

FINANCE COMMITTEE - Q1 FINANCE REPORT

Due Date Oct 7, 2022 23:59 EAT

Notes for Signers Dear Prof,

Trust this finds you well. Kindly find attached Q1 financial report for your kind consideration and signature to enable circulation with the members.

Organizer Ms. Ivy Waithera Mburu

Signers Prof. Theophilus M. Mutui Signed

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1. 2022-23 Q1 Regional Report

KENYA PLANT HEALTH INSPECTORATE SERVICE

QUARTER 1 FINANCIAL REPORT

FY 2022/23

REGIONAL/STATION PERFORMANCE



Summary

Total revenue decreased by KShs. 73 million from KShs. 324.5 million in the first quarter of FY 2021/22 to KShs. 251million in FY 2022/23 representing a 23% decrease. Revenue from rendering services constituted 85% of total organizational Revenue. JKIA and Mombasa regions each contributed 45% and 22% of total organizational revenue totaling to 67%.

The reduction in total revenue is attributable to a decline in phytosanitary revenue at the border points on waiver of import charges for maize and animal feeds. Seed services revenue which declined by 40% also contributed to the underperformance.

To ensure financial position of the institution does not deteriorate, expenditure was reduced by 21% compared to quarter one of the previous period.

Performance at regional and departmental level was as per below.

JKIA, Namanga, and Loitokitok

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	133,740,088	113,763,837	-15%
Expenditure	13,359,827	7,173,190	-46%
Net Position	120,380,260	106,590,647	

Total revenue reduced by 15%. Namanga and Loitokitok reported 65.9% and 35.7% revenue decline respectively due to stoppage of import charges for maize and animal feeds in the quarter. JKIA main station revenue increased slightly by 2.7%. In the first quarter of 2022/2023 JKIA regional offices combined generated 45% of total KEPHIS revenue with a surplus of Kshs 106.6 million after meeting operational expenses exclusive of salaries in the quarter.

Revenues comparison

Quarter 1	Description	Total	%
FY 2022/2023	JKIA Revenue	83,854,852	
FY 2021/2022	JKIA Revenue	81,644,068	
	Variance	2,210,785	2.71%
FY 2022/2023	Namanga Revenue	13,683,815	
FY 2021/2022	Namanga Revenue	40,143,286	
	Variance	-26,459,471	-65.91%
FY 2022/2023	Loitokitok	16,225,170	
FY 2021/2022	Loitokitok	11,952,734	
	Variance	4,272,436	35.74%

ICD

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	901,583	5,673,093	529%

Revenue from the inland container depot stood as 5.6 million in the quarter 2022/23. The performance may be affected in future by change in Government Policy.

PQS

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	6,668,192	4,124,763	-38%
Expenditure	8,948,475	4,212,498	-53%
Net Position	-2,280,283	-87,735	

PQS revenue decreased by 38% due to drop in analysis of samples from JKIA. Expenditure dropped by a higher margin at 53% in the same period.

In the first quarter the region was not able to fully cater for its operational expenses which is due to activities such as surveillance and trainings which are not being charged for.

Mombasa, Taveta, Lunga Lunga, Lamu and Bura

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	62,558,857.95	55,226,886.20	-12%
Expenditure	9,453,027.72	7,724,263.96	-18%
Net Position	53,105,830.23	47,502,622.24	

NB: Expenditure for Lamu was KShs. 30,000 while Shimoni incurred KShs. 36,272

Overall, Mombasa region revenue dropped by 12%. This decline is fully attributable to underperformance border offices i.e. Lunga Lunga, Taveta and Bura with revenue decline of 66%, 78% and 95% from stoppage of charging of import and inspection charges for Maize and animal feeds. Revenue from Mombasa picked up on lapse of Waiver stopping charges for coffee, tea and herbs as noted in the quarter. Shimoni revenue was 52,000 whilst expenditure was Kshs 36,473.5 in the first quarter of 2022/2023.

In quarter 1 of financial year 2022/2023 Mombasa region was able to cater for its operational expenses and had a surplus of Kshs 47.5 million salaries exclusive.

Quarter 1 Revenue Comparison-Mombasa Region

Year	Description	Total	
FY 2022/2023	Mombasa Main Office	48,254,541	
FY 2021/2022	Mombasa Main Office	37,029,639	
	Variance	11,224,903	30.31%
FY 2022/2023	Lunga Lunga	3,887,476	
FY 2021/2022	Lunga Lunga	11,562,184	
	Variance	-7,674,708	-66.38%
FY 2022/2023	Taveta	3,081,869	
FY 2021/2022	Taveta	13,902,576	
	Variance	-10,820,707	-77.83%
FY 2022/2023	Bura	3,000	
FY 2021/2022	Bura	64,460	
	Variance	-61,460	-95.35%
FY 2022/2023	Shimoni	52,000	
FY 2021/2022	Shimoni	0	
FY 2022/2023	Lamu	0	
FY 2021/2022	Lamu	0	

Nakuru

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	19,361,470	9,957,111	-49%
Expenditure	17,746,867	8,595,516	-52%
Net Position	1,614,602	1,361,595	

NB: Additional revenue of KShs. 1,073,956 will be expected after verification of service schedules and invoicing.

Revenue for Nakuru regional office reduced by 9.4 million from 19.3 million in quarter 1 of FY 2021/22 to 9.9 million in quarter 1 of FY 2022/23 representing 49% decline. This resulted from most of Nakuru bulk MLND samples from Kitale are being submitted to Muguga rather than in our Plant health testing Lab in prior financial year and seed system hitch on mileage invoicing resulting to delays. During the previous period there were more private sample tested than the current period.

In financial year 2022/2023 the region was able to cater for its operational expenses and had a surplus of Kshs 1.3 million salaries exclusive.

Kitale, Malaba, Suam, Eldoret, Lwakhakha

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	39,732,620	25,910,286	-35%
Expenditure	15,552,038	5,997,505	-61%
Net Position	24,180,582	19,912,781	

Revenue for Kitale region reduced by 13.8 million from 39.7 million in quarter 1 FY 2021/22 to 25.9 million in quarter 1 of FY 2022/23 representing a 35% decrease. Malaba, Swam and Luakhakha had revenue decline of 52%, 94% and 72% from stoppage of charging of import and inspection charges for Maize and animal feeds. Overall the region was able to cater for its operational expenses and had a net surplus of Kshs 19.9 million salaries exclusive.

Quarter 1 Revenue Comparison-Kitale Region

Year	Description	Total	
FY 2022/2023	Kitale	16,906,827	
FY 2021/2022	Kitale	23,930,633	
	Variance	-7,023,806	-29%
FY 2022/2023	Malaba	6,977,798	
FY 2021/2022	Malaba	14,448,949	
	Variance	-7,471,151	-52%
FY 2022/2023	Suam Border	10,731	
FY 2021/2022	Suam Border	171,166	
	Variance	-160,435	-94%
FY 2022/2023	Eldoret Station	381,695	
FY 2021/2022	Eldoret Station	233,145	
	Variance	148,550	64%
FY 2022/2023	Lwakhakha	1,633,235	
FY 2021/2022	Lwakhakha	948,727	
	Variance	684,508	72.15%

Kisumu, Busia, and Isebania

	Qtr1 2021/22	Qtr1 2022/23	%
Revenue	21,314,772	6,690,022	-69%
Expenditure	9,013,800	8,064,043	-11%
Net Position	12,300,972	-1,374,020	

Revenue for Kisumu region reduced from 21 million in quarter 1 FY 2021/22 to 6.7million in quarter 1 of FY 2022/23 representing a 69% increase. Revenue from Kisumu office reduced by 55.6%. Revenue from Busia border and Isebania declined on stoppage of charging of imports and animal feeds.

The region had a net deficit of Kshs 1.3 million salaries exclusive and thus was not able to cater for its operational expenses.

Quarter 1 Revenue Comparison-Kisumu Region

Year	Description	Total	
FY 2022/2023	Kisumu	1,304,104	
FY 2021/2022	Kisumu	2,937,665	
	Variance	-1,633,561	-55.61%
FY 2022/2023	Busia	3,712,145	
FY 2021/2022	Busia	11,517,369	
	Variance	-7,805,224	-67.77%
FY 2022/2023	Isebania	1,673,773	
FY 2021/2022	Isebania	6,859,738	
	Variance	-5,185,965	-75.60%

Embu Region

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	5,924,756	7,933,578	34%
Expenditure	5,829,395	2,945,272	-49%
Net Position	95,361	4,988,306	

Revenue for Embu region increased by 34% from 5.9 million to 7.9 million. Embu main office had a 37% decline due to harsh weather conditions and some business exporters opting out of export Business e.g. Myner Exports and Dailypics.

Moyale and Timau increased their revenue by 139.8% and 82% million respectively. Moyale revenue increase was due to increased bean imports. Timau revenues increased due to Meru inspections previously under Embu being allocated to Timau.

The region was able to cater for its operational expenses and had a net surplus of Kshs 4.9 million salaries exclusive.

Quarter 1 Revenue Comparison –Embu region

Year	Description	Total	
FY 2022/2023	Embu Main Reg. Office	1,598,208	
FY 2021/2022	Embu Main Reg. Office	2,692,943	
	Variance	-1,094,735	-40.65%
FY 2022/2023	Moyale Border Post	2,548,098	
FY 2021/2022	Moyale Border Post	1,062,505	
	Variance	1,485,593	139.82%
FY 2022/2023	Timau Station	3,454,228	
FY 2021/2022	Timau Station	1,898,328	
	Variance	1,555,900	81.96%
FY 2022/2023	Nyeri Station	333,044	
FY 2021/2022	Nyeri Station	270,980	
	Variance	62,064	22.90%

Naivasha Region

	Qtr1 -2020/21	Qtr1 -2021/22	%
Revenue	3,321,441	2,519,108	-24%
Expenditure	1,635,082	1,150,682	-30%
Net Position	1,686,359	1,368,426	

Revenue for Naivasha office decreased from 3.3 million in quarter 1 FY 2021/22 to 2.5 million in quarter 1 of FY 2022/23 due to decline in farm inspections. The station expenditure reduced by dropped by 30%.

The region was able to cater for its operational expenses in quarter 1 of financial year 2022/23 and had a net surplus of Kshs 1.4 million salaries salary exclusive.

Headquarters**Plant Variety Department**

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	4,341,807	6,289,354	45%
Expenditure	1,815,686	1,396,086	-23%
Net Position	2,526,121	4,893,268	

Revenue increased by 45% in the period due to increased NPT entries while expenditure reduced by 23%. PVP department was able to cater for its operational expenses and had a net surplus of Kshs 4.9 million salaries exclusive.

Seed Department

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	8,890,293	5,228,461	-41%
Expenditure	1,167,174	917,872	-21%
Net Position	7,723,119	4,310,589	

Revenue declined by 41% from KShs. 8.9 million to from KShs. 5.2 million in the period due to reduced uptake of small labels. Expenditure also declined in the first quarter of FY 2022/23 as previously procured labels were utilized in the period. Seed department was able to cater for its operational expenses, and had a net surplus of from KShs. 4.3 million salaries exclusive.

Phytosanitary Department

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	1,387,949	2,044,854	47%
Expenditure	3,208,079	1,328,581	-59%
Net Position	-1,820,130	716,273	

Revenue increased by 47% from 1.4 million to 2 million in the period. This was due to increased inspections in quarter 2021/22. Expenditure on the other hand also reduced by 59% as prior procured security paper was utilized. The department was able to cater for its operational expenses and had a surplus of 716,273 salaries exclusive.

Molecular Lab

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	2,735,000	673,000	-75%
Expenditure	1,503,851	704,317	-53%
Net Position	1,231,149	-31,317	

Molecular Revenue reduced by 75% in the period while expenditure declined by 53%. The department was not able to cater for its operational expenses.

ACL

	Qtr1 -2021/22	Qtr1 -2022/23	%
Revenue	14,102,660	4,188,205	-70%
Expenditure	16,128,146	3,841,774	-76%
Net Position	-2,025,486	346,430	

Revenue reduced from 14.1 million to 4.1 million. In the prior year quarter samples were analysed under Africa Pesticide Residue Survey Project activities (MESPT) that had increased revenue by 7.4 million. Expenditure on the other hand also reduced by an almost similar amount at 76%. The department was able to cater for its operational expenses and had a net surplus of 346,430 salaries exclusive.

KENYA PLANT HEALTH INSPECTORATE SERVICE**FINANCIAL REPORT (INSTITUTIONAL AND REGIONAL) FOR THE 1st
QUARTER OF THE 2022/2023 FINANCIAL YEAR****CONFIDENTIAL****BOARD FC PAPER OCT 2022**

The first quarter of 2022/23FY recorded mixed financial performance in terms revenue and expenditure trends. This was because of extraneous factors which dampened revenue growth trajectory resulting in strained cash position. Nevertheless, we were able to match the 21% drop in revenue with an equal reduction in expenditure thereby keeping the institution afloat.

The bottom-line for the quarter was a marginal deficit of KShs. 3.7 million compared to a deficit of Kshs. 6.1 million in the preceding financial year. The reduction in total revenue is attributed to a significant decline in phytosanitary revenue generated from border points' stations. This was caused by waiver of import charges for maize and animal feeds. Declining seed certification revenues also added to the woes.

Expenditure declined by 21% on enhanced cost management measures entailing deliberate cost reduction on various activities. The reduction was managed to ensure that service delivery was not impacted negatively. These measures included reduction in non-essential activities, use of less staff on activities, compressing timelines for activities, combining activities, less travel, amongst others.

Going forward the institution shall sustain cost management while expecting revenue recovery following reinstatement of fees waivers on coffee, tea and maize. Sustenance of cost management shall particularly be important because of possible budget cuts by the National Treasury.

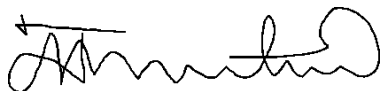
Collection of debts still remains a challenge requiring sustained effort. Currently stoppage of services has been implemented however the debt position remained unchanged.

The foregoing sections provides detailed financial performance for the quarter.

Attached are the detailed Quarter 1 institutional and regional reports.

KENYA PLANT HEALTH INSPECTORATE SERVICE**FINANCIAL REPORT (INSTITUTIONAL AND REGIONAL) FOR THE 1st
QUARTER OF THE 2022/2023 FINANCIAL YEAR****Management Request**

Management requests the Committee to consider and adopt the Financial Report (Institutional and Regional) for the 1st Quarter of the 2022/2023 Financial Year and recommend the same to the Board for approval.

**MANAGING DIRECTOR**

Signed on Oct 7, 2022 16:30 EAT

DATE: ...7th...OCTOBER 2022

KENYA PLANT HEALTH INSPECTORATE SERVICE

MANAGEMENT ACCOUNTS

FINANCIAL REPORT QUARTER 1 OF 2022/23FY INSTITUTIONAL PERFORMANCE



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EXECUTIVE SUMMARY

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The bottom-line for the quarter was a marginal deficit of KShs. 3.7 million compared to a deficit of KShs. 6.1 million in the preceding financial year. The reduction in total revenue is attributed to a significant decline in phytosanitary revenue at the border points caused by waiver of import charges for maize and animal feeds. Declining seed certification revenues also added to the woes.

Expenditure declined by 21% on enhanced cost management measures entailing deliberate cost reduction on various activities. The reduction was managed to ensure that service delivery was not impacted negatively. These measures included reduction in non-essential activities, use of less staff, compressing timelines, less travel amongst others.

Going forward the institution shall sustain cost management while expecting revenue recovery following reinstatement of fees waivers on coffee, tea and maize. Sustenance of cost management shall particularly be important because of possible budget cuts by the National Treasury.

Collection of debts still remains a challenge requiring sustained effort. Currently stoppage of services has been implemented resulting stagnation in debts.

The foregoing sections provides detailed financial performance for the quarter.

STATEMENT OF FINANCIAL PERFORMANCE

		Sep 2022 Quarter 1	Sep 2021 Quarter1	
	Note	Shs '000'	Shs '000'	
Revenue from non-exchange transactions				
Public contributions and donations	1	4,342	8,729	-50%
Transfers from other governments–gifts and services-in-kind	2	40,250	40,125	0%
		44,592	48,854	-9%
Revenue from exchange transactions				
Rendering of services	3	250,667	324,549	-23%
Hire of Facilities		1,097	720	52%
Finance income-external investments		-	-	
Other income		325	342	-5%
		252,090	325,610	-23%
Total revenue		296,681	374,464	-21%
Expenses				
Employee costs	4	134,390	139,849	-4%
Board Expenses	5	10,380	6,540	59%
Depreciation and amortization expense	6	18,134	22,354	-19%
Repairs and maintenance	7	8,473	17,001	-50%
Grants and subsidies	8	609	9,212	-93%
General expenses	9	129,449	186,058	-30%
Total expenses		301,436	381,014	-21%
Other gains/(losses)				
Gain on sale of assets		-	393	
Gain on foreign exchange transactions		1,001	19	
Increase/Decrease in provision for doubtful debts		-	-	
Total other gains/(losses)		1,001	412	
Surplus/Deficit for the period		(3,753)	(6,138)	

NOTES AND DETAILED BREAKDOWN**1. Public Contributions & Donations – Development Partner Support**

	Quarter	
	QT 1 2022/23	QT 1 2021/22
	Kshs 000	Kshs 000
Public contributions and donations		
Project grant COPE	342	8,267
COMESA/RIIP	4,000	-
CIP Revolving		35
Natural History Museum		427
	4,342	8,729

Donor funded revenues declined to Kshs. 4.3 million from Kshs. 8.7 million. The organisation continues to engage with development partners for funding with funding being expected from FAO and STDF.

2. Transfers from government –GOK Grant

	QT 1 2022/23	QT 1 2021/2022
	Kshs 000	Kshs 000
Transfers from other governments–gifts and services-in-kind		
Grants to government agencies	40,250	40,125

The corporation expects to receive Kshs 40.25 million each quarter from the ministry amounting to Kshs. 161 million in the financial year 2022/23.

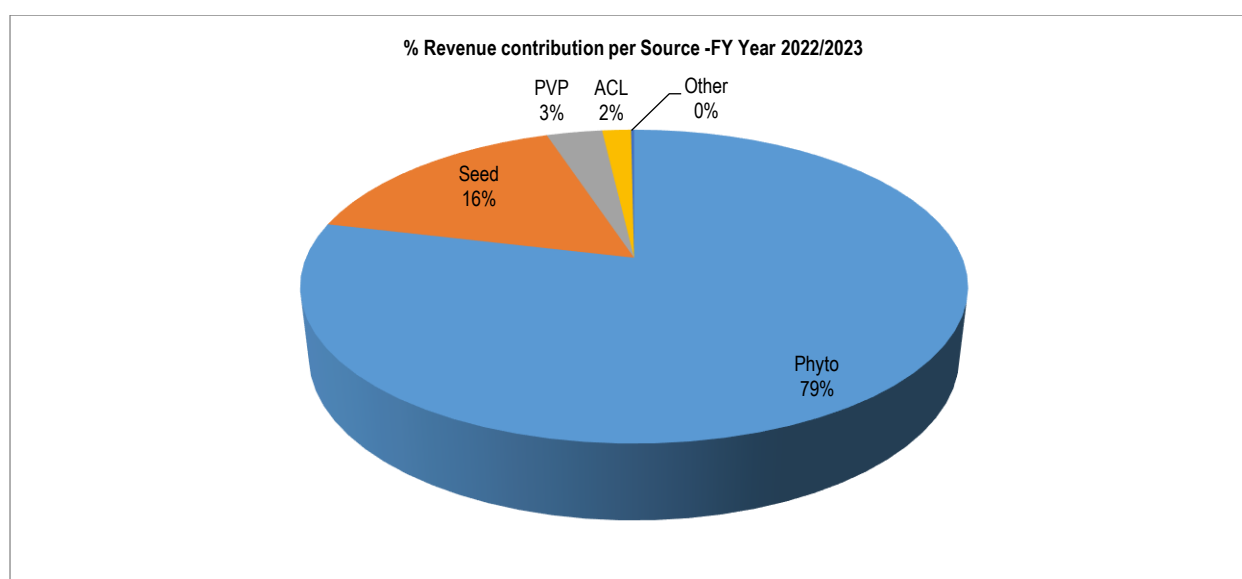
3. Revenue

a) Rendering of Services

	3 Months		
	QT 1 2022/23	QT 1 2021/2022	Percentage
Phytosanitary Services	197,242,525	234,701,979	-16%
Seed Certification	40,707,826	67,984,383	-40%
Plant Variety Services**	8,084,002	7,759,860	4%
Analytical Laboratory Services	4,188,205	14,102,660	-70%
Other	444,746	-	
Total revenue	250,667,304	324,548,882	-23%

**Revenue from PVP in all regions

The institution's annual revenues from rendering of services performed at 23% lower than last financial year because repressed phytosanitary, seed and ACL revenues. Seed certification revenues declined by 40% with Seed HQ 41.19%, Nakuru at 48.6% and Kitale Region at 29.4%.



b) Summary revenue from Exchange Transactions

	QT 1 2022/23	QT 1 2021/2022
Revenue from exchange transactions		
Rendering of services	250,667	324,549
Hire of Facilities	1,097	720
Finance income-external investments	-	-
Other income	325	342
	252,090	325,610

- Overall internally generated revenues dropped by 23% occasioned by waiver of import charges on maize and animal feed and reduced seed revenues in Kitale, Nakuru and Headquarters.

4. Employee Costs

	Year to Date		
	QT 1 2022/23	QT1 2021/2022	
Employee cost			
Basic salaries	75,648	77,210	-2%
Casual labour	6,749	9,825	-31%
Gratuity & Pension	11,378	11,384	0%
House Allowance	26,897	28,310	-5%
Transfer Allowance	-	332	-100%
Other Personal Allowances	12,999	12,154	7%
Overtime Allowance	719	633	14%
	134,390	139,849	

Notes

- Casual Labour reduced due to reduced casuals and interns.
- There were no transfers in the period as compared to the previous year's quarter.

5. Board Expenses

	Year to Date		
	QT 1 2022/23	QT1 2021/2022	% Change
	Shs '000'	Shs '000'	
Medical expenses	167	-	
Expenditure of Board committees & Seminars	9,986	6,279	59%
Fees commission & Honoraria	227	261	-13%
	10,380	6,540	59%

Board expenditure increased due to increased activities.

6. Depreciation and Amortization

				Comments
	QT 1 2022/23	QT1 2021/2022	% Change	
	Shs '000'	Shs '000'		
Depreciation and amortization	18,134	22,354	-19%	Approximate based on Budget

7. Repairs and Maintenance

	Year to Date		
	QT 1 2022/23	QT1 2021/2022	
Maintenance of Motor Vehicle	5,058	10,263	-51%
Maintenance of Plant Machinery & Equipment	1,225	3,542	-65%
Maintenance of Buildings and stations	2,190	3,196	-31%
	8,473	17,001	-50%

50% reduction on repairs and maintenance in the period due to decrease in travel.

8. Grants and subsidies

Year to Date		
	QT 1 2022/23	QT1 2021/2022
	Kshs 000	Kshs 000
Public contributions and donations		
Project grant COPE	609	3,639
COMESA/RIIP	-	5,234
Agri-Experience		30
USAID foodscap		339
	609	9,212

RIIP funds were received at the end of the quarter thus no expenditure had been incurred.

9. General Expenses

Year to Date			
	QT 1 2022/23	QT1 2021/2022	% Change
Electricity	2,643	4,450	-41%
Water & Conservancy	121	457	-74%
Telephone	826	1,237	-33%
Postal & Courier	726	1,765	-59%
Internet Services	2,653	4,265	-38%
Local travel & Accommodation	27,983	51,201	-45%
External Travel	2,235	1,749	28%
Publishing & printing	7,754	22,063	-65%
Advertising & publicity	615	1,173	-48%
Trade shows & Exhibitions	1,068	-	
Rents & Rates	5,086	4,019	27%
Hire of transport	441	293	51%
Training (stakeholders)	5	275	-98%
catering services	1,427	1,040	37%

	Year to Date		% Change
	QT 1 2022/23	QT1 2021/2022	
Insurance premiums - vehicles & other assets	2,559	2,509	2%
Laboratory stores	6,944	16,319	-57%
Education & library	302	383	-21%
Uniform & clothing	2,138	697	207%
supply of production	137	1,929	-93%
General office supplies	6,066	8,419	-28%
Accessories for computers	6,432	16,137	-60%
Fuel & lubricants	5,296	7,296	-27%
Bank Charges	47	1,095	-96%
Guards & cleaning services	7,140	5,880	21%
Contracted professional services	48	2,079	-98%
Others/Miscellaneous	-	159	-100%
Contribution to private and international organizations	69	244	-72%
Farmer demos & Field days	3,799	8,583	-56%
Audit fees	961	-	
Corporate social responsibility	-	771	-100%
Training Expenses (staff)	(37)	3,614	-101%
Medical Expenses	29,700	12,844	131%
Staff life & accident insurance	4,264	3,111	37%
	129,449	186,058	-30%

Notes:

Reduced expenditure is due to some bills for the quarter not having been received as at the end of the quarter e.g. electricity and internet. Management also increased measures to reduce expenditure to critical activities as revenues declines substantially in quarter.

STATEMENT OF FINANCIAL POSITION

		FY 2022/23	FY 2021/22	% increase/D ecline
	Note	Quarter 1_30th Sep	Prior Year	
Assets		Shs '000'	Shs '000'	
Current assets				
Cash and cash equivalents	13	21,968	23,721	-7%
Receivables from exchange transactions	14	143,389	138,383	4%
Receivables from non-exchange transactions	15	5,295	5,311	0%
Inventories	16	47,381	63,175	
Prepayments	17	85,337	55,784	53%
Total Current Assets		303,370	286,373	6%
Non-current assets				
Property, plant & equipment	18	1,057,472	1,071,798	-1%
Investments	19	60,000	60,000	0%
Long term receivables from exchange transactions		-	-	
Total no - current assets		1,117,472	1,131,798	-1%
Total assets		1,420,842	1,418,170	0%
Liabilities				
Current liabilities				
Trade and other payables from exchange transactions	20	135,553	126,555	7%
Provisions	21	7,693	7,693	0%
Deferred income	22	57,820	57,820	0%
Payments received in advance	23	6,901	9,474	-27%
Total current liabilities		207,966	201,542	3%
Net assets				
Reserves		1,216,628	1,287,789	-6%
Accumulated surplus		(3,753)	(71,160)	-95%
Total net assets		1,212,876	1,216,628	0%
Total net assets and liabilities		1,420,842	1,418,170	0%

Current Ratio**1.46****1.42****Quick Ratio****1.23****1.11**

- a) Total assets reduced by 1% mainly due to depreciation slightly exceeding acquisitions Total current Liabilities increased by 3% due to a slight slowdown in payables arising from cashflow constraints. There was no substantial difference on total net worth of the organization (net assets and liabilities) at 1.42 Billion.
- b) Trade receivables increased by 4% caused by Invoices generated at the end of the quarter of 25 million in JKIA excluding other regions whilst trade payables also increased by 7%.

1. Cash and Cash Equivalent

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Cash and Cash Equivalent	21,968	29,304	-25%

2. Receivables

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Accounts receivables	168,071	163,064	3%
Less Impairment Allowance	24,682	24,682	0%
Total Receivables from exchange transactions	143,389	138,383	4%

Aged Analysis

September 2022

Current	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
KShs	KShs	KShs	KShs	KShs	KShs
39,455,619	42,537,230	3,360,395	8,521,257	74,196,564	168,071,066
23.48%	25.31%	2.00%	5.07%	44.15%	100.00%

June 30th 2022

Current	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
KShs	KShs	KShs	KShs	KShs	KShs
41,912,923	32,265,760	7,134,331	8,735,469	73,015,774	163,064,257
25.70%	19.79%	4.38%	5.36%	44.78%	100.00%

Debt over 90 days constituted 44% of the total receivable's portfolio whilst current debts of less than 30 days stood at 48.78%

3. Receivables from Non-Exchange Transactions

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Staff Advance	26	36	-28%
Interest receivable	2,099	2,099	0%
Medical Advance	3,170	3,176	0%
	5,295	5,311	0%

4. Prepayments

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Prepayment to suppliers	32,256	43,008	-25%
Travel Imprest	42,415	2,109	
Deposits to suppliers	10,666	10,666	0%
Total Prepayment	85,337	55,783	53%

Prepayment of 22 million is made up of medical insurance for July to May 2023. Travel imprest increased due to issuance of standing Imprests to stations and staff for ongoing activities.

5. Investments

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Investments	60,000	60,000	0%

This represents staff mortgage scheme deposit

6. Trade and other Payables from exchange Transactions

	2022/23	June 2021/22	
	Period	Period	% Change
	Shs '000'	Shs '000'	
Trade creditors	93,815	94,789	-1%
Sundry creditors	40,201	31,048	29%
Others-VAT	1,537	-	
	135,553	125,837	8%

Aged Analysis

Current	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	TOTAL
KShs	KShs	KShs	KShs	KShs	KShs
17,498,450	24,243,524	13,903,241	22,498,038	15,672,054	93,815,307
18.65%	25.84%	14.82%	23.98%	16.71%	100.00%

7. Payments Received in advance

	Q1 2022/2023	2021/2022	% Change
	Sh"000"	Sh"000"	
Payments received in advance	6,901	9,474	-27%

STATEMENT OF BUDGET –RECURRENT

STATEMENT OF BUDGET AND ACTUAL COMPARISON						
	Annual Budget	Qtr 1 Budget	Qtr 1 Actuals	Variance		Explanation of material variances
	Shs "000"	Shs "000"	Shs "000"	Shs "000"		
Revenue						
Public contributions and donations	30,750	7,688	4,342	(3,346)	-44%	(a)
Transfers from other governments–gifts and services-in-kind	160,500	40,125	40,250	125	0%	
Rendering of services	1,359,342	339,836	250,667	(89,168)	-26%	(b)
Other income	4,908	1,227	1,422	195	16%	(c)
Total income	1,555,500	388,875	296,681	(92,194)	-24%	
Expenses						
Employee costs	728,100	182,025	134,390	47,635	26%	(d)
Board Expenses	30,000	7,500	10,380	(2,880)	-38%	
Depreciation and amortization expense	72,536	18,134	18,134	-	0%	
Repairs and maintenance	60,924	15,231	8,473	6,758	44%	(e)
Grants and subsidies	30,750	7,688	609	7,078	92%	(f)
General expenses	633,190	158,298	129,449	28,849	18%	
Total expenditure	1,555,500	388,875	301,436	87,439	22%	
Surplus for the period	(0)	(0)	(4,754)	4,754		

Explanation of material variance

- a) **Public contributions and donations** – Reduced donor grants in the period.
- b) **Rendering of Service**-26% shortfall of revenue budgeted mainly due to waiver of import fee for maize.
- c) **Other income**- Slight increase in demand for accommodation.
- d) **Employee Costs**: Provision for staff recruitment expected in the financial year.
- e) **Repairs and maintenance** –savings on acquisition of vehicles and decreased wear and tear of vehicles and less repairs and maintenance of equipment and offices as per cost management strategy.
- f) **Grants and subsidies** – Donor grants received at end of period.

10. STATEMENT OF BUDGET –CAPITAL

		APPENDIX IV: STATEMENT OF CAPITAL BUDGET(FIGURES IN KSHS.'000')		
Project in Order of Priority and Justification		Proposed Budget 2022/2023	Expenditure	Sources of Funds: GoK, AIA, Dev. Partners, Borrowings
Capital Projects				
1	All ongoing projects			
i		0		
	Sub-Total	0		
2	All New Projects	0		
i		0		
	Sub-Total	0		
3	Other Expenditures on Development and Capital Items to be acquired or whose implementation will be done within (1) FY			
i	Purchase of Laboratory Equipment	10,536		KEPHIS
ii	HQ ACL roof rehabilitation	0		KEPHIS
iii	Plant and Equipment - irrigation system/cold storage plus Embu Borehole	12,000		KEPHIS
iv	Tractor Equipment	2,000		KEPHIS
v	Purchase of Motor Vehicles for Inspection and Surveillance	15,000		KEPHIS
vi	ECS & other Systems and applications upgrade and Dev't	57000		TMEA/MESPT
vii	Purchase of ICT equipment	13,000	3,776	KEPHIS
viii	Office Furniture and Equipment	5,000	32	KEPHIS
ix	Acquisition and Installation of ERP System, and related equipment	15,000	4,295	KEPHIS
	Sub-Total	129,536	8,103	
	Grand Total	129,536	8,103	
	Source of Funds for the Capital Budget			
1	A-I-A - Retained Earnigs	72,536		KEPHIS
				KEPHIS
2	Government Grants - Development - 2630200			
3	Grants from Development Partner - Dev't	57000		TMEA
4	Borrowings, Both Current Year and Pervious Years (Including Infrastructure Bond)			
5	Other Incomes-Dev't(Specify)			
6	Total Funds	129,536		-

