by:


.....
Principal Secretary
Dr. Kipronoh Ronoh P. CBS


.....
Head of Accounting Unit
CPA Douglas K. Mutemi
ICPAK Member No: 6851

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR AGRICULTURE 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 transitional IPSAS financial statements of State Department for Agriculture set out on pages 1 to 62, 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

Report of the Auditor-General on State Department for Agriculture for the year ended 30 June, 2025

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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of State Department for Agriculture 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 (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Cash and Cash Equivalent

The statement of financial position reflects cash and cash equivalents balance of Kshs.775,616,202 which includes bank balances totalling Kshs.775,509,920 as disclosed in Note 15 to the financial statements.

1.1. Unauthorized and Fraudulent Withdrawals from a Dormant Bank Account

Review of bank account records revealed that the Department maintained a bank account held at a Commercial Bank, with a balance of Kshs.277,212,610 as at 2 January, 2025. Further, review of the bank statements revealed that the account had been classified as dormant as per dormant charges on 26 December, 2024. Despite this classification, fraudulent withdrawals of Kshs.92,500,000, Kshs.92,500,000 and Kshs.90,000,000 all totalling Kshs.275,000,000 were made through electronic transfers on 2 January, 2025, 7 January, 2025 and 10 January, 2025 respectively. There was no evidence that these transactions were executed with approved documentation, authorized signatories, or evidence of management approval. This indicates probable loss of public funds totalling Kshs.275,000,000.

1.2. Non-Disclosure and Inadequate Management of Bank Accounts

Review of records revealed that the State Department maintained a Commercial Bank Account. However, the Department did not provide bank statements, bank reconciliations, or cashbooks for the bank account. Further, the account had not been disclosed in the current and previous year's financial statements, nor was it included in the notes to the accounts. In addition, three (3) bank accounts with a combined balance of Kshs.3,357,193 remained unchanged from 30 June, 2024 indicating that they were dormant.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.775,616,202 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment amounting to Kshs.2,197,306,534 as disclosed in Note 16 to the financial statements. However, no detailed breakdown or supporting records for individual assets were provided to confirm the reported balance. In addition, review of additions amounting to Kshs.319,270,978 under other assets revealed that the balance included expenditure of Kshs.306,881,280 for which the Department has no right of use. The expenditure comprised of payments for grain dryers that were handed over to the National Cereals and Produce Board and various co-operative societies. Further, there were additions amounting to Kshs.1,904,580,966 disclosed as capital work in progress. However, the State Department did not maintain a work-in-progress register to support the reported balance and the related assets under construction.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.2,197,306,534 could not be confirmed.

3. Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.4,574,032,893 as disclosed in Note 17 to the financial statements. Further, review of the trade and other payables revealed that Kshs.3,299,147,167 was outstanding for over two years and should have been settled as a first charge during the year under review. The accumulation and prolonged non-settlement of these obligations raises concerns regarding the Department's commitment to prudent financial management and timely payment to suppliers, service providers and statutory bodies.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.4,574,032,893 could not be confirmed.

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

Budgetary Control and Performance

The statement of comparison of budget and actuals reflects final budget of Kshs.46,630,390,408 and actual receipt on comparable basis of Kshs.43,824,709,533 resulting to underfunding of Kshs.2,805,680,875. Similarly, the statement of comparison of budget and actual amounts reflects actual receipts of Kshs.43,824,709,533 against an actual expenditure of Kshs.44,589,897,108 resulting to under expenditure of Kshs.765,187,575 (over expenditure).

The underfunding, may have affected implementation of planned activities, impacting negatively on the service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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

1. Unresolved Prior Year Matters

In the prior year's audit report, several audit issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance sections. Review of the status during the year and in the State Department in 2024/2025 revealed the following issues remained unresolved as detailed in **Appendix 1**.

2. Failure to Implement the Recommendations of Parliament on the 2020/2021 Audit Report

A follow-up on the status of implementation of recommendations contained in the Ministries, Departments and Agencies' Financial Year 2020/2021 Report of the National Assembly – Public Accounts Committee, which was adopted on 28 March, 2024 revealed that the following issues were listed in the 2020/2021 report for the State Department as outlined below:

- i. Long Outstanding Pending Bills
- ii. Failure to Maintain an Up-to-Date Assets Register
- iii. Lack of Risk Management Policy and Disaster Recovery Plan
- iv. Unsupported Expenditure on Seeds and Seedlings
- v. Non-Tagging and Non-Serialization of Assets

However, a follow-up with the State Department on the implementation of audit reports and recommendations, as required under Section 53 of the Public Audit Act, 2015, did not yield any response. The Accounting Officer did not provide confirmation on whether the recommendations of Parliament arising from the Auditor-General's report had been implemented, nor were written explanations submitted to Parliament outlining the reasons for non-implementation. It was therefore not possible to ascertain if the State Department implemented the prior years' audit recommendations by the external audit and by the internal auditors which is contrary to Section 31(1) of the Public Audit Act, 2015 which requires that within three months after Parliament has debated and considered the final report of the Auditor General and made recommendations, a state organ or a public entity that had been audited shall, as a

preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

Other Information

Management is responsible for the Other Information set out on page v to xlii which comprise of Profile of the Cabinet Secretary, Profile of Accounting Officer and Key Management, Statement by Cabinet Secretary, Statement by Accounting Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities; The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department'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. Failure to File Monthly Returns on Public Procurement Regulatory Levy

During the financial year under review, the State Department entered into contracts with various suppliers for works, goods delivery and service provision. The State Department deducted and remitted Kshs.9,591,187 to the Public Procurement Regulatory Authority (PPRA) as required. However, the State Department did not submit returns to PPRA, contrary to Section 9 of the Public Procurement Capacity Building Levy Order, 2023 which requires procuring entities to maintain monthly records in Form SL.1 and submit the returns through the Public Procurement Information Portal.

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

2. Irregular and Non-Compliance in the Servicing and Repair of Elevators at Kilimo House

The statement of financial performance as disclosed in Note 11 to the financial statements reflects use of goods and services amount of Kshs.7,500,054,592. Included in this amount is an expenditure amounting to Kshs.43,148,778 in respect of routine maintenance of other assets out of which an amount of Kshs.5,858,845 was paid for repair and servicing of elevators at Kilimo House. However, review of the expenditure revealed that Management failed to act on a Ministry of Transport technical report dated 22 March, 2023 which recommended full replacement of the three lifts and instead used a technician not licensed by the Engineers Board of Kenya and engaged a contractor not registered or licensed by the Engineers Board of Kenya to service and repair the elevators. Further, the required pre- and post-inspection reports from the Chief Mechanical Engineer were not provided for audit review.

In the circumstances, the regularity and value for money on the expenditure of Kshs.5,858,845 could not be confirmed.

3. Unutilized Deposits

The statement of financial position reflects cash and cash equivalents balance of Kshs.775,616,202 which includes bank balances totalling Kshs.775,509,920 as disclosed in Note 15 to the financial statements. Included in this amount is a balance of Kshs.136,184,191 relating to deposits. Review of the third-party deposits and retentions records revealed that out of the balance of Kshs.136,184,191 an amount of Kshs.24,787,479 representing approximately 18% has remained unutilized since the 2022/2023 financial year. These funds which relate to vehicle deposits, seedlings, Kilimo House refurbishment and the International Food Fund, have recorded no movement for three (3) consecutive financial years given that refurbishment and other activities have been undertaken, casting doubt on the purpose of the collection of these deposits.

In the circumstances, the purpose, regularity and proper utilization of the deposits could not be confirmed.

4. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment amounting to Kshs.2,197,306,534 as disclosed in Note 16 to the financial statements which includes Kshs.1,904,580,966 classified as work in progress. However, review of the work in progress revealed the following unsatisfactory matters:

4.1. Unutilized Construction of the Mogogosiek Grain Drying and Storage Facility in Bomet County

The State Department entered into Contract No. MOALD/SDCD/ENG/GDSF/04/2023-2024 on 23 February, 2024, for the construction of the Mogogosiek Grain Drying and Storage Facility in Bomet County at a total cost of Kshs.52,561,656. The contract commenced on 8 March, 2024 and was scheduled for completion by 6 September, 2025. On 28 April, 2025, the contractor was paid an amount of

Kshs.18,946,171 being the second interim payment certificate. Examination of the status report dated 16 January, 2025 revealed that the project was completed, inspected and handed over on 28 November, 2024. Physical inspection of Mogogosiek Grain Storage and Drying Facility conducted in June, 2025 revealed the project is complete but not in use an indication that its acquisition was not for immediate use.

In the circumstances, value for money for the implemented project could not be confirmed.

4.2. Stalled Construction of New Progressive Farmers' Cooperative Society Drying and Storage Facility in Uasin Gishu County

The State Department entered into a contract on 23 February, 2024, for the construction of New Progressive Farmers' Cooperative Society Drying and Storage Facility in Uasin Gishu County at a total cost of Kshs.52,820,483. The contract commenced on 8 February, 2022, and was scheduled for completion by 31 August, 2022. During the contract period there was considerable loss of time leading to stoppage of works at the site and the contract was not completed. As a result, the contract was extended on 9 October, 2024 for period of four (4) months with no cost implication. The contract was terminated on 28 May, 2025 due to the contractor's failure to perform as per the contract terms and abandoning of the site. At the time of termination, the contractor had achieved 54% completion and had been paid Kshs.26,342,081 out of which Kshs.21,131,441 was paid during the year under review. Physical inspection of the project in the month of June, 2025 revealed that no work was ongoing and the contractor was not on site.

In the circumstances, the value for money for the expenditure of Kshs.26,342,081 on the project could not be confirmed.

4.3. Stalled Drilling and Equipping of Tumbura Borehole in Tharaka Nithi County

The State Department entered into a contract for the drilling and equipping of the Tumbura Market Borehole on 23 February, 2024 at a contract sum of Kshs.11,394,144. As contained in the Miraa Industry Revitalization Project Report for the financial year ended 30 June, 2025 the project was reported as 45% complete, with Kshs.2,881,440 having been paid. However, physical inspection of the project's progress, conducted in July, 2025 revealed that works valued at Kshs.1,527,070 were either not executed or were completed below the required contract standards and the contractor had abandoned the site. Further, the contract period was four (4) months with a projected completion date being 6 July, 2024. There was no evidence of contract extension and the performance security for the contract was not availed for audit verification. The site was last inspected by the Engineering Department on 15 May, 2024 as per the revitalization report indicating inadequate supervision of the contract.

In the circumstances, the value for money for the expenditure of Kshs.2,881,440 on the project could not be confirmed.

4.4. Unutilized Mbeu Muungano Grain Drying and Storage Facility

The State Department entered into a contract on 23 February, 2024 for the construction of the grain drying and storage facility at a contract sum of Kshs.33,509,321. Although both the Revitalization Report and the Engineering Department's Report indicated that the construction was 100% complete. Physical inspection conducted in July, 2025 revealed that the facility had not been handed over and was not operational.

In the circumstances, the value for money for the expenditure of Kshs.33,509,321 on the project could not be confirmed.

4.5. Unutilized Construction of Kibuline Grain Drying and Storage Facility in Mbeu

During the year under review, the State Department paid Kshs.34,821,205 for the construction of the Kibuline Grain Drying and Storage Facility. The Strengthening Agricultural Mechanization report for the financial year 2024/2025 indicated that the project was 100% complete. However, physical inspection conducted in July, 2025 revealed that although the grain dryer had been installed, it had not been tested and community members had not received training on its operation. Additionally, the facility had not been formally handed over to the community and was therefore not operational despite being reported as complete.

In the circumstances, the value for money for the expenditure of Kshs.34,821,205 on the project could not be confirmed.

4.6. Stalled Construction of Mwendi-Urithi Grain Drying and Storage Facility in Lailuba

The State Department entered into a contract for the construction of the drying facility on 19 February, 2022 with an expected completion date of 31 August, 2023. According to the engineering department's Agricultural Mechanization report for the year ended 30 June, 2025, the project is thirty five percent complete and Kshs.13,405,228 out of the contract sum of Kshs.40,570,460 has been paid. The report further indicates that the contract was terminated on 28 January, 2025, following the issuance of a termination notice to the contractor on 15 January, 2024. A physical inspection conducted in July, 2025 on the construction progress of the grain drying and storage facility revealed that no works were ongoing and there was no evidence of any steps taken toward completing the project.

In the circumstances, the value for money for the expenditure of Kshs.13,405,228 on the project could not be confirmed.

4.7. Stalled Construction of Mutuati Miraa Market Shed

The State Department entered into a contract for the construction of Miraa Market Shed at a contract sum of Kshs.6,908,695 on 23 September, 2020, with an expected completion date of 30 June, 2023. However, physical inspection of the project's status conducted in July, 2025 revealed that the market is situated away from the highway,

which is the primary trading area for miraa in the region. It is also located near another market project developed by the County Government that is currently deserted. This raises concerns that the project may not achieve its intended objective of relocating miraa traders from the highway. Further, the construction site appeared abandoned, and the works observed were incomplete and did not meet the contract specifications. Although the Miraa Industrialization Report indicated that the project was 100% complete and awaiting final inspection, physical inspection established that the project was incomplete and no explanation or justification was provided for the delay in conducting the final inspection and handing over the project. This limits audit assurance over the project closure process.

In the circumstances, the value for money for the expenditure of Kshs.6,908,695 on the project could not be confirmed.

5. Supply, Delivery, Installation, Commissioning and Testing of Grain Dryers

As previously reported in the financial year 2023/2024, the State Department for Agriculture awarded a contract for the Supply, Delivery, Installation, Commissioning and Testing of Grain Dryers at a contract sum of Kshs.1,401,609,600 for 60 Mobile 10 Ton and Kshs.842,390,400 for the supply of 40 Mobile 7 Ton respectively. During the year under review, the State Department paid Kshs.288,193,152 as part payment for the grain dryers supplied. Review of the payment documents and related records as well as physical inspection in June, 2025 revealed the following unsatisfactory issues:

5.1. Drying Capacity Beyond Average Farmer Harvest

The specifications for the maize dryers did not indicate the minimum number of bags required for optimal operation. However, discussions with the technical teams revealed that the dryers can handle a range of 80 to 100 bags effectively excluding the majority of farmers who produce below this threshold. Additionally, farmers faced challenges in aggregating their maize due to variations in quality and moisture content. As a result, the dryers may not be suitable for the majority of farmers, suggesting that a proper needs assessment was not conducted prior to the implementation of the initiative.

5.2. Lack of Power Capacity at the Recommended Sites

The site appraisal report for the Grain Drying for Sustainable Post-Harvest Management Project (October, 2023) indicated that out of one hundred (100) appraised sites including National Cereals and Produce Board (NCPB) depots and Farmers' Cooperatives/Community-Based Organizations, only 67 sites were confirmed to have the necessary three-phase power connection to operate the grain dryers. However, no evidence was provided for audit review to verify whether the remaining forty-three (43) sites had installed the required three-phase power connection.

5.3. Delayed Transportation of Dyer

Review of the inspection report dated 27 November, 2024 indicates that the dryer intended for the Mbeu Grain Drying and Storage Facility in Meru was inspected at the National Cereals and Produce Board (NCPB) depot in Sagana, where it was

temporarily stored pending handover of the facility by the contractor. However, physical inspection at the Mbeu Grain Drying and Storage Facility revealed that the dryer had not yet been transported to the site.

In the circumstances, the value for money for the expenditure on grain dryers supplied may not be achieved.

6. Unimplemented Drilling of Laare Ultra-Modern Market Borehole

The State Department entered into a contract on 23 February, 2024 at a contract price of Kshs.9,865,419 for drilling of the Laare Ultra-Modern Market Borehole. The site was handed over on 7 March, 2024 and was expected to be completed by 7 July, 2024. However, physical inspection done on 17 July, 2025 revealed that no work had been done. Discussions with the Project Implementation Team revealed that the contractor had abandoned site. The justifications for the delay including contract extension was not provided for audit.

In the circumstances, the State Department did not achieve the intended objective of drilling the Laare Ultra-Modern Market Borehole and value for money on the expenditure of Kshs.9,865,419 could not be confirmed.

7. Irregular Leasing of Sugar Companies

The National Assembly on 14 September, 2023 approved the leasing model for five state-owned sugar companies as part of the revival and commercialization strategy outlined in the Joint Committee Report. The approval granted was for Nzoia Sugar Company, Chemelil Sugar Company, Muhoroni Sugar Company Limited, Miwani Sugar Company Limited and South Nyanza Sugar Company Limited within the framework of the Public Private Partnerships Act, No. 14 of 2021. Following this approval, the State Department for Agriculture issued an international open tender, in accordance with the Public Procurement and Asset Disposal Act, 2015, inviting bids from eligible firms for the leasing of four of the companies. However, audit of the leasing process revealed the following unsatisfactory matters:

- i. No evidence was provided to confirm the payment of arrears of Kshs.1,683,397,054 to farmers in the state-owned sugar companies as required under paragraph 5 of the approval certificate number 039/13th/2023.
- ii. No evidence was provided to confirm the payment of salary arrears and other emoluments of Kshs.5,234,465,033 in the state-owned sugar companies as required under paragraph 6 of the approval certificate number 039/13th/2023.
- iii. No evidence was provided to confirm the performance of audit of the debt portfolio of the out-grower companies as required under paragraph 9 of the approval certificate number 039/13th/2023.
- iv. A review of the tender documentation revealed that there was no evidence of a financial evaluation conducted as part of the tendering process.
- v. No evidence was provided of project appraisal report as required by Section 22 (1) (b) of the Public Private Partnership of 2021
- vi. Section 22(1)(k) of the Public Private Partnerships Act, 2021 requires that a contracting authority ensures public participation in the implementation of a project. Additionally, Certificate No. 039/13th/2023, which approved the action

plans to revive and commercialize state-owned sugar companies, under Part I (iv), stipulated that the leasing process must be clearly outlined and must include stakeholder engagement. However, no evidence of public participation or stakeholder engagement was provided for audit verification.

- vii. Section 55(4) of the Public Private Partnerships Act, 2021 requires that the contracting authority submit the evaluation report to the Directorate for No Objection within seven days of concluding the evaluation. However, this requirement was not complied with.
- viii. No documentation was provided in relation to the leasing of Miwani Sugar Company and its current status remains unknown, despite it being one of the companies approved for leasing under the National Assembly resolution.

In the circumstances, value for money in the leasing of the sugar companies could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Unconfirmed Summary of Fixed Assets Register Balance

Appendix III of the financial statements reflects a summary of the fixed asset register with a reported amount of Kshs.14,346,762,901. Review of the asset register submitted for audit revealed non-compliance with the Prescribed Treasury Template, as it lacked critical details such as the location, status and serial numbers of the Department's assets. Also, the fixed assets register provided for audit did not indicate details of the costs and net book value values of the assets held by the State Department. It was further noted that the Department's assets were not tagged to facilitate identification and tracking. In addition, the State Department did not maintain a register of land and buildings recording each parcel of land and each building, the terms on which it is held with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, leasehold terms, maintenance contracts and other pertinent management details.

This was contrary to the provisions of Regulation 139(1) and 143(1) of the Public Finance Management (National Government) Regulations, 2015 as well as Paragraph 1 of Treasury Circular No. 5/2020 on asset management.

In the circumstances, the effectiveness of controls on management of State Department's fixed assets could not be confirmed.

2. Lack of a Risk Management Policy

During the year under review, it was observed that the State Department did not have an approved risk management policy in place. Additionally, there was no evidence provided to confirm that the Department has identified, assessed, or documented risks, nor developed controls to address the identified risks. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which mandates the Accounting Officer to ensure that the national government entity develops risk management strategies, including fraud prevention mechanisms and establishes a system of risk management and internal controls that promote robust business operations.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed

3. Over Staff Establishment and Designations not in Staff Establishment

Review of the approved staff establishment for the Department revealed an authorized establishment of six hundred and six (606) personnel against an actual in-post of six hundred and twenty-one (621), reflecting an overall excess of sixteen (16) staff. Further, analysis showed that thirty-one (31) positions were understaffed by a total of two hundred and sixteen (216) employees, while twenty (20) positions were overstaffed by two hundred and thirty-two (232) employees. These variances indicate significant deviations from the approved establishment, suggesting weaknesses in human resource planning and control.

In the circumstances, the adequacy of the human resource planning and control tools and the effectiveness of the mechanisms to monitor, enforce and align staffing with the authorized establishment 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 those Charged with Governance

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 State Department'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.

Management is responsible for overseeing the State Department'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

19 December, 2025

Appendix 1 - Unresolved Prior Year Matters

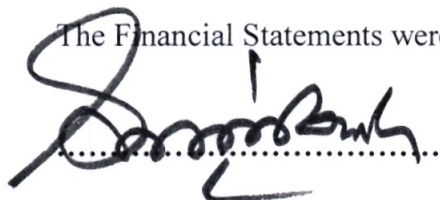
No.	Financial Year	Audit Issues
1	2024/2025	Unsupported Receipts from Sale of Certified Seeds and Breeding Stock
2	2024/2025	Variance between Vote Book and Financial Statements Amounts on Proceeds from Foreign Borrowings
3	2024/2025	Variances between Financial Statements Amounts and IFMIS Report
4	2024/2025	Long Outstanding Maize Subsidy and Other Pending Bills
5	2024/2025	Crop Insurance-Failure to Compensate Farmers
6	2024/2025	Lost Achievements Due to Delayed Payments and Inadequate Sensitization
7	2024/2025	Lack of Specific Legislation on Crop Insurance
8	2024/2025	Suppliers not on the List of Registered Suppliers
9	2024/2025	Failure to Notify Unsuccessful Bidders for Fumigation Services
10	2024/2025	Irregularities in the Procurement of Certified Seeds
11	2024/2025	Irregularities in the delivery of Certified Seeds
12	2024/2025	Irregularities in the Supply and Delivery of Tree Seedlings to Counties
13	2024/2025	Supply and Delivery of Tree Seedlings to Bungoma County
14	2024/2025	Supply and Delivery of Tree Seedlings to Matayos in Busia County
15	2024/2025	Procurement of Maize Dryers-Drying Capacity Beyond Average Farmer Harvest
16	2024/2025	Lack of Power Capacity at the Recommended Sites
17	2024/2025	Grain Storage and Drying Facility at Mogogosiek in Bomet County
18	2024/2025	Delayed Completion Construction of Mwendi Urithi Lailuba Drying and Storage Facility in Meru County
19	2024/2025	Drilling and Equipping of Laare Ultra-Modern Market Borehole in Meru County
20	2024/2025	Completed BAT Siakago Miraa Market Shed Not in Use in Embu County
21	2024/2025	Delay in Completion of Homa-Bay ATDC Office Block
22	2024/2025	Nugatory Expenditure
23	2024/2025	Control Weaknesses at the Pesticides Stores
24	2024/2025	Failure to Achieve the Set Objectives
25	2024/2025	Staff Over Establishment
26	2024/2025	Lack of an Audit Committee
27	2024/2025	Lack of an Internal Audit 3-years Strategic Plan
28	2024/2025	Lack of Financial Policies and Procedures Manual
29	2024/2025	Lack of a Risk Management Policy
30	2024/2025	Lack of an Action Plan for Implementation of Internal Audit Recommendations

STATE DEPARTMENT FOR AGRICULTURE
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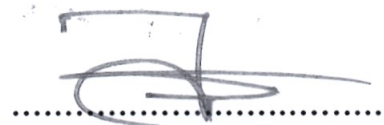
13. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	6	32,027,141,486
Transfers from Domestic and Foreign Partners	7	1,333,723,044
Total		33,360,864,529
Revenue from exchange transactions		
Rendering of services	8	10,454,581,504
Miscellaneous income	9	9,263,500
Total		10,463,845,004
Total Revenue		43,824,709,533
Expenses		
Employee costs	10	945,942,915
Use of goods and services	11	7,500,054,592
Transfers to other Government Entities	12	35,095,059,755
Depreciation and amortization expense	13	41,817,938
Other Grants and Subsidies	14	84,601,100
Total expenses		43,667,476,300
Surplus/Deficit for the year		157,233,233
Net Surplus/Deficit		157,233,233

The Financial Statements were signed by:



Principal Secretary
Dr. Kipronoh Ronoh P.CBS




Head of Accounting Unit
CPA Douglas K. Mutemi
ICPAK Member No: 6851

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

14 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	15	775,616,202	1,860,280,558
Total Current Assets		775,616,202	1,860,280,558
Non-Current Assets			
Property, Plant and Equipment	16	2,197,306,534	-
Total Non- Current Assets		2,197,306,534	-
Total Assets (a)		2,972,922,735	1,860,280,558
Liabilities			
Current Liabilities			
Trade and Other Payables	17	4,574,032,893	3,299,147,167
Refundable Deposits and prepayments	18	136,184,191	337,390,589
Total Current Liabilities		4,710,217,084	3,636,537,757
Non-Current Liabilities			
Total Non- Current Liabilities			
Total Liabilities (b)		4,710,217,084	3,636,537,757
Net Assets (a-b)		(1,737,294,349)	(1,776,257,198)
Accumulated Surplus		(1,737,294,349)	(1,776,257,198)
Net Assets		(1,737,294,349)	(1,776,257,198)

The financial statements were signed by:



Principal Secretary

Dr. Kipronoh Ronoh P.CBS



.....

Head of Accounting Unit

CPA Douglas K. Mutemi
ICPAK Member No: 6851

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

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

	Accumulated Surplus	Reserves	Capital Fund	Total
Fund balance as at 30th June 2024	1,522,889,969	-	-	1,522,889,969
Adjustment:				
Recognition of Assets and Liabilities Pending bills as at 30.06.2024	(3,299,147,167)			(3,299,147,167)
As at July 1, 2024	(1,776,257,198)	-	-	(1,776,257,198)
Surplus/ deficit for the period	157,233,233	-	-	157,233,233
Returns to exchequer	(118,270,384)	-	-	(118,270,384)
As at June 30, 2025	(1,737,294,348)	-	-	(1,737,294,348)

Note:

Return to Exchequer is the amount of funds credited to the Exchequer account after the closure of financial year 2024/2025 and is analysed as below:

S/NO	ACCOUNT NAME	AMOUNT
1	Asdsp 11 Donor	14,817,468
2	Drought Resit Sust Livelihoods Proj	13,362,334
3	Multi Nat Rural Livehd Adt Climate	39,056,152
4	Recurrent	21,833,139
5	Development	29,201,291
	Total	118,270,384

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

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

		2024-2025
		Kshs
		Notes
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	32,027,141,486
Transfers from Domestic and Foreign Partners	7	1,333,723,044
Rendering of services	8	10,454,581,504
Miscellaneous income	9	9,263,500
Total receipts		43,824,709,533
Payments		
Employee costs	10	945,942,915
Use of goods and services	11	6,225,168,866
Transfers to other Government Entities	12	35,095,059,755
Other Grants and Subsidies	14	84,601,100
Refundable deposits and prepayments	18	201,206,399
Total payments		42,551,979,035
Net cash flows from/(used in) operating activities		1,272,730,499
Cash flows from investing activities		
Purchase of PPE	16	(2,239,124,472)
Net cash flows from/(used in) investing activities		(2,239,124,472)
Cash flows from financing activities		
Return to Exchequer		(118,270,384)
Proceeds from borrowings		
Repayment of borrowings		
Net cash flows from financing Activities		(118,270,384)
Net increase/(decrease) in cash & Cash equivalents		(1,084,664,357)
Cash and cash equivalents at 1 July 2024	15	1,860,280,558
Cash and cash equivalents at 30 June 2025	15	775,616,201

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

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

Recurrent and Development Combined

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
Revenue						
Transfers from exchequer	34,989,787,254	- 2,011,011,880	32,978,775,374	32,027,141,486	951,633,888	97%
Transfers from domestic and foreign grants	1,496,287,938	324,712,062	1,821,000,000	1,333,723,044	487,276,956	73%
Gain on sale of assets	9,244,350,000	2,577,000,000	11,821,350,000	10,454,581,504	1,366,768,496	88%
Other income	-	9,265,034	9,265,034	9,263,500	1,534	100%
Total revenue	45,730,425,192	899,965,216	46,630,390,408	43,824,709,533	2,805,680,875	94%
Expenses						
Employees Costs	557,366,003	437,954,299	995,320,304	945,942,915	49,377,389	95%
Use of goods & services	6,416,435,048	86,219,071	6,507,398,119	6,225,168,866	282,229,253	96%
Transfers to other government units	29,277,881,059	7,037,737,003	36,315,618,062	35,095,059,755	1,220,558,307	97%
Other grants and transfers	87,381,824	4,881,824	92,263,648	84,601,100	7,662,548	92%
Total recurrent expenses	36,339,063,934	7,566,792,197	43,910,600,133	42,350,772,636	1,559,827,497	96%
Capital items			-			
Acquisition of PPE	2,721,252,025	3,282,250	2,719,790,275	2,239,124,472	480,665,803	82%
Total expenses	2,721,252,025	3,282,250	2,719,790,275	2,239,124,472	480,665,803	82%
Total expenses	39,060,315,959	7,570,074,447	46,630,390,408	44,589,897,108	2,040,493,300	96%
Surplus/ deficit	6,670,109,233	- 6,670,109,231		- 765,187,575	765,187,575	

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Reconciliation table

	total
Actual amounts on comparable basis presented in the budget and actual comparative statement	- 765,187,575
Opening balance	1,860,280,558
Changes in deposits (decrease)	- 201,206,399
Returned to exchequer	- 118,270,384
Actual in the statement of cashflows	775,616,201

Budget Notes

1. There was underutilization in the Transfers from domestic and foreign grants due to delays in donor funding.
2. There was underutilization in the Other grants and transfers grants due to delays in donor funding.
3. There was underutilization in the employees costs and use of goods due to late exchequer funding from the National Treasury.
4. There was underutilization in the acquisition of assets was due to late supplementary approval.

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Budget Execution by Programmes and Sub-Programmes for FY2024/2025

Programme/Sub-programme	Approved Budget	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs		Kshs	Kshs
General Administration Planning and Support Services	9,432,076,712	9,432,076,712	8,504,731,402	927,345,310
Agricultural Policy, Legal and Regulatory Frameworks	9,364,012,796	9,364,012,796	8,446,008,851	918,003,945
Agricultural Planning and Financial Management	68,063,916	68,063,916	58,722,551	9,341,365
Crop Development and Management	30,662,695,182	30,662,695,182	29,954,871,104	707,824,078
Land and Crops Development	8,302,636,687	8,302,636,687	8,241,410,482	61,226,206
Food Security Initiatives	21,545,319,034	21,545,319,034	20,960,584,263	584,734,771
Quality Assurance and Monitoring of Outreach Services	814,739,461	814,739,461	752,876,360	61,863,101
Agribusiness and Information Management	1,301,355,214	1,301,355,214	896,475,762	404,879,452
Agribusiness and Market Development	1,248,897,972	1,248,897,972	858,608,154	390,289,819
Agricultural Information Management	52,457,242	52,457,242	37,867,608	14,589,634
Agricultural Research and Development	5,234,263,300	5,234,263,300	5,233,818,840	444,460
Crop Research and Development	5,234,263,300	5,234,263,300	5,233,818,840	444,460
Grand Total	46,630,390,408	46,630,390,408	44,589,897,108	2,040,493,300

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. It should tie with the combined Statement of Budgeted Vs Actual Amounts. Ensure that this document is completed to enable consolidation by the National Treasury)



18. Notes to the Financial Statements

1. Establishment

The State Department is established by and derives its authority and accountability from Executive Order No. 2 of 2023. *The MDA* is wholly owned by the Government of Kenya and is domiciled in Kenya. The MDA's principal activity is to create an enabling environment for sustainable development of agriculture for food and nutrition security and economic development.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS). For the purpose of these financial statements, the State Department has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on
.....16/10/2025.....

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), the MDA has taken advantage of the transitional provisions under IPSAS 33, and therefore these first years financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the project has taken advantage of the transition provisions outlined in IPSAS 33;

- Property, Plant and Equipment
- Investment Property
- Intangible Assets
- Right use of asset
- Tangible Natural Resources

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- Certain Financial Instruments
- Leases
- Research and Development costs
- Financial instruments
- Inventories
- Provisions
- Service concession arrangements
- Provisions, Contingent Liabilities and Contingent Assets (IPSAS 19)
- Service Concession Arrangements (IPSAS 32)
- Certain Financial Instruments liabilities

The MDA will progressively recognize and disclose these elements during the transitional period, and no later than the end of the three (3) year period as required by IPSAS 33.

Steps Taken Towards Full IPSAS Accrual Compliance

The Project has initiated a phased approach towards full compliance with accrual basis IPSAS in line with IPSAS 33 transitional provisions. The key steps undertaken include:

1. **Capacity Building**
 - Training of staff on accrual accounting principles under IPSAS.
 - The MDA will implement the best approach as recommended by the National Treasury Transition committee as well as Public Sector Accounting Standards Board (PSASB).
2. **Asset and Liability Identification**
 - Commenced preparation of a comprehensive **Fixed Asset Register** covering property, plant and equipment, and ICT infrastructure.
 - Initiated data collection on potential liabilities such as outstanding obligations.
3. **Systems and Processes**
 - Development of standard operating procedures (SOPs) aligned to accrual IPSAS.
4. **Progressive Recognition of Elements**
 - Recognition of receivables, and payables on an accrual basis.
 - Gradual preparation to recognize Property, Plant and Equipment (IPSAS 17) and Employee Benefits (IPSAS 39).
5. **Disclosure Enhancements**
 - Introduced improved disclosures in line with IPSAS 24 (Budget vs. Actual) and IPSAS 20 (Related Party Disclosures) where data is available.
6. **Governance and Oversight**
 - Establishment of an implementation roadmap, approved by the Project Steering Committee, with clear milestones toward full IPSAS compliance.

Notes to the Financial Statements (Continued)

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of MDA for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

The *MDA* pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *MDA* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *MDA* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *MDAs* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. *MDAs* commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the *MDA* as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

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Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Standard	Effective date and impact:
	iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.

iii) Early adoption of standards

The MDA did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The MDA recognizes revenues from fees, taxes 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 MDA 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 MDA and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 23.07.2024. 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 MDA upon receiving the respective approvals in order to conclude the final budget. Accordingly, the MDA recorded additional appropriations of xxxx on the 2024/2025 budget following the governing body's approval. The MDA's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. 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 xxx of these financial statements.

c) Investment property

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the MDA 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.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the MDA incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the MDA expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The MDA recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the MDA; the MDA controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criteria is not met, the MDA discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An MDA shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the MDA. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The MDA also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the MDA will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

h) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

The MDA expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the MDA 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.

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 de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The MDA does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one MDA and a financial liability or equity instrument of another MDA. At initial recognition, the MDA 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.

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

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

Amortized cost

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

Notes to the Financial Statements (Continued)

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 MDA 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 MDA 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 MDA recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

b) Financial liabilities

Classification

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

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *MDA*.

l) Provisions

Provisions are recognized when the *MDA* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *MDA* 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.

Notes to the Financial Statements (Continued)

m) 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 MDA 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 MDA will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

The MDA 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.

o) Contingent assets

The MDA 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 MDA 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.

p) Nature and purpose of reserves

The MDA creates and maintains reserves in terms of specific requirements.

Changes in accounting policies and estimates

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

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

q) Employee benefits

Retirement benefit plans

The *MDA* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *MDA* pays fixed contributions into a separate *MDA* (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.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

s) 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.

t) Related parties

The *MDA* regards a related party as a person or an *MDA* with the ability to exert control individually or jointly, or to exercise significant influence over the *MDA*, or vice versa. Members of key management are regarded as related parties and comprise; The Cabinet Secretary, The Principal Secretary, the Secretary Administration and Directors.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

u) Service concession arrangements

The *MDA* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *MDA* 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 *MDA* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) 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 Central Bank of Kenya and at various commercial banks at the end of the financial year.

w) Comparative figures

In preparing these financial statements, the *MDA* has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an *MDA* to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

x) 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.

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the MDA'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. State all judgements, estimates and assumptions made:

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 MDA 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 MDA. 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 MDA.
- 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

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 40.

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.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

6 Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	6,953,822,026		6,953,822,026
Development	25,073,319,460		25,073,319,460
Total	32,027,141,486		32,027,141,486

7 Transfers from Domestic and Foreign Partners

Description	2024-2025
	Kshs
Grants from Foreign Governments	62,233,170
Foreign borrowing - Direct Payments	1,271,489,874
Total	1,333,723,044

Details on Transfers from domestic and foreign partners

Name Of The MDA Sending The Grant/Transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers 2024-2025
	Kshs	Kshs	Kshs
JICA	62,233,170		62,233,170
ADfB	1,271,489,874		1,271,489,874
Total	1,333,723,044		1,333,723,044

8 Rendering of Services

Description	2024-2025
	KShs
Receipts from sale of certified seeds and Breeding stock	110,000,000
Receipts from sale of inventories ,stocks and commodities	10,344,581,504
Total	10,454,581,504

(This is A-I-A from SAGAs which is budgeted both under recurrent and development votes)

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

9 Miscellaneous Incomes

Description	2024-2025
	Kshs
Interest received from financial institutions (Kenya Commercial Bank)	9,263,500
Total	9,263,500

10 Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	464,746,341
Basic wages of temporary employees	138,647,673
Personal allowances – part of salary	320,921,015
Pension and other social security contributions	12,713,867
Employer contributions to compulsory national health insurance schemes	6,902,672
Government Pension and Retirement Benefits	2,011,346
Total	945,942,915

11 Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	28,365,545
Communication, supplies and services	52,125,030
Domestic travel and subsistence	1,573,776,305
Foreign travel and subsistence	86,796,207
Printing, advertising, and information supplies & services	118,262,449
Rentals of produced assets	121,143,082

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Description	2024-2025
	Kshs
Training expenses	717,586,967
Hospitality supplies and services	123,994,347
Insurance Costs	19,985,097
Specialised Materials and Supp	2,145,454,247
Office and General Supplies and Services	280,607,508
Fuel Oil and Lubricants	153,838,582
Other Operating Expenses	850,175,130
Routine Maintenance - Vehicles	75,042,220
Routine Maintenance - Other Assets	43,148,778
Exchange Rate Losses	10,499,919
Purchase of Certified Seeds, Breeding Stock and Live Animals	931,904,735
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	165,914,895
Overhaul of Vehicles and Other Transport Equipment	1,433,548.10
Total	7,500,054,592

12 Transfers to Other Government Entities

Description	2024-2025
	Kshs
Transfers to national govt entities- SAGAs & SC current	15,940,560,395
Transfers to national and county govt entities- SAGAs & SC capital	19,124,499,360
Other capital grants	30,000,000
Total	35,095,059,755

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Description	Recurrent	AIA	Development	Total 2024-25
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
Agricultural Development Corporation		2,040,251,070	-	2,040,251,070
Agricultural Fisheries and Food Authority	546,000,000	4,112,480,454	200,000,000	4,858,480,454
Agricultural Fisheries and Food Authority	-	350,000,000	-	350,000,000
Bukura Agricultural College	181,384,156	247,817,757	-	429,201,913
Commodities Fund	-	241,877,608	-	241,877,608
KARLO	4,315,000,000	894,000,000	-	5,209,000,000
NCPB	-	-	14,095,000,000	14,095,000,000
KEPHIS	-	1,869,000,000	-	1,869,000,000
Pest Control Products Board	255,000,000	314,000,000	-	569,000,000
pyrethrum regulatory authority-oper	156,000,000	117,042,000	-	273,042,000
Kenya School of Agriculture -OMOLOI	-	-	20,000,000	20,000,000
National Biosafety Authority	128,947,500	150,000,000	-	278,947,500
EYKP-2630201	-	-	46,400,000	46,400,000
FSRP 2630203	-	-	911,652,713	911,652,713
KABDP 2630203	-	-	42,000,000.00	42,000,000
NAVCDP 2630203	-	-	2,433,987,734.00	2,433,987,734
NAVCDP 2630201	-	-	550,000,000.00	550,000,000
NAVCDP 2640500	-	-	30,000,000.00	30,000,000
ELRP	-	-	442,346,299.00	442,346,299
National Edible oils	-	33,112,615.00	-	33,112,615
Tea Board Kenya	254,759,850	85,000,000	-	339,759,850
Boisafety appeals	32,000,000	-	-	32,000,000
TOTAL	5,869,091,506	10,454,581,504	18,771,386,746	35,095,059,756

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

13 Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	41,817,938
Total	41,817,938

14 Other Grants and Subsidies

Description	2024-2025
	Kshs
Scholarships and other educational benefits	8,738,436
Subsidies to Private entities	75,862,664
Total Grants and Subsidies	84,601,100

15 Cash and Cash Equivalents

Description	2024-2025	Opening statement 1 st July 2024
	Kshs	Kshs
Bank accounts	775,509,920	1,859,838,406
Cash-NAVCDP	77,092	-
Cash-FSRP	28,432	-
Cash-ELRP	758	-
Cash on Hand	-	442,152
Total	775,616,202	1,860,280,558

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

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

		Period ended June 2025	Opening statement 1st July 2024
Financial Institution	Account number	Kshs	Kshs
RECURRENT	CBK 1000456957	21,833,136	113,794,017
DEVELOPMENT	CBK 1000456965	29,201,291	38,301
DEPOSIT	CBK 1000456973	136,184,191	337,390,589
DROUGHT RESIT SUST LIVELIHOODS PROJ	CBK 1000457643	-	13,362,334
SIVAP LOAN	CBK 1000457716	967,758	124,423
KENYA CLIMATE SMART PRO	CBK 1000457678	2,344,359	2,344,359
NARIGP CBK	CBK 1000457694	-	41,205,430
SIVAP GRANT	CBK 1000457724	108,402	108,402
ENABLE YOUTH KENYA PROGRAMME	CBK 1000457759	23,119,701	21,985,586
MULTI NAT RURAL LIVEHD ADT CLIMATE	CBK 1000457686	-	39,056,152
ELRP	CBK 1000485566	6,326	596,215,683
NAVICDP	CBK 1000653687	25,318,582	19,317,321
BREFRON	CBK 1000608064	359,559	108,784

STATE DEPARTMENT FOR AGRICULTURE

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MAIZE FLOUR SUBSIDY	CBK 1000605499	904,431	904,431
FSRP CBK	CBK 1000763019	239,541,701	-
FSRP KCB	KCB 1335690522	226,452,775	-
NARIGP KCB	KCB 1266645519	-	65,863,334
ASDSP11 GOK	KCB 1229967206	7,322,725	262,326
ASDSP 11 DONOR	KCB 1229965076	-	3,962,787
KABDP GOK	KCB 1332624766	330,881	-
ELRP KCB	KCB 1286481260	9,235	1,624,485
NAVICDP KCB	KCB 1315002116	7,021,505	385,718,962
KCEP	EQUITY 1510263657085	34,201	83,346,227
KCEP	EQUITY 1510264926255	35,839	65,624
KCEP	CO-OP 01141587177900	47,579,890	82,886,355
KCEP	CO-OP 01141587177901	350,593	28,324,273
KCEP	CO-OP 01141587177902	-	7,781,501
KCEP	CO-OP 01141587177903	-	4,498,673
KCEP	CO-OP 01141587177904	-	2,589,909

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

KCEP	CO-OP 01141587177905	-	6,267,879
KCEP	CO-OP 01141587177906	6,482,839	690,256
TOTAL		775,509,920	1,859,838,406



STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

16 Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)*	Capital Work in progress	Total
Depreciation Rate		2%	16.67%	12.50%	30%	12.50%	12.50%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	15,272,527	-	319,270,978	1,904,580,966	2,239,124,472
As at Jun 2025	-	-	-	15,272,527	-	319,270,978	1,904,580,966	2,239,124,472
Depreciation	-	-	-	1,909,066	-	39,908,872	-	41,817,938
As at Jun 2025	-	-	-	1,909,066	-	39,908,872	-	41,817,938
As At June, 2025	-	-	-	13,363,461	-	279,362,106	1,904,580,966	2,197,306,534

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Plant And Machinery	319,270,978	39,908,872	279,362,106
Motor Vehicles, Including Motorcycles			
Office Equipment, Furniture, And Fittings	15,272,527	1,909,066	13,363,461
Work in progress	1,904,580,966	-	1,904,580,966
Total	2,239,124,472	41,817,938	2,197,306,534

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	319,270,978	39,908,872
Motor Vehicles including Motorcycles		
Office Equipment, Furniture And Fittings	15,272,527	1,909,066
Total	334,543,506	41,817,938

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the MDA would pay for the remaining service potential of an asset at the measurement date.

17 Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	4,574,032,893		3,299,147,167	
Total trade and other payables	4,574,032,893		3,299,147,167	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year				
1-2 years	4,574,032,893	100%	-	-
2-3 years	-	-	3,299,147,167	100%
Over 3 years	-	-	-	-
Total	4,574,032,893	100%	3,299,147,167	100%

18 Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	136,184,191		337,390,589	
Total deposits	136,184,191		337,390,589	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	1st July	% of the Total
Under one year				
1-2 years	136,184,191	100%	337,390,589	100%
2-3 years				
Over 3 years				
Total	136,184,190.70	100%	337,390,589.45	100%

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19 Cash Generated from Operations

	<i>2024-2025</i>
	Kshs
Surplus for the year before tax	157,233,233
Adjusted for:	
Depreciation	41,817,938
Working capital adjustments	
Increase in payables	1,274,885,726
Increase/decrease in payments received in advance	(201,206,399)
Net cash flow from operating activities	1,272,730,499

Notes to the Financial Statements (Continued)

20 Financial Risk Management

The MDA's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The MDA's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The MDA 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 MDA's financial risk management objectives and policies are detailed below:

i) Credit risk

The MDA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal 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 MDA's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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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 MDA has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The MDA has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the MDA's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

The MDA has put in place an internal audit function to assist it in assessing the risk faced by the MDA 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 MDA's income or the value of its

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holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The MDA's 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 MDA's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The *MDA* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *MDA* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

FY 2024/2025

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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Foreign currency sensitivity analysis

FY 2024/2025

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The following table demonstrates the effect on the MDA's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	-	-	-
USD	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the MDA's financial condition may be adversely affected as a result of changes in interest rate levels. The MDA's interest rate risk arises from bank deposits. This exposes the MDA to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the MDA's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The MDA analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20XX: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20XX – KShs xxx)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *MDA's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *MDA* considers relevant and observable market prices in its valuations where possible.

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The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As At 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

	2024-2025
	Kshs
Revaluation Reserve	-
Retained Earnings	-
Capital Reserve	-
Total Funds	-
Total Borrowings	-
Less: Cash And Bank Balances	-
Net Debt/(Excess Cash And Cash Equivalents)	-
Gearing	-

21 Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the MDA 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.

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Notes to the Financial Statements (Continued)

Government of Kenya

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

Other related parties include:

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

Description	2024-2025
	Kshs
Transactions with related parties	
Purchases of electricity from KPLC	18,163,846
Purchase of water from govt service providers	1,660,023
Total	19,823,869
Expenses incurred on behalf of related party	
Payments of salaries and wages for key management employees	63,000,000
Payments for goods and services for MDA	15,000,000
Total	78,000,000
Transfers to SAGAs	35,095,059,755
Total transfers to SAGAs (note 12)	35,095,059,755
Transfers from Exchequer	32,027,141,486
Total transfers from Exchequer	32,027,141,486
Key management compensation	
Compensation to key management	56,000,000
Total	56,000,000

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Notes to the Financial Statements (Continued)
22 Contingent Liabilities

S/No	Details of the Award	Date of Award	Amount KSh.	Payment to date
1	Mombasa HCCC No. E20 of 2022		32,000,000,000	-
2	Arbitration between M.A Consulting Group and MOAL&D	28/07/2020	19,027,711,711	-
3	Mariakani SPMCC No. 1 of 2024 and Malindi HCJR No.7 of 2019	16/03/2016	1,001,743	-
4	Nairobi HC MISC.APPL. No. E158 of 2021 & JR No. E060 2022	22/12/2020	1,393,093,106	50,000,000
5	Nyeri ELC 15 of 2020 Nyeri ELCA No. 1 of 2017	19/5/2022	145,595,750	-
6	Nairobi HC JR No.238 of 2015	29/09/2023	25,953,160	-
7	Civil Case No. E15 of 2021	13/07/2022	142,000	-
8	High Court Judicial Review No. E134 of 2021	11/10/2022	191,937	-
9	National Small claim court No. 918 of 2021	22/4/2022	631,654	-
10	Civil application No. E032 of 2022	3/12/2023	50,000,000	-
11	ELRC JR No. 9 of 2021	11/9/2021	11,541,360	-
12	Supreme court application No. 22 of 2016	17/02/2023	4,000,000,000	-
13	Meru CMCC No. 173 of 2028	8/8/2019	4,456,440	-
14	Kilifi SRMC Civil Suit No. 276 of 2019	Pending	38,280	-
15	Mombasa HC COMM/E041/2023	Pending	500,000,000	-
16	Nrb ELRC petition No. 60 of 2012	8/12/2022	2,000,000	-
17	MCC 4360/2017 JR Appl. No. E121 OF 2024	8/2/2019	1,313,096	-
18	CMC No.55 of 2019	25/08/2022	6,682,158	-
19	Lamu MCC E131/2024	14/03/2025	130,550	-
20	Lamu MCC E132/2024	14/03/2025	110,550	-
	TOTAL		57,170,593,495	50,000,000

STATE DEPARTMENT FOR AGRICULTURE
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Notes to the Financial Statements (Continued)

23 Capital Commitments

Capital Commitments	<i>2024-2025</i>
	Kshs
Authorised for	-
Authorised and Contracted for	-
Total	-

24 Events after the Reporting Period

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

25 Ultimate And Holding MDA

The MDA ultimate parent is the Government of Kenya.

26 Currency

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

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19. Appendix

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	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion				
1.0	Unsupported Receipts from Sale of Certified Seeds and Breeding Stock	The supporting documents availed.	Not resolved	30.06.2026
2.0	Variance between Vote Book and Financial Statements Amounts on Proceeds from Foreign Borrowings	This has been corrected in the revised financial statements 2023/2024.	Not resolved	30.06.2026
3.0	Variances between Financial Statements Amounts and IFMIS Report	This has been corrected in the revised financial statements 2023/2024.	Not resolved	30.06.2026
Emphasis of Matter				
	Long Outstanding Maize Subsidy and Other Pending Bills	The state department has continually requested the National Treasury to provide adequate budget to clear these pending bills.	Not resolved	30.06.2026
	Supply of Other Goods and Services	The state department has continually requested the National Treasury to provide adequate budget to clear these	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		pending bills		
Other Matter				
1.	Unresolved Prior Year Matters		Not resolved	30.06.2026
2.	Issues Raised in the Previous Report 2021 not Resolved by Management as Directed by Parliament	This was resolved and the report forwarded to National Treasury	Not resolved	30.06.2026
Report On Lawfulness And Effectiveness In The Use Of Public Resources				
1.0	Use of Goods and Services			
1.1	Crop Insurance			
1.1.1	Failure to Compensate Farmers	At the time of the audit, loss assessment was ongoing. The Loss assessment exercise upon completion will be used to determine the claim compensation to be paid to farmers. By the time of audit, the service provider had not submitted the invoice for the 50% Government subsidy payment. This	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		would then initiate the process of claim compensation.		
1.1.2	Lost Achievements Due to Delayed Payments and Inadequate Sensitization	The reduced uptake of crop insurance from FY 2021 to date was occasioned by delayed payment of premium subsidies by the Government resulting in delayed compensation to farmers This delayed compensation has acted as a disincentive for farmers in procuring the crop insurance products. The State Department will make arrangements to clear the pending bill from 2021 and have farmers due for compensation paid accordingly by the Service provider. Moving forward, a multi-sectoral stakeholder approach to enhance farmer sensitization on crop insurance in the country will be adopted.	Not resolved	30.06.2026
1.1.3	Lack of Specific Legislation on Crop Insurance	The Act governing insurance in the country is administered by the insurance regulator an agency under The National Treasury. In the National Insurance Act,	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		agriculture insurance is classified under miscellaneous class; this classification does not allow the regulator to develop regulations specific to agriculture insurance; the department will lobby the regulator to reclassify agriculture insurance as a stand-alone class which will pave way for the development of regulations to guide the agriculture insurance sub sector. Presently, the State Department has developed the Kenya Agriculture insurance policy to give a framework for administering Agriculture Insurance in the country		
1.2	Suppliers not on the List of Registered Suppliers	The State Department has various stations where lists of registered and prequalified suppliers are maintained. These offices are; Plant Protection & Safety Directorate, Kilimo House and Projects/Programs. We had not merged all the lists as one at the time of the audit. However, we have since collapsed all disjointed various lists of all our	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3	Failure to Notify Unsuccessful Bidders for Fumigation Services	prequalified and registered suppliers into one consolidated list and has been shared with the Office of the Auditor General in soft copy.	Not resolved	30.06.2026
2.0	Irregularities in the Procurement of Certified Seedlings	We have always notified all the potential tenderers (both winners and losers) on the outcome of all the tenders that we have carried out. Notifications/debriefing letters to suppliers are available for verification.		
2.1	Acquisition of Assets			
2.1.1	Purchase of Certified Seeds, Breeding Stock and Live Animals			
2.1.1	Irregularities in the Procurement of Certified Seeds	The State Department has various stations where lists of registered and prequalified suppliers are maintained. These offices are; Plant Protection & Safety Directorate, Kilimo House and	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Projects/Programs. We had not merged all the lists as one at the time of the audit. However, we have since consolidated all our prequalified and registered suppliers as one list and shared a soft copy with the Office of the Auditor General.		
2.1.2	Irregularities in the delivery of Certified Seeds	Initially the State Department for Agriculture had asked Kenya Seed Company through the letter Ref.No.MOALF/LCD/9/40 Vol.II of 14 th March 2024 asking them to Supply assorted seeds. These seeds were supposed to be supplied as follows; Maize 130MT, Rice 1.9MT and Sorghum 40MT. However, on 25 th March, 2024 the Ag.Agriculture Secretary wrote to the Kenya Seed Company Ltd to substitute Sorghum for Maize when the supplier indicated that there was scarcity of Sorghum at their premises	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2	Irregularities in the Supply and Delivery of Tree Seedlings to Counties			
2.2.1	Supply and Delivery of Tree Seedlings to Bungoma County	Bungoma County falls within Agro-ecological climatic zones for Macadamia growth i.e. Temperature range (16 – 25 ⁰ C), Rainfall range (1,500 – 2,500mm p.a), Altitude range (1,100 – 2,000 masl) thus no need for one. As for the drying up of some seedlings, handling and failure to nurse properly before, during and after planting could have been the course.	Not resolved	30.06.2026
2.2.2	Supply and Delivery of Tree Seedlings to Matayos in Busia County	Shortly after delivery, a team from the State Department for Agriculture undertook some follow up to the said location and were supplied with supporting documents (delivery note by the suppliers and the corresponding S13s) as herein attached.	Not resolved	30.06.2026
2.3	Purchase of Specialized Plant, Equipment and Machinery			
2.3.1	Procurement of Maize Dryers			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.3.1.1	Drying Capacity Beyond Average Farmer Harvest	The mobile dryers are meant for small scale farmers who does 10tons and below since the existing fixed dryers at NCPB dries over 500bags. Therefore, there is need to encourage small scale farmers to aggregate the farm produce for drying at FCS and NCPB.	Not resolved	30.06.2026
2.3.1.2	Lack of Power Capacity at the Recommended Sites	The dryers supplied have three options for use including: electricity (three phase), Tractor PTO and generator. The Ministry has initiated a process of installation of 3 phase power supply for dryers	Not resolved	30.06.2026
2.3.4	Operational Challenges			
2.4	Grain Drying and Storage Facilities			
2.4.1	Grain Storage and Drying Facility at Mogogosiek in Bomet County			
2.4.2	Delayed Completion Construction of Mwendi Urithi Lailuba Drying and Storage Facility in Meru County	Delay in the project implementation had	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>been caused by delayed payment of Interim Payment Certificate (IPC) for measured works and insufficient exchequer allocation. However, the contractor has been paid Interim Payment Certificate No.01 (IPC No.01) of Kshs 8,771,722. The Contractor provided a 6 months workplan for the completion of the pending works as envisaged in the contract and resumed works in September 2024. Further, on 24th September, 2024, the contractor submitted a three (3) months performance security. In this regard, the contractor was requested through communications letter to submit a request for contract extension to facilitate the validate of the contract.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.5	Rehabilitation of Civil Works			
2.5.1	Drilling and Equipping of Laare Ultra-Modern Market Borehole in Meru County	The State Department commissioned another hydrogeological survey near the old site and this was done. and a new report was developed. During this period the contractor demobilized to other sites citing over stay at site will attract charges which the client was unwilling to bear. The contractor is yet to be taken back to site. In order to fast track the process of delivering the project the Ministry requested the contractor to request for the extension of contract period and the Directorate has written to Accounting Officer for approval. This project will be delivered this financial year 2024 2025	Not resolved	30.06.2026
2.5.2	Completed BAT Siakago Miraa Market Shed Not in Use in Embu County	This project was launched in March 2024 by the area Member of Parliament for	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Mbeere North during which sensitization on the project objective had been advocated and the miraa famers had been invited to the meeting. A site management committee was elected by the community to work with the contractor which they did effectively and the project was delivered in record time. Of two (2) months and was rated by the supervision team and inspection and acceptance Committee as one of the best built facilities. Indeed, it is true at the time of visit, the project had been completed 100% and the project had entered into defects liability period. which ended on 30th August 2024. The Contractor has since been issued with Completion certificate and Making Good Defects Certificate. On the use of the facility, the community were instructed to</p>		

STATE DEPARTMENT FOR AGRICULTURE

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		begin to use the facility at the final inspection which was done on 15 th May 2024 by the Ministry Inspection and Acceptance Committee (IAC). The Non utilization has been occasioned lack unity amongst the Committee members. The Ministry will strive to engage the committee for further sensitization and eventual hand over before 15 th December, 2024 the community.		
2.6	Delay in Completion of Homa-Bay ATDC Office Block	The delay in completion of the works was occasioned by non-allocation or insufficient resources to the stations to continue with the works in subsequent years. The contractor was unable to sustain the momentum at the site consequently to contractor had to abandon the site citing lack of capital to continue due to unpaid measured works	Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		This non allocation of no funding for the project prompted the Ministry to treat the project as special and arranged the payment of the fourth IPC at the head-quarters. The contractor has already sought for contract extension which the Ministry will process to validate the contract before expiry of the current period.		
3.0	Nugatory Expenditure	The state department has continually requested for budgetary provision from The National Treasury to settle the outstanding pending bill for Export Trading Company.	Not resolved	30.06.2026
4.0	Lack of Preparedness for Transition to Accrual Basis of Accounting		Not resolved	30.06.2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report On Effectiveness of Internal Controls, Risk Management and Governance				
1.	Control Weaknesses at the Pesticides Stores	<p>The State Department is in the process of reconstructing the stores at Kabete. Development of a corrective action plan that took place between 12th and 16th August 2024. The action plan was submitted to World Bank for resource mobilization World Bank is in the process of restructuring Kabete stores</p> <p>The Engineers,Architects and Quantiy Surveyors from Ministry of Public Works visited the premises and we are waiting for their advice on the same</p>	Not resolved	30.06.2026
2.	Performance Information			
2.1	Failure to Achieve the Set Objectives	The state department was unable to meet the set targets due to insufficient budget and budget cuts during the supplementary I and II.	Not resolved	30.06.2026
3.	Staff Over Establishment	It is clarified that the in post staff is 659 against the establishment of 606. And not 870 hence the over establishment is 53.	Not resolved	30.06.2026

STATE DEPARTMENT FOR AGRICULTURE

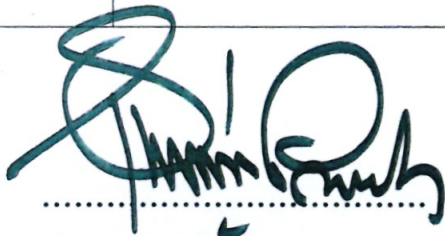
Annual Report and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		It is further clarified that the Authorized Establishment of 16 th November, 2016 was Nine Hundred and Thirty (930). The Public Service Commission reviewed the Department's Authorized Establishment on 24 th May, 2021 and reduced it to Six Hundred and Six (606). However, inspite of the reduction in the Approved Establishment, the existing in post remained the same hence the inconsistencies between the Authorized Establishment and the in post.		
4.	Lack of an Audit Committee	It's true there was no audit committee during the period under review. However, the recruitment process has been finalized and the audit committee will be appointed once the cabinet secretary concurs and approves the report of the interviewing panel.	Not resolved	30.06.2026
5.	Lack of an Internal Audit 3-years Strategic Plan	The internal audit unit will work with the internal Auditor General department to develop a 3-year strategic plan.	Not resolved	30.06.2026

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Lack of an Action Plan for Implementation of Internal Audit Recommendations	In order to actualize this the management will be required to indicate the remedial action to be taken and timelines in their responses.	Not resolved	30.06.2026
7.	Lack of Financial Policies and Procedures Manual	The state department is waiting for the National Treasury to publish the finance manual so as to customize on the same.	Not resolved	30.06.2026
8.	Lack of a Risk Management Policy	The draft risk management policy has been prepared but it is just part of the process of developing the risk management policy framework.	Not resolved	30.06.2026



Principal Secretary
Dr. Kipronoh Ronoh P. CBS



Head of Accounting Unit
CPA Douglas K. Mutemi
ICPAK Member No: 6851

STATE DEPARTMENT FOR AGRICULTURE

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Appendix II: Projects implemented by the State Department for Agriculture

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
KCEP-CRAL	2000004860	EU	5 YEARS	Euro.4.861M	YES	YES
SIVAP	P-KE-AAZ-009	AFDB	6 YEARS	KSHS.3.823B	YES	YES
BREFONS	P-Z1-C00-081	AFDB	5 YEARS	KSHS.4694B	YES	YES
EYKP	P-KE-AAZ-014	AFDB	7 YEARS	USD 36.33M	YES	YES
ELRP	P173702	IDA	5 YEARS	Euro 70.7M	YES	YES
NAVCDP	176758	IDA	5 YEARS	USD 250M	YES	YES
FSRP	P177816	IDA	6 YEARS	Euro 138.2M	YES	YES
ASDSP 11	51110109	SIDA	6 YEARS	Euro 34.44	YES	YES
KABDP	15808	SIDA	3 YEARS	KHS.2.2B	YES	YES

STATE DEPARTMENT FOR AGRICULTURE

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Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
KABDP	4,910,000,000	41,671,619	1%	72,000,000	41,671,619	GOK
FSRP	21,191,339,240	1,500,361,694	7%	2,370,000,000	1,500,361,694	IDA & GOK
KCEP CRAL BOOST	962M	464M	48%	556M	51M	EU & GOK
NAVCDP	29,760,000,000	14,960,465,677	50%	4,322,937,149	4,230,928,188	IDA & GOK
EYKP	3,633,300,000	1,199,190,167	37%	163,292,000	127,631,825	GOK, AFDB
SIVAP	6.833 BILLION	6.506 BILLION	94%	1.157 BILLION	767.414 MILLION	GOK, AFDB
BREFON	5.163 BILLION	1.24 BILLION	24%	1.133 BILLION	1.002 BILLION	GOK, AFDB
ELRP	8,303,057,581	8,303,057,581	100%	3,335,869,087	3,129,389,211	IDA & GOK

STATE DEPARTMENT FOR AGRICULTURE

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Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)		(Kshs)
	2023/2024				2024/2025
Buildings and structures	3,268,522,098.20	1,904,580,966.00	-	-	5,173,103,064.20
Transport equipment	413,788,936.00	-	-	-	413,788,936.00
Office equipment, furniture and fittings	283,559,125.35	15,272,527.00	-	-	298,831,652.35
Machinery and Equipment	2,971,497,235.85	319,270,978.00	-	-	3,290,768,213.85
Intangible assets	5,170,271,034.60	-	-	-	5,170,271,034.60
Total	12,107,638,430.00	2,239,124,471.00	-	-	14,346,762,901.00

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

Appendix IV: Pending bills 2024/2025

S/No	Supplier	INV	Amount	Item
1	Rts Travel Limited	25020006	10,200.00	2210302
2	Rts Travel Limited	25020017	21,300.00	2210302
3	Cfao Mobility Kenya Ltd	-	22,944.00	2220101
4	Cfao Mobility Kenya Ltd	-	22,944.00	2220101
5	Secret To Africa		25,295.00	2210302
6	Secret To Africa	300222	25,670.00	2210302
7	Secret To Africa	200404	26,800.00	2210302
8	Secret To Africa		27,230.00	2210302
9	Ramani Travel Solution	25040042	29,500.00	2210302
10	Rts Travel Limited	25050003	30,100.00	2210302
11	Rts Travel Limited	25070038	33,500.00	2210302
12	Ramani Travel Solution	25040048	34,300.00	2210302
13	Secret To Africa	200167	35,100.00	2210302
14	Secret To Africa	300932	35,805.00	2210302
15	Ramji Harbhai Devani Ltd	-	37,300.00	2211201
16	Ramji Harbhai Devani Ltd		37,300.00	2211201
17	Secret To Africa	300926	39,000.00	2210302
18	Rts Travel Limited	25040054	42,000.00	2210302
19	Secret To Africa	200246	42,070.00	2210302
20	Rts Travel Limited	25020017	44,000.00	2210302
21	Rts Travel Limited	25020014	45,700.00	2210302
22	Splash World Limited		46,110.00	2210302
23	Secret To Africa	200407		2210302

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Annual Report and Financial Statements for the year ended June 30, 2025.

			46,700.00	
24	Secret To Africa	200757	47,435.00	2210302
25	Rts Travel Limited	25040050	47,800.00	2210302
26	Secret To Africa	200761	47,880.00	2210302
27	Rts Travel Limited	25070035	49,800.00	2210302
28	Rosada Travel & Tours		49,960.00	2210302
29	Splash World Limited		53,600.00	2210302
30	Secret To Africa		54,910.00	2210302
31	Secret To Africa		55,950.00	2210302
32	Secret To Africa		56,010.00	2210302
33	Rts Travel Limited	25040029	57,047.00	2210302
34	Secret To Africa	200408	59,350.00	2210302
35	Isuzu East Africa		60,000.00	2220101
36	Rts Travel Limited	25040042	63,800.00	2210302
37	Rts Travel Limited	25040040	66,940.00	2210302
38	Rts Travel Limited	25020007	81,200.00	2210302
39	Rts Travel Limited	25030019	83,590.00	2210302
40	Siaki Office Supplies	405	94,970.00	2211305
41	Rts Travel Limited	25040033	104,100.00	2210302
42	Secret To Africa		121,500.00	2210302
43	Secret To Africa	200772	137,340.00	2210302
44	Secret To Africa	300933	137,580.00	2210302
45	Kaisut Travel Agency	351	140,095.00	2210302
46	Kaisut Travel Agency Limited		140,095.00	2210302
47	Rts Travel Limited	25020017		2210302

STATE DEPARTMENT FOR AGRICULTURE
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			143,670.00	
48	Rts Travel Limited	25040016	150,000.00	2210302
49	Splash World Limited		155,360.00	2210302
50	Mavuno K Limited	1881	156,640.00	2220101
51	Splash World Limited		158,435.00	2220101
52	Detection Solutions Limited	-	180,000.00	2220210
53	Detection Solutions Limited		180,000.00	2220210
54	NITA	3485	186,000.00	2210704
55	Secret To Africa	300934	189,770.00	2210302
56	Secret To Africa	200165	189,790.00	2210302
57	Nation Media	144906	196,070.00	2210504
58	Secret To Africa	200412	202,435.00	2210302
59	Rts Travel Limited	25070034	206,000.00	2210302
60	Kalro	proforma	208,220.00	2210704
61	Jeffweba Enterprises		214,000.00	2211101
62	The Standard Group	-	216,920.00	2210504
63	Haddie Supplies Ltd	PV001232	225,000.00	2211101
64	Kyaka Hotel		240,000.00	2210704
65	Lake View Solutions	14	247,500.00	2210704
66	Kalro	483	249,400.00	2210704
67	Skylight Online Tech Enterprise Limited		255,000.00	2220210
68	Kyaka Hotel		256,000.00	2210704
69	Secret To Africa	200125	266,275.00	2210302
70	Kyaka Hotel		280,000.00	2210302
71	Secret To Africa	200153		2210302

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			285,950.00	
72	Splash World Limited		289,270.00	2210302
73	Splash World Limited		289,750.00	2210302
74	Conglome Trading	-	312,000.00	2211101
75	Secret To Africa	200822	328,090.00	2210302
76	Rts Travel Limited	25020020	330,940.00	2210302
77	Cfa0 Mobility K Limited		348,476.00	2220101
78	Secret To Africa	200762	363,670.00	2210302
79	Secret To Africa	200410	366,220.00	2210302
80	Government Advertising Agency		366,558.00	2210504
81	Government Advertising Agency		366,558.00	2210504
82	Wink Airways		368,850.00	2210302
83	Secret To Africa	400512	371,930.00	2210302
84	Gimco Limited	38	412,345.00	2210603
85	Secret To Africa	200751	417,530.00	2210302
86	Secret To Africa	200751	417,535.00	2210302
87	Pyrethrum Arising	SUN/425/23	426,000.00	2210704
88	Konza Rekens Tips Ltd	-	427,500.00	2211101
89	Konza Rekens Tips Ltd	-	427,500.00	2211101
90	Turkenya Tours	16399	431,485.00	2210302
91	Tysed Enterprises	-	435,000.00	2211101
92	Tysed Enterprises	184	435,000.00	2211101
93	Karwigi Prestige Enterprises	1249	448,250.00	2211101
94	Cfao Mobility Kenya Ltd	-	457,337.00	2220101
95	Cfao Mobility Kenya Ltd			2220101

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			457,337.00	
96	Siaki Office Limited	903	466,382.00	2211305
97	Gimco Ltd	27	472,346.00	2210603
98	Rainbel Solutions		475,000.00	2220210
99	First Fit Auto Care	188	482,444.00	2220101
100	First Fit Auto Care Ltd	-	482,444.00	2220101
101	First Fit Auto Care Ltd	188	482,444.00	2220101
102	Jaycode Enterprises	381	490,000.00	2211101
103	Kaycraf Tours	657	491,890.00	2210302
104	Kayleaf Tours Ltd	657	491,890.00	2210302
105	Nora Suppliers	29	500,000.00	2211101
106	Wink Airways		536,175.00	2210302
107	Kenya Pipeline Company Limited		559,445.00	2211101
108	Rts Travel Limited	25020013	574,960.00	2210302
109	Glosec Services Ltd	58596162	582,150.00	2211101
110	Travellings Limited	9915	600,000.00	2210302
111	Realme Collection	-	608,075.00	2211101
112	Splash World Limited		617,000.00	2211101
113	Turkenya Tours	16546	617,160.00	2211101
114	Pro Flight Limited		623,484.00	2211101
115	Rosen System	1	641,000.00	2211101
116	Turkenya Tours	16475	653,745.00	2211101
117	Zuzi Ventures Ltd	56	675,000.00	2211101
118	Tech Business Unit Limited		680,000.00	2211101
119	Ragways Tyres	298		2211101

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			680,095.00	
120	Pro Flight Limited		684,000.00	2210302
121	Turkenya Tours	16547	685,105.00	2210302
122	Turkenya Tours	16474	718,855.00	2210302
123	Zarin Enterprises		763,000.00	2211305
124	Siaki Office Supplies Ltd	-	792,200.00	2211305
125	Siaki Office Supplies	745748	795,000.00	2211305
126	Ednas Enterprises		805,000.00	2211101
127	Fairfront Entrepreneur	1040	838,600.00	2210704
128	Mebattos K Limited		840,000.00	2220101
129	Chades Limited	-	850,000.00	2211101
130	Juanlink Enterprises		879,000.00	2211101
131	Pro Flight Limited		888,137.00	2210302
132	Egil Technology	89767106	891,000.00	2220210
133	Government Advertising Agency		896,344.00	2210504
134	Kbc	10608	928,000.00	2210504
135	Travellings Limited	9917	930,000.00	2210302
136	Pro Flight Limited		981,360.00	2210302
137	Miggan Enterprises Limited		984,000.00	2211101
138	Government Advertising Agency		985,376.00	2210504
139	Mitabel Business Solutions		987,000.00	2211101
140	Suzzanes Entrepreneur	71	992,000.00	2211101
141	Secret To Africa	200763	998,785.00	2210302
142	Splash World Limited		1,019,270.00	2211101
143	Pro Flight Limited			2210302

STATE DEPARTMENT FOR AGRICULTURE
Annual Report and Financial Statements for the year ended June 30, 2025.

			1,058,616.00	
144	Pro Flight Limited		1,085,650.00	2210302
145	Katajeen Enterprises		1,095,000.00	2211101
146	Surian Ventures	5	1,095,000.00	2211101
147	Josmark Logistics	9	1,095,000.00	2211101
148	Secret To Africa	200713	1,109,540.00	2210302
149	Carbotech Ventures		1,130,000.00	2211101
150	Pherleah Agency	-	1,146,500.00	2211101
151	Kenya Seed Company	120311241	1,165,000.00	2211007
152	Kenya Seed	120311252	1,165,000.00	2211007
153	Kaisut Travel	346	1,185,550.00	2210302
154	Rainbel Solutions	-	1,197,000.00	2211101
155	Rentkil Initial Kenya Ltd	-	1,199,732.00	2211305
156	Rentkil Initial Kenya Ltd		1,199,732.00	2211305
157	Travellings Limited	9914	1,200,000.00	2210302
158	Go Cleaners Restores	-	1,220,220.00	2211305
159	Go Cleaners Restores	-	1,220,220.00	2211305
160	Realmer Technologies Ltd		1,244,390.00	2211101
161	Rts Travel Limited	25040038	1,249,800.00	2210302
162	Pro Flight Limited		1,255,932.00	2210302
163	Vienna Traders	-	1,258,000.00	2211101
164	Computerways	-	1,259,000.00	2220210
165	Pro Flight Limited		1,266,894.00	2210302
166	Miggan Enterprises Limited		1,270,000.00	2211101

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167	Cabrotech Ventures		1,270,000.00	2211101
168	Rythiam Limited		1,270,000.00	2211101
169	Alzapol Enterprise	92	1,270,500.00	2211101
170	Kalro	Proforma	1,303,900.00	2210704
171	Salmone General	62024	1,305,007.00	2211101
172	Ict Authority	-	1,319,616.00	2210202
173	Ict Authority		1,319,616.00	2210202
174	Ict Authority	50059	1,319,616.00	2210202
175	Remald General Supplies	1225	1,325,000.00	2211101
176	Brand Mesha Solutions	79bc16	1,392,000.00	2220210
177	Roshany Technology		1,400,000.00	2220210
178	Pro Flight Limited		1,416,708.00	2210302
179	Londra Enterprises	195	1,485,000.00	2220210
180	Staing Enterprise Ltd	510	1,497,500.00	2211101
181	Consolink Consultant Ltd	35	1,520,300.00	2211101
182	Consolink Consultant Ltd	-	1,520,300.00	2211101
183	Pro Flight Limited		1,529,000.00	2210302
184	Pro Flight Limited		1,539,088.00	2210302
185	Tassel Investments	-	1,562,500.00	2211101
186	Lakeview Solutions	-	1,562,500.00	2211101
187	Jaycode Enterprises	-	1,562,500.00	2211101
188	Takel Solutions	1228	1,568,900.00	2211101
189	Dokta Supplies	2305	1,569,000.00	2211101
190	Keswa Investment Ltd	1230	1,579,480.00	2211101

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191	Reledge Africa Ventures Limited		1,612,500.00	2210302
192	Karwigi Prestige Enterprises	-	1,665,000.00	2211101
193	Siaki Office Supplies Ltd	-	1,680,000.00	2211305
194	Siaki Office Limited	888	1,680,000.00	2211305
195	Pro Flight Limited		1,682,769.00	2210302
196	Midweek General Supplies	-	1,695,000.00	2211101
197	Reshka Ltd	-	1,712,000.00	2211101
198	Kenserve International Ltd	-	1,780,000.00	2210302
199	Almonds Agencies Ltd	-	1,780,000.00	2211101
200	Pro Flight Limited		1,852,220.00	2210302
201	Slash World Limited	38081	1,874,465.00	2210302
202	Kalro	12488	1,875,000.00	2210704
203	Kalro	12488	1,875,000.00	2210704
204	Midweek General Supplies		1,875,000.00	2211101
205	Pro Flight Limited		1,877,761.00	2210302
206	Secret To Africa		1,922,095.00	2210302
207	Keswa Investment Ltd	-	1,926,000.00	2211101
208	Midweek General Supplies	1252	1,926,000.00	2211101
209	Katajeen Enterprises	-	1,963,500.00	2211101
210	Pro Flight Limited		1,972,331.00	2210302
211	Ryker General	532	1,980,000.00	2211101
212	Ganguatha Enterprises Limited		1,990,560.00	2211101
213	Adc	9902499030	2,000,000.00	2211007
214	Discount Tours Travel		2,000,520.00	2210302

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215	Miggan Enterprises	-	2,055,000.00	2211101
216	Takel Solutions	1227	2,100,200.00	2211101
217	Pro Flight Limited		2,112,742.00	2210302
218	Tassel Investments		2,140,000.00	2211007
219	Ryker General Merchants Ltd		2,140,000.00	2211007
220	Ryker General Merchants Ltd		2,140,000.00	2211007
221	Staing Enterprises Ltd	-	2,140,000.00	2211101
222	Pro Flight Limited		2,141,418.00	2210302
223	Wright Press Limited		2,160,000.00	2210504
224	Dokta Supplies	2216	2,160,000.00	2211007
225	Zuzi Ventures Co. Ltd		2,175,000.00	2211101
226	Chades Limited	1229	2,236,000.00	2211101
227	Zuzi Ventures	1247	2,250,000.00	2211101
228	Roshany Technologies	-	2,250,000.00	2211101
229	Benitoh Ventures		2,250,000.00	2211101
230	Chades Limited	-	2,254,000.00	2211101
231	Josmark Logistics		2,263,200.00	2210704
232	Miggan Enterprises Limited		2,280,000.00	2211007
233	Siaki Office Supplies	740742744	2,325,007.00	2211305
234	Elsimo Supplies	-	2,354,000.00	2211101
235	Twiden Company Ltd	1226	2,354,000.00	2211101
236	Secret To Africa	300925	2,420,170.00	2210302
237	Secret To Africa	200800	2,434,640.00	2210302
238	Prettie Enterprises	1231	2,473,400.00	2211101

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239	Staing Enterprises Ltd		2,475,000.00	2211007
240	Beasley Broadcasting Corporate Limited		2,490,000.00	2210504
241	Lazvegas Creative	9	2,500,000.00	2210504
242	Surian Venture Ltd	-	2,568,000.00	2211101
243	Siaki Office Limited	890,892,896,898,900,000	2,798,292.00	2211305
244	Ryker General	522	2,879,000.00	2211101
245	Telkom	-	2,894,207.00	2210203
246	Wilco Graphics Ltd	-	2,913,498.00	2220210
247	Wilco Graphics Ltd		2,965,517.00	2220210
248	Travellings Limited	9914	3,000,000.00	2210302
249	Pro Flight Limited		3,118,810.00	2210302
250	Venture Aviation		3,136,520.00	2210302
251	MFI		3,607,285.00	2220210
252	Secret To Africa	200760	3,628,240.00	2210302
253	Secret To Africa	300223	3,767,320.00	2210302
254	Kalro	72228	3,900,000.00	2211007
255	Kpsoi East Limited	452	4,250,000.00	2211007
256	Gidex Traders Ltd	-	4,250,000.00	2211007
257	Neshany Technology	91	4,349,500.00	2211007
258	Cordiality Enterprises	7	4,500,000.00	2211007
259	The Agrayon Limited		4,630,000.00	2211007
260	Hatari Security	338687	4,779,200.00	2211305
261	Hatari Security	Various	4,779,200.00	2211305
262	Corporate Beverages	-	5,070,000.00	2211007

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263	E Coma Investment	717	5,100,000.00	2211007
264	Libken	Tin2307003	5,107,100.00	2210302
265	Libken Agencies Company Limited		5,107,100.00	2210302
266	Kiturui Company Limited	2	5,203,000.00	2211007
267	Ryker General Ltd	-	5,444,400.00	2211007
268	Bristel International Limited	-	6,480,000.00	2211007
269	Government Advertising Agency	-	7,559,483.00	2210504
270	Government Advertising Agency		7,559,483.00	2210504
271	Olea Technologies	-	8,000,000.00	2211007
272	Kooper Logistics Ltd	15	8,300,000.00	2211007
273	Ironoak Solutions	101	8,300,000.00	2211007
274	Manderly Investment Ltd	51	8,383,500.00	2211007
275	Toti Zora Farm Ltd	6	8,400,000.00	2211007
276	Mesiam Company Limited	42	8,434,000.00	2211007
277	Mesiam Company Ltd	42	8,434,000.00	2211007
278	Zippotech Offspring Ltd	126	8,500,000.00	2211007
279	Springwell Investment Ltd	6	8,500,000.00	2211007
280	Mazem Venture Ltd	-	8,500,000.00	2211007
281	Corevista Ent Ltd	-	8,500,000.00	2211007
282	Eram Ventures Ltd	2003	8,500,000.00	2211007
283	Maxpower Logistics Ltd	630	8,500,000.00	2211007
284	Essah General Supplies	62	8,500,000.00	2211007
285	One Plus One Holdings	127	8,500,000.00	2211007
286	Quelera Limited	401	8,500,000.00	2211007

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287	Glakogen Investment	4	8,500,000.00	2211007
288	Moducore Solutions Ltd	101	8,500,000.00	2211007
289	Krypton Holdings		8,500,000.00	2211007
290	Buildura Ventures Ltd	51	8,500,000.00	2211007
291	Sevi Ventures Ltd	101	8,500,000.00	2211007
292	Gelix Solutions Ltd	-	8,500,000.00	2211007
293	Lanpoint Limited	2	8,500,000.00	2211007
294	Insidiam Limited	-	8,500,000.00	2211007
295	Relsa Com Limited	20	8,500,000.00	2211007
296	Murem Ventures Limited	103	8,500,000.00	2211007
297	Melosa Company Limited		8,500,000.00	2211007
298	Real Shade Investments	1	8,505,400.00	2211007
299	Nafico Company Limited	-	8,520,000.00	2211007
300	Medras Company Limited	117	8,530,000.00	2211007
301	Tepkeny Venture	-	8,600,000.00	2211007
302	Furteg Ventures Ltd	3	8,600,000.00	2211007
303	Tryad Trading Ltd	-	8,600,000.00	2211007
304	Sema Facts Ltd	759	8,650,000.00	2211007
305	Lonbom Company Ltd	2	8,700,000.00	2211007
306	Gionches Company Ltd	-	8,700,000.00	2211007
307	Trans Zara Goods Limited	51	8,700,000.00	2211007
308	Medfras Company Ltd	118	8,700,000.00	2211007
309	One Plus One Holdings	126	8,700,000.00	2211007
310	One Plus One Holdings	124	8,700,000.00	2211007

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311	Casfam Enterprises	-	8,750,000.00	2211007
312	Kelega Engineering Limited	-	8,750,000.00	2211007
313	Ascentist Merchants	175	8,800,000.00	2211007
314	Arc General Dealers		8,965,000.00	2211007
315	Falam Construction Company Ltd	-	9,000,000.00	2211007
316	Tranix Holdings Ltd	-	9,000,000.00	2211007
317	Credible Printers Limited	9	9,000,000.00	2211007
318	Dylma Supplies Ltd	43	9,000,000.00	2211007
319	Kiango Contraction Company	-	9,000,000.00	2211007
320	Betuel Company Ltd	3001	9,000,000.00	2211007
321	Ridgeways Court Limited		9,000,000.00	2211007
322	Entergy Investment Limited	-	9,119,824.00	2211007
323	Emexton Engineering Ltd	56	9,200,000.00	2211007
324	Keldo Enterprises	44	9,450,000.00	2211007
325	Josaip Holdings Limited	-	9,580,000.00	2211007
326	Sidalo Invest Ltd	549	10,200,000.00	2211007
327	Somaxi Limited	246	12,000,000.00	2211007
328	Njekandu Holdings Ltd	10072	12,600,000.00	2211007
329	Nakile Gen Supplies Ltd	-	12,750,000.00	2211007
330	Jeyville Equipments And General Supplies Ltd	-	12,750,000.00	2211007
331	Funyamu Agencies	640	12,750,000.00	2211007
332	Great Grace Ltd	5456	12,750,000.00	2211007
333	Bettal Investments Limited	-	13,050,000.00	2211007
334	Le-Soi Ventures Limited	-	13,125,000.00	2211007

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335	Spartka Jesha Ventures	-	13,200,000.00	2211007
336	Mantii Fairdeal Supplies	-	13,200,000.00	2211007
337	Joely General Limited	27	13,230,000.00	2211007
338	Geomase Enterprises Ltd	17	13,380,000.00	2211007
339	Romukeju Services	-	13,500,000.00	2211007
340	Calma Bidquest	1350	13,500,000.00	2211007
341	Swot Networking Agencies Ltd	46	13,500,000.00	2211007
342	Triband Enterprises Limited	-	13,500,000.00	2211007
343	Rykika Company Limited	2	14,082,500.00	2211007
344	Range Processor Ltd	-	14,300,000.00	2211007
345	Square Edge Services Ltd	-	14,500,000.00	2211007
346	Kalro	171024	15,300,000.00	2211007
347	Mjos Holdings Limited	-	15,746,250.00	2211007
348	Fecian Limited	-	16,740,000.00	2211007
349	Enjolius Enterprises Ltd	115	17,000,000.00	2211007
350	Latya Maximum Builders	100002	17,000,000.00	2211007
351	One Plus One Holdings	128	17,400,000.00	2211007
352	Geeson Investment Limited	601	17,400,000.00	2211007
353	Kalro	Proforma	17,550,000.00	2211007
354	Rythiam Ltd	5443	17,600,000.00	2211007
355	Rythiam Limited	-	17,600,000.00	2211007
356	Malma Provenance Investment	1406	18,000,000.00	2211007
357	Conquest Ventures Ltd	-	18,000,000.00	2211007
358	Jumwoca Enterprises	245	18,000,000.00	2211007

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359	Vosnya Gen Supplies Ltd	-	18,000,000.00	2211007
360	Magnolia Construction Ltd	-	18,000,000.00	2211007
361	Petmart Services Ltd	-	18,000,000.00	2211007
362	Suken Inter Ltd	-	18,000,000.00	2211007
363	Saint Boss Ltd	-	18,000,000.00	2211007
364	Fronton Logistics Ltd	-	18,000,000.00	2211007
365	Gibzalta Holding Ltd	1680	18,080,000.00	2211007
366	E&A Global Holdings Ltd	67	18,400,000.00	2211007
367	Rowfind Limited		18,500,000.00	2211007
368	Safaricom PLC	MN-20124510778	25,000,000.00	2211310
369	Mitimaisha Agency Ltd	-	26,400,000.00	2211007
370	Stzada Bricks Ltd	386	27,720,000.00	2211007
371	Bolt Supplies Logistics Ltd	367	28,050,000.00	2211007
372	Eyenet Network Ltd	458	28,050,000.00	2211007
373	Broader Nurseries Ltd	5	28,730,000.00	2211007
374	Maxqo Ent Ltd	-	28,900,000.00	2211007
	Total		1,661,222,481.00	

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Historical pending bills

Financial Year 2021-2022						
No.	PAYEE	INVOICE NO.	DESCRIPTION	AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
				Kshs.	Kshs.	Kshs.
1	Attic Tours and Travels Limited	-	Provision of air tickets	2,092,610.00		2,092,610.00
2	Attic Tours and Travel Limited	61962	Provision of air tickets	97,600.00		97,600.00
3	Al point Ventures	197	Supply and delivery of assorted tonners	795,000.00		795,000.00
4	M/s Areli Investments	68	Supply and delivery of assorted tonners and conqueror tonners	2,192,500.00		2,192,500.00
5	M/S Brightseal Technologies	2	Supply and delivery of HP 26A toners	1,140,000.00	1,140,000.00	-
6	Blueswift Contractors and General Supplies	-	Construction of New Progressive Farmers Cooperative Society	14,351,740.00		14,351,740.00
7	CFAO Motors Kenya Limited	-	Payment for repair of motor vehicle GK B802S	411,033.00		411,033.00
8	M/S Dilroy Investments	192	Supply and delivery of assorted stationery items	2,915,000.00		2,915,000.00
9	M/s Dotwians Enterprises	40	Supply and delivery of assorted tonners, flash disks and photocopying papers	2,112,500.00		2,112,500.00
10	M/S Datawrite Enterprises	126	Supply and delivery of assorted toners	1,872,000.00	1,872,000.00	-
11	Jokib Ventures Limited	J-29	Supply and delivery of masks	1,400,000.00		

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						1,400,000.00
12	M/s Kundalila General agencies limited	5	Supply and delivery of office suite 2019	270,000.00		270,000.00
13	Kenya Institute of Highway and Building Technology	30	Payment for refresher, defensive and first aid courses	416,000.00		416,000.00
14	Legend Management Limited	1206	Payment of rent for July – September 2022	798,868.80		798,868.80
15	M/s Modern World Auto Works Limited	224	Supply to repair for GKA 059B Isuzu lorry	660,000.00		660,000.00
16	M/s Mongana General Supplies	152	Supply and delivery of assorted stationery	2,545,000.00		2,545,000.00
17	Nation Media Group Limited	-	Payment for advertisement and supply of ICT equipment	236,808.00		236,808.00
18	M/S NYS Mechanical and Transport Branch	-	Payment for hire of equipment for garbage	276,897.00		276,897.00
19	Nairobi Aviation College	-	Payment for tuition fee	95,700.00		95,700.00
20	Nairobi Aviation College	-	Payment for tuition fee	95,700.00		95,700.00
21	Nariana Enterprises Limited	-	Being payment for the supply of laboratory equipment	12,011,649.00		12,011,649.00
22	Noble Construction Limited	-	Construction of proposed Mwenda Urithi Lailuba drying and storage facility in Meru County	14,153,640.00		14,153,640.00
23	M/S Pest Control and products Board	-	Payment of rent	817,580.00		817,580.00
24	RH Devani LTD	254596	Payment for supply of fuel at SDCD &AR	35,000.00		35,000.00

STATE DEPARTMENT FOR AGRICULTURE

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25	RH Devani LTD	254593	Payment for supply of fuel at SDCD &AR	50,278.00		50,278.00
26	Suzzanes Enterprises	71	Supply of masks and hand sanitizers	992,000.00		992,000.00
27	M/S Staing Enterprises Limited	1056	Supply and delivery of stationery	1,715,000.00		1,715,000.00
28	Sky Wide Limited	129	Supply and delivery of assorted stationery	132,350.00		132,350.00
29	Solman Enterprises	173	Servicing and maintenance of air conditioners	300,000.00		300,000.00
30	M/S Trawell Company Limited	10	Provision of air ticket	96,555.00		96,555.00
31	M/S Toner Zone Supplies	121	Supply and delivery of assorted toners	2,508,000.00		2,508,000.00
32	Telkom Kenya Limited	-	Payment for bills incurred through direct lines	141,403.00		141,403.00
				67,728,411.80	3,012,000.00	64,716,411.80
Financial Year 2020-2021						
1	Amin Construction Limited	-	Delivery of locust chemicals to Mandera	220,000.00		220,000.00
2	African Association for Public Administration	-	Payment of training fees	244,800.00		244,800.00
3	Computer Ways Limited	7917	Payment for supply and delivery of laptop	1,259,000.00		1,259,000.00
4	M/S Computerways Limited	8449	Supply and delivery of laptop, computers and printers	1,285,983.00		1,285,983.00
5	M/S Conicojus Enterprises	5	Supply and delivery of office	912,000.00		

STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

			stationery			912,000.00
6	Dairy Training Institute	-	Payment of tuition fees	71,800.00		71,800.00
7	Kenya School of Government	-	Payment for a standard conference package	225,000.00		225,000.00
8	MFI Documents Solutions Limited	6184405	Repair of photocopier	1,368,540.00		1,368,540.00
9	Mitabel Business Solutions	25	Supply and delivery of assorted stationery	987,000.00		987,000.00
10	M/s Raigways Tyres and Automart Limited	298	Supply of motor vehicles tyres	342,000.00		342,000.00
11	RH Devani Limited	253308	Payment of fuel	1,000,000.00		1,000,000.00
12	State Department for Broadcasting	2445	Advertising services for ENABLE Youth program	626,325.60		626,325.60
13	Trawell company Limited	Various	Provision of air tickets	278,860.00		278,860.00
14	Toyota Kenya Limited	1813	Payment for repairs of GKB 802S	41,126.00		41,126.00
				8,862,435	-	8,862,434.60
Financial Year 2015-2019						
1	Exponous Agencies	103	Supply and delivery of assorted office items	834,228.00		834,228.00
2	Institute of Human Resource Management	-	Conference fees	255,000.00		255,000.00
3	Institute of Human Resource Management	21588	Payment of membership fees	8,000.00		8,000.00

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4	Institute of Human Resource Management	-	Payment of membership fees	76,000.00		76,000.00
5	Kenya School of Government	1878	Conference fees	60,172.00		60,172.00
6	Kenya School of Monetary Studies	21647	Payment for provision of conference package	104,400.00		104,400.00
7	Kenya School of Government Mombasa campus	-	Payment of tuition and accommodation fees	327,120.00		327,120.00
8	MFI Documents Solutions Limited	3300	Supply and delivery of kyocera	292,088.00		292,088.00
9	MFI Documents Solutions Limited	3289	Payment for supply and delivery of kyocera	515,210.00		515,210.00
10	Mediamax Limited	10503	Advertisement	324,800.00		324,800.00
11	Njemwa General Supplies	52	Supply of external hard disks	371,200.00		371,200.00
12	Stan Consulting Group Limited	649	Payment for tuition fees	348,000.00		348,000.00
13	Tetrad Enterprises	90	Supply and delivery of furniture	1,650,000.00		1,650,000.00
14	Telkom Kenya Limited	Various	Payment of telephone bills	526,147.00		526,147.00
15	The Star	Various	Payment for advertisement	1,381,562.00		1,381,562.00
16	Zimsmart Enterprises	109	Supply and delivery of assorted tonners	912,800.00		912,800.00
				7,986,727.00	0.00	7,986,727.00

TABLE 3B: PENDING BILLS Financial Year 2022-2023

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1	Attic Tours	76585	Provision of air tickets	146,900.00		146,900.00
2	M/S Akarim Agencies Company Limited	990006	Provision of air tickets	586,125.00		586,125.00
3	M/S Bontech Ventures Limited	563	Assorted stationery	890,140.00		890,140.00
4	M/S Dokta Supplies	2216	Supply and delivery of assorted tonners and photocopying papers	2,160,000.00		2,160,000.00
5	Dokta Supplies	2305	Supply of assorted stationery	1,569,000.00		1,569,000.00
6	M/S Emettee Quality Enterprises	55	Supply and delivery of assorted tonners	2,881,943.00		2,881,943.00
7	M/S Golden Dreams Logistics Limited		Supply and delivery of tonners	2,149,000.00		2,149,000.00
8	M/S Greenwich Intercom Network Limited	64	Supply and delivery of tonners	2,132,000.00		2,132,000.00
9	M/S Greenwich Intercom Network Limited	65	Supply and delivery of conqueror papers	1,902,000.00		1,902,000.00
10	Government Advertising Agency	6330	Payment for advertisement of a tender notice	233,699.00		233,699.00
11	Government Advertising Agency	6321	Payment for advertisement of a tender notice	401,163.60		401,163.60
12	M/S Honeywell Limited	49	Repair works	924,560.00		924,560.00
13	M/S Ianson Suppliers	31	Supply and delivery of assorted tyres	1,495,000.00	1,495,000.00	-
14	M/S KALRO	35848	Provision of conference facilities	199,460.00		199,460.00
15	Kenya Education Network	-	Provision of internet services	299,300.00		299,300.00

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16	Kenya School of Government	01444	Payment for training to sensitize officers on PAS	221,000.00		221,000.00
17	M/S Kiandani Bed and Breakfast Hotel	1314	Provision of conference services	420,000.00		420,000.00
18	M/s Kivu Organics	23	Supply and delivery of watering cans 12L	1,572,900.00	1,572,900.00	-
19	Kenya School of Agriculture	-	Provision of catering and conferencing services	123,000.00		123,000.00
20	M/S Las Vegas Creative Centre	9	Supply and delivery of assorted tonners	2,500,000.00		2,500,000.00
21	M/S Lishareene Enterprise	2	Supply and delivery of office furniture	1,306,700.00	1,306,700.00	-
22	M/s Moncal Travel and Tours Limited	36205	Provision of air tickets	3,268,090.00		3,268,090.00
23	M/s Moncal Travel and Tours Limited	36317	Provision of air tickets	270,500.00		270,500.00
24	M/s Moncal Travel and Tours Limited	36219	Provision of air tickets	270,600.00		270,600.00
25	Machakos University	INV3658	Conference services	516,000.00		516,000.00
26	M/S Nation Media Group Plc	74047	Adertising services	420,734.00		420,734.00
27	Nedysco Enterprises	51	Supply and delivery of assorted toner	1,288,000.00		1,288,000.00
28	R.H. Devani limited	-	Payment for supply of Fuel	1,390,000.00		1,390,000.00
29	M/S Ramji Haribhai Devani	P04205	Provision of fuel	400,000.00		400,000.00
30	RH Devani Limited	273512	Supply of fuel to SDCD & AR	1,616,550.00		1,616,550.00

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31	Regicome Quality Enterprises	15	Supply of office stationery	612,032.00		612,032.00
32	Safaricom PLC	697085	Provision of service for the E-voucher input system for the National Value Chain Support Programme	8,453,065.00	8,453,065.00	-
33	Sky Extra Tours and Travel Limited	45021	Provision of air tickets	310,400.00		310,400.00
40	M/s Trawel Company Limited	Various	Provision of air ticketing	8,388,850.00		8,388,850.00
41	M/S Tech Business Units Limited	15	Maintenance of communication equipment	700,000.00	700,000.00	-
42	The Institute of Engineers of Kenya	N/A	Annual membership subscription fees	216,000.00		216,000.00
43	M/S Tilinah Enterprises	355	Supply and delivery of assorted stationery	1,627,000.00		1,627,000.00
44	The Kenya National Examination Council	/06/036	Authentication of KNEC certificates in Public Service	170,520.00		170,520.00
45	M/S Vienna Traders	N/A	Supply and delivery of tonners	1,258,000.00		1,258,000.00
46	M/S Wallstreet Distribution Agency Limited	3413	Supply and delivery of photocopying papers and conqueror papers	2,751,000.00		2,751,000.00
47	Vinckline Ventures	71	Supply of assorted toner	1,892,060.00		1,892,060.00
				59,933,291.60	13,527,665.00	46,405,626.60

ii. MAIZE FLOUR SUBSIDY

SUB TOTAL 2022/2023 MAIZE SUBSIDY						
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STATE DEPARTMENT FOR AGRICULTURE

Annual Report and Financial Statements for the year ended June 30, 2025.

	2,616,638,258.30	-	2,616,638,258.30
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TABLE 3C: PENDING BILL Financial Year 2023-2024

1	M/s Agrex S.R. Cicogna	-	Supply, delivery, installation and commissioning of 7 Ton mobile grain dryers	120,000,000.00	120,000,000.00	-
2	M/S Alshamin Investment Limited	AL012	Fitting of carpet in the CS office, corridor and associated offices	4,851,120.00	4,851,120.00	-
3	Attic Tours and Travels Limited	79030	Provision for air tickets	29,850.00		29,850.00
4	M/S Bontech Ventures Limited	519	Supply and delivery of assorted tonners	939,200.00		939,200.00
5	M/S Keldo enterprises	507	Supply of seedlings	17,700,000.00		17,700,000.00
5	M/S Bontech Ventures Limited	520	Supply and delivery of assorted tonners	1,054,500.00		1,054,500.00
6	M/S Benitoh Venturs	57	Supply and delivery of assorted tonners	2,997,700.00		2,997,700.00
7	M/S Colroh Limited	1001	Supply and delivery of procurement of professional equipment and accessories	3,492,500.00		3,492,500.00
8	M/S Colroh Limited	100	Supply and delivery of avocado seedlings	10,000,000.00	10,000,000.00	-
9	M/S Cordiality Enterprises	1058	Supply and delivery of cashewnuts and	2,950,000.00		2,950,000.00
10	M/S Cordiality Enterprises	1059	Supply and delivery of coconut seedlings to Kilifi & Lamu County	3,725,000.00		3,725,000.00
11	M/S Conglomerate Trading	392	Supply and delivery of Printer, refrigerator and photocopier	1,138,250.00	1,138,250.00	-
12	M/S CFAO Motors	515	Provision of repair service of GKB			

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			379V	160,092.06		160,092.06
13	M/S CFAO Motors	526	Provision of repair service of GKB 379V	52,807.22		52,807.22
14	M/S Dalton Enterprises Limited	506	Supply and delivery of knapsack sprayers	6,480,000.00	6,480,000.00	-
15	M/S Ecoma Investment	711	Supply and delivery of flags, toners and assorted stationery	1,356,500.00	1,356,500.00	-
16	M/S. Egerton University Arc Hotel	CoELIB/052	Provision of conference facilities	405,600.00	405,600.00	-
17	Egerton University Arc Hotel	CoELIB/055	Provision of conference facilities	294,000.00		294,000.00
17	M/S Elicum Enterprises Limited	801	Supply and delivery of Avocado, mango and macadamia fruit seedlings to Embu county	27,440,000.00		27,440,000.00
18	M/S Entergy Investment Limited	25	Supply and delivery of Alpha Cypermethrin 100g/l	2,999,128.00		2,999,128.00
19	M/S Fairfront Enterprises Limited	1120	Supply and delivery of seeds and seedlings	838,600.00		838,600.00
20	M/S Fgee Technology Limited	0089767/06/28	Supply and delivery of laptops	891,000.00		891,000.00
46	M/S Government advertising agency		Provision for advertising services	10,167,458.20	-	10,167,458.20
47	M/S Greenwich Intercom Network Limited M/S Greenwich Intercom Network Limited	81	Supply and delivery of window blinds	1,878,525.00	1,878,525.00	-
48	M/S Highburly General Supplies	24	Supply and delivery of Avocado, mango and macadamia fruit seedlings to Kitui and Nyandarua county	19,040,000.00		19,040,000.00

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49	M/S Homeland Events Limited		Provision of tentage and décor services, chairs and public address system during Madaraka day celebration	109,728,924.00	100,000,000.00	9,728,924.00
50	M/S Impact communications	2988	Provision of advertisement in KALRO	1,148,400.00		1,148,400.00
51	M/S Jadori International Limited	103	Supply and delivery heavy duty plastic pallets	2,998,500.00		2,998,500.00
52	M/S Jakiya General Suppliers Limited	554	Supply and delivery of Lambda cyhalathrin 50g/l	2,999,757.00		2,999,757.00
53	M/S Josim Instantaneous Consulting Limited	115567	Provision of consulting services	10,450,244.00		10,450,244.00
54	M/S KALRO	O197	Supply and delivery of 10kgs of komboka rice to Kerugoya county	1,500,000.00		1,500,000.00
55	M/S Kenya Broadcasting Cooperation	10405	Provision of media coverage	1,856,000.00		1,856,000.00
56	M/S Kneeky Venture	131	Supply and delivery of agricultural materials	4,638,300.00		4,638,300.00
57	M/S Keldo Enterprises	40	Supply and delivery of avocado seedlings	8,850,000.00	8,850,000.00	-
58	M/S Keldo enterprises	39	Supply and delivery of avocado fruit seedlings to Kericho County	17,700,000.00	17,700,000.00	-
59	M/S KALRO	42791	Provision of conference facility	450,188.00		450,188.00
61	M/S L.L. Leon & Brothers Limited	LO256	Installation of Bio metric smart lock	170,000.00	170,000.00	-
62	M/S Lemoraph Investment	60	Supply and delivery of assorted			-

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			tyres	2,229,600.00	2,229,600.00	
63	M/S. Lowawa Ventures	N/A	Repair of main power supply	800,000.00		800,000.00
64	M/S Maxicom Media Services	107	Supply and delivery of head caps and gumboots	2,148,000.00	2,148,000.00	-
65	M/S Medplus Healthcare Solutions Limited	2005	Supply and delivery of Flubendiamide 480 g/l	6,783,000.00		6,783,000.00
66	M/S Neshiny TechnologiesSDPS	91	Supply and delivery of breeding stock	4,349,500.00		4,349,500.00
67	M/S Nichants Ventures Enterprises	27	Supply and delivery of note books	1,860,000.00		1,860,000.00
68	M/S Nedysco Enterprises Limited	7	Supply and delivery of note books	502,200.00		502,200.00
69	M/S Oakin Limited	500	Supply and delivery of avocado seedlings –Bomet County	10,000,000.00	10,000,000.00	-
70	M/S Pelazim Enterprises	55	Supply and delivery of printing materials and moisture meters	8,190,000.00		8,190,000.00
71	M/S Peleko Enterprises	26	Supply and delivery of agricultural materials	3,721,506.00		3,721,506.00
72	M/S Rostos Agencies	90	Supply of chemical protective overalls	4,200,000.00	4,200,000.00	-
73	M/S Ryker General Limited	522	Supply and delivery of assorted trophies and jumper hoodies	2,879,000.00		2,879,000.00
74	M/S RH Devani Limited	P04996	Supply and delivery of fuel and lubricants	54,500.00		54,500.00
75	Safaricom PLC	MN-	Annual connectivity, maintenance,			

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		20114186680	training and support for E-voucher platform with data and sim cards and development an integration of additional modules for 2023-2024 FY	27,260,036.12	25,000,000.00	2,260,036.12
76	M/S Siaki Office Supplies Limited	718	Provision of cleaning services	465,000.00	465,000.00	-
77	M/S Siaki Office Supplies Limited	728	Provision of cleaning services	465,000.00	465,000.00	-
78	M/S Siaki Office Supplies Limited	781	Provision of cleaning services	465,000.00	465,000.00	-
79	M/S Siaki Office Supplies	N/A	Provision of cleaning services	380,064.00		380,064.00
80	M/S Square Edge Services	998	Supply and delivery of pallets	2,997,450.00	2,997,450.00	-
81	M/S Squid Ventures Limited	20	Supply and delivery of 20 ltrs Knapsack sparayer	9,600,000.00	9,600,000.00	-
82	M/S Spice Gold Supplies Limited	92	Supply and delivery of coffee seedlings to Kericho County	6,375,000.00	6,375,000.00	-
83	M/S Sawela Lodges	49855	Provision of catering services and conference facility	1,158,000.00		1,158,000.00
94	M/S Silver Africa	14921	Provision of air tickets	456,200.00		456,200.00
96	M/S Saforijah Ventures Limited	2	Supply and delivery of tonners, orthopedic chair and printer	1,573,300.00		1,573,300.00
97	M/S Treasure Collections	100	Supply and delivery of promotional items for BETA kilimo	312,900.00		312,900.00
98	M/S Tech Business Unit Limited	111	Supply and delivery of broad based roll up banners	210,000.00	210,000.00	-

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99	M/S Viewcare International Limited	115	Supply and delivery of chemical protective safety gear	4,380,000.00	4,380,000.00	-
100	M/s Tranix Holdings Limited	14	Supply and delivery of coffee seedlings to Kericho County	6,375,000.00	6,375,000.00	-
101	M/S Technique General Supplies Limited	339	Supply and delivery of assorted vehicle tyres	1,073,600.00		1,073,600.00
102	M/S Wilco Graphics Limited	4015	Servicing and replacement of Kilimo elevators	2,923,845.00	2,923,845.00	-
103	M/S Wilco Graphics		Provision of repair services to the lift	2,935,000.00	2,935,000.00	-
104	M/S Mobettos Kenya Limited	247	Supply and delivery of drawer cabinets and desk top computers	1,198,200.00	1,198,200.00	-
105	M/S Salmore General Supplies		Supply and delivery of branded items	1,305,000.00		1,305,000.00
106	M/S Ginsburg Holdings Limited	327	Supply and delivery of avocado seedlings - Baringo	15,000,000.00	15,000,000.00	-
	SUBTOTAL 2023/2024			537,998,044.60	369,797,090.00	168,200,954.60
	GRAND TOTAL			3,299,147,167.10	386,336,755.00	2,912,810,412.10