

REPUBLIC OF KENYA



Enhancing Accountability



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| CLERK-AT THE TABLE: | Mido |

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REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA CULTURAL CENTRE

**FOR THE YEAR ENDED
30 JUNE, 2022**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

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THE
KENYA
CULTURAL CENTRE
INCORPORATING THE KENYA NATIONAL THEATRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30 JUNE 2022

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

The Kenya Cultural Centre
Annual Report and Financial Statements
For the year ended June 30, 2022.

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1. Key Entity Information and Management

Who we are:

The Kenya Cultural Centre incorporating The Kenya National Theatre is a Semi-Autonomous Government Agency established under The Kenya Cultural Centre Act Cap 218 and is domiciled in the State Department of Culture and Heritage, Ministry of Sports, Culture and Heritage.

Principal Activities

The Centre is mandated to undertake the following activities:

- i. Provide for the performance of music, drama and dancing
- ii. Provide for the exhibition of works of arts and crafts
- iii. Hold meetings for discussion on matters literary, historical, scientific or educational interest or importance
- iv. Carry other purposes approved by the Council to further the foregoing functions

The Centre continues to strive to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. KCC-NT undertakes to ensure that the credible strategic plan in place shall deliver the desired goals of the Centre.

Our Vision

To be a distinguished International Centre for cultural reference, creative expression and cultural contribution to the Kenyan economy.

Our Mission

To establish the Kenya Cultural Centre as the national Centre for the safeguarding, promotion, celebration and development of culture, arts and creativity.

Our Core Values

Good governance

Integrity

Inclusiveness

Diversity

Equity

Customer- focus

2. Key Management

The Kenya Cultural Centre's oversight and day-to-day management is under the following key organs:

- The Governing Council
- The Office of the Executive Director/ Chief Executive Officer;
- The Finance and Accounting Office;
- The Human Resource and Administration Office;
- The Programmes Office;
- The Procurement/Supply Chain Management Office; and
- The Legal Office.

3. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|------------|---|----------------------------------|
| 1. | Executive Director/ CEO | Mr. Michael Pundo |
| 2. | Principal Finance Officer | Ms. Mollen Achayo |
| 3. | Principal Creative Production Officer | Mr. Kevin Kahuro Kimani |
| 4. | Human Resource & Administrative Officer | Ms. Ruth Wangui |
| 5. | Supply Chain Management Officer | Mr. Elijah Ochieng Otieno |
| 6. | Legal Officer | Ms. Faith Mwendu |
| 7. | Accountant | Ms. Monica Oduor |
| 8. | Internal Auditor | Mr. Robert Waweru Ng'anga |
| 9. | Finance Officer | Mr. Samuel Muli |

4. Fiduciary Oversight Arrangements

- i. **Programmes and Business Development Committee:** this Committee is composed of 9 members of the Governing Council. The Committee has the mandate of overseeing the implementation of the Kenya Cultural Centre core mandate through strategic planning and business management of the Centre's activities.
- ii. **Audit Committee:** The Committee, made up of 6 Members of the Governing Council, exercises an oversight role in ensuring and providing guidance in matters relating to compliance, governance, accountability, risk management, transparency and integrity of the Centre's systems. The Committee undertakes oversight and enforces compliance with regulation and requirements in financial systems and general operations of the Centre.
- iii. **Finance Committee:** Committee of the Governing Council made up of 7 members provides oversight of the Centre's financial and accounting operations and management of the Centre's resources. The Committee ensures that the Centre's financial systems are sound and compliant to relevant financial and accounting standards.
- iv. **Human Resource and Legal Committee:** The Committee is composed of 10 members of the Governing Council. The mandate of the Committee is to ensure that the Centre attracts and retains individuals who are qualified and productive and to provide advice and counsel to the Governing Council and its committees on legal matters and regulatory compliance.

The Kenya Cultural Centre Headquarters

P.O. Box 43031-00100

Kenya Cultural Centre Incorporating The Kenya National Theatre

Harry Thuku Road, Opposite The Norfolk Hotel

Nairobi, Kenya

The Centre's Contacts

Telephone: 020 2672843

Mobile: +254 742 008677

E-mail: info@kenyaculturalcentre.go.ke

Website: www.kenyaculturalcentre.go.ke

Socials: Facebook- <https://bit.ly/3osRj2S>

Instagram- @kenya.culturalcentre

Twitter- @CultureCentreKE

The Centre's Bankers

Kenya Commercial Bank
University Way Branch
P.O. Box 60000-00100,
Anniversary Towers,
Nairobi, Kenya
Account no.1207350184

ABSA Bank
Market Street Branch
P.O Box 30018-00100,
Muindi Mbingu Street
Nairobi, Kenya
Account no.0948215349



Independent Auditors

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



Principal Legal Adviser



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


5. The Board of Directors


| Ref. | Directors | Details |
|------|---|--|
| 1. |  | <p>Mrs. Ogla Karani Governing Council Chairperson Independent Director</p> <p>Holds a Master’s Degree in Public governance, MSC in Marriage and Family Therapy, Degree in Human Resource and Psychological counselling.</p> <p>Ms. Ogla Karani is currently the interim Chairperson of Kenya Cultural Centre Governing Council. She has over twenty years’ experience in public leadership having served in various public institutions and boards that include Kenya Reinsurance, KIPPRA and Kenya Tea Research. She is dedicated to providing transformative leadership in society driven by integrity, efficient governance structures and inclusivity anchored on her Christian principles. She has an outstanding track record in the quest for social justice as well as to empower and motivate people to be intentional in developing societal structures based on values, equity and equality.</p> |
| 2. |  | <p>Ms. Millicent Ogutu Chairperson, Human Resource and Legal Committee Independent Director</p> <p>A holder of Diploma in Law from Kenya School of Law and Bachelor of Laws from Moi University. Ms. Ogutu is a member of the Law Society of Kenya, an Advocate of the High Court of Kenya. She is a lawyer by profession and Partner at Omuodo Ogutu Advocates. Prior to establishing Omuodo Ogutu Advocates, she was an Associate at S. Musalia Mwenesi Advocates and KN Associates LLP</p> |


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| | | <p>Her passion for the arts has seen her work with several production companies. Millicent has served as Managing Director of Phoenix Players Theatre, the biggest repertory theatre in East and Central Africa, Board Member PRISK – the Performers Rights Collecting Management Organization and Chairperson of the Kenya Copyright Board. Ms. Millicent is an accredited Mediator (MTI international) and Certified Secretary (member of the Institute of Certified Secretaries).</p> |
| 3. |  | <p>Mr. William Wahome Kabera Chairperson, Finance Committee Independent Director</p> <p>A graduate in Food Science and Technology from the University of Nairobi and holds a Diploma in Risk Management. He has also trained in Finance for non-finance managers. He has over 20 years senior management experience in the private sector mostly so with the Coca-Cola Company. He has relevant experience in Strategy, Governance, Operations and Environmental audits. He has previously held various board positions both in public and private sectors.</p> |
| 4. |  | <p>Ms. Fenny. W.S. Mwakisha, MBS Chairperson, Audit Committee Independent Director</p> <p>A holder of Bachelor of Education (Hons) Degree from University of Nairobi and a Masters of Education Degree from McGill University in Montreal, Canada.</p> <p>Ms. Mwakisha started her career as a graduate teacher. Later joined the Ministry of Education and left as a Director of Higher Education. She has served as an Education Attaché at the Kenya High Commission in New Delhi, India. Ms. Mwakisha has served as a trainer at Kenya Education</p> |



| | | |
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| | | Staff Institute and a Curriculum Developer at the Kenya Institute of Education. |
| 5. |  | <p>Prof. Frederick B.J.A. Ngala Chairperson, Programmes and Business Development Committee Independent Director</p> <p>A holder of Doctorate of Philosophy (PhD) in Education Management and Leadership from Kabarak University of Kenya.</p> <p>He is an associate professor, Education Management and Leadership at Kabarak University, the Dean, school of Education at Kabarak University and Director of Music performance at the same university.</p> <p>He has served as Executive chairperson in the Permanent Presidential Music Commission (2000-2002) -3 years. Excellent composer of African Music with over 30 certificates of meritorious performance from Kenya Music festival Foundation.</p> |
| 6. |  | <p>Mr. Nicholas Ole Moipei, HSC Governing Council Member Independent Director</p> <p>A holder of Bachelor of Education (Music) degree from Kenyatta University. He is a career Music teacher, lecturer, trainer and performer by profession. He has taught, lectured and offered consultancy services in various institutions in Kenya. He is the father and manager to the internationally acclaimed Moipei- Quartet, a group comprising a set of triplets and their younger sister. The group has represented Kenya Nationally and Internationally as cultural ambassadors.</p> <p>Was the Chairperson to the Committee that oversaw the successful refurbishment of the Kenya National Theatre between 2014 and 2015. He was the Vice Chairman to the Kenya Music Festival Foundation's National</p> |

| | | |
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| | | <p>Executive Committee, which is mandated with the responsibilities to organize the annual Ministry of Education's Kenya Schools, Colleges and Universities' Music Festivals from 2014 to 2016.</p> <p>Mr. Moipei was the Chairperson of the Kenya Music and Cultural Festivals from 2012 to 2017 and the Chairperson of the Kenya Cultural Centre 2015 to 2018. In 2015, he was the Director to the biannual East African fete - Jumua ya Africa Mashariki Festival (JAMAFEST) which was successfully held in Nairobi.</p> |
| 7. |  | <p>Mr. Eric Kiniti Governing Council Member Independent Director</p> <p>Mr. Kiniti is currently the Group Corporate Relations Director at East African Breweries Limited a subsidiary of Diageo PLC.</p> <p>Has 17 years' experience in public policy, sustainability and communications. He has experience in tax and public policy in the East African Community countries of Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan. Prior to joining EABL in 2011, he worked in British American Tobacco in various roles within the Corporate and Regulatory Affairs department in East Africa.</p> <p>He is a board member at Uganda Breweries Limited, a listed company at the Uganda Securities Exchange and Safe Way Right Way Kenya, an NGO. He is also a member of the Public Relations Society of Kenya (PRSK).</p> <p>He holds a Bachelor of Arts Degree in Economics from Kenyatta University. He is currently pursuing a Master of Science degree in Public Policy Management from the University of London. He is also a graduate of the Leadership Development Programme (LDP) from Gordon Institute of Business (GIBS), South Africa, Advanced Management Programme (AMP)</p> |

| | | |
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| | | from Strathmore Business School and the Fast Forward Leadership Development Programme from Sunwords, Nairobi. |
| 8. |  | <p>Mr. Waihenya Waithaka Governing Council Member Independent Director</p> <p>Mr. Waithaka is a media professional having worked as a journalist in both private and public sectors. He holds a Bachelor’s degree in English and Literature and a Master’s degree in Communication from Leicester University in the United Kingdom.</p> <p>He has worked at the Standard Group of Newspapers where he rose to the position of Associate Editor in charge of magazines. He also served as the newspaper’s Rewrite editor and Editorial Page writer and editor as well as a columnist.</p> <p>He became the Editor in Chief of the Kenya Broadcasting Corporation in 2006, a position he held for over three years. He was appointed the Managing Director of the national broadcaster in 2010 and he held the post for seven years. He also served as the chairperson of Multi-choice Kenya Ltd for seven years</p> <p>He is an author, having written more than seventeen (17) books, both children and adult books and sits on the Boards of two schools.</p> |
| 9. |  | <p>Mr. Edward “Teddy” Muthusi Governing Council Member Independent Director</p> <p>A seasoned Creative Director in the Advertising Industry with vast leadership experience in the region's top advertising agencies and has spearheaded numerous campaigns for Kenya's leading brands.</p> <p>He holds a Bachelor of Arts - International Relations from USIU-Africa. Winner of several marketing and advertising accolades locally and internationally.</p> |

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| | | <p>Awarded Best Host in TV show at the Kalasha Awards as host for the celebrated business reality show KCB Lion's Den.</p> <p>Mr. Muthusi also represented Kenya in the celebrated TV reality show Big Brother Africa.</p> <p>He has broadcasting experience as a senior radio presenter in top rated Kenyan radio stations and has extensive stage performance experience as a Thespian.</p> |
| 10. |  | <p>Ms. Muthoni Garland Governing Council Member Independent Director</p> <p>Founder member of Storymoja, a writer's collective based in Nairobi, Kenya. She is an African author and storyteller who regularly presents in schools and at events. She has performed both in Kenya and the UK and her stories have been published in literally journals in Kenya South Africa UK and USA. She is the author of two novellas published by StoryMoja; Halfway between Nairobi and Dundori and Tracking the Scent of my mother which was shortlisted for the Kaine price.</p> <p>She has also written six children books published by StoryMoja. Her story Kamau's Finish is used as a world literatures text in UK and Americans schools. In the later it is published in a critically acclaimed anthropology compiled by Jane Kurtz; Memories of the sun.</p> |



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| 11. |  | <p>Ms. Fatuma Hassan Governing Council Member Independent Director</p> <p>Pioneer Muslim woman Who fought for Second Liberation articulating Women Rights to Leadership and Positions. Formed and Chaired Women Peace Caravan to initiate peace and Coexistence in Politics and Day to Day life.</p> <p>Among, the First Women to be involved in dialogue for Peace and among the fighting tribes in the clash prone areas. Commended for my efforts to negotiate Peace even in the most difficult times and helped create hope and love among warring tribes. Civic educator to Muslim, Women and Minority groups as whole in order to have their views and Rights incorporated in the New Constitution. Defender for women and family rights, pioneer entrepreneur in Oil business, a mobilizer and an opinion leader.</p> |
| 12. |  | <p>Mr. Kariuki Kagwima Alternate Director Cabinet Secretary, the National Treasury</p> <p>Holds a Bachelor of Business Administration degree, a Diploma in Labour Studies and Management, Certificate in Public Finance management.</p> <p>He is a Certified public Accountant of Kenya CPA(K) and a Certified Internal Auditor holder and a member of institute of Certified Public Accountant of Kenya (ICPAK) and institute of Internal Auditors.</p> |

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| 13. |  | <p>Dr. Kiprop Lagat Alternate Director PS, State Department for Culture and Heritage</p> <p>Director of Culture at the Ministry of Sports, Culture and Heritage. Holds a PhD from the University of East Anglia.</p> <p>Dr. Lagat previously worked as a Principal Research Scientist in the Department of Cultural Heritage at the National Museums of Kenya between 1997 and 2015.</p> <p>He has research interests and has written on processes of memorialisation, museum studies and pastoralism in eastern Africa.</p> |
| 14. |  | <p>Mr. Michael Pundo Executive Director & Secretary to the Governing Council</p> <p>Mr. Pundo is the Accounting Officer of the Kenya Cultural Centre. His major role is to provide strategic leadership and oversee formulation and implementation of policies and programmes that achieve the Centre's mandate, goals, objectives and agreed performance targets.</p> <p>Holds a Bachelor of Education (Arts), a cultural leadership certificate from Africa Arts Institute (AFAI), South Africa, expert in Ethnic Policy and Practice, Certificate in Conflict and Disaster Management and is currently finalising an MSc in Conflict Resolution and Management.</p> <p>He has long standing experience in cultural management and administration. Has spearheaded the organization of various festivals and cultural exchange programmes both national and internationally. He is a performing artist, theatre director and trainer.</p> |

6. Management Team

| | Management | Details |
|----|---|---|
| 1. |  | <p>Michael Pundo Executive Director/ CEO Bachelor of Education- Arts Holder Master of Science in Conflict Resolution and Management (Ongoing)</p> |
| 2. |  | <p>Mollen Achayo Principal Finance Officer Bachelor's degree in Commerce (Finance Option) Certified Public Accountant of Kenya (CPA)K Masters of Business Administration (Finance)On going Certified External Auditor Member of the Institute of Certified Public Accountants of Kenya (ICPAK) Member of the Institute of Internal Auditors (IIA) Member of the Association of Women Accountants in Kenya (AWAK)</p> |
| 3. |  | <p>Kevin Kimani Kahuro Principal Creative Production Officer Certificate in Leadership and Strategic Planning Bachelor of Theatre Arts and Film Technology holder Masters in Film and Theatre Arts PhD in Theatre Management (Ongoing)</p> |

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|----|---|---|
| 4. |  | <p>Ruth Wangui Human Resource & Administrative Officer Certified Public Accountant- Finalist Bachelor of Commerce in Human Resource Management(Ongoing)</p> |
| 5. |  | <p>Elijah Ochieng Otieno Supply Chain Management Officer Bachelor in Management, Purchasing and Supply Chain Master of Business Administration (Ongoing) Member of Kenya Institute of Supplies Management (KISM)</p> |
| 6. |  | <p>Faith Mwendu Legal Officer Bachelor of Laws Post Graduate Diploma In Law Certified Secretary (Ongoing)</p> |

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|----|---|---|
| 7. |  | <p>Monica Oduor Accountant Bachelor of Commerce, Finance Option CPA (K)</p> |
| 8. |  | <p>Robert Nga'nga Internal Auditor Bachelor of Commerce- Finance Option CPA (K) Strategic Leadership Development Senior Management Course</p> |
| 9. |  | <p>Samuel Muli Finance Officer Bachelor's degree in Commerce (Finance Option) CPA Ongoing</p> |

7. Chairperson's Statement



On behalf of the Kenya Cultural Centre Governing Council, I am pleased to present the Annual Report and Financial Statements of the Kenya Cultural Centre (KCC) for the period 1st July, 2021 to 30th June, 2022. In the year under review, the Centre focused on putting in place measures to implement the Kenya Cultural Centre mandate, tightening controls, addressing and resolving historical issues and spreading the reach of the Centre to the whole country. The commitment of the Governing Council members in attending meetings and giving valuable advice together with the management's dedication has helped the Centre achieve its mandate amid the new normal of the Covid-19 Pandemic and mitigating its challenges.

The pandemic led to unprecedented challenges in the creative sector. This opened the eyes for the Centre to come up with innovative ways of serving the citizens of Kenya and the creative industry. Despite these challenges and tough economic situations, the Kenya Cultural Centre is proud to have delivered quality services to our stakeholders within our various cultural spaces and across the 47 counties through various outreach programmes. In the financial year 2021/2022, The Kenya Cultural Centre facilitated diverse creative activities in artistic production processes comprising rehearsals, workshops, trainings, live theatre shows & recordings, musical concerts, festival, Poetry festivals and PAL Mashinani stations.

During the year and the prevailing circumstances, the Centre maintained its spirit of innovation and constantly reimagined how the artists would still benefit from our spaces and services. The Centre took steps to create dialogue in matters Arts through the Kenya Cultural Centre Performing Arts Conference that brought together practitioners, academics and experts in the performing arts. The Centre is keen on being a torchbearer in initiating and fostering discussions and conversations in the cultural and artistic sector with an aim of sharing knowledge, sparking growth and addressing existing and emerging issues in the sector.

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The term of 9 members of Governing Council's term lapsed on 24th January 2022, while 1 members resigned effective 31st January 2022, I would like to thank them for serving The Kenya Cultural Centre so diligently and always putting the Centre first. The sacrifice this team has made in giving service to the Centre, even when funds were not available, is worth commending. We are proud to leave behind an institution with structures that conform to government regulations and a strategic plan which is in its third year of implementation. I wish to commend my fellow Governing Council members for their availability to attend meetings and provide invaluable contribution and guidance to the management in the implementation of the KCC's mandate. I urge us all to continue working as a team in order to address the numerous challenges still ahead of us.

I would like to sincerely thank our valued stakeholders, the Ministry of Sports, Culture and Heritage, the Management and staff of the Kenya Cultural Centre and all the artists who work with the Centre. All of you have played a role in the success so far achieved at the institution. Our theatre is stronger because of your professionalism and dedication. Let us all continue with the collaborations to make Kenya Cultural Centre a space for cultural convergence as we keep *Inspiring Cultural Connections*.

Thank you and may God bless you all.


Kung'u Muigai
Chairperson Governing Council

Date.....13/4/2023.....

8. Report of the Chief Executive Officer



"It's my happiness to see artists leave our venues happy having generated sustainable revenue"

I am pleased to present the Kenya Cultural Centre incorporating Kenya National Theatre (KCC-NT) Annual Report and financial statements for the financial year ended 30th June 2022.

While KCC-NT is commonly known for its state of art proscenium theatre space (Kenya National Theatre), we have put efforts into ensuring that the Centre fulfils its responsibilities as outlined in its Mandate. The Kenya Cultural Centre Act Cap 218, currently under review, mandates KCC to; provide for the performance of music, drama, and dancing; provide for the exhibition of works of art and crafts; hold

meetings for discussions on matters of literary, historical, scientific or educational interest or importance; and carry out other purposes approved by the Council to further the foregoing functions.

Key Achievements

Artists in the creative and cultural industries are our key clients, hence the Centre highly prioritises their needs. In the year under review, KCC-NT did not only provide spaces for performances but also participated in training programs to enable artists to stage quality productions. KCC-NT collaborated with Kenya Universities Performing Arts and Film Association (KUPAA) for artists' workshop in Eldoret; the Central and Eastern Drama Festival Workshop and Ngoma na Sarakasi training. Additionally, KCC-NT partnered with local artists and theatre groups to stage productions in its spaces.

Furthermore, due to the need for a theatre calendar that is aligned to the changing needs in the theatre industry, the Centre has rebranded and operationalized a theatre app platform (theatre.co.ke) and established a digital ticketing platform. Every producer/artist is allowed to submit his or her event on the platform free of charge; regardless of whether the event is happening in the National theatre or not.

Through the Performances After Lunch (PAL) program, KCC-NT has been able to identify and nurture artists' talent through capacity building, networking and partnerships. The Centre desires to give PAL a national outlook; therefore, during the year under review, the Centre has established PAL Mombasa and revamped PAL Kisumu through artists' capacity building. Furthermore, the Centre held PAL Awards to celebrate and award emerging spoken word artists who have grown through the platform. Children are close to our hearts. Accordingly, KCC-NT has put efforts into tapping into children's talents. It engaged in children's activities such as Dance with me and PAL Kids Festival. The children who have exhibited artistic growth through the PAL incubation program were awarded during PAL Kids Festival.

In fulfilling its mandate of providing for the exhibition of works of art and crafts, the Centre offers the Cheche Gallery as a dedicated space for exhibitions. During the financial year under review, we managed to host exhibitions during Kenya International Theatre Festival (KITFEST) and Journalist for Justice.

Additionally, in the year under review, KCC-NT held the first performing arts conference. This aligned with its mandate of holding meetings for discussions on matters of literary, historical, scientific, or educational interest or importance. The conference brought together performing artists, academia, government agencies, development partners, and practitioners to discuss issues on the growth of performing arts in Kenya as well as benchmark with other countries by receiving international presentations on the state of performing arts from across the world. KCC-NT aims at having the conference annually

The Centre values society; hence, it conducted a tree-planting exercise along with Kisumu artists at Kibos School for the Blind in Kisumu County as a way of discharging Corporate Social Responsibility. The Centre also participated in giving Jacob Otieno a decent send-off. It also provided the Main auditorium free of charge to artists during Maina Olwenya's vigil mass after his demise.

The nature of our operations heavily relies on gathering of audiences. In light of the ongoing pandemic coupled up with the MoH guidelines and constant lockdowns, our theatre clients and audiences have been forced to cancel or postpone planned events while those who rent parking spaces have also scaled down, withdrawn or closed shop. These have drastically affected our revenue

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flow. We intend to engage in more creative ways of resource mobilization in the coming years to raise additional financing to help finance the programmes and operations of the Cultural Centre.

The Centre was able to counter the shortage of Human Resources albeit partially during the financial year by recruiting middle-level management staff, who will help propel the Centre's strategic goals. The Centre continues to mobilize for additional finances to fill the remaining top management positions.

I take this opportunity to thank the Kenya Cultural Centre Governing Council (KCC-GC) for being very instrumental in offering valuable support and stewardship of the Centre. I would also wish to thank the State Department for Culture and Heritage for their valuable support and link to other government agencies. The staff of the Kenya Cultural Centre have also put enough effort despite the challenging circumstances to ensure that the Centre meets its mandate and achieves the targets in the performance contract. The Kenya Cultural Centre continues to be a Centre that facilitates the creative expressions, development of talent and job creation for theatre practitioners. We look forward to continued growth of the Kenya Cultural Centre as we strive to serve our clients and stakeholders in the years ahead.


Michael Pundo
CEO/Executive Director

Date...13/4/2023.....

9. Statement of Performance against Predetermined Objectives for FY 2021/2022

The Kenya Cultural Centre has four (4) strategic pillars and objectives within the current Strategic Plan (2019-2024). These strategic pillars are as follows:

Pillar 1: Strengthen institutional capacity for effective service delivery

Pillar 2: Harness and support the development of diversity of Kenya's cultural heritage, expressions and performance industry

Pillar 3: Establish resource sustainability for The Kenya Cultural Centre

Pillar 4: Develop and implement communications plan to increase awareness and participation of key stakeholders

The Kenya Cultural Centre develops its annual work plans based on the above four (4) pillars. Annual work plan assessment is done by the Board on a quarterly basis. The Kenya Cultural Centre achieved its performance targets set for the FY 2021-2022 period for its strategic pillars, as indicated in the diagram below:

| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|---|--|---|---|--|
| Pillar 1: Strengthen institutional capacity for effective service delivery | To establish effective and efficient service delivery | Implementation of Citizens' Service Delivery Charter | Displaying the charter prominently | Service charter prominently displayed |
| | | | Sensitize staff on the Citizens' Service Delivery Charter and train on essentials of excellent customer service culture-Workshop for staff Workshop for artists during PAL | Staff and artists sensitized on the Citizens' Service Delivery Charter |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|---|--|---|--|--|
| | | Youth Internships/ industrial attachment | Engage five (5) interns and seven (7) students on attachment from universities and TVET Institutions | Five (5) interns and seven (7) students on attachment engaged |
| | | | Execute interventions to address the identified skills gaps and training needs through, recruitment, outsourcing, capacity building/training, coaching, mentoring, and conduct staff training to be able to implement the core mandate of the Centre | Four (4) officers employed Three (3) officers trained |
| Pillar 2: Harness and support the development of the diversity of Kenya's cultural heritage, expressions and performance industry | To empower artists and cultural practitioners | Theatre Innovations Implemented | Rebrand and operationalize the Theatre App as a platform for digital content distribution/ | Theatre App rebranded and operationalized |
| | | | Establish a digital ticket purchase platform | Digital ticket purchase platform established |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|------------------|--|--|---|--|
| | Prioritise core programmes that sustainably promote and develop national culture and creativity | | Operationalize the box office to facilitate ticket sales and data collection on theatre revenue | Box office operationalized |
| | | Artistic and Cultural Collaborations & Programmes Implemented | Collaborate with (4) counties in establishing Performances After Lunch (PAL) programs | Established PAL in one (1) county and revamped five (5) existing PALs |
| | | | Partner with local artists and theatre groups in staging twelve (12) performances | Twelve (12) partnerships established |
| | | | Establish collaborations through MOUs with cultural departments of four (4) foreign embassies | Four (4) collaborations implemented |
| | | | Host fifty (50) theatre drama productions by various artists and corporate organizations | One hundred and sixty five (165) theatre drama productions hosted |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|------------------|-----------|---|--|--|
| | | | Organize (4) training programs for artists in collaboration with experts in organizations and other Government Ministries | Four (4) training programs organized |
| | | | Mount four (4) exhibitions of visual arts, culinary, and fashion design | Four (4) exhibitions mounted |
| | | | Establish Acrobatics Wednesday performances | Ngoma na Sarakasi acrobats and percussionists program established |
| | | | Establish Percussionists Friday performances | |
| | | Cultural Creative Industry Developed | Establish an audio-visual recording studio for artists | Audio-visual recording studio established |
| | | | Initiate and implement two (2) community leverage/ corporate social responsibility (CSR) programs with a focus on upcoming local artists | Two (2) CSR programs implemented |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|------------------|-----------|---------------------------------|--|--|
| | | | Hold one (1) virtual research conferences on creative arts | Performing Arts Conference held |
| | | Local Artists Engagement | Hold annual Performances After Lunch (PAL) Award Ceremony and festival | PAL Awards and PAL Festival held |
| | | | Hold two (2) children theatre activities/ performances | Two (2) children theatre activities held |
| | | | Host/partner with two (2) national performing arts festivals | Two (2) national performing arts festivals hosted |
| | | | Hold two (2) competitions in creative arts | Two (2) competitions in creative arts held |
| | | | Hold one (1) puppetry theatre performance | Puppetry theatre performance held |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|--|---|--|--|---|
| Pillar 3: Establish resource sustainability for The Kenya Cultural Centre | To diversify revenue resources to establish a financially strong institution that is responsive to changing financial conditions | Absorption of Allocated Funds (GoK) | Absorb 100% of allocated budget translating to 112,800,000 | 83% of the total budget absorbed |
| | | A.I. A | Raise 28,000,000 from parking fees | 21,776,424 raised from parking fees |
| | | | Raise 12,000,000 from the hire of theatre facilities | 8,722,863 raised from the hire of theatre facilities |
| | | | Raise 2,000,000 from rental income | 2,196,639 raised from rental income |

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| STRATEGIC PILLAR | OBJECTIVE | KEY PERFORMANCE INDICATOR | ACTIVITIES | ACHIEVEMENTS |
|--|--|---|---|---|
| | | Asset Management | Inventory Management -The Kenya Cultural Centre will update and maintain an asset register including their status in terms of the working condition | Updated Asset register |
| Pillar 4: Develop and implement communication s plan to increase awareness and participation of key stakeholders | Develop and implement a marketing and communication s plan | Marketing and Communication Plan Developed | Develop and implement a marketing and communications plan | Marketing and Communication s Plan developed-draft stage |

10. Corporate Governance Statement

The Kenya Cultural Centre Governing Council assumes the forefront and oversight responsibility in the actualization of the core mandate of the Centre. The Council undertakes to provide strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgement.

In the discharge of its responsibility, the Governing Council complies with the highest standards of corporate governance expected of persons holding public offices. The Council comprises members equipped with the requisite skills, competencies and expertise drawn from various sectors of the economy.

Responsibilities of the Governing Council

The roles and responsibilities of the Governing Council include, but not limited to determine the Centre's mission, vision, purpose and core values; review, evaluate and approve, on a regular basis, long-term plans for the Centre; Review, evaluate and approve the annual budgets, financial forecasts and statements; Review, evaluate and approve major resource allocations and capital investments; and Review and approval of policies.

Governing Council Structure and Composition

The Governing Council is made of 14 substantive members as follows; a chairperson appointed by the President of the Republic of Kenya; eleven (11) independent directors appointed by the Cabinet Secretary, Ministry of Sports Culture and Heritage; two (2) alternate directors representing the State Department of Culture and Heritage and the National Treasury; and one (1) executive director who is the Chief Executive Officer of the Centre appointed by the Governing Council. During the year under review, the term of 9 independent directors lapsed on 24th January 2022 and 1 independent director resigned effective 31st January 2022.

The Governing Council carries out its functions through four Committees which are; Programmes and Business Development Committee; Human Resource and Legal Committee; Audit Committee and Finance Committee.

The Committees are allocated specific functions and powers. The Committees upon exercising their responsibilities, make recommendations to the Governing Council for consideration, resolution, approval and/or ratification.

Succession Plan

The independent members of the Governing Council are appointed by the Cabinet Secretary and hold office for a term of 3 years and are eligible for reappointment. The Chairperson, appointed by the President, holds office for a term of two years and is eligible for reappointment. The appointment and reappointment of Council Members is at the discretion of the appointing authority subject to a favourable evaluation. The term of 9 independent directors lapsed on 24th January 2022 and an additional director also resigned effective 31st January 2022. For the period between 25th January 2022 to end of the year under review the composition of the Governing Council was as follows: one (1) independent directors appointed by the Cabinet Secretary, Ministry of Sports Culture and Heritage; two (2) alternate directors representing the State Department of Culture and Heritage and the National Treasury; and one (1) executive director who is the Chief Executive Officer of the Centre.

Charters

The Governing Council and its Committees carry out functions under defined structures and parameters set out in the Charters of the Governing Council and each respective Committees. The Charters have been developed in line with the Kenya Cultural Centre Act, the Code of Governance for State Corporations ('the Mwongozo'), and is complementary to the requirements regarding the Council and Council members contained in applicable Kenyan laws and regulations.

The Charters define the roles of the Governing Council and the Committees, their responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function.

Governing Council Remuneration

The Governing Council and its Committees meet regularly based on a pre-approved Almanac of meetings. The Almanac is prepared based on the SCAC directives on minimum and maximum number of meetings in a Financial Year and the budget allocated for Governing Council expenses.

Governing Council Remuneration Analysis for the Financial Year 2021/2022.

| S/NO. | Description | Amount | Remarks |
|-------|--------------------------------|---|--------------------------|
| 1. | Chairperson's Honoraria | 80,000 | Paid monthly |
| 2. | Sitting Allowance | 20,000 | Per meeting |
| 3. | Domestic Subsistence Allowance | 18,200 | Paid per day |
| 4. | Mileage Allowance | - | AA rates are applicable |
| 5. | Airtime | 5,000 2,000 | Mobile phone Landline |
| 6. | Group Personal Accident | 500,000 | Procured competitively |
| 7. | Medical Cover | Inpatient Kshs. 2M Outpatient Kshs. 0.1M | |

Governing Council and Committee Meetings

The Governing Council and its Committees held meetings for approximately half of the Financial Year 2021/2022. The term of 9 members of the Governing Council lapsed on 24th January 2022 whereas 1 member resigned therefore due to lack of quorum, the Governing Council did not hold meetings between 25th January 2022 to the end of the year under review.

The Governing Council held meetings as follows in the year under review:

| No. | Committee | No. of Meetings |
|-----|---|-----------------|
| 1. | Governing Council | 4 |
| 2. | Programmes and Business Development Committee | 2 |
| 3. | Finance Committee | 2 |
| 4. | Human Resource and Legal Committee | 2 |
| 5. | Audit Committee | 2 |

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Governing Council Attendance

| Name Of Council Member | Council Position | Status | Number Of Meetings Held | Number Of Meetings Attended |
|------------------------------|---|----------------------|-------------------------|-----------------------------|
| Mrs. Ogla Karani | Chairperson Governing Council | Independent Director | 4 | 4 |
| Prof. Frederick Ngala | Chairperson Programmes and Business Development Committee | Independent Director | 4 | 4 |
| Ms. Millicent Ogutu | Chairperson Human Resource and Legal Committee | Independent Director | 4 | 4 |
| Ms. Fenny W.S. Mwakisha, MBS | Chairperson Audit Committee | Independent Director | 4 | 4 |
| Mr. Wahome Kabera | Chairperson Finance Committee | Independent Director | 4 | 4 |
| Mr. Nicholas Ole Moipei, HSC | Governing Council Member | Independent Director | 4 | 4 |

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| | | | | |
|-----------------------|---|----------------------|---|---|
| Mr. Edward Muthusi | Governing Council Member | Independent Director | 4 | 4 |
| Mr. Eric Kiniti | Governing Council Member | Independent Director | 4 | 3 |
| Ms. Muthoni Garland | Governing Council Member | Independent Director | 4 | 3 |
| Mr. Waithaka Waihenya | Governing Council Member | Independent Director | 4 | 4 |
| Ms. Fatuma Hassan | Governing Council Member | Independent Director | 4 | 4 |
| Dr. Kiprop Lagat | Alternate Director to the Principal Secretary (PS) State Department of Culture and Heritage | Alternate Director | 4 | 3 |
| Mr. James Kagwima | Alternate Director to the Cabinet Secretary the National Treasury | Alternate Director | 4 | 4 |
| Mr. Michael Pundo | Chief Executive Officer of the Kenya Cultural Centre | Executive Director | 4 | 4 |

Programmes Committee Attendance

| Governing Council Member | Date when meeting was held | | | | |
|------------------------------|----------------------------|------------|--|--|--|
| | 13/8/2021 | 10/11/2021 | | | |
| Prof. Frederick Ngala | ✓ | ✓ | | | |
| Mr. Nicholas Ole Moipei, HSC | ✓ | ✓ | | | |
| Mr. Waithaka Waihenya | ✓ | ✓ | | | |
| Ms. Millicent Ogutu | ✓ | ✓ | | | |
| Mr. Edward Muthusi | ✓ | ✓ | | | |
| Ms. Muthoni Garland | X | ✓ | | | |
| Dr. Kiprop Lagat | ✓ | ✓ | | | |
| Mr. James Kagwima | ✓ | ✓ | | | |
| Mr. Michael Pundo | ✓ | ✓ | | | |

Human Resource and Legal Committee

| Governing Council Member | Date when meeting was held | | | |
|---------------------------------|----------------------------|------------|--|--|
| | 3/8/2021 | 19/10/2021 | | |
| Ms. Millicent Ogutu | ✓ | ✓ | | |
| Mr. Nicholas Ole Moipei, HSC | ✓ | ✓ | | |
| Mr. Waithaka Waihenya | ✓ | ✓ | | |
| Ms. Fatuma Hassan | ✓ | ✓ | | |
| Ms. Fenny W.S. Mwakisha, MBS | ✓ | ✓ | | |
| Mr. Eric Kiniti | X | ✓ | | |
| Ms. Muthoni Garland | ✓ | ✓ | | |
| Dr. Kiprop Lagat | ✓ | ✓ | | |
| Mr. James Kagwima | ✓ | ✓ | | |
| Mr. Michael Pundo | ✓ | ✓ | | |

Finance Committee Meeting Attendances

| Governing Council Member | Date when meeting was held | | | | |
|--------------------------|----------------------------|-----------|--|--|--|
| | 21/9/2021 | 7/12/2021 | | | |
| Mr. William Wahome | ✓ | ✓ | | | |
| Mr. Eric Kiniti | X | ✓ | | | |
| Prof. Frederick Ngala | ✓ | ✓ | | | |
| Ms. Fatuma Hassan | ✓ | ✓ | | | |
| Mr. James Kagwima | ✓ | ✓ | | | |
| Dr. Kiprop Lagat | ✓ | ✓ | | | |
| Mr. Michael Pundo | ✓ | ✓ | | | |

Audit Committee Attendance

| Governing Council Member | Date when meeting was held | | | |
|---------------------------------|----------------------------|------------|--|--|
| | 8/9/2021 | 10/12/2021 | | |
| Ms. Fenny W.S. Mwakisha, MBS | ✓ | ✓ | | |
| Mr. Nicholas Ole Moipei, HSC | ✓ | ✓ | | |
| Mr. Edward Muthusi | ✓ | ✓ | | |
| Ms. Muthoni Garland | X | ✓ | | |
| Mr. James Kagwima | ✓ | ✓ | | |
| Dr. Kiprop Lagat | ✓ | ✓ | | |

Board Training and Induction

Governing Council members undertook various trainings on good governance to enable the Council members to keep abreast with best practices and to improve their abilities as the oversight authority of the institution.

Declaration of Conflict of Interest

Governing Council members are required to avoid conflict of interest in any matter that relates to the Centre. Council members are expected to declare any real or perceived conflict of interest with the Centre upon appointment to the Council and at every meeting.

A Governing Council member who subsequently identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council, and provide all relevant information and abstain from decision where the conflict exists.

Declaration of conflict of interest is a standard agenda item which is addressed at the onset of each Council and Committee meeting and minuted. Where a conflict is declared, it is recorded in the Register of Conflict of Interest.

The Council has put in place a Conflict-of-Interest Policy. No conflict of interest was declared by the Council members in the Financial Year 2021/2022.

Governing Council Performance

The Governing Council undertakes annual evaluation facilitated by the State Corporation Advisory Committee (SCAC) to appraise the general Council performance, Individual Directors and the Executive Director's performance. The Council performance evaluation is based on the SCAC appraisal tools and guided by a Circular from the Head of Public Service.

The appraisal performance areas covered are mandate strategy and performance contract; function of the Council; meetings management and procedures; Council composition, induction, training, development and succession; information and communication; and Council structure.

11. Management Discussion and Analysis

While discharging its mandate, the Centre seeks to enhance efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the Kenya Cultural Centre.

Bearing in mind the imperative of inclusivity, KCC-NT continues to implement the strategic intentions that are outlined in the strategic plan (2019-2024) of the Centre. In the financial year under review, the Kenya Cultural Centre undertook various programs that contributed to the development of Kenya's cultural heritage, artistic expressions and performances.

The Centre held the first ever Performing Arts Conference in Kenya that focussed on decolonization, intercultural collaboration and social disruption sparking the need to embrace technology, expand national theatre spaces, review guidelines in art to be more inclusive of different voices, develop performing art components in the Competency-based Curriculum (CBC) and the importance of holding the conference at least annually.

Due to the need of a theatre calendar that is aligned to the changing needs in the theatre industry, the Centre rebranded and operationalized a theatre app platform and established a digital ticketing platform with the intention to provide a dissemination platform for theatrical content only, ranging from plays, poetry, stand-up comedy, dance, set book performances, public shows among other theatrical performances through a website and mobile phone applications. The application was developed in order to provide an opportunity for producers to reach a higher number of audiences hence generating more income for artists.

The Centre is charged with a mandate to provide for the exhibition of arts and crafts and as such it has a dedicated exhibition space- the Cheche Gallery- that has been recently renovated to enhance and attract more exhibitions. During the financial year under review, the Centre managed to host several art exhibitions ranging from book exhibitions, a major cartoon exhibition by Journalists for Justice and other visual art exhibitions. The Centre managed to mount a body art and fashion design exhibition in Mombasa County during the Performances After Lunch (PAL) collaboration programme with the County Government of Mombasa.



In fulfilling its mandate of providing for the performance of music, drama and dance, the Centre runs Performance After Lunch (PAL), a programme that seeks to identify, develop and nurture artists' talent through capacity building, networking and partnerships. Similarly, the Centre continues to partner with other organisations in mounting competitions and performances that target upcoming artists. Notably, during the period under review, a partnership between KCC-NT and the Talent Industry Limited saw successful mounting of the East Africa Poetic Hour Battle Competition in Kisumu County. The competition attracted participants from the East African Region who took home cash awards, certificates and trophies.



The Centre has continuously established partnerships with theatre groups and institutions in staging performances and events geared towards encouraging a theatre-going culture including the Kenya Theatre Awards and the Kenya International Theatre Festival (KITFEST). Similarly, the Centre continues to collaborate with foreign embassies including the Spanish, Chinese and US Embassies to enhance the Theatre industry in Kenya.

The Centre organises and takes part in training programs and workshops aimed at ensuring that artists are staging quality productions for instance Kenya Universities Performing Arts and Film Association (KUPAA) for artists' workshops, the Central and Eastern Drama Festival Workshop and Ngoma na Sarakasi training.

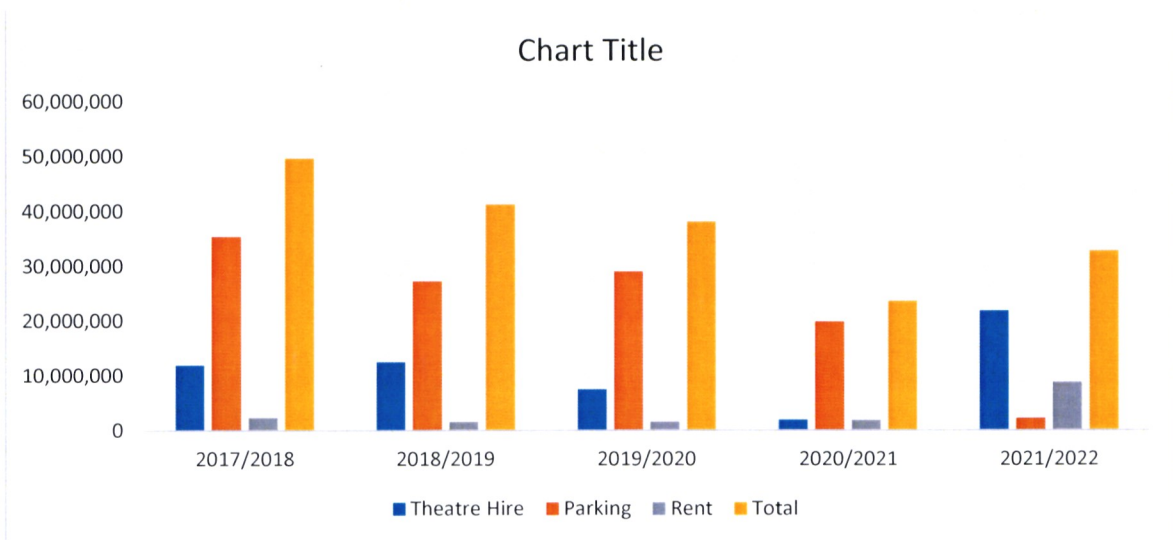
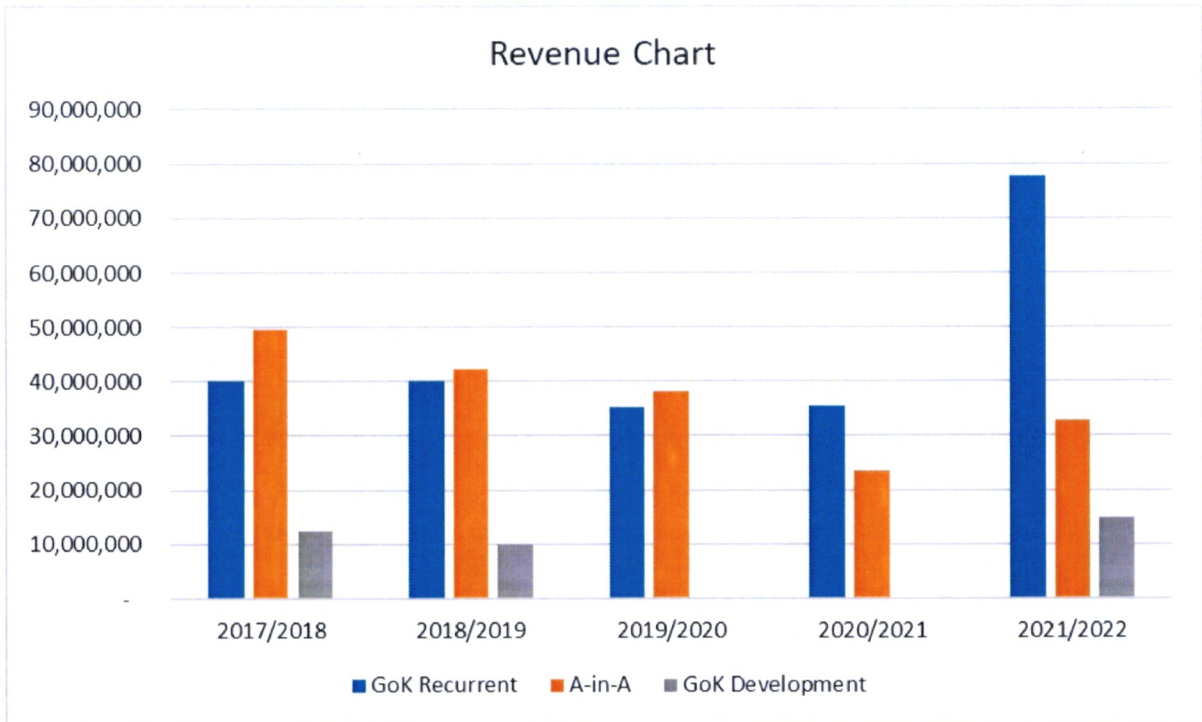
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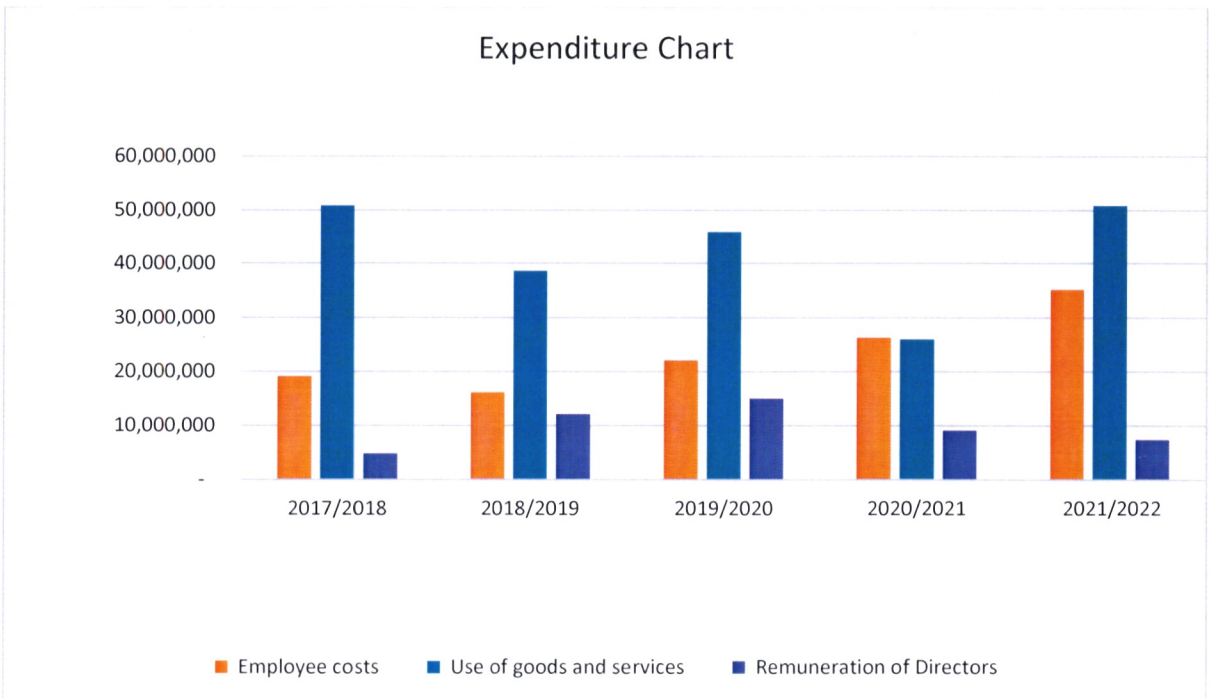
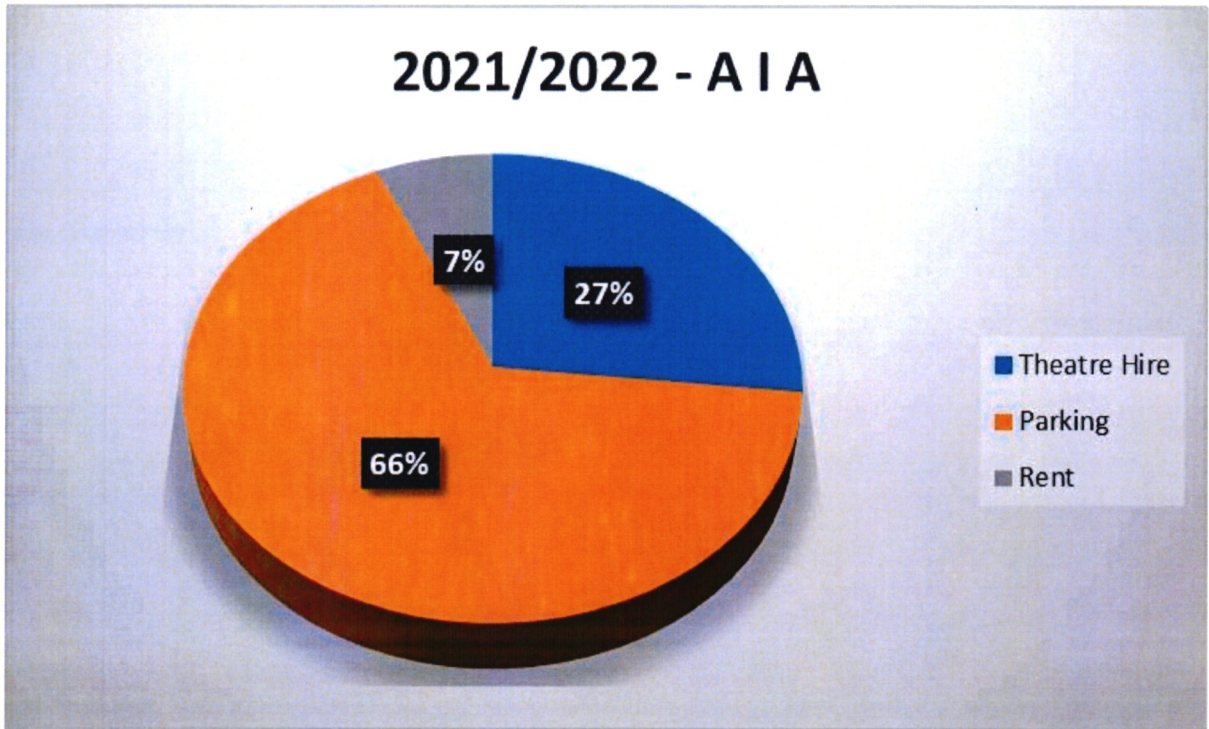


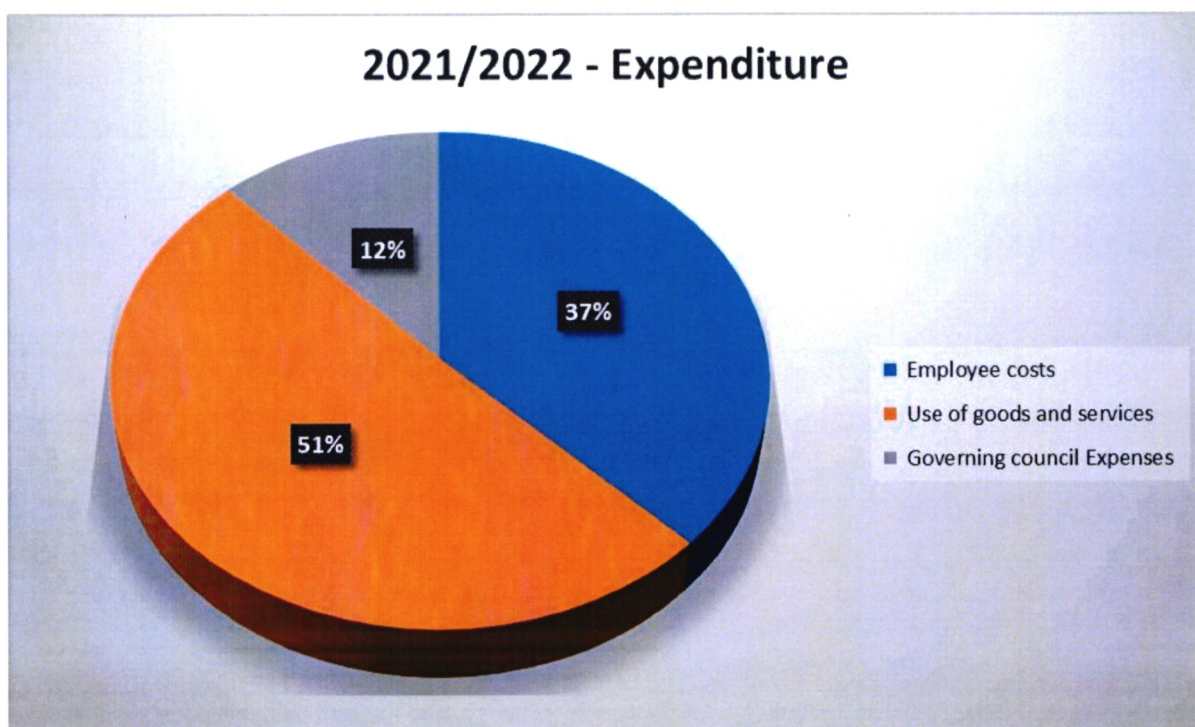
Central and Eastern Regions Universities Drama and Film Festivals 2022 Drama and Film Workshop for University and College Students held at Kenyatta University, Kitui Campus

KCC-NT has put effort into tapping into children's talents. Accordingly, it engaged in children's activities such as the Talent Incubation Programme (TIP) and PAL Kids Festival.

Financial Performance







Kenya Cultural Centre Key Projects Implemented and Ongoing

The Centre is working on the development of the International Arts and Culture Centre building. The new physical facility will address gaps in the Centre's current cultural service delivery; facilities needed to expand stakeholder participation and broaden the impact of culture to all communities and assure increased impact of existing cultural assets for at least thirty years. We are developing a facility that will help the Centre tap into emerging cultural opportunities and stake out a new identity through an invigorated national identity.

In the year under review, the Centre established an audio-visual recording studio to enable artists package the lyrical voices of their recordings into a production fit for public broadcast, general viewership and create Public Service Announcements (PSA's) with messages that support communal growth. The Centre also renovated some of its facilities and made installations aimed at improving service delivery.



Kenya Cultural Centre Compliance with Statutory Requirements

The Centre has always endeavoured to comply with all statutory requirements in all its operations. Some of these requirements are; Public Finance Management Act, Public Procurement Asset and Disposal Act, Human Resource Development and Procedure Manual among other regulations and circulars released from time to time.

Operational Risks

- Limited Human Resource capacity to facilitate the provision of efficient and effective services.
- Inadequate infrastructural capacity and maintenance for conduct of theatrical performances and administration of services. The Centre's physical facilities are inadequate to meet the present and future needs.
- Competition from established and upcoming theatres and institutions.

Review of the economy, review of the sector, future developments and any other information considered relevant to the users of the financial statements.)

The Centre has great potential in contributing to the GDP of the Nation. Being the oldest and the best equipped theatre space in the country, its contribution to the creative economy sector cannot be understated. Even though the operations and productions mounted on the space were disrupted by the pandemic, producers and theatre practitioners still reaped substantial income on the few productions they managed to stage at the space.

To conform to emerging trends and international standards in provision of theatre spaces, there is a need to carry out extensive development that is geared towards making the theatre space more responsive to the current needs of our clients. To this end, the development of the International Arts and Culture Centre is of the highest priority since it is geared towards achieving the objectives of Vision 2030 under the social pillar.

12. Environmental and Sustainability Reporting

The Kenya Cultural Centre exists for the purpose of safeguarding, promotion, celebration and development of culture, arts and creativity. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the client's satisfaction first, delivering quality services, and improving operational excellence. Below is an outline of the Centre's policies and activities that promote sustainability:

i) Sustainability strategy and profile

The Kenya Cultural Centre continues to deliberately build effective relationships with stakeholders both internally and externally to unlock opportunities in our continued pursuit of excellent operational results. We are broadening our horizons by developing partnerships with best practice companies in theatre operations and maintenance to scale-up our knowledge in readiness for emerging challenges like the Covid 19 pandemic, technological changes and economical changes.

ii) Environmental performance

The Centre ensured that environmental conservation remained a key focus in its operations. During the year, the Centre worked with communities in its operational areas to raise awareness of environmental conservation and promote planting of indigenous and fruit trees, a long-term initiative aimed at contributing to food safety, minimise the impact of climate change and also expand livelihood opportunities through the growing of fast-maturing, commercial trees.

During the financial year under review, the Centre provided indigenous and fruit tree seedlings that were planted at Kibos School for the Blind in Kisumu County and at the Centre during the mental health awareness week programme.



Tree-planting exercise at the Kibos School for the Blind



Various Staff and Stakeholders planting trees during the Mental Health Awareness Week Program

Our administration section conducted regular walk-around surveys of the Centre to see if the Centre was using energy and water efficiently and whether measures to reduce waste and pollution were effective and optimal.

The Centre has adopted sustainable usage of electricity by ensuring that only energy-saving bulbs and solar-panel lighting are used in the Centre's facilities. We also ensured that the Centre's environment was kept clean through regular garbage and sanitary collection, fumigation and pest control.

iii) Employee welfare

The Centre's selection and recruitment process were guided by the approved Human Resource Instruments which include Human Resource Policies and Procedures, Organisation Structure, Grading and Staff Establishment, Career Guidelines manuals, the Employment Act, 2007 and other government policy guidelines released from time to time. These guidelines ensured that the Centre provided equal employment opportunities to all of its stakeholders and evaded lawsuits that could have risen from cases of discrimination and violation of employees' rights.

To ensure transparency and inclusion in our hiring process, the Centre advertised all job vacancies through the local dailies, social media platforms, notice boards and the Centre's website.

For succession planning and business continuity, Centre has a youthful workforce constituting about 56% of the total thirty-three (33) employees. The Centre also ensured gender balance in its staff with a composition of 16 females and 17 males.

We made efforts in improving skills and managing careers through continued staff training and mentorship programs. The Centre also recognized exemplary performances through commendation letters among other reward systems as guided by the public service manuals and policies.

During the financial year, the Centre committed to providing and maintaining work conditions, equipment, and systems of work, which are safe and healthy for all our stakeholders including employees, artists, visitors, and other persons at/or near our operations.

To further adhere to safety and health measures, the Centre procured Group Personal Accident Cover to include WIBA and a Medical Cover for its employees.

During these Covid-19 times, the Centre continued to provide its employees with appropriate personal protective equipment (PPE) providing additional protection to workers exposed to workplace hazards. This has ensured reduced accidents within our facilities thereby reducing incidental costs.

iv) Marketplace practices-

The Kenya Cultural Centre undertakes the following marketplace practices:

a) Responsible competition practice.

Kenya Cultural Centre competitively prequalifies its service providers biennially and continuously updates the list to include the disadvantaged groups namely the Youth, Women and Persons Living with Disabilities. The prequalification exercise is usually done without discrimination.

b) Responsible Supply chain and supplier relations

Kenya Cultural Centre maintains good business practices, treats its own suppliers responsibly by honouring contracts and payment processes as a practice. This is done through streamlining supplier data from disparate sources to gain meaningful insight, collaborating with suppliers to improve supplier relationship management, monitoring supplier capabilities to fit the current and future demands, evaluating supplier risk and identifying mitigating measures.

c) Responsible marketing and advertisement

The Centre uses its official website www.kenyaculturalcentre.co.ke, local dailies, and/or social media platforms for tender advertisements, job opportunities, events happening at the institution as well as collaborations with other entities and the County Governments.

The Centre has also installed a service charter that provides standard price for theatre hiring.

d) Product stewardship

The Centre safeguards consumer rights and interests by ensuring availability of sound, light, security and technical personnel whenever a client has a production. Regular repair and maintenance are done to maintain the initial status quo of the theatre. Client deposits are refunded on a timely basis and the theatre hiring contracts are honoured.

v) Corporate Social Responsibility / Community Engagements

The Kenya Cultural Centre is committed to building sustainable community relations with its environment and understands the value of social acceptance.

The Centre's Corporate Social Responsibility (CSR) is geared at reaching out to communities related to its core mandate and is in line with culture and talent development. The CSR program reaches out to schools, communities and institutions in the informal settlement as well as other cultural organisations and institutions. In the year under review, KCC-NT visited Kibos School for the Blind in Kisumu County– an institution that has students with special needs but yet super talented, with an aim of sparking more interest in art and establishing the Talent Incubation Program within Kisumu County that would then include these students.

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Centre's affairs.

i) Principal activities

The principal activities of the Centre continue to be;

- a) Provide for the performance of music, drama and dance.
- b) Provide for the exhibition of works of arts and craft
- c) Hold meetings for discussion and matters of literary, historical, scientific or educational interest or importance.

Carry out other purposes approved by the Council to further the foregoing functions

ii) Results

The results of the Entity for the year ended June 30, 2022, are set out on page 1-41.

iii) Directors

The members of the Board of Directors who served during the year are shown on page viii-xv. During the year the term of 9 Directors lapsed on 24th January 2022 and 1 director resigned effective 31st January 2022. There were no appointments to the Governing Council during the year.

iv) Auditors

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

By Order of the Board



.....
Michael Pundo
Secretary to the Board

14. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012, Section 26 of the Public Procurement and Asset Disposal Act, and Section 14 of the State Corporations Act require the Board of Directors to prepare financial statements in respect of that Centre, which give a true and fair view of the state of affairs of the Centre at the end of the financial year/period and the operating results of the Centre for that year/period. The Directors are also required to ensure that the Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the Centre. The Directors are also responsible for safeguarding the assets of the Centre.

The Directors are responsible for the preparation and presentation of the Centre's financial statements, which give a true and fair view of the state of affairs of the Centre for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Centre; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Centre; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Centre's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the Public Procurement and Asset Disposal Act and the State Corporations Act. The Directors are of the opinion that the Centre's financial statements give a true and fair view of the state of Centre's transactions during the financial year ended June 30, 2022, and of the Centre's financial position as at that date.

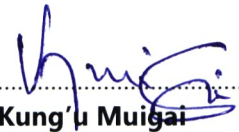
The Directors further confirm the completeness of the accounting records maintained for the Centre, which have been relied upon in the preparation of the Centre's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

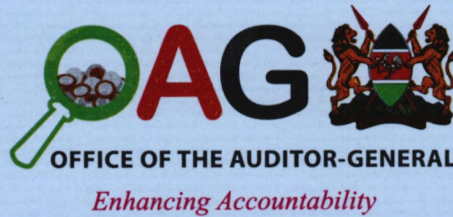
The Centre's financial statements were approved by the Board on 13/4/2023 and signed on its behalf by:


.....
Kung'u Muigai
Chairperson to the Board


.....
Michael Pundo
CEO/Executive Director

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA CULTURAL CENTRE FOR THE YEAR ENDED 30 JUNE, 2022

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 the 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.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Kenya Cultural Centre set out on pages 1 to 43, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes 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

Report of the Auditor-General on Kenya Cultural Centre for the Year Ended 30 June, 2022

information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Cultural Centre as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Cultural Act, Cap 218 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Value of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 17 to the financial statements reflects property, plant and equipment balance of Kshs.388,543,072 which includes land and building valued at Kshs.333,998,409. However, the basis upon which valuation of the building and land was determined could not be confirmed as no valuation report in support of the amount was provided for audit review.

In the circumstances, the accuracy and valuation of property, plant and equipment balance of Kshs.388,543,072 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Cultural Centre Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.93,512,428 against an approved budget of Kshs.112,800,000 resulting to an under-expenditure of Kshs.19,287,572 or 17% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the previous year's report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources.

The issues remained unresolved, and Management did not provide reasons for the delay in resolving the prior year audit issues.

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. Lack of Approved Training Needs Assessment Plan

Note 13 to the financial statements reflects Kshs.24,638,948 in respect of use of goods and services, out of which Kshs.1,849,453 is in respect of training expenses. Review of the expenditure records however, revealed that there was no training needs assessment done, contrary to Policy no. 9.3.1 of the Human Resource Policies and Procedures Manual which require that training be based on the Training Needs Assessment (TNA) that should be conducted annually.

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

2. Skewed Contract with KAPS

Note 7 to the financial statements reflects revenue from exchange transactions-rendering of services amount of Kshs.32,695,926 out of which Kshs.21,776,424 is in respect of revenue collected from parking fees. However, the contract for provision of the digital parking services was found to be skewed in favor of Kenya Airports Parking System (KAPS) as it permitted the firm to deduct their service charge from the gross collections instead of remitting the amount in full and separately billing for its agency fees.

In the circumstances, the Centre may not realise value for money from the contract in place.

3. Lack of Licensed Supplies Practitioner

The Centre carried out several procurements for goods and services amounting to Kshs.24,638,948 during the year under review. However, it was noted that the Centre did not have a licensed supplies practitioner or alternatively did not engage the services of licensed procurement agents. This contravened Circular by Kenya Institute of Supplies Management (KISM) registrar/Ag. CEO No. KISM 2022/299 dated 1 March, 2022 and Sections 16,17,18,20 and 21 of Supplies Practitioners Management Act, 2007 which requires that all Supplies Practitioners must be registered and licensed to practice by KISM.

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

4. Irregularities in Appointment of Board of Directors

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects board expenses of Kshs.7,453,835. However, review of board records revealed that the Centre had thirteen Board Members instead of twelve for the period of seven months contrary to Section 3(1) of the Kenya Cultural Act, Cap 218 which states that the council shall consist of not less than five nor more than thirteen persons appointed by the Minister. Further, the term of 9 members expired on 24 January, 2022 with another director resigning on 31 January, 2022 leading to vacancies in the Board that have not been filled. In addition, it was noted that the Board minutes were not maintained in the minute book nor signed by the Chief Executive Officer or the Board Secretary.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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

Non-Authentication of Academic Certificates

A review of sampled seventeen (17) personal files revealed that the staff were engaged on permanent or contractual basis with some having been promoted after acquiring additional qualifications. However, there was no evidence that the academic papers of these members of staff were authenticated by the Kenya National Qualification Authority for local qualifications or Commission of University Education for foreign qualifications. Further, it was also revealed that there was no approved staff establishment, human resource policy, and career progression guidelines in place to guide on placements and promotions.

In the circumstances, the effectiveness of the human resource internal control mechanisms 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.

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 May, 2023

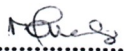
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16. Statement of Financial Performance for the year ended 30 June 2022

| | Notes | 2021-2022 | Restated 2020-2021 |
|---|-------|--------------------|-----------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from other governments entities | 6 | 77,800,000 | 35,500,000 |
| Revenue from exchange transactions | | | |
| Rendering of services | 7 | 32,695,926 | 23,574,167 |
| Total revenue | | 110,495,926 | 59,074,167 |
| Expenses | | | |
| Employee costs | 8 | 35,180,996 | 26,327,939 |
| Board expenses | 9 | 7,453,835 | 9,162,808 |
| Depreciation and Amortization Expense | 10 | 1,381,483 | 1,598,868 |
| Repair & Maintenance | 11 | 17,157,320 | 1,350,466 |
| Contracted Services | 12 | 7,699,847 | 7,521,721 |
| Use of goods and services | 13 | 24,638,948 | 15,503,019 |
| Total expenses | | 93,512,428 | 61,464,822 |
| Surplus/(deficit) for the period/year | | 16,983,497 | (2,390,655) |

The notes set out on pages 8 to 41 form an integral part of these Financial Statements.

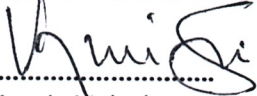
The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



 Michael Pundo
CEO/Executive director
 Date.....



 Monica Oduor
Accountant
 ICPAK No.30047




 Kung'u Muigai
Chairperson of the Governing Council
 Date.....


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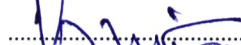
✓ 14 Statement of Financial Position as at 30 June 2022

| | Notes | 2021-2022 | Restated 2020-2021 |
|---|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 14 | 26,218,212 | 3,435,382 |
| Receivables | 15 | 1,323,472 | 2,096,583 |
| Prepayments | 16 | 3,360,881 | 3,360,881 |
| Total Current Assets | | 30,902,565 | 8,892,846 |
| Non-Current Assets | | | |
| Property, plant and equipment | 17 | 388,543,072 | 365,490,252 |
| Total Non- Current Assets | | 388,543,072 | 365,490,252 |
| Total Assets | | 419,445,637 | 374,383,098 |
| Liabilities | | | |
| Current Liabilities | | | |
| Employee benefit obligation | 18 | 7,913,668 | 6,729,111 |
| Trade and other payables | 19 | 79,059,060 | 67,245,575 |
| Refundable Deposits | 20 | 10,566,000 | 185,000 |
| Total current liabilities | | 97,538,728 | 74,159,686 |
| Net Assets | | | |
| Capital Reserve | 21 | 99,626,527 | 94,926,527 |
| Revaluation reserve | 21 | 2,517,112 | 2,517,112 |
| Accumulated surplus | 22 | 219,763,270 | 202,779,773 |
| Total Net Assets | | 321,906,909 | 300,223,412 |
| Total Net Assets and Liabilities | | 419,445,637 | 374,383,098 |

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:


.....
Michael Pundo
CEO/Executive director
Date...13/4/2023


.....
Monica Oduor
Accountant
ICPAK No.30047


.....
Kung'u Muigai
Chairperson of the Council
Date...13/4/2023

Kenya Cultural Centre
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✓ **15 Statement of Changes in Net Assets for the year ended 30 June 2022**

| | Capital Fund | Accumulated Surplus | Revaluation reserve | Total Fund |
|-----------------------------------|---------------------|----------------------------|----------------------------|--------------------|
| | Kshs | Kshs | Kshs | Ksh |
| At 1 July 2020 | 94,926,527 | 205,170,428 | 2,517,112 | 302,614,067 |
| Surplus /(Deficit) for the period | | (2,390,655) | | (2,390,655) |
| At 30 June 2021 | 94,926,527 | 202,779,773 | 2,517,112 | 300,223,412 |
| At 1 July 2021 | 94,926,527 | 202,779,773 | 2,517,112 | 300,223,412 |
| Surplus for the period | | 16,983,497 | - | 16,983,497 |
| Capital fund during the period | 4,700,000 | | | 4,700,000 |
| At 30 June 2022 | 99,626,527 | 219,763,270 | 2,517,112 | 321,906,909 |


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✓ **16. Statement of Cash Flows for the year ended 30 June 2022**


| | | 2021-2022 | Restated 2020-2021 |
|---|--------------|--------------------|-------------------------------|
| | Notes | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Net Surplus of the year | | 16,983,497 | (2,390,655) |
| Adjusted for: | | | |
| Depreciation written back | 10 | 1,381,483 | 1,598,868 |
| | | 18,364,980 | (791,786) |
| Working capital changes | | | |
| (Increase)/Decrease in receivable | 15 | 773,111 | 2,630,321 |
| (Increase)/Decrease in prepayment | 16 | - | (3,360,881) |
| Increase / (Decrease) in employer benefit obligations | 18 | 1,184,557 | 2,654,022 |
| Increase / (Decrease) in accounts payable | 19 | 11,813,485 | (947,734) |
| Increase /(Decrease) in refundable deposits | 20 | 381,000 | 185,000 |
| Cash generated from operations | | 14,152,153 | 1,160,728 |
| Net cash flows from/used in operating activities | | 32,517,133 | 368,942 |
| Cash flows from investing activities | | | |
| Purchase of Property & Equipment | 17 | (24,434,303) | (854,950) |
| Artist Stimulus paid out | 20 | - | (8,600,902) |
| Recording studio development grant | 6(ii) | 4,700,000 | - |
| Marachi development grant | 6(ii) | 10,000,000 | - |
| Net cash from/ used in investing activities | | (9,734,303) | (9,455,852) |
| Net increase/(decrease) in cash and cash equivalent in the year | | 22,782,830 | (9,086,910) |
| Cash and cash equivalents as 1 July 2021 | | 3,435,382 | 12,522,292 |
| Cash and cash equivalents as 30 June 2021 & 30 June 2022 | | 26,218,212 | 3,435,382 |

Kenya Cultural Centre
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for the year ended June 30, 2022.

The notes set out on pages 8 to 41 form an integral part of these Financial Statements.
The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:


.....
Michael Pundo
CEO/Executive Director
Date...13/4/2023


.....
Monica Oduor
Accountant
ICPAK No.30047


.....
Kung'u Muigai
Chairperson of the Council
Date...13/4/2023

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✓ 17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

| | Original budget | Adjustments | Final Budget | Actual on comparable basis | Performance difference | % of utilization |
|--|-------------------|-------------------|--------------------|----------------------------|------------------------|------------------|
| Revenue | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | |
| | Ksh | | Ksh | Ksh | Ksh | |
| Transfers from other government entities (Recurrent grant) | 37,800,000 | 40,000,000 | 77,800,000 | 77,800,000 | - | 100% |
| Rendering of services | 42,000,000 | (7,000,000) | 35,000,000 | 32,695,926 | (2,304,075) | 93% |
| Total Income | 79,800,000 | 33,000,000 | 112,800,000 | 110,495,926 | (2,304,075) | 98% |
| Expenses | | | | | | |
| Employee Costs | 30,857,688 | 2,200,000 | 33,057,688 | 35,180,996 | (2,123,308) | 106% |
| Use of goods and services | 25,082,972 | 2,800,000 | 27,882,972 | 24,638,948 | 3,244,024 | 88% |
| Remuneration of Directors | 10,000,000 | - | 10,000,000 | 7,453,835 | 2,546,165 | 75% |
| Contracted services | 8,200,000 | - | 8,200,000 | 7,699,847 | 500,153 | 94% |
| Repair & Maintenance | 3,149,340 | 28,000,000 | 31,149,340 | 17,157,320 | 13,992,020 | 55% |
| Depreciation and amortization expense | 2,510,000 | - | 2,510,000 | 1,381,483 | 1,128,517 | 55% |
| Total Expenditure | 79,800,000 | 33,000,000 | 112,800,000 | 93,512,428 | 19,287,572 | 83% |
| Surplus /Deficit for the period | - | - | - | 16,983,497 | (21,591,646) | |
| Capital expenditure | - | - | 4,700,000 | 4,700,000 | 0 | 100% |

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Notes to the budget

- a) The overutilization in employee costs is attributed to introduction of overtime allowances for technical staff working over the weekends
- b) The underutilization in use of goods and services was attributed to unspent foreign travel costs occasioned by the outbreak of Corona Pandemic.
- c) The underutilization of board expenses is attributed to expiry of the Council term in the course of the financial year.
- d) The under expenditure on repairs and maintenance is attributed to some pending BQS which were yet to be finalized by 30th June.

N/B: The original budget varies from the final budget due to additional funds received in the period under review

✓ **18. Notes to the Financial Statements**

1. General Information

The Kenya Cultural Centre is established through an Act of Parliament cap 218 of 1951 from which it derives its authority. The Centre is wholly owned by the Government of Kenya and is domiciled in Kenya.

The principal activity of the Centre is to:

- d) Provide for the performance of music, drama and dance.
- e) Provide for the exhibition of works of arts and craft
- f) Hold meetings for discussion and matters of literary, historical, scientific or educational interest or importance.
- g) Carry out other purposes approved by the Council to further the foregoing functions.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Centre.

The accounting policies adopted have been consistently applied to all the years presented. The Centre's financial statements have been prepared on a historical cost basis unless stated otherwise. The cash flow statement has been prepared using the indirect method. The financial statements prepared using accrual basis.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

| Standard | Effective date and impact: |
|---|--|
| <p>IPSAS 41: Financial Instruments</p> | <p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model |

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| Standard | Effective date and impact: |
|---|--|
| | <p>develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p>The Centre does not have financial instruments or assets that require application of this standard in the period under review.</p> |
| <p>IPSAS 42: Social Benefits</p> | <p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>The centre did not early adopt provisions in this standard in the period under review.</p> |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. |

| Standard | Effective date and impact: |
|------------------------------------|---|
| | <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The Centre does not have financial instruments requiring application of this standard in the period under review.</p> |
| <p>Other improvements to IPSAS</p> | <p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> ● <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> ● <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> ● IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>The Centre does not have financial instruments requiring application of this standard in the period under review.</p> |
| <p>IPSAS 43</p> | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for</p> |

Kenya Cultural Centre
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| Standard | Effective date and impact: |
|---|--|
| | <p>users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The Centre does not have leases requiring application of this standard in the period under review.</p> |
| <p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p> | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The Centre does not have financial instruments requiring application of this standard in the period under review.</p> |

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in year 2021/2022.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. 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. The Centre recorded a development grant of **Ksh 4,700,000** for the recording studio which is included in the statement of financial position and will be realised in the statement of comprehensive income over the useful life of the assets.

Rendering of services

The Centre recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Centre. The Centre did not collect sale of goods revenue in the period under review.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period. The Centre did not have any interest income in the period under review.

ii) Revenue from exchange transactions

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue. The Centre does not have any investment property.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Centre upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Centre recorded additional appropriations of **Ksh 40,000,000** in recurrent grants, **Ksh 4,700,00** in development grant for the recording studio and **Ksh 10,000,000** development grant in respect of Marachi Cultural Centre on the 2021-2022 budget following the governing body's approval.

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

Budget information (continued)

The annual budget is prepared on the accrual basis that is, all planned costs and income are presented in a single statement to determine the needs of the Centre. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis or timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts approved budget.

c) Taxes

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. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Centre shall determine the classification of its financial assets at initial recognition whenever such are held in the organization.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit. The Centre did not have any outstanding loans in the period under review.

Impairment of financial assets

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or an Entity of financial assets is impaired. A financial asset or an Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an Entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Centre determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The Centre did not have any loans or borrowings in the period under review.

f) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and current replacement cost since the inventory is distributed or deployed at no charge. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Centre.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Provisions

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

h) Contingent liabilities

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

The Centre has a pending case in the employment court with a former CEO whose outcome may not be quantified with outmost precision.

i) Contingent assets

The Centre does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the **asset's value can be measured** reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

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

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The *Centre* provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

In the event the Centre shall have monetary dealings in currency other than Kenyan shilling then a foreign currency will be deemed to have taken place. Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance. The Centre did not have any borrowing undertaking in the period under review.

o) Related parties

The Centre regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Centre, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

| Related Parties | 2021-2022 | 2020-2021 |
|------------------------|-------------------|-------------------|
| | Shs | Shs |
| CEO & Senior managers | 9,200,472 | 6,704,124 |
| Board of Directors | 7,453,835 | 9,162,808 |
| TOTAL | 16,654,307 | 15,866,932 |

p) Service concession arrangements

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

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

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 financial year. 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.

| Detailed Analysis of Cash & Cash Equivalents | | | | |
|---|-------------------------|-----------------|-------------------|------------------|
| a) Bank Name | Bank Account No. | Currency | 2021-2022 | 2020-2021 |
| Absa Bank Of Kenya | 0948215349 | Ksh. | 2,318,664 | 149,220 |
| KCB Capital Account | 1207345803 | Ksh. | 9,992 | 11,183 |
| KCB Operations Account | 1207350184 | Ksh. | 23,692,794 | 3,274,979 |
| Total cash and cash equivalents | | | 26,021,450 | 3,435,382 |
| b) Cash in hand | 2021-2022 | | 2020-2021 | |
| Cash in hand & in transit | 56,447 | | | |
| Mpesa paybill No.829789 | 140,315 | | | |
| Total cash and cash equivalents | 196,762 | | | |

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

r) Comparative figures

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

s) 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, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Useful lives and residual value

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

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

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 18 & 19

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.

The Centre makes provisions for staff gratuity and audit fee.

Notes to the Financial Statements (Continued)

6. (i) Transfers from Other Government entities

| Description | 2021-2022 | 2020-2021 |
|-----------------------------------|-------------------|-------------------|
| | Ksh | Ksh |
| Unconditional Grants | | |
| Operational Grant | 37,800,000 | 35,500,000 |
| Other Grants | 40,000,000 | - |
| Total unconditional grants | 77,800,000 | 35,000,000 |

The operational grant relates to recurrent grant used for payment of staff salaries, contracted services, insurance services, electricity, water & sewerage. Other grants relate to supplementary grant for renovations, repair and maintenance.

6 (ii)

| Description | 2021-2022 | 2020-2021 |
|---|-------------------|-----------|
| | Ksh | Ksh |
| Recording studio development grant | 4,700,000 | - |
| Marachi Cultural Centre development grant | 10,000,000 | - |
| Total development grant | 14,700,000 | |

The Ksh 4,700,000 was disbursed from the Sports fund through the State Department for Culture and Heritage specifically for the establishment of a recording studio at the Kenya Cultural Centre to facilitate the packaging of lyrical voices of recording artists. The Ksh 10,000,000 is specifically for the development of Marachi Cultural Centre.

Notes to the Financial Statements (Continued)

7. Revenue from Exchange transactions

| Description | 2021-2022 | 2020-2021 |
|----------------------------|-------------------|-------------------|
| | Ksh | Ksh |
| Parking fees | 21,776,424 | 19,800,916 |
| Rental Income | 2,196,639 | 1,860,608 |
| Theatre Hire | 8,714,113 | 1,911,643 |
| Poster and Ticketed events | 8,750 | 1,000 |
| Total | 32,695,926 | 23,574,167 |

8. Employee costs

| Description | 2021-2022 | 2020-2021 |
|---|-------------------|-------------------|
| | Ksh | Ksh |
| Basic salaries & wages | 16,880,365 | 17,079,257 |
| Pension contributions | 322,037 | 299,270 |
| Employer contribution to health insurance schemes | 5,565,147 | 38,356 |
| House allowance | 4,813,000 | 3,493,500 |
| Overtime allowance | 845,117 | 66,000 |
| Top up & Acting allowance | 480,632 | 1,261,580 |
| Transport allowance | 1,734,000 | 1,368,000 |
| Leave allowance | 220,000 | 191,255 |
| Staff gratuity | 4,320,698 | 2,530,721 |
| Total | 35,180,996 | 26,327,939 |

Notes to the Financial Statements (Continued)

9. Governing Council expenses

| Description | 2021-2022 | 2020-2021 |
|---------------------------------------|------------------|------------------|
| | Ksh | Ksh |
| Board expenses | | |
| Chairman's Honoraria | 560,000 | 960,000 |
| Council Sitting Allowances | 3,304,000 | 6,015,002 |
| Council Travel & Accommodation | 2,200,100 | 1,041,000 |
| Council Training & Induction Expenses | 120,000 | 203,200 |
| Council Medical Insurance | 608,512 | 273,235 |
| Council Mileage Expenses | 561,438 | 249,496 |
| Other Allowances & expenses | 99,785 | 420,875 |
| Total | 7,453,835 | 9,162,808 |

10. Depreciation & Amortization expenses

| Description | 2021-2022 | 2020-2021 |
|--|------------------|------------------|
| | Ksh | Ksh |
| Motor Vehicle | 326,571 | 435,428 |
| Furniture & Fittings | 233,183 | 266,495 |
| Electronic Data & Processing Equipment | 361,045 | 370,450 |
| Plant and equipment | 460,683 | 526,495 |
| Total | 1,381,483 | 1,598,868 |

Notes to the Financial Statements (Continued)

11. Repair & Maintenance

| Description | 2021-2022 | 2020-2021 |
|---|-------------------|------------------|
| | Ksh | Ksh |
| Maintenance Building, Furniture and Equipment | 15,701,704 | 483,307 |
| Maintenance of Motor Vehicle | 1,271,910 | 542,520 |
| Maintenance Computer, Software and Networks | 183,706 | 324,639 |
| Total | 17,157,320 | 1,350,466 |

12. Contracted Services

| Description | 2021-2022 | 2020-2021 |
|--------------------------------------|------------------|------------------|
| | Ksh | Ksh |
| Contracted Services | | |
| Contracted Guard & Security Services | 4,799,160 | 4,436,605 |
| Contracted Cleaning Services | 2,277,469 | 2,471,953 |
| Contracted Internet Services | 623,218 | 613,163 |
| Total | 7,699,847 | 7,521,721 |

Notes to the Financial Statements (Continued)

13. Use of goods and services

| Description | 2021-2022 | 2020-2021 |
|---|-----------|-----------|
| | Ksh | Ksh |
| Catering services, Food and drinks | 1,088,116 | 695,319 |
| Domestic travel cost | 1,166,425 | 805,120 |
| Daily subsistence allowance-Domestic | 4,002,564 | 665,400 |
| Electricity | 1,318,346 | 1,984,541 |
| Evaluation committee allowance | 144,250 | 177,196 |
| Foreign travel and subsistence allowance | 176,718 | - |
| Fuel and lubricants | 892,558 | 903,896 |
| Office general supplies | 128,657 | 189,499 |
| Printing advert and information expenses | 399,115 | 418,161 |
| Professional fees | 165,981 | 130,648 |
| Staff protective clothing | 13,300 | 2,000 |
| Subscription- Newspapers and magazines | 92,360 | 69,506 |
| Supplies and accessories for computer and printer | 53,749 | 89,944 |
| Telephone mobile service- staff | 1,109,800 | 977,810 |
| Temporary committee expenses | 1,219,327 | - |
| Training expenses | 1,849,453 | 201,400 |
| Water and sewerage charges | 407,216 | 299,619 |
| Cultural and Artistic Programs | 8,200,238 | 7,254,799 |
| Motor vehicle Insurance | 631,329 | 157,832 |

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| | | |
|-----------------------|-------------------|-------------------|
| Property Insurance | 1,234,320 | 308,580 |
| Audit fees | 110,000 | - |
| Income tax | 20,000 | - |
| Bank charges | 215,126 | 171,749 |
| Total Expenses | 24,638,948 | 15,503,019 |

14. Cash & Equivalents

| Description | 2021-2022 | 2020-2021 |
|--------------------------|-------------------|------------------|
| | Ksh | Ksh |
| Barclays Bank | 2,318,664 | 149,220 |
| KCB Capital Account | 9,992 | 11,183 |
| KCB Operation Account | 23,692,794 | 3,274,979 |
| Petty Cash | 56,447 | - |
| Mpesa Paybill No. 829789 | 140,315 | - |
| Total | 26,218,212 | 3,435,382 |

Notes to the Financial Statements (Continued)

15. Receivables

| Description | 2021-2022 | 2020-2021 |
|----------------------------------|------------------|------------------|
| | Ksh | Kshs |
| Trade receivables | 1,140,572 | 1,896,583 |
| Staff salary advances | 182,900 | 200,000 |
| Total current receivables | 1,323,472 | 2,096,583 |

16. Prepayment

| Description | 2021-2022 | 2020-2021 |
|-------------------|------------------|------------------|
| | Kshs | Kshs |
| Insurance prepaid | 3,360,881 | 3,360,881 |
| Total | 3,360,881 | 3,360,881 |

Insurance prepaid relates to motor vehicle, property and staff medical insurance.

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17 .Property, Plant & Equipment

| Description | Land and Building | WIP | Motor Vehicle | Furniture and fittings | Electronic Data Processing Equipment's | Plant and equipment's | Total |
|--------------------------|-----------------------|----------------------|----------------------|------------------------|--|-----------------------|-----------------------|
| | Ksh | Ksh | Ksh | Ksh | Ksh | Ksh | Ksh |
| At 1 July 2020 | 333,482,559.00 | 23,431,145.00 | 12,667,000.00 | 9,202,594.00 | 6,696,087.00 | 9,807,233.00 | 395,286,618.00 |
| Additions | 515,850.00 | - | - | - | 339,100.00 | - | 854,950.00 |
| At 30th June 2021 | 333,998,409.00 | 23,431,145.00 | 12,667,000.00 | 9,202,594.00 | 7,035,187.00 | 9,807,233.00 | 396,141,568.00 |
| Additions | - | - | - | - | 14,779,655.00 | 9,654,648.00 | 24,434,303.00 |
| At 30th June 2022 | 333,998,409.00 | 23,431,145.00 | 12,667,000.00 | 9,202,594.00 | 21,814,842.00 | 19,461,881.00 | 420,575,871.00 |
| At 1 July 2020 | - | - | 10,925,287.00 | 7,070,632.00 | 5,461,253.00 | 5,595,276.00 | 29,052,448.00 |
| Depreciation | - | - | 435,428.00 | 266,495.00 | 370,450.00 | 526,495.00 | 1,598,868.00 |
| At 30th June 2021 | - | - | 11,360,715.00 | 7,337,127.00 | 5,831,703.00 | 6,121,771.00 | 30,651,316.00 |
| Depreciation | - | - | 326,571.25 | 233,183.38 | 361,045.20 | 460,682.75 | 1,381,482.58 |
| At 30th June 2022 | - | - | 11,687,286.25 | 7,570,310.38 | 6,192,748.20 | 6,582,453.75 | 32,032,798.58 |
| Net book value | | | | | | | |
| At 30th June 2022 | 333,998,409.00 | 23,431,145.00 | 979,713.75 | 1,632,283.63 | 15,622,093.80 | 12,879,427.25 | 388,543,072.43 |
| At 30th June 2021 | 333,998,409.00 | 23,431,145.00 | 1,306,285.00 | 1,865,467.00 | 1,203,484.00 | 3,685,462.00 | 365,490,252.00 |

(Work in progress refers to the International Arts Cultural Centre project, additional EDP relates to, media equipment, data and voice network equipment and CCTV installation, additional plant and equipment relates to recording studio equipment's and air-con equipment)

Notes to the Financial Statements (Continued)

18 Employer Benefit Obligation

| Description | 2021-2022 | 2020-2021 |
|-----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Staff payroll liability | 397,886 | 254,868 |
| Provision for Staff gratuity | 7,491,782 | 6,156,243 |
| Board liability | 24,000 | 318,000 |
| Total Employer Obligations | 7,913,668 | 6,729,111 |

Staff payroll liability and Board liability relates to PAYE that had not been paid by 30th June 2022. Staff gratuity changed due to provisions of Ksh 1,493,533 made for the month of July-October 2021 and gratuity utilised of Ksh 157,993. The Centre remits gratuity to the pension administrator since November 2021 to date.

19 Trade Payables

| Description | 2021-2022 | 2020-2021 |
|----------------|-------------------|-------------------|
| | Kshs | Kshs |
| Trade payable | 15,210,040 | 3,396,555 |
| Other payables | 63,849,020 | 63,849,020 |
| Total | 79,059,060 | 67,245,575 |

Other payables refer to the defunct Nairobi City Council land rates.

Notes to the Financial Statements (Continued)

20 Refundable deposit

| Description | 2021-2022 | 2020-2021 |
|--------------------------------|-------------------|------------------|
| | Ksh | Ksh |
| Client refundable deposit | 566,000 | 185,000 |
| Total | 566,000 | 185,000 |
| Other Deposits | 2021-2022 | 2020-2021 |
| Stimulus package received | - | 8,600,902 |
| Stimulus package expensed | - | (8,600,902) |
| Marachi deposit grant received | 10,000,000 | 0 |
| Total | 10,000,000 | 0 |
| Total Deposits | 10,566,000 | 185,000 |

Client refundable deposits refers to money held by the Centre as a security for the hire of theatre facilities and is refundable after use of theatre facilities there being no damage incurred by the client.

21 Capital Reserve

| Description | 2021-2022 | 2020-2021 |
|--------------------------|--------------------|-------------------|
| | Kshs | Kshs |
| Capital Reserve | 99,626,527 | 94,926,527 |
| Revaluation of equipment | 2,517,112 | 2,517,112 |
| Total | 102,143,639 | 97,443,639 |

Increase in Capital Reserve is attributed to Ksh 4,700,000 specifically remitted from Sports fund for the establishment of a recording studio at the Kenya Cultural Centre to facilitate the packaging of lyrical voices of recording artists.

Notes to the Financial Statements (Continued)

22 Accumulated Surplus

| Description | 2021-2022 | 2020-2021 |
|---------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Accumulated surplus | 202,779,773 | 205,170,428 |
| Net surplus/deficit | 16,983,497 | -2,390,655 |
| Total | 219,763,270 | 202,779,773 |

23 Cash Generated from Operations

| | 2021-2022 | 2020-2021 |
|---|-------------------|--------------------|
| | Ksh | Ksh |
| Surplus/(Deficit) for the year before tax | 16,983,497 | (2,390,655) |
| Adjusted for: | | |
| Depreciation | 1,381,483 | 1,598,868 |
| Working capital adjustments | | |
| (Increase)/Decrease in receivable | 773,111 | 2,630,321 |
| (Increase)/Decrease in prepayment | - | (3,360,881) |
| Increase / (Decrease) in employer benefit obligations | 1,184,557 | 2,654,022 |
| Increase / (Decrease) in accounts payable | 11,813,485 | (947,734) |
| Increase/(Decrease) in refundable deposit | 381,000 | 185,000 |
| Net cash flow from operating activities | 32,517,133 | 368,942 |

Notes to The Financial Statements (Continued)

24 Financial Risk Management

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

The Centre's financial risk management objectives and policies are detailed below:

i) Credit risk

The Centre's has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The credit risk on the liquid funds with financial institutions is low because the counter parties are banks with high credit ratings. The financial assets are fully performing as the Centre continues to enjoy services secured by these balances. The default rate on staff receivables is low since the same is recovered through the payroll.

| | Total amount | Fully performing |
|---------------------------|---------------------|-------------------------|
| | Kshs | Kshs |
| As at 30 June 2022 | | |
| Receivables from staff | 182,900 | 182,900 |
| Bank balances | 26,021,450 | 26,021,450 |
| Total | 26,204,350 | 26,139,950 |
| As at 30 June 2021 | | |
| Receivables from staff | 200,000 | 200,000 |
| Bank balances | 3,435,382 | 3,435,382 |
| Total | 3,635,382 | 3,635,382 |

Notes to The Financial Statements (Continued)

Financial Risk Management

ii) Liquidity risk management

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

| | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-----------------------------|-------------------|--------------------|-------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30 June 2022 | | | | |
| Trade payables | 15,100,040 | | 63,849,020 | 78,949,060 |
| Provisions | 110,000 | - | | 110,000 |
| Employee benefit obligation | 421,886 | | 7,491,783 | 7,913,668 |
| Total | 15,631,926 | - | 71,340,803 | 86,972,728 |
| As at 30 June 2021 | | | | |
| Trade payables | 170,000 | - | 67,075,574 | 67,245,574 |
| Employee benefit obligation | 572,868 | 2,530,721 | 3,625,522 | 6,729,111 |
| Total | 742,868 | 2,530,721 | 70,701,096 | 73,974,685 |

Notes to the Financial Statements (Continued)

25 Contingent Liabilities

| | 2021-2022 | 2020-2021 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Contingent Liabilities | | |
| Court Case Edwin Gichangi against the Kenya Cultural Centre | 8,566,821 | 8,566,821 |
| Total | 8,566,821 | 8,566,821 |

The former CEO sued Kenya Cultural Centre for unlawful termination of his contract during his tenure. The case is still ongoing, we might not be able to determine the eventual liability with utmost precision.

26 Events after the Reporting Period

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

27 Ultimate and Holding Entity

The Kenya Cultural Centre is a Semi- Autonomous Government Agency under the Ministry of Sports, Culture & Heritage. Its ultimate parent is the Government of Kenya.

28 Currency

The financial statements are presented in Kenya Shillings (Kshs).

Notes to the Financial Statements (Continued)

29 Restatement

| Statement of financial performance | Notes | Restated 2020-2021 | Previously reported 2020-2021 | Effect of change |
|------------------------------------|-------|--------------------|-------------------------------|------------------|
| | | Kshs | Kshs | Kshs |
| Expenses | | | | |
| Repair & Maintenance | 11 | 1,350,466 | 1,098,128 | 252,338 |

| Statement of Financial position | Notes | Restated 2020-2021 | Previously reported 2020-2021 | Effect of change |
|---------------------------------|-------|--------------------|-------------------------------|------------------|
| | | Kshs | Kshs | Kshs |
| Assets | | | | |
| Non-Current Assets | | | | |
| Property, plant and equipment | 17 | 365,490,252 | 365,490,252 | |
| Intangible asset | | - | 902,338 | 902,338 |
| Liabilities | | | | |
| Net Assets | | | | |
| Capital Fund | 21 | 94,926,527 | 95,576,527 | 650,000 |
| Revaluation reserve | 22 | 2,517,112 | 2,517,112 | |
| Accumulated surplus | 22 | 202,779,773 | 203,032,111 | 252,338 |

The financial statements were restated to correct Ksh 650,000 that was transferred to capital fund. The Ksh 650,000 and Ksh 252,338 totalling to Ksh 902,338 was charged under intangible asset. Both amounts have been expensed appropriately.

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Notes to the Financial Statements (Continued)

| Statement of Cashflows | | Restated 2020- 2021 | Previously reported 2020-21 | Effect of change |
|---|-------|---------------------------|-----------------------------------|------------------------|
| | Notes | Kshs | | |
| Cash flows from operating activities | Note | | | |
| Net Surplus of the year | | (2,390,655) | (2,138,317) | |
| Adjusted for: | | | | |
| Depreciation written back | 8 | 1,598,868 | 1,598,868 | |
| | | (791,786) | (539,448) | 252,338 |
| Cash flows from investing activities | | | | |
| Purchase of Property & Equipment & intangible asset | 17 | (854,950) | (1,757,288) | 902,338 |
| Artist Stimulus paid out | 20 | (8,600,902) | (7,950,902) | 650,000 |

Ksh 902,338 which is made up of ksh 252,338 and Ksh 650,000 was previously reported as an intangible asset has been expensed.

Note 19

| Trade and other payables | Restated 2020-2021 | Previously reported 2020-2021 | Effect of change |
|--------------------------|--------------------|-------------------------------|------------------|
| | Kshs | Ksh | |
| Trade payable | 3,396,555 | 4,178,045 | 781,490 |
| Audit fee b/f | - | 110,000 | 110,000 |
| Other payables | 63,849,020 | 62,957,529 | 891,490 |
| Total | 67,245,575 | 67,245,574 | 1 |

Restatement was done to correct the payables that were misinterpreted and reported during FY 2020-21.

✓ **19. Appendix**

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: |
|---|--|---|--|-------------------|
| Property Plant and Equipment | The auditor noted, "The statement of Financial Position reflects property plant and equipment balance of Kshs.296, 820,914. Included in the figure of Kshs.296, 820,914 are freehold land, buildings and civil works valued at Kshs.120, 000,000, Kshs.80, 000,000 and Kshs.96, 436,326.50 respectively whose ownership documents were not provided for audit review". | The process of conducting a valuation of KCC Buildings and land is on-going to ensure it is reflected correctly in the Financial Statements | Not resolved | 30/6/2023 |
| Receivables from Exchange Transactions | The auditor noted, "The statement of financial position reflects receivables from exchange transactions balance of Ksh.7, 780,854/- as at 30 June 2015 and debts totalling to Kshs.7, 770,854.40 have remained uncollected for over two years. The failure to collect the debts inherited from the former management has been attributed to scanty documentation to support the same". | The Governing Council is in the process of writing off the irrecoverable debts of Kshs.7,770,854.40/- from the past transaction appearing on the financial statement. The process is yet to be concluded as the Current Council assumed office later during the Financial year. | Not Resolved | 30/6/2023 |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: |
|--|---|---|-----------------------------------|------------|
| Pending Bill | The auditor noted, The Kenya Cultural Centre had pending bills totalling Kshs.73,376,943.40/- out of which Kshs.66, 182,898 has been outstanding since 2013/14. The defunct City Council of Nairobi was owed Kshs.63, 884,432". | The Nairobi City Council pending bill of Kshs.63, 184,432 relates to erroneously charged land rates accumulated since 1963.The Commissioner of lands advised that KCC is a public land and should not be subjected to land rates. Communication with Nairobi County Government is on-going for waiver to be effected. The rest of Pending Bills are the Fair 1995 Payables which the Council is in the process of writing off. | Not Resolved | 30/6/2023 |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.


.....
Michael Pundo
CEO/Executive Director


.....
Kung'u Muigai
Council Chairperson

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Appendix II: Projects implemented by The Kenya Cultural Centre

Projects implemented by the Kenya Cultural Centre Funded by the Government.

| 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) |
|--|-----------------------|--------------|-------------------------|-------------------------|--|--|
| International Arts and Cultural Centre | N/A | N/A | 4 years | N/A | N/A | YES |

Status of Projects completion

| | Project title | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|--|---------------------------|-------------------------------|-----------------------------|---------------|---------------|-------------------------|
| 1 | International Arts and Cultural Centre | 3B | 22.5M | 0.75% | - | 22.5M | GOK |

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Appendix V - Inter-Entity Confirmation Letter



KENYA
CULTURAL CENTRE

Kenya Cultural Centre
P.O. Box 43031-00100
Harry Thuku Road
Nairobi

The *Kenya Cultural Centre* wishes to confirm the amounts disbursed and received as at 30th June 2022 as indicated in the table below.

| Reference Number | Date Disbursed | Amounts Disbursed by the State Department for Culture & Heritage (Kshs) as at 30 th June 2022 | | | Amount Received as at 30 th June 2022 (E) | Differences (Ksh) (F) = (D-E) |
|------------------|----------------|--|-----------------|-----------------------|--|-------------------------------|
| | | Recurrent (A) | Development (B) | Inter-Ministerial (C) | | |
| REC/0000 | 12/08/2021 | 9,450,000 | | | 9,450,000 | - |
| REC/0000 | 04/11/2021 | 6,300,000 | | | 6,300,000 | |
| REC/0000 | 23/11/2021 | 3,150,000 | | | 3,150,000 | |
| REC/0000 | 09/02/2022 | 3,150,000 | | | 3,150,000 | |


Confirmation of amounts received by Kenya Cultural centre as at 30th June 2022

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| | | | | | | |
|--------------|------------|-------------------|-------------------|--|-------------------|-------------------|
| REC/0000 | 18/02/2022 | 3,150,000 | | | 3,150,000 | 3,150,000 |
| REC/0000 | 18/02/2022 | 3,150,000 | | | 3,150,000 | 3,150,000 |
| REC/0000 | 25/04/2022 | | 4,700,000 | | 4,700,000 | 4,700,000 |
| REC/0000 | 10/05/2022 | 5,000,000 | | | 5,000,000 | 5,000,000 |
| REC/0000 | 10/05/2022 | 4,450,000 | | | 4,450,000 | 4,450,000 |
| REC/0000 | 10/05/2022 | 550,000 | | | 550,000 | 550,000 |
| REC/0000 | 11/05/2022 | 6,483,340 | | | 6,483,340 | 6,483,340 |
| REC/0000 | 18/05/2022 | 16,483,330 | | | 16,483,330 | 16,483,330 |
| REC/0000 | 09/06/2022 | 16,483,330 | | | 16,483,330 | 16,483,330 |
| REC/0000 | 21/06/2022 | | 10,000,000 | | 10,000,000 | 10,000,000 |
| Total | | 77,800,000 | 14,700,000 | | 92,500,000 | 92,500,000 |

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

Head of Accounts department:


.....
Monica C. Oduor
Kenya Cultural Centre
Date...12/11/2022..


.....
Peter Kabebe
State Department for Culture & Heritage
Date...12/11/2022..

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