

REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

OF

THE AUDITOR-GENERAL

ON

BOMAS OF KENYA

**FOR THE YEAR ENDED
30 JUNE, 2024**

OFFICE OF THE AUDITOR GENERAL
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BOMAS OF KENYA LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

Prepared in accordance with the International Financial Reporting Standards (IFRS)

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Glossary of Terms

AIA	<i>Appropriations in Aid</i>
BETA	<i>Bottom Up Economic Transformation Agenda</i>
BICC	<i>Bomas International Convention Centre</i>
BOK	<i>Bomas of Kenya</i>
CPA	<i>Certified Public Accountant</i>
CS	<i>Cabinet Secretary</i>
FY	<i>Financial Year</i>
GE	<i>General Elections</i>
IAS	<i>International Accounting Standards</i>
ICDC	<i>Industrial and Commercial Development Corporation</i>
ICT	<i>Information Communication and Technology</i>
IEBC	<i>Independent Electoral and Boundaries Commission</i>
IFRS	<i>International Financial Reporting Standards</i>
ISO	<i>International Standards Organisation</i>
KDC	<i>Kenya Development Corporation</i>
KSH	<i>Kenya Shillings</i>
LLP	<i>Limited Liability Partnership</i>
NHIF	<i>National Health Insurance Fund</i>
NSSF	<i>National Social Security Fund</i>
PAYE	<i>Pay As You Earn</i>
PFM	<i>Public Finance Management</i>
QMS	<i>Quality Management System</i>
UNHCR	<i>United Nations High Commissioner for Refugees</i>
VAT	<i>Value Added Tax</i>

2. Key Entity Information

a) Background information

Bomas of Kenya Limited was established, under the Kenya Companies Acts Cap 486 of the laws of Kenya, on 11th September 1970. At cabinet level, the Cabinet Secretary, Ministry of Tourism and Wildlife represents the entity and, are responsible for the entity's general policy and strategic direction. Bomas of Kenya Limited is domiciled in Kenya.

b) Principal Activities

The principal activity of Bomas of Kenya Limited is to preserve, promote, and maintain the diverse cultures of Kenya for tourism development.

Our Mission

To preserve, maintain, educate and promote the diverse cultures of various ethnic groups in Kenya



Our Vision




To be the leading custodian of Kenya's diverse cultures as a national heritage for prosperity and posterity.

Our Core Values

- Professionalism and Authenticity
- Customer Orientation
- Result Driven
- Humility and Respect for Other People
- Team Spirit among staff
- Corporate Citizenship and Social Responsibility
- Transparency and Accountability
- Efficiency
- Creativity and Innovativeness

3. The Board of Directors

S.No	Directors	Details
1.	 <p data-bbox="284 904 644 1014">Hon. Jane Jepkorir Kiptoo Chebaibai Chairperson</p>	<p data-bbox="751 456 1401 734">Hon. Jane Chebaibai was appointed to the Board of Directors of Bomas of Kenya on 10th February 2023. She previously served as the Women County Member of the National Assembly of Elgeyo Marakwet. This experience equipped her with an understanding of governance and policy-making, which has been valuable in her role as the chairperson.</p> <p data-bbox="751 790 1401 857">She holds a Bachelor’s Degree in Counselling Psychology from African International University</p>
2.	 <p data-bbox="284 1503 703 1603">CPA Nixon Mugilwa (40) Acting General Manager/Chief Executive Officer</p>	<p data-bbox="751 1028 1401 1234">CPA Mugilwa is a seasoned senior management professional with strong expertise and experience in finance and corporate governance. With over 10 years of extensive experience in finance and accounting, he has successfully navigated roles in both the public and the private sectors.</p> <p data-bbox="751 1272 1401 1413">He is currently a PhD candidate in Business Administration (Finance) at the University of Nairobi. He holds Masters of Science (MSc.) in Finance and Investment from the same institution.</p>


<p>4.</p>	 <p>Mr. Peter Gitaa Koria (42) General Manager/Chief Executive Officer – Served up to 16th November 2023</p>	<p>Mr. Gitaa is an innovative and results-oriented manager with over 16 years of leadership and service in various organizations and institutions, particularly within the hospitality and education sectors.</p> <p>He is a holder of a Master of Arts Degree in Diplomacy and Foreign Policy from Moi University and currently pursuing a Masters of Arts Degree in Business Administration at the United States International University Africa.</p>
<p>3.</p>	 <p>Ms. Ummi Mohammed Bashir Principal Secretary- State Department for Culture and Heritage</p>	<p>PS Bashir, is an Advocate of the High Court of Kenya with over 10 years' experience post admission, a Commissioner for Oaths and Notary Public. Her areas of practice include corporate governance, public law, constitutional law, election petitions, commercial transactions and commercial Litigation, intellectual property.</p> <p>PS Bashir holds a Master's of Arts in Armed Conflict and Peace Studies from Zanzibar University (2018) and is currently pursuing a PhD in International Relations and Foreign Policy at USIU.</p>
<p>4.</p>	 <p>Mr. Fares Oguda Odira (63) Director</p>	<p>Mr. Oguda is a purpose-driven director with over 20 years' experience of public service in various institutions. He was appointed on 30th June 2023. He holds various certifications in operations Management.</p> <p>Previously, he served as a member of the County Budget and Economic Forum in Migori County, a position that enabled him to actively participate in shaping the economic landscape of the region.</p>

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5.	 <p>Ms. Jacqueline Njahira Muturi (46) Director</p>	<p>Ms. Muturi joined the board 30th June 2023. She is an expert in business management and entrepreneurship with over 20 years in various capacities and brings with her a wealth of key skills such as strategic thinking and resource management.</p> <p>Ms. Muturi has various certifications in operations business Management.</p>
6.	 <p>Mr. Shauri Kahindi Gona (37) Director</p>	<p>Mr. Gona joined the Board on 23rd June 2023. He is a Community Development and Counselling specialist with experience in clinical research, and community development projects in both the public and private sector.</p> <p>Mr. Gona serves a researcher at Moi University Clinical Research Centre (MUCRC), Eldoret.</p>
7.	 <p>Ms. Purity Moraa Kirera (41) Director</p>	<p>Ms. Kirera was appointed to the Board of Directors of Bomas of Kenya on 23rd June 2023. She has amassed extensive experience in the financial services sector, demonstrating proficiency in sales, management, and leadership roles over the past 15years.</p> <p>She holds a diploma in Business management. She serves as the Group Scheme Manager at Old Mutual Life Assurance Company, a position she has held since 2010.</p>




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<p>8.</p>	 <p>Mrs. Sarah Juma Odunga (46) Director</p>	<p>Mrs. Odunga joined the Board of Directors of Bomas of Kenya on 23rd June 2023. Mrs. Odunga is well experienced in psychology and her background makes her particularly aligned to ethical considerations in decision-making. Her career as a counsellor reflects her dedication to improving the lives of individuals in various settings.</p> <p>She holds Bachelor's Degree in Counselling Psychology from Tangaza University.</p>
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4. Key Management Team

Ref	Management	Details
1.	 <p data-bbox="261 916 671 1016">CPA Nixon Mugilwa (40) Acting General Manager/Chief Executive Officer</p>	<p data-bbox="707 477 1457 577">CPA Mugilwa was appointed to the position on 23rd November 2023. Prior to the appointment, he was head of the finance and administration department.</p> <p data-bbox="707 620 1457 757">He is currently a PhD candidate in Business Administration (Finance) at the University of Nairobi. He holds Masters of Science (MSc.) in Finance and Investment from the same institution.</p>
2.	 <p data-bbox="261 1451 663 1626">Mr. Peter Gitaa Koria (42) General Manager/Chief Executive Officer – Served up to 16th November 2023</p>	<p data-bbox="707 1023 1457 1196">Mr. Gitaa is an innovative and results-oriented manager with over 16 years of leadership and service in various organizations and institutions, particularly within the hospitality and education sectors. He held the position of general manager from 2019 to 2023.</p> <p data-bbox="707 1238 1457 1375">He is a holder of a Master of Arts Degree in Diplomacy and Foreign Policy from Moi University and currently pursuing a Masters of Arts Degree in Business Administration at the United States International University Africa.</p>

<p>3.</p>	 <p>CPA. Felix Korir (50) Ag. Head of Finance & Administration</p>	<p>CPA Korir is a finance expert with over 30 years in the field focusing on accounting and internal audit.</p> <p>Mr. Korir holds a Master of Business Administration Degree from the University of Nairobi, Bachelor of Business Administration (Finance and Banking) from Moi University.</p>
<p>4.</p>	 <p>Mr. Jimmy Okidiang'i (42) Human Resource Manager</p>	<p>Mr. Jimmy Okidiang'i stands as a seasoned leader in the field of Human Capital Management with a career spanning over 15 years.</p> <p>Mr. Okidiang'i holds a Master of Science in Human Resource Management. Bachelor of Business Administration specialising in Human Resource Management, has a Higher National Diploma in Human Resource Management and a Diploma in Personnel Management.</p>
<p>5.</p>	 <p>Dr. Kahithe Kiiru (39) Production Manager</p>	<p>Dr. Kahithe Kiiru is an anthropologist, choreographer, producer and dance educator. She is a skilled researcher with extensive experience in ethnomusicological research in East Africa and a special focus on dance traditions of Kenya.</p> <p>She has a PhD in anthropology from the University of Paris X Nanterre (France) and master's degree (MPhil) in Ethnomusicology and Dance Anthropology from the same university.</p>

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6.	 <p>Mr. Joseph W. Njoroge (45) Property Manager</p>	<p>Mr. Njoroge is a seasoned professional in Property Management and Construction. He brings numerous skills and expertise having advanced in the career for over 15 years.</p> <p>He holds a Bachelor of Arts degree in Quantity Surveying from Technical University of Kenya.</p>
7.	 <p>Mr. John Ekal (45) Ag. Food and Beverage Manager</p>	<p>Mr. Ekahl is an experienced professional with over 25 years of experience in the Hospitality Industry having worked in various Hotels and Restaurants in and out of the country.</p> <p>He holds a Bachelor’s Degree in Hotel and Hospitality Management from Moi University.</p>
8.	 <p>Ms. Gladys Kangethe (49) Ag. Marketing and Corporate Communication Manager</p>	<p>Ms. Gladys Kangethe is a seasoned marketer with a career spanning over 20 years. She is a member of Marketing Society of Kenya, Associate of Chartered Institute of Marketing UK (ACIM), Kenya Association of Women in Tourism and Women on Boards Kenya.</p> <p>She holds an MBA in strategic management from Catholic University of Eastern Africa.</p>

5. Chairman's Statement

A. Introduction

The Board of Bomas of Kenya is pleased to share our Annual Reports and Financial Statements for the year ended 30th June 2024. The year has been a marked by achievements, resilience, and a steadfast commitment to the Bomas of Kenya strategic plan. My fellow board members and I worked with management to ensure attainment of the organisation's mandate.

At Bomas of Kenya, we stood at the forefront of fostering economic growth and growth of the Kenyan tourism sector. We remain committed to the principles of the Bottom-Up Economy Transformation (BETA) agenda to drive the institution determination to uplift local artisans, performers, and entrepreneurs. Bomas of Kenya recognizes the fundamental role it can play in advancing the Bottom-Up Economy Transformation (BETA), a key priority of our nation. Our interactions with local artisans, performers, and entrepreneurs have further improved as we seek to integrate their talents into our operations. Through partnerships and platforms, we have showcased local products, talent, and businesses, driving economic growth from the ordinary level upwards. During the financial year, our obligation to preserving and promoting our cultural heritage remained unwavering, allowing us to achieve commendable financial results:

B. Financial Results

The 2023/2024 financial results attest to the strategic competence of Bomas of Kenya. I am pleased to announce that Bomas of Kenya achieved a substantial increase in revenue which is mainly attributed to the selection of the Institution to host various events including the Police and Prison Reforms Taskforce, the Inaugural Utamaduni Day Celebrations as well as the Inaugural Minority Rights Day Celebration. One of the key factors driving our financial performance has been the diversification of our revenue streams. By increasing our line-up of cultural events, hosting and entertainment offerings, we not only attracted a diverse audience but also fortified our income generation abilities. This strategic approach will ensure long-term financial sustainability of the institution.

C. Governance Oversight

The board underwent some changes during the year. There were several changes at the institution with some board members retiring. The board sincerely appreciates their selfless and dedicated service to the Board where it benefitted from their vast experience in governance, management and

strategy formulation. There was also a change in the management and I would like to welcome CPA Nixon to the board and appreciate his dedication in steering the institution towards excellence.

D. Future Outlook

As we embark on the new financial year, Bomas of Kenya commits to excellence, innovation, and the advancement of the bottom-up economy. We are dedicated to enhancing client experiences by investing in modern facilities, innovative technology, and cultural exhibitions. Together with the Kenyan Government, Bomas of Kenya intends to actualise the Bomas International Convention Complex (BICC), a MICE project in the financial years 2024/25 to 2025/26 which aims at enhancing business tourism, bring together top professionals from different sectors across the world in an enhanced and tailor-made hospitality setting. Our commitment to preserving and promoting Kenyan rich diverse culture remains firm even in the next financial year

E. Appreciation

On behalf of the board, I would like to take this opportunity to express our appreciation to the management and staff for their persistent efforts in rallying together to deliver not only on the promise of today but position Bomas of Kenya for a better tomorrow. To our shareholders, business partners, customers and other stakeholders, thank you for trusting us to deliver to you every day of our existence. I am especially grateful to the leadership of the Ministry of Gender, Culture, the Arts and Heritage, and the Government of Kenya as a whole for their support. I also thank the immediate former CEO, Mr. Peter Gitaa who selflessly served the organization for four years. Together as the Bomas, we have created a path of sustainable growth, cultural preservation, and economic vitality.



JANE JEPKORIR KIPTOO CHEBAIBAI
CHAIRPERSON OF THE BOARD

6. Report of the Chief Executive Officer

A. Introduction

Bomas of Kenya limited continues to ensure that its mandate of preserving, maintaining and promotion of the diverse cultures of Kenya for tourism development remain in its cultural form. The place of culture and heritage in Kenya's tourism is emphasized in the country's National Tourism Blueprint 2030 (NTB2030) and forms part of the Bottom-Up Economy Transformation (BETA) agenda hence the need for sustainability. The tourism sector is one of key pillars for sustainable economic growth in Kenya with a Gross Domestic Product of approximately 12%. Therefore, the institution continues to ensure that its mandate of preserving, maintaining and promotion of the diverse cultures of Kenya for tourism development remain in its cultural form.

The financial year 2023/24 has been a period of exceptional significance for Bomas of Kenya, characterized not only by outstanding performance but also by a landmark event that showcased our organization's innovation, and strategy execution. This achievement involved the successful hosting of the Inaugural Utamaduni Day Celebrations on 10th October 2023, followed by the inaugural Minorities Rights Day in December 2023, which stands as a prime example of our commitment to innovation and excellence. In partnership with the State Department for Culture and Heritage and the Tourism Promotion Fund, we successfully held the events. Our organization's strategic alignment with this significant event reaffirms our commitment to national progress and democratic values.

B. Financial Results

During the financial year that ended 30th June 2024, the institution realized Kshs. 328 million internally generated revenues and fully absorbed the recurrent grant of Kshs. 249.5 million. The growth in internally generated revenues can be attributed to the institution adoption of its strategies, innovation and team commitment. The organisation also received the final tranche of Ksh. 7.86 Million from for the HEVA Fund for the Sample Bar Project which is being undertaken in partnership with Libido Music (Sweden) whose aim is to digitize and preserve traditional African music for future generations. This digital technology project upon completion is expected to change the way we envision the documentation and preservation of traditional music on the continent.

C. Employee Retention and Motivation

As we reflect on our journey through the financial year 2023/24, I am inspired by the dedication, resilience and hard work that the 215 colleagues and the temporary staff brought to the organization. Our shared commitment to preserving and promoting Kenyan culture has been the driving force behind our successes. It is essential to recognize that these achievements are made possible by the collective efforts of every team member. The institution will endeavour to keep the employees motivated and develop innovative ways to incorporate the entire workforce to the organization culture. During the financial year, however, Mr. Peter Macharia Gikonyo having served the organisation for more than 30 years retired from the service of Bomas of Kenya.

D. Strategic Alignment and Future Prospects

As we look towards the future, our strategies remain aligned with both national priorities and industry trends. Collaboration with the Ministry of Gender, Culture, the Arts and Heritage remains a foundation, allowing us to align our cultural initiatives with larger national objectives. The institution is working on the Strategic plan 2023-2027 to ensure the strategic objectives align to the current strategic goals of the organization. We remain steadfast in our resolve to contribute to the Bottom-Up Economy Transformation (BETA) agenda, supporting culture, local talent and artisans as they play a pivotal role in Kenya's economy. We remain committed to our mandate of cultural preservation, and contributing positively to the nation's progress.

E. Appreciation

Finally, I extend my sincere appreciation to our devoted team members, visionary board members, supportive partners, and all stakeholders who have contributed to our accomplishments. It is your collective efforts that drive us forward and inspire us to reach new heights in the years to come.


CPA. NIXON MUGILWA
AG. GENERAL MANAGER/CHIEF EXECUTIVE OFFICER

7. Statement of Performance against Predetermined Objectives for FY 2023/24

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity’s performance against predetermined objectives.

Bomas of Kenya Ltd has four strategic pillars and objectives within the current Strategic Plan for the FY 2022- FY 2023. These strategic pillars are as follows:

Strategic Pillar 1: Preservation of Kenyan Culture

Strategic Pillar 2: Promotion of the Rich and Diverse Kenyan Culture

Strategic Pillar 3: Financing and Investment

Strategic Pillar 4: Human Resource Development, Governance and Support Services

Bomas of Kenya Ltd develops its annual work plans based on the above four pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The entity achieved its performance targets set for the FY 2022-2023 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
Preservation of Kenyan Culture	<ul style="list-style-type: none"> To undertake research on cultural values, practices and customs of Kenya’s ethnic communities; To document and package research findings on ethnic cultural values, practices and customs; To educate Kenyans and tourists on the rich and diverse Kenya’s cultural heritage; To diversify and modernize the existing cultural products offer in line with contemporary tourism trends; To increase partnership programs with county governments and tourism stakeholders on culture preservation 	<ul style="list-style-type: none"> Number of MOUs and research reports Number of new products developed Number of published articles Certificate of copyright Number of re-choreographed dances Cultural artefacts gallery in place Number of themed nights 	<ul style="list-style-type: none"> Seek and form research partnerships with other government agencies Identify cultural product gaps Publish research findings in renowned journals Publication of patent on BoK choreographed cultural dances and designed cultural costumes Re-choreograph existing cultural dances of the BOK repertoire Establish a cultural artefacts gallery Organize cultural fashion shows 	<ul style="list-style-type: none"> BOK partnered with Libido Music (Sweden) to digitize Kenyan Music and dances BOK identified the need to digitize Kenyan music a project which is ongoing The entity is currently re-choreographing the existing dances and redesigning its cultural costumes Re-imaging of the entities cultural gallery is in process BOK features traditional homesteads from different communities, showcasing the architectural styles that are unique to each group. Bomas of Kenya features traditional Kenyan cuisine in its restaurants.

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<p>Promotion of the rich and diverse Kenyan culture</p>	<ul style="list-style-type: none"> To increase awareness of BoK products & services; To increase BoK's patronage and consumption of BoK's products; To maintain positive corporate image & relations 	<ul style="list-style-type: none"> Report Revenue generated Market intelligence reports Approved communication policy 	<ul style="list-style-type: none"> Conceptualization, message development & design Marketing influencers, event management Participation in trade and tourism expos, fairs and exhibitions both locally and internationally Undertake market intelligence surveys Develop BoK's Communication policy 	<ul style="list-style-type: none"> Various targeted messages and artworks are being developed BOK engages social media consultants An approved communication policy is being developed BOK hosts daily cultural performances that showcase traditional music and dance from various ethnic groups in Kenya.
<p>Financing and investment</p>	<ul style="list-style-type: none"> To ensure expanded resource mobilization mechanism To ensure sustainable funding of BoK products and services 	<ul style="list-style-type: none"> Revenue reports Assigned targets % completion rate RFQs evaluation reports 	<ul style="list-style-type: none"> Identify revenue collection streams Assign targets to revenue collection streams Provide basic infrastructure Market engagement – publish & evaluate RFQS 	<ul style="list-style-type: none"> A review of revenue streams is ongoing with intention of adding more. Targets are assigned at the start of financial year The required basic infrastructure is at place
<p>Human Resources, Development Governance and Support Services</p>	<ul style="list-style-type: none"> To ensure optimal organizational capacity for improved service delivery; To improve work environment that fosters staff morale; To strengthen internal controls and processes; To improve BoK physical infrastructural capacity; To improve BoK's ICT Infrastructure, Systems and Governance To ensure efficient utilization of revenue. To strengthen internal processes. 	<ul style="list-style-type: none"> Number and reports Environmental sustainability report Preliminary and quarterly reports. Number of staff trained Reports on comprehensive audits Reports on documentation conformity 	<ul style="list-style-type: none"> Recruitment, upgrading & compensation of staff Conduct an annual environmental sustainability audit Undertake repairs and maintenance in line with audit report and as per repair and maintenance schedule Develop ICT training Programmes for end-users Carry out a comprehensive audit of systems, procedures, and equipment's in use Review QMS documentation in conformity with ISO 9001:2015 	<ul style="list-style-type: none"> Various staff members were recruited and others promoted Necessary repairs have been undertaken to improve physical infrastructure ICT training programmes have been developed Plans are under way to under comprehensive audit of systems, procedures, and equipment's in use QMS documentation has been revised

8. Corporate Governance Statement

a) Introduction

At Bomas of Kenya, the Board of Directors holds a steadfast commitment to upholding high standards of performance, legal compliance, ethical conduct, and governance across all areas of the institution. This commitment echoes throughout the institution's interactions with shareholders, customers, employees, communities and the nation at large. It therefore endeavours to design policy thrusts that bring agreement in its inter-relations with them. Recognizing its responsibility to various stakeholders, the Board appreciates the trust vested in it by shareholders, the loyalty of customers, and the dedication of employees. It also values the synergetic relationship with the communities within which it operates. This appreciation drives the Board's determination to design policies that harmoniously align the institution's interactions with these stakeholders. As part of its efforts to manage and mitigate risks, the Board constantly reviews the institution's internal control framework. It precisely assesses the processes put in place by Management to actualize these controls, constantly refining them to optimize effectiveness.

To this end, the Board has embraced an array of policies, procedures, and regulations to guide Management's operational decisions. Various committees have also been established to strengthen the efficacy of its duties while concurrently fostering the institution's sustainability.

b) Committees of the Board of Directors

The Board of Directors of Bomas of Kenya Limited has established four committees to help it in processing of issues before their ultimate submission to the full board.

The committees are: -

- a) The Finance and Human Resource Committee;
- b) The Audit Committee;
- c) The Development and Investments Committee; and
- d) The Operations Committee

c) Risk Management

At Bomas of Kenya, risk management stands as an essential pillar within our internal control framework. The Board ensures that measures are put in place to manage risks associated with the operations and functions of the institution, so as to guarantee the institution's sustainability. Guided by a comprehensive risk management strategy, we ensure a resilient organizational structure. This

approach involves thorough monitoring our internal systems, evaluation of projects by external experts, and the establishment of codes of practice that support corporate accountability. We also promote independent and objective oversight, and review information presented by the management to identify potential risk areas and developing policies and strategies to mitigate the risks

d) Operational Risks

Operational risks are risks associated with losses arising from the failure of systems, human error, fraud, or external events. Although complete prevention of operational risks is an impractical endeavour, Bomas of Kenya Limited remains confident to proficiently manage and mitigate them. This is achieved through the careful application of control frameworks, vigilant monitoring, and proactive risk mitigation strategies. The controls that the institution has put in place to minimize possible operational risks include: -

- a) Segregation of duties - by outlining roles and responsibilities, we ensure a system of checks and balances that mitigates the risk of errors and unnecessary influence;
- b) Training of staff - we equip our staffs with the knowledge required to navigate potential downsides, thereby reinforcing our defences against operational risks;
- c) Definition of authorization levels - control over authorization levels ensures that actions are carried out within approved boundaries, limiting the risk of unauthorized actions;
- d) Internal auditing - an independent internal audit function provides critical insights into our operational landscape, validating the efficiency of our risk mitigation strategies and;
- e) Implementation of access controls - by strictly regulating access to sensitive information and systems, we safeguard ourselves from unauthorized activities

e) Credit Risk

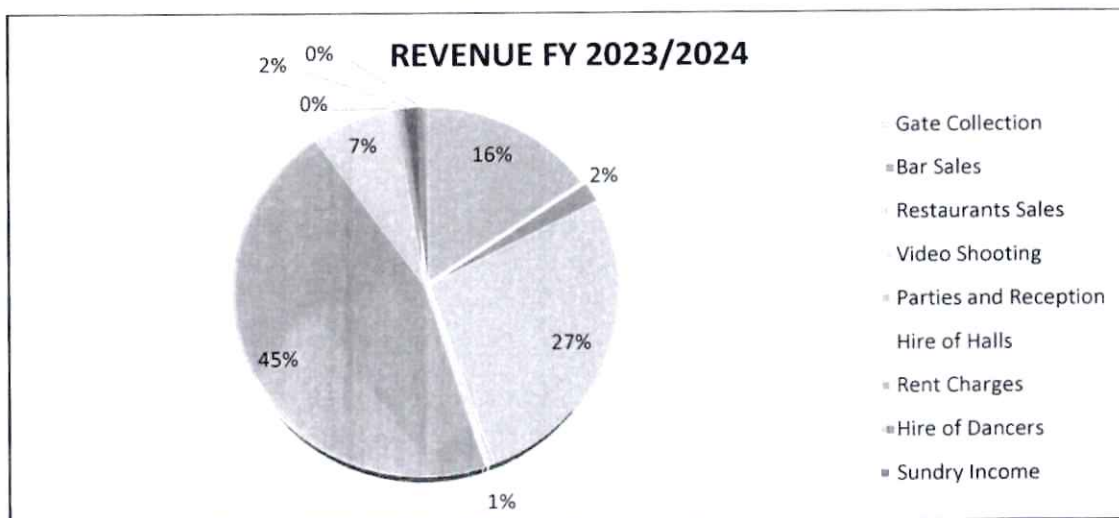
Credit risk is a risk that arises from trade and other receivables where debtors are not able to meet their obligation as expected. Bomas of Kenya Limited does not have a significant concentration of credit risk. This is because the finance department assesses the credit worthiness of each client that the institution deals with, including his or her financial position, experience, and other related factors. To further enhance our safeguarding measures, we institute a credit period of 30 days for our debtors. This prudent timeframe not only provides a reasonable span for obligations to be met

9. Management Discussion and Analysis

Bomas of Kenya plays an important role in preserving and promoting the diverse cultural heritage of Kenya, serving as a significant tourist attraction. The institution recently celebrated its 50th anniversary, highlighting its long-standing commitment to showcasing Kenya's cultural richness since 1971. To mark this milestone, Bomas of Kenya organized a Jubilee event, not only to commemorate its history but also to enhance its public visibility and revenue streams. Despite this focus on growth, the institution remained compliant with various statutory obligations, including P.A.Y.E, National Social Security Fund, National Hospital Insurance fund and Higher Education Loans Board.

BoK held a Jubilee event to mark its 50 years of existence since the institution has successfully provided cultural tourism products since 1971. The institution leveraged on the event to increase its publicity in order to ensure that revenue from the appropriation in aid as well stabilised from the various streams. Nevertheless, the institution continued to comply with the relevant statutory including P.A.Y.E, NSSF, NHIF, VAT and the Higher Education Loans Board.

In the third quarter, revenue was driven mainly by hosting parties and receptions, accounting for 45% of total revenue. This was attributed to providing catering services for various events. Restaurant sales contributed 27.3% to revenue, while gate collections and hire of halls accounted for 15.5% and 7.3% respectively. All the streams are expected to grow in the coming quarter, as the economy fully reopened due to political stability which was recorded after the August 9th, 2022 elections. These can be represented graphically as shown below.



FUTURE OUTLOOK

Through the board of directors, the management initiated the relevant activities the staff pension scheme which has been successfully actualized in the last financial year. So far, the staff pension scheme has increased staff morale and has ensured certainty for Bomas of Kenya Ltd staff after retirement or exit from the institution. The Management also appointed a board of trustees who are currently overseeing the process of ensuring staff get relevant support for matters concerning pension scheme. Further, it should be noted that this was a milestone in compliance with the National Treasury requirements in regard to government institutions operationalization of pension scheme to support the staff in regard to retirement.

In order to improve the organisation facilities, the institution successfully completed the Rehabilitation of the main Auditorium Hall in collaboration with the Ministry of Public Works. The institution is now awaiting funds for the second phase of the hall's rehabilitation, and all final work is expected to be completed by the end of the current fiscal year 2023/2024. The organization is also implementing the Sample Bar Project in partnership with Libido Music (Sweden) and Heva Fund LLP which is expected to be completed by the end of the current fiscal year 2023/2024. This exciting digital technology project is expected to forever change the way we envision the documentation & preservation of traditional music in the continent. Further, BOK is in the processing of constructing the proposed Bomas International Convention Centre (BICC), a collaborative endeavour through a public-private partnership a transformative project that will enhance the institutions revenue generation capabilities, and enhance preservation and celebration of Kenya's diverse cultural heritage.

10. Environmental and Sustainability Reporting

Bomas of Kenya Limited exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i). Sustainability Strategy and Profile -

Since its inception in 1971, Bomas of Kenya (BoK) has been showcasing the diversity of Kenya's cultures, practices, and values. This vibrant portrayal of diversity has found expression through various forms, supporting our core mandate. A notable stride in our journey is the proposed Bomas International Convention Centre (BICC), a collaborative endeavour through a public-private partnership. This transformative project holds the promise of enhancing our revenue generation capabilities, which, in turn, will cross-subsidize the preservation and celebration of Kenya's diverse cultural heritage. The institution also runs the Utamaduni restaurant that offers a rich menu of exceptional cultural foods from different communities in Kenya and with every dish served, we celebrate the culinary heritage of each community. The organisation is also undertaking the Sample Bar Kenya Project, whose aim is to digitize Kenyan music, ensuring its preservation for future generations. With each traditional music being captured, each instrument preserved, and every cultural class conducted, the Sample Bar Kenya Project, reflects Bomas of Kenya solid commitment to safeguard the Kenyan heritage, and promote cultural tourism.

ii). Environmental Performance

BOK being under the tourism sector is a key entity in cultural heritage preservation, wildlife and bio-diversity resources preservation. The organisation in its commitment to environmental protection and performance started a botanical garden and nursery to preserve various indigenous and medicinal herbs that face environmental threat and extinction. In addition, due to the organisation's proximity to the Nairobi National Park, waste management measures and initiatives have been put in place to ensure that wild animals are protected. We are also in the process of establishing a water purification system aimed at water recycling and adheres to the various environmental protection guidelines by the National Environment Management Authority.

iii). Employee Welfare

Bomas of Kenya holds her employees in highly value and esteem and will continue to do so. This will ensure its employees are highly charged, motivated and committed thereby enabling BOK to gain sustainable competitive edge over competitors. BOK is an equal opportunity employer and does not in its recruitment discriminate based on gender, age, race and ethnicity. All appointments are made with the approval of the Board and are made in accordance with the existing job descriptions and specifications for various cadres of staff in respective fields of employment. BOK also recognizes the need for training and development of all its employees and offer training opportunities to all its employees in order to improve their work performance and personal development. All employees of BOK are subject to relevant provisions of other regulations, rules and instructions issued by other authorities who are authorized to do so

At Bomas of Kenya, we also committed to the safety and well-being of our employees. Our safety policy is fully compliant with the Occupational Safety and Health Act of 2007 (OSHA). BOK maintains rigorous safety protocols, conduct regular safety audits, and ensure all employees are well-versed in safety procedures. This commitment extends to creating a conducive environment where everyone feels empowered to raise safety concerns without hesitation. Through these policies, Bomas of Kenya strives to create a workplace where talent thrives, diversity flourishes, and safety is important. Our commitment to gender equality, stakeholder collaboration, skills enhancement, and safety highlights our belief that a motivated, diverse, and safe workforce is essential to our continued success.

iv). Market Place Practices-

a) Responsible Competition Practice

BOK has been at the forefront to ensure responsible competition practice. These practices have enabled BOK to experience a fair, transparent, and ethical competition in the context of cultural and tourism activities. Over the years, BOK has been committed to setting fair and transparent prices for its cultural events, tours, and services. The prices for cultural events are clearly communicated to the clients in advance, ensuring that customers are provided with accurate pricing information. In addition to setting fair prices, BOK also maintains ethical relationships with customers which has been an important practice that has ensured transparency, fairness, and the protection of customers' rights when providing cultural events and services. By incorporating these

elements into our marketing practices, BOK has been able to show a commitment to responsible business practices within the cultural and tourism industry.

b) Responsible Supply Chain and Supplier Relations

Bomas of Kenya commitment to ethical conduct extends to every aspect of our business, including our interactions with suppliers. We recognize that treating suppliers fairly, transparently, and respectfully is essential to building trust and promoting sustainable business practices. BoK has strategies in place to ensure an open supplier prequalification process as well as an open tendering process. All prequalification documentation, including requirements, guidelines, and evaluation criteria, are made available to potential suppliers. This transparency ensures that suppliers understand what is expected and how they will be assessed. In addition to having an open prequalification process, BoK takes a strategic approach to supplier selection, taking into consideration factors such as quality, value, and ethical considerations. Suppliers are engaged through a competitive evaluation process that ensures alignment with our values and objectives. This approach allows us to work with suppliers who share our commitment to responsible business practices.

BOK also prioritizes clear and transparent contractual agreements with suppliers. These agreements detail the terms and conditions of our engagements, including pricing, deliverables, and payment schedules. We recognize that honouring our payment obligations ensures the financial stability and trustworthiness of our organization. As we continue with our engagement with suppliers, our objective is to remain firm to our commitment to ethical business practices and responsible supplier relationships. We recognize that our suppliers are integral to our success, and we strive to cultivate lasting partnerships built on trust, transparency, and mutual benefit.

c) Responsible Marketing and Advertisement

BOK has continued to maintain responsible marketing and advertising through adopting marketing strategies that meet customer's needs and also impact the community positively. The organisation has ensured transparency by clearly disclosing all charges associated with visiting the Bomas of Kenya on the website. In the effort to ensure responsible advertising of BoK products, the company uses advertising channels that have a reputation for promoting content that aligns with BoK's values and responsible marketing principles. This includes the use of print media, TV/Radio and

newspapers which are in accordance with the existing laws and regulations. BoK has also been committed to providing regular training to marketing and advertising teams on responsible marketing practices, ethics, and compliance with relevant regulations. This practice has ensured that the organization's marketing efforts are conducted in an ethical manner.

d) Product Stewardship

BOK has taken significant efforts to ensure product stewardship in its operations, particularly in the context of preserving cultural heritage and promoting responsible tourism. During the year, the institution collaborated with local artisans and craftsmen, supporting safe working conditions, and ethical practices in the creation of cultural products. This engagement has ensured responsible production and preserves traditional craftsmanship. Bomas of Kenya has also taken an initiative in taking great care in the creation and sale of cultural artefacts and souvenirs. These products are crafted using sustainable materials such as natural fibres, ensuring the artefacts are culturally authentic. BOK's commitment to product stewardship aligns with its mission of cultural preservation and responsible tourism. By implementing these practices, Bomas of Kenya contributes not only to the preservation of Kenya's rich cultural heritage but also to sustainable and responsible tourism practices, benefiting both the community and the environment.

v) Corporate Social Responsibility/Community Engagements

BOK is committed to making a positive impact on society through its Corporate Social Responsibility initiatives. In alignment with its CSR values, the organization actively participated in the Magical Kenya Tembo Naming Festival (MKTNF), an initiative that blends cultural heritage with wildlife conservation. In addition, the company took part in celebrating Swahili Day, an event that showcased Swahili traditions, music, dance, art and cuisine. Celebrating Swahili Day as part of our CSR activity was a meaningful way of promoting cultural awareness, and inclusivity while engaging with the community. Further, the organization recognizes the immense potential of sports, particularly football. As a result, BOK remained steadfast in its commitment to supporting the Bomas of Kenya Football Club. An endeavour that encourages the growth of football talent within the community, providing opportunities for aspiring young players. As we move forward, we aspire to further enhance our CSR activities through various initiatives that will strengthen our engagement with the community around us.

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Bomas of Kenya Limited affairs.

i) Principal activities

The principal activities of Bomas of Kenya Ltd continue to be to preserve, promote, and maintain the diverse cultures of Kenya for tourism development.

ii) Results

The results of Bomas of Kenya Ltd for the year ended June 30, 2024, are set out on page 1 and 2. Below is summary of the profit or loss made during the year.

	2022-2023	2022-2023
	Kshs.	Kshs.
Profit/(Loss) Before Taxation	(11,793,094)	56,224,739
Income Tax Expense/(Credit)	-	-
Profit/(Loss) After Taxation	(11,793,094)	56,224,739

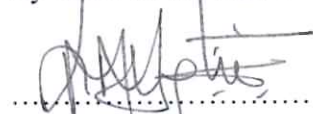
iii) Directors

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

iv) Auditors

The Auditor-General is responsible for the statutory audit of Bomas of Kenya Ltd in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024.

By Order of the Board



.....
CPA. NIXON MUGILWA
SECRETARY TO THE BOARD
DATE:

12. Statement of Directors' Responsibilities

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

The Directors are responsible for the preparation and presentation of Bomas of Kenya Ltd financial statements, which give a true and fair view of the state of affairs of Bomas of Kenya Ltd for and as at the end of the financial year ended on June 30, 2024. 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 Bomas of Kenya Ltd, (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 Bomas of Kenya Ltd. (v). selecting and applying appropriate accounting policies, and (vi). Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for Bomas of Kenya Ltd financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012, Companies Act and the State Corporations Act.

Statement of Directors' Responsibilities (Continued)

The Directors are of the opinion that the Bomas of Kenya Ltd's financial statements give a true and fair view of the state of Bomas of Kenya Ltd's transactions during the financial year ended June 30, 2024, and of Bomas of Kenya Ltd's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for Bomas of Kenya Ltd, which have been relied upon in the preparation of the Bomas of Kenya Ltd's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that Bomas of Kenya Ltd will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Bomas of Kenya financial statements were approved by the Board on 10th Sept 2024 and signed on its behalf by:



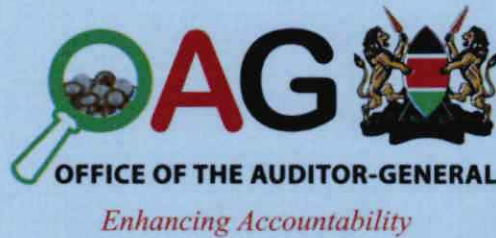
HON. JANE JEPKORIR KIPTOO
CHAIRPERSON OF THE BOARD



CPA NIXON MUGILWA
ACCOUNTING OFFICER

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BOMAS OF KENYA FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the 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 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 government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomas of Kenya set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2024, and the statement of profit or loss and other comprehensive income, statement of change in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matter described in the Basis for Qualified Opinion Section of my report the financial statements present fairly, in all material respects, the financial position of Bomas of Kenya as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015 of the laws of Kenya.

Basis for Qualified Opinion

Inaccuracies in Property, Plant and Equipment

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.2,445,355,593. However, as previously reported, the last valuation for the assets was conducted in 1996. The long delay fails to take cognizance of the drastic change in the value of the assets and is contrary to International Accounting Standard No.16, Paragraph 31 which stipulates that property, plant and equipment should be revalued regularly.

Further, Note 14 to the financial statement reflects additions to work in progress of Kshs.63,169,511. However, the entry was not supported with an approved journal to facilitate the accounting adjustments and the basis for classifying the expenditure as work in progress was not provided for audit review.

In addition, physical verification carried out in December 2024 revealed that several assets were not tagged and serial numbers of some printers, desktops, laptops and other electrical and electronic equipment were not indicated in the assets register for ease of identification and tracking.

In the circumstances, the completeness and accuracy of the property, plant and equipment balance of Kshs.2,445,355,593 could not be confirmed.

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

Material Uncertainty Related to Going Concern

The statement of financial position reflects current assets and liabilities balances of Kshs.238,877,245 and Kshs.289,018,465 respectively, resulting to a negative working capital of Kshs.50,141,220. Further, the statement of profit or loss and other comprehensive income reflects amounts of Kshs.617,534,722 in respect of total revenue and Kshs.629,327,816 in respect of total expenditure resulting in a loss of Kshs.11,793,094. The Organization may be technically insolvent and therefore unable to meet its financial obligations as and when they fall due on the basis of the negative working capital position.

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, management has not resolved the prior year matters and has not explained the delay in resolving the issues.

Other Information

Management is responsible for the other information set out on page ii to xxix which comprise of key entity information and overall performance, statement of board of Directors, key management team, Chairman's statement, report of the Chief Executive Officer, statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, environmental and sustainability reporting, report of the directors and statement of Directors responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Bomas of Kenya 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 the 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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Delay in Completion of Rehabilitation of the Auditorium

The construction works for the rehabilitation of the main auditorium at Bomas of Kenya was awarded to a local contractor on 22 November 2021 at a contract sum of Kshs.86,475,905 and expected completion date of 3 July, 2022. On 11 July, 2023 the Project Manager issued a certificate of practical completion with several items on builders works, mechanical and electrical works being incomplete as at the time of the audit in December 2024, although works valued at Kshs 76,676,518 or 87% of the contract sum had been certified and paid. No evidence was provided to prove that the contractor was being charged liquidated damages for failure to complete the project within agreed contract period.

In the circumstances, the value for money to be realized from the expenditure of Kshs.86,475,905 could not be confirmed.

2. Employees in Acting Position in Excess of Six Months

Review of payroll and personal records revealed that six (6) officers in various departments have been serving in acting capacity for a period exceeding six (6) months without being confirmed or the position filled competitively. This was contrary to Section 4.2.2 of Bomas of Kenya Human Resource Management Manual which provides that the maximum period for acting allowance shall not exceed six (6) months.

In the circumstances, Management was in breach of Human Resource Management Manual.

3. Failure to Implement by Integrated Personnel Payroll Data (IPPD)

Review of the human resource payroll and records revealed that the entity was not using the Integrated Personnel Payroll Data (IPPD) in managing its payroll. This was contrary to the National Treasury Circular No.13/2019 which provides that allocation for personnel emoluments must be supported by Integrated Personnel Payroll Data (IPPD). Explanation as to why Bomas of Kenya has not implemented IPPD was not provided for audit review.

In the circumstances, Management was in breach of the National Treasury Circular. 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Irregular Composition of Council Committee Member

Review of board documents revealed that Organization has nine (9) board members. However, all committees had more than a third of the full board or three (3) members. This was contrary to Paragraph 4 of Office of the President circular No. OP/CAB.9/1A of 11 March, 2020 which stipulates that the number of members to any committee should be no more than one third (1/3) of the full board to obviate the risk of a committee conducting its business within the framework of a full board structure.

In the circumstances, the effectiveness of governance system 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 control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Companies Act, 2015, I report based on my audit that 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;

Information given in the directors' report on page xxvii is consistent with the financial statements; and

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's, compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the applicable basis of accounting unless the management is aware of the intention to terminate the Organization or to cease its operations

The 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, the 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process, reviewing the effectiveness of how the Organization 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 for 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 Organization'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

31 December, 2024

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2024

	Note	2023/2024	2022/2023
		KShs.	KShs.
REVENUES			
Revenue from Contract with Customers	6	248,534,414	578,594,911
Cost of sales	7	(66,193,098)	(71,469,980)
Gross profit		182,341,316	507,124,931
Other Income			
Grants from the National Government	8	312,315,363	302,903,987
Other Income (Grants from Other Partners)	9	122,368,810	8,011,824
Other gains/(losses)	10	509,232	203,924
TOTAL REVENUES		617,534,722	818,244,667
OPERATING EXPENSES			
Administration Costs	11	627,468,866	760,895,547
Selling and Distribution Costs	12	1,858,950	1,124,380
TOTAL OPERATING EXPENSES		629,327,816	762,019,927
PROFIT/(LOSS) BEFORE TAXATION		(11,793,094)	56,224,739
INCOME TAX EXPENSE/(CREDIT)		-	-
PROFIT/(LOSS) AFTER TAXATION		(11,793,094)	56,224,739

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position as at 30 June 2024

	NOTE	2023/2024	2022/2023
		KShs.	KShs.
ASSETS			
Non –current assets			
Property plant & equipment	14	2,445,355,593	2,309,154,682
Total Non-Current Assets		2,445,355,593	2,309,154,682
CURRENT ASSETS			
Inventories	15	2,837,614	2,919,436
Trade and other Receivables	16	121,607,050	70,866,696
Bank and Cash balance	17	114,432,581	84,861,457
TOTAL CURRENT ASSETS		238,877,245	158,647,589
TOTAL ASSETS		2,684,232,838	2,467,802,271
EQUITY AND LIABILITIES:			
Share Capital	18	5,080,000	5,080,000
Revaluation Reserve	19	164,829,167	164,829,167
Retained Earnings	21	192,203,031	203,996,125
Deferred capital grant	22	2,033,102,176	1,977,742,889
CAPITAL AND RESERVES		2,395,214,373	2,351,648,181
Current Liabilities			
Trade and other payables	23	289,018,465	116,154,090
TOTAL CURRENT LIABILITIES		289,018,465	116,154,090
TOTAL EQUITY & LIABILITIES		2,684,232,838	2,467,802,271

The financial statements were approved by the Board on 10th Sept 2024 and signed on its

behalf by:

Name:

Director

General/C.E.O/M.D

Name:

Head of Finance

ICPAK M/NO: 12959

Name:

Chairman of the Board

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Equity for the year ended 30 June 2024

	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2022	5,080,000	164,829,167	147,771,385	2,041,406,877	2,359,087,429
Net surplus/(Deficit) for the year 30th June, 2023	-	-	56,224,739		56,224,739
Transfer of Depreciation from capital funds to retained earnings	-			(63,663,987)	(63,663,987)
At June 30, 2023	5,080,000	164,829,167	203,996,124	1,977,742,890	2,351,648,181
At July 1, 2023	5,080,000	164,829,167	203,996,124	1,977,742,890	2,351,648,181
Net surplus/(Deficit) for the year 30th June, 2024	-	-	(11,793,094)		(11,793,094)
Transfer of Depreciation from capital funds to retained earnings	-			(62,775,363)	(62,775,363)
Capital Grant	-	-	-	118,134,650	118,134,650
At June 30, 2024	5,080,000	164,829,167	192,203,030	2,033,102,176	2,395,214,374

17. Statement of Cash Flows for the year ended 30 June 2024

	NOTE	2023/2024	2022/2023
		KShs.	KShs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from Operations	25	109,903,516	62,266,693
Net Cash from Operating Activities		109,903,516	62,266,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets/Work in progress/BICEC		(198,976,274)	(34,601,375)
Proceeds from disposal of property, plant and equipment		509,232	203,924
CASH FLOWS FROM FINANCING ACTIVITIES			
Development Grants		118,134,650	-
Net Increase/(Decrease) in Cash and Cash equivalents		29,571,124	27,869,242
Add: Beginning Balance of Cash and Cash Equivalents		84,861,457	56,992,215
ENDING BALANCE OF CASH & CASH EQUIVALENTS	25(c)	114,432,581	84,861,457

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance in Percentage	Remarks
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
	KShs.	KShs.	KShs.	KShs.	KShs.		
Revenue							
Sale of goods		-	-	-	-		
Sale of services	103,000,000	-	103,000,000	245,625,911	142,625,911	138%	(i)
Transfers from the Government	249,540,000	-	249,540,000	249,540,000	-	0%	
CAPITAL grant realized	-		-	-	-		
Grant from other Partners	-	-	122,368,810	122,368,810	-		
Total income	352,540,000	-	474,908,810	617,534,722	142,625,911	-	
Expenses							
Compensation of employees	200,939,706	-	200,939,706	252,722,585	(51,782,879)	-26%	(ii)
Boards Emoluments	14,900,400	-	14,900,400	24,410,805	(9,510,405)	-64%	(iii)
Administration expenses	126,323,708	-	126,323,708	277,077,907	(150,754,199)	-119%	(iv)
Use of Goods and Services	9,321,486		9,321,486	66,193,098	(56,871,612)	-610%	(v)
Legal & Professionals costs	1,054,700		1,054,700	8,923,420	(7,868,720)	-746%	(vi)
Total expenditure	352,540,000	-	352,540,000	629,327,816	(276,787,816)	-79%	
Surplus / Deficit for the period	-	-	-	(11,793,094)	(11,793,094)		
Capital Expenditure	69,700,000	48,434,650	118,134,650	118,134,650	-		

Budget Variances

The over-expenditure / under expenditure (negative variances) reflected in recurrent budget vote-lines were due to the following as referenced under notes:

i) Sale of services

Bomas of Kenya Ltd hosted the National Police, Prisons and National Youth Service Reforms Taskforce, the Inaugural Utamaduni Day Celebrations on 10th October 2023, followed by the inaugural Minorities Rights Day in December 2023 in the financial year which had not been budgeted for thus the increase in AIA. The organisation also hosted several other events which boosted its revenues.

ii) Compensation of employees

This is due to the fact that there an increase in the number of casual employees during the year to cater for events during the year. Further, the management implemented the final phase of the 2017/2018 collective bargaining agreement which saw an increase in personnel emoluments.

iii) Board of Directors, Councils, Commissions Expenses

The organization witnessed management changes during the financial year thus an increase in the number of boarding meeting as well as Ad hoc board meetings to streamline operations.

iv) Use of Goods and Services

This was occasioned by increase in restaurant purchases in order to meet the needs of various clients during the quarter.

v) Administration Expenses

The organisation recorded an increase in events after the general elections and during the financial year the organisation hosted the National Police, Prisons and National Youth Service Reforms Taskforce, the Inaugural Utamaduni Day Celebrations on 10th October 2023, and the inaugural Minorities Rights Day in December 2023 which led to increase in utilities and other hiring charges thus the unfavourable variance in the expenditure item.

19. Notes to the Financial Statements

1. General Information

Bomas of Kenya Ltd entity is established by and derives its authority and accountability from Company Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity The entity's principal activity is to preserve, promote, and maintain the diverse cultures of Kenya for tourism development.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Bomas of Kenya accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Bomas of Kenya Ltd. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years present.

Notes to the Financial Statements (Continued)

3. Application of New and Revised International Financial Reporting Standards (IFRS)

i. *New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.*

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	Effective for annual periods beginning on or after 1 st January 2023.
IAS 8- Accounting Policies, Errors, and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies.	The amendments are effective for annual periods beginning on or after January 1, 2023.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	The amendments are effective for annual periods beginning on or after January 1, 2023.

(The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements. Or the following has been assessed to be significant for the company and has been addressed as follows....)

Notes to the Financial Statements (Continued)

Application of New and Revised International Financial Reporting Standards (IFRS)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).

iii. Early adoption of standards

Bomas of Kenya Ltd did not early – adopt any new or amended standards in year 2022-2023.

Notes to the Financial Statements (Continued)

4. Summary of Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which the *entity* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government** are recognized in the year in which the *entity* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method
- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income** is recognized as it accrues

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

b) In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations

Depreciation on buildings and civil works is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life while depreciation of other classes of assets is recognized on a reducing balance basis . The annual rates in use, as guided by National Treasury policy on assets depreciation are:

Freehold Land	Nil
Buildings and civil works	40 years or the unexpired lease period
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	8 years
Loose Tools	2 years
Pumps and Pipes	5 years

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

h) Right of Use Asset

The right-of-use assets comprise 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 entity 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 IAS 37. 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 entity 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 consolidated statement of financial position.

i) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. These bonds are measured at amortized cost/ at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL).

j) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

k) Unquoted investments

Unquoted investments are measured at fair value through profit or loss (FVTPL).

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method or First In First Out (FIFO) (*amend as appropriate*). Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

h) Right of Use Asset

The right-of-use assets comprise 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 entity 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 IAS 37. 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 entity 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 consolidated statement of financial position.

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j) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

k) Unquoted investments

Unquoted investments are measured at fair value through profit or loss (FVTPL).

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method or First In First Out (FIFO) (*amend as appropriate*).

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

n) Taxation

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

Deferred Tax

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) 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 reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the

period in which they arise. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

s) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

t) Retirement benefit obligations

The entity operates a defined contribution scheme for all full-time employees from January 1, 2022. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1080 per employee per month.

u) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

v) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

w) Budget information

The original budget for FY 2023/2024 was approved by the National Assembly on June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did record additional appropriations of Kshs. 00 on the FY 2023/2024 budget following the governing body's approval

The entity'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 financial performance has been presented under section xxx of these financial statements.

Notes to the Financial Statements (Continues)

a) Service concession arrangements

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

b) Comparative figures

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

c) 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, 20xx.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IFRS 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.

Notes to the Financial Statements (Continues)

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

c) 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 xxx.

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 organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

(NB An entity is required to disclose its material accounting policies following amendment of IAS 1 where an entity is supposed to disclose its material accounting policies instead of significant accounting policies)

Bomas of Kenya Ltd
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Notes to the Financial Statements (Continues)

6. Revenue from contract with customers

	2023/2024	2022/2023
Description	KShs.	KShs.
Restaurant sales	64,983,337	98,432,894
Parties and Reception	107,178,903	326,811,116
Bar Sales	4,500,003	3,370,547.30
Gate collection & playground	36,930,920	15,059,300
Hire of Dancers/halls	32,402,531	132,304,849
Rent Income	892,249	1,602,530
Sundry Income	1,646,471	1,013,675
Total sales	248,534,414	578,594,911

7. Cost of Sales

	2023/2024	2022/2023
Description	KShs.	KShs.
Purchase -Main Bar	9,143,770	3,657,682
Purchases - Parties/ Reception	33,073,978	17,153,565
Purchase - Main Restaurant	23,975,350	50,658,733
Total	66,193,098	71,469,980

8. Grants from National Government

	2023/2024	2022/2023
	KShs.	KShs.
Reccurent grants received	249,540,000	239,240,000
Capital grants realized	62,775,363	63,663,987
Total	312,315,363	302,903,987

(Note: For capital/development grants the amount recognized in the statement of comprehensive income should be the depreciation/amortisation equivalents for assets that have been acquired using such capital/development grant as per IAS 20).

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs.	Amount deferred under deferred income KShs.	Amount recognized in capital fund. KShs.	Total grant income during the year KShs.
Ministry of Tourism & Wildlife	41,590,000	-	41,590,000	41,590,000
Ministry of Gender, Culture, the Arts and Heritage	207,950,000	62,775,363.36	270,725,363	270,725,363
Total	249,540,000	62,775,363.36	312,315,363	312,315,363

Notes to the Financial Statements (Continued)

9. Other Income

	2023/2024	2022/2023
	KShs.	KShs.
Ignite Culture(HEVA Fund LLP)	7,868,810	7,043,084
Libido Music	-	968,740
KCB Bank Kenya Ltd	2,500,000	-
Tourism Promotion Fund	47,000,000	-
Tourism Promotion Fund	55,000,000	-
Tourism Promotion Fund	10,000,000	-
Total	122,368,810	8,011,824

10. Other Gains and Losses

	2023/2024	2022/2023
	KShs.	KShs.
Gain on provision for bad debts	-	-
Gain on sale of fixed assets	509,232	203,924
Total	509,232	203,924

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Notes to the Financial Statements (Continued)

11. Administration Costs

	2023/2024	2022/2023
Description	KShs.	KShs.
Staff Costs(11b)	252,722,585	233,493,497
Directors' Emoluments (11c)	24,410,805	5,561,493
Motor Vehicle Running & transport	9,354,798	6,840,727
Traveling & Entertainment	3,458,300	1,506,620
Medical Expenses	16,617,631	26,430,473
Dancers Expenses	1,946,316	1,806,620
Food & Accommodation	20,252,580	19,301,755
Uniforms for Staff	835,400	2,296,218
Printing & Stationery	3,514,337	3,210,118
Telephone & Postage	1,681,314	2,450,439
Cleaning & laundry	2,849,515	1,721,006
Security Charges	4,762,945	1,269,000
Hiring Charges	28,113,480	165,767,134
Staff Training	677,040	3,949,270
Sundry Expenses	2,581,113	2,150,871
Interest & Bank Charges	593,774	514,743
Subscriptions & Donations	2,035,540	2,295,109
Insurance & Licenses	3,974,000	205,700
Legal & professional	8,923,420	1,788,483
Audit fee	232,000	232,000
Land Rates	-	-
Electricity & Water charges	19,356,055	17,026,901
Repairs & Maintenance	76,562,819	127,858,567
Diverse Cultural Project	39,296,049	29,643,788
Bad and Doubtful Debts		-
Provisions for bad & doubtful debts	4,811,495	70,960
Depreciation Charge	62,775,363	63,663,987
Paid VAT	35,037,643	37,801,820
Other Expenses	92,547	2,038,248
Total	627,468,866	760,895,547

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

11(a) Staff Costs

	2023/2024	2022/2023
Description	KShs.	Kshs
Salaries and allowances of permanent employees	188,519,124	170,521,401
Wages of temporary employees, Attachment and internships	37,240,307	44,860,233
General Managers salary	4,528,960	3,747,379
Compulsory national health insurance schemes	2,528,000	3,209,870
Compulsory national social security schemes	5,783,520	4,613,760
Terminal Benefits / Gratuity	14,122,675	6,540,855
Total	252,722,585	233,493,497
The average number of employees at the end of the year was:	2023/2024	2022/2023
Permanent employees – Management	6	6
Permanent employees – Unionisable	99	99
Temporary and contracted employees	104	84
Total	215	189

11 (b). Directors Emoluments

	2023/2024	2022/2023
Description	KShs.	KShs.
Chairman Honorarium	960,000	960,000
Sitting Allowance	6,760,000	600,000
Travel & Subsistence	16,690,805	4,001,493
Total	24,410,805	5,561,493

12. Selling and Distribution Costs

	2023/2024	2022/2023
Description	KShs.	KShs.
Selling and Distribution Costs	1,858,950	1,124,380

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

13. Operating Profit/ (Loss)

	2023/2024	2022/2023
Description	KShs.	KShs.
The operating profit/(loss) is arrived at after charging/(crediting)		
Staff Costs (11b)	252,722,585	233,493,497
Depreciation of PPE	62,775,363	63,663,987
Provision for bad and doubtful assets	4,811,495	70,960
Directors emoluments - fees	24,410,805	5,561,493
Other	287,328,112	457,944,570
Auditor's remuneration -	232,000	232,000

Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

	FREEHOLD LAND	CAPITAL WORK IN PROGRESS	BUILDINGS & CIVIL WORKS	MOTOR VEHICLES	FURNITURE FITTINGS & EQUIPMENT	COMPUTERS	LOOSE TOOLS	PUMPS & PIPES	TOTALS
COST OR VALUATION			2.5% on cost	0.25	0.125	0.30	0.50	0.20	
At July 1st, 2023	76,950,000	864,244,409	1,891,179,331	19,843,914	299,818,699	23,819,564	24,561,191	47,021,426	3,247,438,534
Additions		63,169,511		-	2,830,680	5,048,332	-	-	71,048,523
Disposals	-	-	-	(1,186,983)	-	-	-	-	(1,186,983)
At June 30th 2024	76,950,000	927,413,920	1,891,179,331	18,656,931	302,649,379	28,867,896	24,561,191	47,021,426	3,317,300,075
DEPRECIATION									
At July 1st, 2023	-	-	497,356,292	18,467,430	206,852,078	19,762,698	24,530,260	43,387,340	810,356,098
Charge for the year on profit & loss	-	-	47,279,483	47,375	11,974,663	2,731,560	15,466	726,817	62,775,363
	-	-	1,393,823,039	189,501	95,797,301	9,105,199	30,931	3,634,085	1,502,580,056
Elimination on disposal	-	-	-	(1,186,983)	-	-	-	-	(1,186,983)
At June 30th 2024	-	-	544,635,775	17,327,822	218,826,741	22,494,257	24,545,725	44,114,157	871,944,479
NET BOOK VALUE AT JUNE 2024	76,950,000	927,413,920	1,346,543,556	1,329,109	83,822,638	6,373,639	15,466	2,907,268	2,445,355,596

Notes To The Financial Statements (Continued)

Property, Plant and Equipment (Continued)

	FREEHOLD LAND	CAPITAL WORK IN PROGRESS	BUILDINGS & CIVIL WORKS	MOTOR VEHICLES	FURNITURE FITTINGS & EQUIPMENT	COMPUTERS	LOOSE TOOLS	PUMPS & PIPES	TOTALS
COST OR VALUATION			2.5% on cost	0.25	0.125	0.30	0.50	0.20	
At July 1st, 2022	76,950,000	735,466,658	1,891,179,331	21,499,815	268,259,115	21,894,181	24,561,191	47,021,426	3,086,831,717
Additions		850,000		-	31,825,991	1,925,384	-	-	34,601,375
Disposals	-	-	-	(1,655,901)	(266,408)	-	-	-	(1,922,309)
Transfers	-			-			-	-	-
At June 30th 2023	76,950,000	736,316,658	1,891,179,331	19,843,914	299,818,699	23,819,564	24,561,191	47,021,426	3,119,510,783
DEPRECIATION									
At July 1st, 2022	-	-	450,076,809	19,664,644,200	193,870,779	18,024,041	24,499,328	42,478,819	748,614,420
Charge for the year on profit & loss	-	-	47,279,483	458,685,900	13,247,708	1,738,657	30,931	908,521	63,663,987
Impairment loss	-	-	-	-	-	-	-	-	-
Elimination on disposal	-	-	-	(1,655,900)	(266,409)	-	-	-	(1,922,309)
At June 30th, 2023	-	-	497,356,292	18,467,430	206,852,078	19,762,698	24,530,260	43,387,340	810,356,098
NET BOOK VALUE AT JUNE 2023	76,950,000	736,316,658	1,393,823,039	1,376,484	92,966,621	4,056,867	30,931	3,634,085	2,309,154,682

Bomas of Kenya Ltd
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Notes To The Financial Statements (Continued)

Valuation

The revaluation of the assets was done in August 1996 By Gatheru Irungu Mugo Co ltd. The total value of the assets was Kshs 194,020,600 :- (while the value of Fixed assets was Kshs. 29,191,433 as at 30/6/1996) as below: -

Description	Kshs
1. Land	76,950,000.00
2. Buildings and site works	109,185,000.00
3. Furniture and equipment	5,085,600.00
4. Motor vehicles	2,800,000.00

WORK IN PROGRESS

This refers to the amount spent in putting up the Perimeter wall, NAICEC Project, the cultural / Conference centre within the organization and rehabilitation of the auditorium.

	2024	2023
	Kshs	Kshs
Work-in-progress analysis		
Balance brought forward	736,316,658	735,466,658
Prior year adjustment (JV)	127,927,751	
Additions for the year	63,169,511	850,000
Total balance carried forward	927,413,920	736,316,658

14 (b). Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	KShs.	KShs.	KShs.
Land	76,950,000	-	76,950,000
Buildings	1,891,179,331	544,635,775	1,346,543,556
Motor Vehicles Including Motor Cycles	18,656,931	17,327,822	1,329,109
Computer and Related Equipment	28,867,896	22,494,257	6,373,639
Office Equipment, Furniture and Fittings	302,649,378	218,826,741	83,822,637
Pumps and Pipes	47,021,426	44,114,157	2,907,268
Loose Tools	24,561,190	24,545,725	15,465
Work in Progress	927,413,920	-	927,413,920
	3,317,300,072	871,944,479	2,445,355,593

Notes To The Financial Statements (Continued)

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

	Cost Valuation	Normal Annual Depreciation charge
Buildings and Civil Works	1,891,179,331	47,279,483
Motor Vehicles, Including Motor Cycles	18,656,931	47,375
Computer and Related Equipment	28,867,896	2,731,560
Office Equipment, Furniture and Fittings	302,649,378	11,974,663
Pumps and Pipes	47,021,426	726,817
Loose Tools	24,561,190	15,466
	2,312,936,152	62,775,363

15. Inventories

	2023/2024	2022/2023
Description	KShs.	KShs.
Finished Goods	2,837,614	2,919,436
Total	2,837,614	2,919,436

16. Trade and Other Receivables

Description	2023/2024	2022/2023
	KShs.	Kshs
Trade Receivables (Note 16 (a))	63,419,755	14,595,206
Advance Grant from the Government	55,000,000	-
Deposits and prepayments	1,183,500	1,183,500
Staff receivables (Note 16 (c))	1,208,649	1,005,434
Other receivables	7,137,122	51,897,978
Gross Trade and Other Receivables	127,949,025	68,682,118
Provision for Bad And Doubtful Receivable	(6,341,975)	(1,459,521)
Net Trade and Other Receivables	121,607,050	67,222,598

Bomas of Kenya Ltd
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Notes To The Financial Statements (Continued)

16 (a) Trade Receivables

	2023/2024	2022/2023
	KShs.	KShs.
Trade Debtors	63,419,755	15,304,806
Prepaid Grant from the National Government	55,000,000	-
Staff Debtors	1,208,649	771,749
Deposits Paid	1,183,500	1,183,500
Little Theatre & Ushanga Kenya Receivables	7,137,122	55,137,122
Total	127,949,025	72,397,177
Provision for bad & Doubtful Debts- (10% of trade debtors)	(6,341,975)	(1,530,481)
Total	121,607,050	70,866,696
Provision for bad & Doubtful Debts		
Opening balance	1,530,481	1,459,521
Closing balance	6,341,975	1,530,481
Gain / Loss on Provisions	(4,811,495)	(70,960)
Gross trade receivables	63,419,755	0
Provision for doubtful receivables	(6,341,975)	-
	57,077,779	0
At June 30, the ageing analysis of the gross trade receivables was as follows:		
Less than 30 days		3,796,911
Between 30 and 60 days		77,740
Between 61 and 90 days		2,397,400
Between 91 and 120 days		54,400
Over 120 days		8,978,355
	0	15,304,806

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Notes To The Financial Statements (Continued)

16 (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	15,304,806	14,595,206
Additional provisions during the year	48,114,948	1,823,200
Recovered during the year		(1,113,600)
Written off during the year	-	-
At the end of the year	63,419,755	15,304,806

16 (c) Staff Receivables

Description	2023/2024	2022/2023
	KShs.	KShs.
Gross staff loans and advances	1,208,649	771,749
Provision for impairment loss	-	-
	1,208,649	771,749
Amounts due within one year	1,208,649	771,749
Amounts due after one year	-	-

16 (d) Reconciliation of Impairment Allowance for Staff Receivables

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	771,749	1,005,434
Additional provisions during the year	1,980,400	1,823,200
Recovered during the year	(1,723,500)	(2,056,885)
Written off during the year	-	-
At the end of the year	1,208,649	771,749

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Notes To The Financial Statements (Continued)

17. Bank and Cash Balances

	2023/2024	2022/2023
Description	KShs.	KShs.
Cash at bank – KCB Current - A/c No (1108986668)	614,064	2,724
Cash in bank – KCB Current - A/c No (1108985580)	299,705	84,519,004
Cash at bank – Standard Chartered - Current A/c No (0102489053700)	113,518,812	-
M-Pesa - Account	-	261,469
Cash in hand	-	78,260
E-Citizen		
Total	114,432,581	84,861,457

Detailed analysis of the cash and cash equivalents

Description		2023/2024	2022/2023
Financial institution	Account number	KShs.	KShs.
a) Current account			
KCB Bank Kenya Ltd	1108986668	614,064	2,724
KCB Bank Kenya Ltd	1108985580	299,705	84,519,004
Standard Chartered Bank Kenya Ltd	0102489053700	113,518,812	-
Sub- total		114,432,581	84,521,728
e) Others(specify)			
E-Citizen		-	-
Cash in hand		-	78,260
M-pesa		-	261,469
Sub- total		-	339,729
Grand total		114,432,581	84,861,457

Notes To The Financial Statements (Continued)

18. Ordinary Share Capital

	2023/2024	2022/2023
Description	KShs.	KShs.
Authorized:		
254,000 ordinary shares of KShs. 20 par value each	5,080,000	5,080,000
Issued and fully paid:		
254,000 ordinary shares of KShs. 20 par value each	5,080,000	5,080,000

19. Revaluation Reserve

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

	2023/2024	2022/2023
Description	KShs.	KShs.
Balance brought forward	164,829,167	164,829,167
Less:-depreciation surplus for the year	-	-
<i>Revaluation surplus (valuation done in 1996)</i>	-	-
Balance carried forward	<u>164,829,167</u>	<u>164,829,167</u>

20. Fair Value Adjustment Reserve

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

21. Retained Earnings

The retained earnings represent amounts available for distribution to the Bomas of Kenya Ltd shareholders. Undistributed retained earnings are utilised to finance the Bomas of Kenya Ltd business activities.

Notes to the Financial Statements (Continued)

Retained earnings (continued)

	2023/2024	2022/2023
	KShs.	KShs.
Balance brought forward	203,996,125	147,771,385
Net Surplus / Deficit for the year	(11,793,094)	56,224,739
Total	192,203,031	203,996,125
Balance carried forward	<u>192,203,031</u>	<u>203,996,125</u>

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

22. Deferred Capital Grant

	2023/2024	2022/2023
	KShs.	KShs.
Balance for the year 2022/2023	1,977,742,889	2,041,406,876
Capital Grant for the year	118,134,650	-
Deffered Grant for the year 2023/2024	(62,775,363)	(63,663,987)
Adjustment for Capital grant(Little Theatre)		-
Balance Carried Forward	<u>2,033,102,176</u>	<u>1,977,742,889</u>

23. Trade and Other Payables

	2023/2024	2022/2023
	KShs.	KShs.
Trade Creditors	167,654,702	74,719,913
Other payables	65,435,763	40,506,176
Advance Grant	55,000,000	
Auditor General	928,000	928,000
Total Payable	289,018,465	116,154,090
Total Payable	289,018,465	116,154,090

24. Retirement Benefit Obligations

Bomas of Kenya Ltd contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Bomas of Kenya Ltd's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs.1,080 per employee per month. Other than NSSF Bomas of Kenya Ltd also has a defined contribution scheme operated by Kenindia Pension Fund. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

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Notes to the Financial Statements (Continued)

25. Notes to the Statement of Cash Flows

	2023/2024	2022/2023
	KShs.	Kshs
(a) Reconciliation of operating profit/(loss) to cash generated from/(used in) operations		
Profit or loss before tax	(11,793,094)	56,224,739
Depreciation		-
Capital Grants Realized		-
Gain on Sale of Fixed Assets	(509,232)	(203,924)
Taxation Paid		-
Operating profit/(loss) before working capital changes	(12,302,326)	56,020,815
(Increase)/decrease in inventories	81,822	967,297
(Increase)/decrease in trade and other receivables	(50,740,354)	(3,644,098)
Increase/(decrease) in trade and other payables	172,864,375	8,922,679
Cash generated from/(used in) operations	109,903,516	62,266,693
Balance at beginning of the year	-	-
Receipts during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
(c) Analysis of cash and cash equivalents		
Short term deposits		-
Cash at bank	114,432,581	84,521,728
Cash in hand	-	339,729
Balance at end of the year	114,432,581	84,861,457

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

26. Incorporation

Bomas of Kenya Ltd is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya.

27. Events after the Reporting Period

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

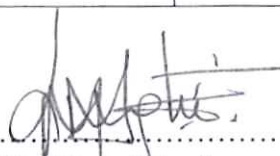
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20. Appendices

Appendix 1: Implementation Status of Auditor-General prior year 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)
1.	Revaluation of Property, Plant and Equipment	Ministry of Tourism & Wildlife is working on a model to carry out valuation of State Corporation under it	Not Resolved	One year
2.	Trade and Other Receivables	Management has requested the Board of Directors to get approval from the National Treasury to write off the long outstanding debts.	Not Resolved	One year
3.	Long Outstanding Trade Payables	Management embarked on clearing the long outstanding payables and this is an ongoing exercise.	Not Resolved	One year



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CPA. Nixon Mugilwa
 Accounting Officer

Date 10th SEPTEMBER 2024

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix II: Projects implemented by (*The Entity*)

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

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)
1. Rehabilitation of Auditorium Hall		GOK	1 Year	69,700,000	No	Yes
2. Sample Bar Kenya	IGC/11/2022	HEVA FUND LLP	2 Years	22,811,025	Yes	Yes
3. Digitization of Cultural Products		TPF	1 Year	48,434,650	Yes	Yes
4. Development of the SANAA App Project		TPF	1 Year	50,000,000	No	Yes
5. Development of Marsabit Cultural Centre		TPF	1 Year	50,000,000	No	Yes

Bomas of Kenya Ltd
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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - Kshs	Where Recorded/Recognized			
				Statement of Financial Performance	Capital Fund	Deferred Income	Total Transfers during the Year
Ministry of Tourism and Wildlife	8/11/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Tourism and Wildlife	9/12/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	10/18/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	10/31/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	12/8/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	12/28/2023	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	2/1/2024	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	3/12/2024	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	4/9/2024	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	5/17/2024	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	6/11/2024	Recurrent	20,795,000	20,795,000.00	-	-	20,795,000
Ministry of Gender, Culture, the Arts and Heritage	2/27/2024	Development	17,425,000	-	17,425,000	17,425,000	17,425,000
Ministry of Gender, Culture, the Arts and Heritage	2/27/2024	Development	17,425,000	-	17,425,000	17,425,000	17,425,000
Ministry of Gender, Culture, the Arts and Heritage	6/4/2024	Development	17,425,000	-	17,425,000	17,425,000	17,425,000
Ministry of Gender, Culture, the Arts and Heritage	6/4/2024	Development	17,425,000	-	17,425,000	17,425,000	17,425,000
Total			319,240,000	228,745,000	69,700,000	69,700,000	298,445,000

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended 30th June 2024

Appendix V- Inter-Entity Confirmation Letter

Bomas of Kenya ltd wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below.

Confirmation of amounts received by Bomas of Kenya as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2024				Amount Received by Bomas of Kenya (Kshs) as at 30th June 2024 E	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total D=(A+B+C)		
1	8/11/2023	20,795,000	-	-	20,795,000	20,795,000	-
2	9/12/2023	20,795,000	-	-	20,795,000	20,795,000	-
3	10/18/2023	20,795,000	-	-	20,795,000	20,795,000	-
4	10/31/2023	20,795,000	-	-	20,795,000	20,795,000	-
5	12/8/2023	20,795,000	-	-	20,795,000	20,795,000	-
6	12/28/2023	20,795,000	-	-	20,795,000	20,795,000	-
7	2/1/2024	20,795,000	-	-	20,795,000	20,795,000	-
8	3/12/2024	20,795,000	-	-	20,795,000	20,795,000	-
9	4/9/2024	20,795,000	-	-	20,795,000	20,795,000	-
10	5/17/2024	20,795,000	-	-	20,795,000	20,795,000	-
11	6/11/2024	20,795,000	-	-	20,795,000	20,795,000	-
12	2/27/2024		17,425,000.00	-	17,425,000	17,425,000	-
13	2/27/2024		17,425,000.00	-	17,425,000	17,425,000	-
14	6/4/2024		17,425,000.00	-	17,425,000	17,425,000	-
15	6/4/2024		17,425,000.00	-	17,425,000	17,425,000	-
Total		228,745,000	69,700,000	-	298,445,000	298,445,000	-

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

Head of Accountants department of beneficiary entity:

Name Felix KOPUR Sign [Signature] Date 10th Sept 2024