

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

TOURISM FUND

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 APR 2026

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TABLED
BY:

Hon. Samuel Chepkwony

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THE-TABLE:

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TOURISM FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

Vision

To be the ultimate source of funding for sustainable development of the tourism industry in Kenya

Mission

To diversify the resource base for financing development of a sustainable tourism industry through innovation, service excellence and stakeholder's engagement.

Core Values

Teamwork
Customer Focus
Integrity
Accountability
Professionalism
Innovation
Equity

**Tourism Fund
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For the year ended June 30, 2025.**



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1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

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

Trustees – The Board of Trustees of Tourism Fund

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) BACKGROUND INFORMATION

Tourism Fund is a statutory body established by an Act of Parliament under Section 66 of The Tourism Act, 2011. Tourism Fund is domiciled in Kenya and has branches in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Nyeri and a satellite office in Garissa. The Tourism Act, 2011, establishes the Fund's object and purpose as follows:

- a) Finance the development of Tourism Products and Services;
- b) Finance the marketing of Kenya as a tourist destination through the Kenya Tourism Board;
- c) Finance the activities of the Protection Service;
- d) Finance the Tourism Research, Tourism Intelligence and the National Tourism Information Management System;
- e) Finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
- f) Finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act; and
- g) Mobilize resources to support tourism-related activities.

The Fund's organization structure is at two levels, namely, the Governance and, Management structures. The Fund has a Board of Trustees at the governance level and a management led by a CEO.

(b) PRINCIPAL ACTIVITIES

Mandate

Mobilize resources to finance the development of a sustainable tourism industry in Kenya.

Vision

To be the ultimate source of funding for the sustainable development of Tourism Industry in Kenya.

Mission

To diversify the resource base for financing development of a sustainable tourism industry through innovation, service excellence and stakeholder engagement.

Key Entity Information and Management (continued)

Core Values

Team work: To create one family to deliver.

Customer Focus: Meet and surpass expectations of all our customers.

Integrity: To uphold good conduct and ethics in all our operations.

Accountability: Transparent and socially responsible.

Professionalism: Committed to excellence through continuous improvement

Innovation: To promote and reward creativity and embrace best practices in service delivery.

Equity: Committed to fairness in all our undertakings

(c) KEY MANAGEMENT

Tourism Fund's day-to-day management is under the following key organs:

No	Designation
1.	Board of Trustees
2.	Chief Executive Officer
3.	Directors
4.	Managers

(d) FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Chief Executive Officer	David K. Mwangi ,MBS
2.	Director Corporate Services	CPA ,CHRPK Lilians N. Wafukho
3.	Director Levy Services	Charles .O.Okeyo
4.	Director Strategy, Risk & Resource Mobilisation	Eden .R. Odhiambo
5.	Ag. Manager Finance & Accounts	David .M.Wainaina
6.	Corporate Communications Marketing Manager	Patricia .T.Ondeng
7.	Manager Supply Chain Management	Kelvin .M.Kasaine
8.	Manager Internal Audit	CPA Abraham .K, Kiptum
9.	Ag. Manager Human Resources & Administration	George .O. Machooka

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10.	Ag. Manager ICT	Isaiah .K. Rutto
11.	Ag. Manager Resource Mobilization	Laura .A. Anyasi
12.	Manager- Research, Strategy and Planning	Willis O. Ondiek
13.	Manager - Training Revolving Fund	CPA Enoch K Chebii
14.	Manager - Levy Enforcement	Edward.N. Kisali
15.	Manager-Levy Compliance	Barabra .A, Akoth
15.	Manager - Risk & Quality Assurance	Peter.O. Otieno
16.	Ag. Corporate Secretary & Legal Services Manager	Margaret Jepkoech

(e) FIDUCIARY OVERSIGHT ARRANGEMENTS

i) Committees of the Board

The Board has four standing committees that meet under the terms of reference set out by the Board namely:

ii) Strategy, Resource Mobilisation & Partnerships.

The committee area of focus is development, implementation and impact analysis of actualizing the strategic plan, planning, resource mobilisation endeavours, Project reports and stakeholder engagement plan implementation. The committee also oversees development and implementation of the Strategic Plan, review strategic direction and initiatives.

The members are: The members are: Patrick Ngere (Chairperson), Joel Kamau, Joseph Sarisar, Zippie Metto, and John Karanja.

iii) Audit and Risk Committee

The audit Risk Assurance Committee plays a key role in providing oversight of TF's governance processes, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its roles by providing an independent oversight to the Board of Trustees. The committee is responsible for reviewing audit reports, compliance with relevant laws, procedures and standards, quality of financial reporting and oversight on internal controls among others. The Committee is also responsible for reviewing, approval or recommendation for Board approval of policies and procedures from Internal Auditors reports, Management letter and Management's responses to the Auditor General's findings and recommendations and review of the enterprise risk management framework.

During the FY under review the following were the members are: Joseph Sarisar (Chairperson), Joel Kamau, Geoffrey Kibanda, and John Karanja.

iv) Corporate and Procurement Services Committee

This Committee is responsible for review, approval or recommendation for Board approval of policies and procedures in relation to human resource management & development, ICT automation, and procurement. It reviews budget, financial reports, human resource Instruments actualisation, staff welfare, ICT automation and procurement matters.

The Committee reviews procurement policies and practices ensuring that they are in compliance with current laws, regulations and recognized good practices. It also ensures that the Procurement Plan is in place, and is within approved budgets and is executed effectively and efficiently. The committee is also responsible for monitoring and appraising the performance management, review of human resource policies and making recommendations on issues to do with general staff welfare to the board.

The members are: Zippie Metto (Chairperson), Dorcas Mbalanya, Sylas Tochim, John Karanja and Geoffrey Kibanda.

v) Revenue, Revolving Fund and Legal Matters

The committee is responsible for monitoring and appraising projects. The Committee reviews progress reports on tourism levy collection, tourism training revolving fund, regulatory and legal compliance status.

The members are: Mr. Sylas Tochim (Chairperson), Lorna Nyamweya, Mr. Patrick Ng'ere, Ms. Dorcas Mbalanya, and John Karanja.

(a) TOURISM HEADQUARTERS & CONTACTS

Tourism Fund, Valley Road, 5th Floor,
P.O Box 46987-00100, Nairobi, Kenya
Tourism Fund Building
Bishop Road
Tel: 020-2714900/1/2, +254 728 337499
Website: www.tourismfund.go.ke

(b) Regional offices:

Nairobi North Regional office and Nairobi South Regional office,
Tourism Fund, Valley Road, 3rd and 4th Floor.
P.O Box 46987-00100, Nairobi, Kenya.
Tel: +254 728 337499

Coast Regional Office

Pereira Building 3rd Floor Machakos Road.
P.O. Box 99832-80100 Mombasa, Kenya.
Tel: +254 792 187841

West Kenya Regional Office

Reinsurance Plaza 7th Floor Oginga Odinga Road
P.O. Box 1406-40100 Kisumu, Kenya
Tel: +254 795 765412

South Rift Regional office

Generation House, 2nd Floor, Kenyatta Avenue
P.O. Box 2812-20100 Nakuru, Kenya
Tel: +254 706 405950

Central Kenya Regional office

Sohan Plaza 4th Floor Nyayo Road
P.O Box 348-10100 Nyeri, Kenya
Tel: +254 792 181960

North Rift Regional Office

KVDA Plaza
P.O Box 8560-3010 Eldoret, Kenya
Tel: +254 716 477478

North Eastern Regional Office

P.O Box 381-7000, Off Masalani Road, Iftin Centre. Garissa. Kenya

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(c) TOURISM FUND BANKERS

Kenya Commercial Bank
K.I.C.C Branch, Harambee Avenue
P.O. Box 48400-00100 Nairobi.

National Bank of Kenya Ltd,
Harambee Avenue Branch.
P.O Box 73866-00100 Nairobi

Co-operative Bank of Kenya Ltd
Parliament Road Branch.
P.O Box 5772-00200 Nairobi.

Equity Bank of Kenya Ltd
Mayfair Branch.
P.O Box 75104 - 00200 Nairobi.

e-Citizen
Paybill No. 222222



(d) INDEPENDENT AUDITORS



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



(e) PRINCIPAL LEGAL ADVISER



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

3. THE BOARD OF DIRECTORS/COUNCIL

Ref	Directors	Details
1.	 <p>Mr. Samson Some</p>	<p>Born in November 1982. Mr. Samson Some was appointed to the Tourism Fund Board of Trustees in 2023. Mr. Some has a wealth of experience in the tourism industry as he is experienced in leading and reinvigorating a travel society (American Society of Travel Advisors- ASTA), establishing working relationships between regional government institutions, private associations and the local travel industry. Mr. Some currently serves as the president of the American Society of Travel Advisors (ASTA). He holds a Master's in Business Administration (MBA) and a Bachelor of commerce (Finance major).</p>
2.	 <p>Ms. Zippy Metto</p>	<p>Born in July 1974, Ms Zippy Metto was appointed to the Tourism Fund Board of Trustees in 2023. She has a solid 23 years' experience in the aviation industry and business experience in agribusiness. She is a holder of a Master's in Business Administration (MBA) and a Bachelors in Education.</p>


<p>3.</p>	 <p>Mr. Patrick Ngere</p>	<p>Born in January 1977, Mr. Ngere is competent in developing policies, strategies and implementing effective performance management systems for prudent utilization of Financial, Human and other resources. He holds Masters in Business Administration – Corporate Management from KCA University</p>
<p>4.</p>	 <p>Dr. Joseph Sarisar</p>	<p>Born in December 1970, Mr. Sarisar is a self – motivated, analytical and careful in planning and administration. Has vast experience to enhance the organisation’s corporate identity by significantly contributing to its growth.</p> <p>Dr. Sarisar is a holder of PhD – Business Administration and Management and has Masters in Entrepreneurship from JKUAT. He has more than 25 years in the in Research, Technology Management, Strategic Plans, Performance contracts, policies and frameworks development. He has also been a Board member of other institutions across the Nation.</p>

<p>5.</p>	 <p>Mr. Sylas Kipkosgei Tochim</p>	<p>Born in August 1974, Sylas Kipkosgei Tochim is an accomplished MA graduate in Peace studies (Coventry University. UK) and MA Mission studies (University of Wales. UK). His Bachelor's degree is in Theology from Bugema University. Uganda. He has a well-developed background in community development and empowerment. He worked and studied in the United Kingdom for 10 years. He has a vast experience in conflict resolution and reconciliation among warring communities and persons. He served as elected member of county assembly in Baringo county for five years (2017 - 2022) and was chairperson tourism, trade and cooperative committee in the aforementioned period</p>
<p>6.</p>	 <p>Ms. Dorcas Ayoma Mbalanya</p>	<p>Born in December 1954, Dorcas Ayoma Mbalanya is a Practicing Advocate of the High Court for more than 30 years. She is currently a Consultant (Civil and criminal) probate and Administration. Dorcas Ayoma is a founder member of FIDA and Kituo Cha Sheria. She also served on the Conveyancing Committee of the Law Society of Kenya. Dorcas holds a Bachelor of Laws (LLB)(Hons) from the University of Nairobi,</p> <p>Dorcas attended a course run by the Chartered Institute of Arbitrators of London and was admitted as a Fellow of the Chartered Institute of Arbitrators, she is also a Certified Public Secretary (CPS) K. She has also held various leadership roles within the Kenyan golfing arena.</p>

<p>7.</p>	 <p>Mr. Joel Kamau</p>	<p>Joel is an experienced business leader with a successful track record of growing enterprises in the food and beverage industry. He was born in March 1981 Mr. Joel Kamau has over 18 years of experience in commercial, sales, strategy, finance, and project management experience, providing hands-on leadership to achieve solid business results. Joel has successfully held leadership positions in various multinationals organizations, such as Unilever, Coca-Cola Beverages Africa [formerly known as Coca-Cola SABCO] and East African Breweries Ltd. He holds a BCom (Finance) from the University of Nairobi and is a CPA (K).</p>
<p>8.</p>	 <p>Mr. Geoffrey Kibanda</p>	<p>Born in July 1967, Mr. Geoffrey Kibanda was appointed as Alternate Trustee of Tourism Fund in 2020. Mr. Kibanda has over 28yrs wealth of experience in government. He holds MBA, Bachelors of Arts in History and Government and higher Diploma in Human Resource.</p>
<p>9.</p>	 <p>Ms Lorna N. Nyamweya</p>	<p>Born in March 1974 Ms. Lorna N. Nyamweya is the Deputy Director, Tourism Development and Promotion, State Department for Tourism, previously worked as a part time Lecturer, School of Hotel and Institutional Management, Maseno University, Lecturer, Regional Institute of Business Management, Nairobi. She is experienced in Sustainable tourism development, formulation of tourism policies, plans and strategies, mobilization of tourism stakeholders, has history of organizing events. She holds a Master's Degree in Tourism Administration from Aligarh Muslim University, India, a Bachelor of Arts Degree from Maharshi</p>

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		<p>Dayanand University, Rohtak-India and a Postgraduate Diploma in Education from Central Institute of Management. Additionally, she has completed Senior Management Course from Kenya School of Government, Values-Centre Leadership Level I&II from DePaul University, USA and Sustainable Natural Resources Management through Collaborative Management of Protected Areas for Japan International Cooperation Agency (JICA).</p>
<p>10.</p>	 <p>Mr. David K. Mwangi, MBS Ag. Chief Executive Officer</p>	<p>Mr David Mwangi joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Acting Chief Executive, Mr Mwangi had served as a Regional Manager for a period of seven years. He holds Masters in Business Administration (Finance option) from Kenyatta University and a Bachelor's degree in Business & Banking (Egerton University)</p>
<p>11.</p>	 <p>Mrs. Margaret Jepkoech Ag. Corporate Secretary & Legal Services Manager</p>	<p>Ms Margaret Jepkoech joined Tourism Fund then Catering Levy Trustees in 1993 as Levy Officer. Ms. Margaret holds Bachelor of Law (LLB), Post Graduate Diploma in Law (Kenya school of Law). She is also a member of Law Society of Kenya (LSK). She is currently pursuing an M.A in Peace & Conflict Management. She's also a Certified Mediator.</p>

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4. KEY MANAGEMENT TEAM

The management comprises of the Chief Executive Officer, three directorates, 8 departments at the headquarters and offices in five regions headed by Regional Manager.

	Management	Details
1.	 David K. Mwangi, MBS Ag. Chief Executive Officer	<p>Mr David Mwangi joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Acting Chief Executive, Mr Mwangi had served as a Regional Manager for a period of seven years. He holds Masters in Business administration (Finance option) from Kenyatta University and a Bachelor's degree in Business & Banking (Egerton University)</p>
2.	 CPA Lilians Wafukho Director Corporate Services	<p>CPA, CHRPK Lilians Wafukho has MBA (Finance/Operations Management), B Com (1st Class Hons) (Accounting), Current pursuing PHD Strategic Management. She is a member of ICPAK, AWAK, IHRM AAPAM & KIM. She has a Diploma in Purchasing & Supplies Management (KIM), is a Certified Monitoring & Evaluation, M&E specialist (KIM). She also holds a HR practicing license. She has over 18 years' experience in Financial Planning, Management & Reporting.</p>
3.	 Charles Okeyo Director of Levy Services.	<p>Mr Charles Okeyo is the Director Levy Services. He is a graduate of Bachelor of Arts Economics from the University of Nairobi. He also holds bachelor of Law degree from University of Nairobi. Prior to his appointment Mr Okeyo was the head of Levy services for a period of 5 years. He joined Tourism Fund then Catering Levy Trustees in 1994 as a management trainee.</p>



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<p>4.</p>	 <p>Eden Robbinson Odhiambo Director Strategy and Resource Mobilization</p>	<p>Mr. Eden holds a Bachelor of Arts (Economics) with 29 years' experience in Revenue Management. He is a trained and gazetted Prosecutor and Investigator. Previously Head of Levy Operations for 15 years. A Board Member of Cedar Holdings Ltd and Patron of Kamondi School. Has worked as Managing Partner of Greenpoint Exporters Ltd and Lev Investment Ltd for 5 years. Has attended The Dale Carnegie Leadership training</p>
<p>5.</p>	 <p>David Wainaina Ag. Manager, Finance & Accounts</p>	<p>Mr. David Wainaina joined Tourism Fund in 2010 as an Accountant and rose through the ranks to his current position Ag. Manager – Finance & Accounts. He holds a Bachelor of Commerce in Accounting Option</p>
<p>6.</p>	 <p>Patricia Ondeng Corporate Communication and Marketing Manager</p>	<p>Patricia Terer Ondeng' is currently the Communications and Marketing manager. She has scores of certifications including Corporate Governance, Leadership and Change, Strategic Thinking and Planning, Communication, Policy formulation, and Management, among other areas. In addition, she holds a Master of Arts in Communication: (Corporate & Development Communication) from Daystar University and a Bachelor's in Business and Office Management from Jomo Kenyatta University.</p>



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<p>7.</p>	 <p>Margaret Jepkoech Ag. Corporate Secretary & Legal Services Manager</p>	<p>Ms Margaret Jepkoech joined Tourism Fund then Catering Levy Trustees in 1993 as Levy Officer. Ms. Margaret holds Bachelor of Law (LLB), Post graduate Diploma in Law (Kenya school of Law). She is also a member of Law Society of Kenya (LSK). She is currently pursuing Masters in Peace & Conflict Management. She's also a Certified Mediator.</p>
<p>8.</p>	 <p>CPA Abraham Kiptum Internal Audit Manager</p>	<p>CPA Abraham Kiptum joined Tourism Fund in 2018 as Head of internal Audit & Risk. Prior to this, he had worked for Kenya Post Office Savings Bank (KPOSB) for a period of 27 years He holds MBA (Corporate Management), Bachelor of Commerce (Accounting Option) from KCA University. He is a Diploma in Criminology & Social Order from University of Nairobi. He is also a member of ICPAK and IIA Kenya in good standing.</p>
<p>9.</p>	 <p>George Machooka Ag. Manager Human Resource and Administration</p>	<p>Mr. George Machooka joined Tourism Fund in 1996 as Human Resource officer. He holds Degree in Arts from University of Nairobi and Post Graduate Diploma in Human Resource and Administration.</p>




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<p>10.</p>	 <p>Mr. Isaiah Rutto Ag. Information, Communication & Technology Manager</p>	<p>Mr. Isaiah Rutto joined Tourism Fund in 1990 as Levy Inspector. Prior to his appointment as Acting ICT Manager, Mr Rutto had previously worked as Senior System analyst. He is a graduate of Bachelor of Science Information Technology from JKUAT and Masters in Business Administration Strategic Management option from Kenyatta University</p>
<p>11.</p>	 <p>Mr. Kevin Mungasio- Manager Supply Chain Management Chain</p>	<p>Mr. Kevin Kasaine Mungasio holds a professional Diploma in Procurement and supply from Chartered Institute of Procurement and Supply (CIPS), Bachelor of Commerce and Masters (MSC) in procurement and logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He is licensed procurement Practitioner and a Member of Chartered Institute of Procurement and Supply (MCIPS).</p>
<p>12.</p>	 <p>Laura Anyasi Ag. Manager, Resource Mobilization</p>	<p>Ms. Laura Anyasi joined Tourism Fund then CTDLT in 2012 as an assistant levy officer and rose through the ranks to her current position Ag. Manager–Resource Mobilization and Partnerships. She holds a Master’s Degree in Strategic Management from Kenyatta University and a Bachelors in Actuarial Science. She is a member of The Fundraising Association of Kenya and has 10 years’ experience in the public sector.</p>

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<p>13.</p>	 <p>Mr. Willis O. Ondiek Manager- Research, Strategy and Planning</p>	<p>Willis is a seasoned tourism professional with over 25 years' experience. He holds MBA (Strategy) and a BSc. in Tourism both from Moi University. He has been with the Fund for close to 20 years, with over fifteen (15) years in senior management. He has headed Standards Department that established the National Tourism Sector Standards prior to founding and heading Research, Strategy and Planning Department. He has also Headed the Secretariat of RNUC on operationalization. He is a Certified EAC Classification and Grading Trainer and, a Full Member of Kenya Institute of Management.</p>
<p>14.</p>	 <p>Mr. Enoch K Chebii Manager Training Revolving Fund</p>	<p>CPA Enoch Chebii is in charge of Tourism Training Revolving Fund Department. Before his appointment he was Finance and Administration manager at KNCB and previously Regional Manager at Tourism Fund. He has over 20 years' experience in public sector in areas of Finance, Administration Paralegal and Training. He has also been chairman of Tourism Fund Defined benefits and defined contribution (DB &DC) pension schemes for 15 years. He holds MBA degree from Kenyatta University and Bachelor of Commerce from catholic University of Eastern Africa. He is a certified Public Accountant (K)</p>
<p>15.</p>	 <p>Mr. Edward Kisali Manager, Levy Enforcement</p>	<p>Mr Edward Kisali joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Manager- Levy Compliance, Mr Kisali had served as a Regional Manager for a period of 10 years. He holds Masters in Strategic Management, from Jomo Kenyatta University of Agriculture & Technology, Masters in Leadership Studies, From Global University USA and a Bachelor's degree in Applied Statistics (Maseno University)</p>

<p>16.</p>	 <p>Mr. Peter Otieno Manager, Risk & Quality Assurance</p>	<p>Mr. Peter Otieno holds a Bachelor of Arts in Sociology and Communications from the University of Nairobi. He is a certified Risk and Quality Assurance professional. Prior to his appointment as the Manager- Risk & Quality Assurance, Mr. Otieno served in various capacities within the Fund, amassing extensive knowledge and experience of over 30 years in the Human Resource and Administration field. He is a registered member of Institute of Human Resource Management of Kenya (IHRM)</p>
	 <p>Barbara Akoth Manager, Levy Enforcement</p>	<p>Ms. Barbra Akoth commenced her professional career as a Management Trainee with Tourism Fund and has since progressed to become a seasoned leader with a demonstrated commitment to organizational growth and excellence. She is currently pursuing a Doctor of Philosophy in Leadership and Governance, complementing a Master's Degree in Business Administration. In addition to her academic pursuits, Ms. Akoth is a duly registered member of the Chartered Institute of Arbitrators (Membership No. 6117139), underscoring her expertise in governance, leadership, and dispute resolution.</p>

5. CHAIRMAN'S STATEMENT

During the FY 2024/25, Tourism Fund operated on its fifth cycle strategic plan which is expected to run through to 2029. The plan is anchored on four pillars; namely, Fund Portfolio, Strategic Partnerships Portfolio, Hospitality, Tourism Training and Capacity Building, and Quality Services-Based Operation. These ensures that we direct critical resources and efforts on delivering on our mandate to attain our vision of being the ultimate source of funding for the sustainable development of the tourism industry in Kenya. This is strategy key in improving the Fund's performance.

The key focus for the fiscal year under review and subsequent years as per the strategic plan is optimizing current resources to boost revenue, and initiating vital operational reforms. These include enhancing efficiency, diversifying income sources through resource mobilization efforts, funding tourism product development, and managing revolving funds. Additionally, the plan emphasizes restructuring and boosting staff motivation and skills development essential for successful plan execution. We are to improve approaches for the Fund's development, design, and execution through continuous innovation.

The period under review saw the Fund officially launched the Tourism Training Revolving Fund (TTRF), it is aimed at offering loans to a wide range of tourism-related studies, aiming to develop a skilled workforce to enhance Kenya's tourism industry. Additionally, the other key milestone achieved during the year was the launch of an upskilling program by Tourism Fund, through the Tourism Training Revolving Fund and other partners. This program shifts from traditional learning to a job-centric skills development approach, emphasizing on-the-job learning, direct feedback, and challenge identification with coaching. Tourism Fund has focused on expanding revenue volume intended to facilitate supporting of all the funding areas while recognizing the approach on establishing, equipping, and controlling colleges as well as focusing on industry capacity building done through upskilling and issuing of loans, scholarships and grants. All these efforts have made us stakeholder centric organization.

On behalf of the Board, I wish to take this opportunity to thank all the stakeholders for the commitment, dedication, and support given to the Fund. The Fund remains proactive and stands ready to address any emerging challenges and take advantage of any opportunities arising from our operating environment as we head to the second year of implementing the 5th cycle strategic plan.



Samson K. Some
Chairman Board of Trustees

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to present the Tourism Fund's Annual Reports and Financial Statements for the Financial Year 2024/25; the year characterized by the launch of our 5th cycle of the strategic plan FY2024/2025- FY2028/2029. The Plan is aimed at driving Tourism Fund towards greater success and represents a comprehensive approach in enhancing our operations, fostering innovation and improving our overall performance in the next five (5) years.

Our focus going forward is to continuously improve Tourism Levy collection and resource mobilization to fund tourism sector activities and product development which are critical to making the Kenya Tourism sector more competitive.

The financial year began against a backdrop of continued political unrest, changes in public and fiscal policy, budget cuts that affected Tourism Fund's Operations inclined towards staff development, levy operations and Ronald Ngala Utalii College funding for construction. Despite the challenges, Tourism Fund remained resilient during the period to post an improved performance in Revenue with a marginal increase in comparison to the year 2023/2024.

Tourism Fund is a fundamental player in shaping the sector's growth trajectory and reinforcing Kenya's position as a leading global tourism destination. Tourism Fund recognizes that Tourism is Kenya's best bet to accelerate economic growth and hence we will continue to support and affirm the country's position as a leading tourist destination. A total of 2,875 hospitality sector employees were upskilled; this includes 2,046 service personnel and 829 managers/directors. Additionally, 2,108 students benefited from TTRF loans amounting to Kshs 118,203,922.00, disbursed through Higher Education Loans Board (HELB).

Looking ahead in the Financial Year 2025/26, Tourism Fund will implement the initiatives and reforms outlined in its new Strategic Plan for 2025–2029, including continued implementation of reforms that improve Tourism Levy collection and resource mobilization, as well as continued automation of Tourism Fund's processes to promote efficiency. The Fund will also continue to strengthen its collaborations with other institutions key to the discharge of its mandate.



David K. Mwangi, MBS
Ag. Chief Executive Officer



7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

The four (4) strategic pillars operationalized through a set of twenty-two (22) strategies. The Fund develops its annual work plans based on the strategic plan. Assessment of the Board performance against its annual work plan is done on a quarterly basis.

The Fund achieved its performance targets for the FY 2024/2025 as indicated below: Four (4) Key Result Areas (KRAs) have been identified and are set to be realized during this Strategic Plan period in order to address the overarching goals resulting from the strategic issues that have been prioritized. It was decided that the KRAs would cover all of the department's strategic initiatives. The strategies portfolio chosen to support action plans that would direct execution was influenced by the KRAs in this case.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

	Pillar	Strategic objectives	Key performance Indicators	Activities	Milestones
1	Strategic Partnerships, Linkages and Support	<p>-Facilitate the development and review of policies, legal and regulatory instruments</p> <p>Support and Incorporate Implementation of the National and Sector Strategies, Statutory obligations, Government and Presidential Directives</p> <p>-Establish and Nurture Strategic Partnerships and Networks</p> <p>-Promote Environmental Sustainability</p>	<p>Policies developed and reviewed as per the regulatory guidelines and policy development and review process</p> <p>Partnership portfolio</p> <p>Sustainable Tourism practices</p>	<p>-Initiate and coordinate review of Tourism Act,</p> <p>-CAP 383 to capture, clearly define and include all regulated enterprises</p> <p>-Develop and use a Framework for Funding Tourism Activities and Product Development Criteria</p> <p>-Monitor and Report on PC Implementation and Target Realization</p> <p>-Carryout stakeholders' sensitization, outreach and engagement programmes</p>	<p>Tourism Act CAP 381 reviewed</p> <p>Funding Criteria in place</p> <p>Performance contract agreement in place and evaluation done</p> <p>Stakeholder sensitization and outreach done 100%</p>
2	Institutional Capability and Competence	<p>Re-engineer the Fund's Human Resource Capacity to Deliver the Strategy</p> <p>Institutionalize efficiency in the funds operations, resource mobilization and use</p> <p>Modernize and reengineer Internal Systems and Processes</p> <p>Corporate & Environmental Social Responsibility</p>	<p>Productivity efficiency Metrix at 3.5</p> <p>Widen the resource base</p> <p>Digitization of operations and service at 95%</p> <p>Corporate social responsibility at 100% on need basis – tree planting</p>	<p>Invest in culture change that embeds Fund's prescribed core values</p> <p>Appraise and hold staff accountable to role(s) and outcome(s) periodically</p> <p>Digitize processes, record keeping and security</p> <p>Premise and organize SMARTER Strategy</p>	<p>Fund's Culture Change Strategy</p> <p>Staff appraisals conducted bi- annually</p> <p>Corporate Social Responsibility and Investment and policy Strategy in place</p> <p>Digitization at 95%</p>

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	Pillar	Strategic objectives	Key performance Indicators	Activities	Milestones
		Align and allocate resources to/ for Strategic Plan Implementation and Targets realization	Budget based Annual corporate work plan in place and evaluated	implementation around Departments through Work Plans Profile and prioritize Strategic CSR&I Opportunities	Budget based corporate work plan in place
3	Resource Mobilization	-Establish sustainable resource base for funding tourism sector activities -Establish, involve and maintain dependable development and investment partnerships for resource mobilization -Increase and Diversify Revenue Volume and Stream	Partnership portfolio Resources Mobilized for funding product development	Develop and implement Funding Tourism Product Development and Partnerships Policy and Strategy Engage through Memorandum of Understanding with Investment partners and stakeholders. Work in collaboration with relevant MDAs and County Government apparatus	Funding Criteria and product development framework in place Memorandum of Understanding with Investment Partners and Stakeholders is ongoing The Fund has been able to collaborate with relevant MDAs and county Governments
4	Support Tourism Sector's Sustainable Development	-Fund Tourism Product Development and Activities. -Establish accountability and value for funds invested	Product Development profile Funding criteria	-Profile Tourism product development and diversification opportunities and potentials for funding -Build and engage dependable development partnership portfolio -Develop and use a credible and accountable framework for documenting, monitoring & reporting of levy fund use(s)	-Profile developed -Reliable partnership database exists -The Fund has a criterion in place that guides in funding the viable profiled products



8. CORPORATE GOVERNANCE STATEMENT

Corporate governance pre-suppose balancing the interests of the organization's many stakeholders and provides the framework for attaining these objectives, it encompasses practically every sphere of management, from planning; ensuring presence of internal controls; performance measurement and necessary disclosure.

Tourism Fund is committed to the highest standards of corporate governance and has effectively adopted and applies strict rules of conduct based on best corporate practices including conforming to the guiding principles set by Government for public sector from time to time including applicable laws and regulations.

The Board of Tourism Fund is responsible for the long-term strategic direction of promoting the object for which the Fund is established by formulating sound policies for its regulation and management including attaining the mandate under Tourism Act or any other law while recognizing the legitimate interest of all stakeholders and maintain highest standards of corporate governance and ethics. The Board also attaches great importance to integrity and compliance with generally accepted good corporate governance practice in line with Constitutional guidelines for operations of the Public Sector.

Board of Trustees

The Board of Trustees jointly oversees the activities of the organization. The Board of Tourism Fund is comprised of Nine (9) Members, six (6) of whom are independent including the Chairman. The Board is availed appropriate and timely information to enable maintenance of full and effective control over strategic, financial, operational and compliance requirements. The day-to-day running of the Fund has been delegated to the Chief Executive Officer; but The Board retains responsibility for oversight, establishing and maintaining internal controls over the strategic, financial, operational and compliance issues. The Board further ensures availability of a succession plan and facilitates recruitment of the Chief Executive Officer. The following was the list of the Board Members;



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No.	Name	Designation
1.	Mr. Samson Some	Chairman
2.	Ms. Zippie Metto	Trustee
3.	Mr. Joel Kamau	Trustee
4.	Mr. Joseph Sarisar	Trustee
5.	Mr. Patrick Ng'ere	Trustee
6.	Ms. Dorcas Mbalanya	Trustee
7.	Hon. Sylas Tochim	Trustee
8.	Mr. Geoffrey Kibanda	Rep. PS National Treasury, Trustee
9.	Ms. Lorna Nyamweya	Rep. PS State Department for Tourism
10.	Mr. John Karanja	Rep' Directorate of State Corporation

THE BOARD CHARTER

The Board Charter is a pivotal document of the Board. The charter is developed and adopted by the Members to provide guidance in its proper functioning. The charter defines the composition, role, responsibilities and functions of Board Members in governance of the organization. It imparts guidelines on conduct of the Board, Committee Meetings, facilitates decision making, independent judgement and ensures professional competencies. The Charter is reviewed regularly by the Board of Trustees as guided by Mwongozo code of governance for State Corporations.

ROLE AND FUNCTIONS OF THE BOARD

The Board offers guidance, leadership guidelines, sets objectives and values to be complied with. The role and functions of the Board are provided for both in the Tourism Act Cap 381 Laws of Kenya and the Mwongozo “Code of Governance for State Corporations”

These includes;

- Collecting the tourism levy imposed under section 105 of Tourism Act or any other written law;
- Formulate sound policies for the regulation and management of the Fund;
- Ensure that the strategy of the organization is aligned with the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- Approve the Organization structure.
- Determine the organization’s mission, vision, purpose and core values.

BOARD MEETINGS

The Board of Trustees meet on quarterly basis or as required. The Board Almanac and work plan are prepared at the before the end of financial year. Adequate notice is given to Members for all scheduled meetings. The agenda and the Board Packs are circulated within the stipulated timelines. The Board is responsible for monitoring implementation of the planned strategy and reviews the same where necessary in conjunction with its financial performance. Specific reviews are also undertaken on operational matters and future planning. At the end of each financial year, Board carry out a self-evaluation to ascertain performance and establish professional areas requiring improvement. The Board evaluates the Chief Executive Officer and the Senior Management against the targets set at the beginning of the financial year.

The board of Trustees held the following Meetings during the period under review;

MEMBERS ATTENDANCE LIST

No.	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Mr. Samson Some	3	9	0	12
2.	Ms. Zippie Metto	3	9	0	12
3.	Mr. Joel Kamau	3	7	0	10
4.	Mr. Joseph Sarisar	3	6	0	9
5.	Mr. Patrick Ngere	3	7	0	10
6.	Ms. Dorcas Mbalanya	3	7	0	10
7.	Hon. Sylas Tochim	3	7	0	10
8.	Mr. Geoffrey Kibanda	2	8	0	10
9.	Lorna Nyamweya				
10.	Mr. John Karanja	0	1	0	1

THE BOARD COMMITTEES

The Board Committees are established with written terms of reference to facilitate delivery of respective mandates. There are four Committees of the Board which are expected to meet regularly under a well-defined and materially delegated terms of reference set by the Board.

Below is the list of Board Committees and Memberships:

AUDIT & RISK COMMITTEE	STRATEGY RESOURCE MOBILIZATION & PARTNERSHIP COMMITTEE	CORPORATE & PROCUREMENT SERVICES	REVENUE REVOLVING FUND & LEGAL MATTERS COMMITTEE
Mr. Joseph Sarisar - Chair	Mr. Patrick Ngere - Chair	Ms. Zippie Metto - Chair	Mr. Sylas Tochim - Chair
Mr. Joel Kamau	Mr. Joel Kamau	Ms. Dorcas Mbalanya	Dr. Patrick Bucha
Mr. Geoffrey Kibanda	Mr. Joseph Sarisar	Mr. Sylas Tochim	Mr. Patrick Ngere
Mr. James Wang'ombe	Mr. Zippie Metto	Mr. Geoffrey Kibanda	Ms. Dorcas Mbalanya
Mr. John Karanja	Mr. John Karanja	Mr. John Karanja	Mr. John Karanja

THE AUDIT AND RISK BOARD COMMITTEE

The Audit Risk Assurance Committee plays a key role in providing oversight of TF's governance processes, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its roles by providing an independent oversight to the Board of Trustee. The committee is responsible for reviewing audit reports, compliance with

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relevant laws, procedures and standards, quality of financial reporting and oversight on internal controls among others. The Committee is also responsible for reviewing, approval or recommendation for Board approval of policies and procedures from Internal Auditors reports, Management letter and Management's responses to the Auditor General's findings and recommendations and review of the enterprise risk management framework.

During the FY under review the Committee attended Meetings as follows:

BOARD AUDIT AND RISK COMMITTEE MEMBERS ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Total meetings attended
1	Joseph Sarisari	4	2	6
2	Joel Kamau	4	1	5
3	Geoffrey A. Kibanda	4	2	6
4	John Karanja	4	1	5

CORPORATE AND PROCUREMENT SERVICES

This Committee meets quarterly to review the financial reports, actualisation of human resource Instruments, staff welfare, ICT automation and procurement matters. The Committee oversees and provides guidance to Management on issues related to the Human Resource Strategy and make recommendations to the Board. The Committee is mandated to review the organizational structure, core functions & optimum establishment, policies and procedures on staff recruitment and selection, staff training and development, and recommends amend to the Board of Trustees for consideration and decision.

The Committee held the following Meetings during the FY under review:

MEMBER ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Ms. Zippie Metto	3	1	4	8
2.	Ms. Dorcas Mbalanya	3	1	4	8
3.	Mr. Syllas Tochim	3	1	4	8
4.	Mr. Geoffrey Kibanda	3	1	4	8
6.	Mr. John Karanja	0	0	2	2

STRATEGY RESOURCE MOBILIZATION AND PARTNERSHIP

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The Committee reviews and evaluates the development, implementation, and impact analysis of the strategic plan, planning processes, resource mobilization efforts, project reports, and stakeholder engagement plan implementation. The Committee is tasked with the responsibility of overseeing the completion of the construction of the Ronald Ngala Utalii College (RNUC) and ensure operationalisation of the college as anticipated.

The Committee held the below Meetings during the period under review;

MEMBER ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Patrick Ng'ere	3	0	0	3
2.	Joel Kamau	3	0	0	3
3.	Joseph Sarisar	3	0	0	3
4.	Zippie Metto	3	0	0	3
5.	John Karanja	1	0	0	1

REVENUE REVOLVING FUND AND LEGAL MATTERS COMMITTEE

Reviews progress reports on tourism levy collection, tourism training revolving fund, regulatory and legal compliance status to confirm compliance and achievement of set sets. The Committee oversees the implementation of the Tourism Revolving Fund in compliance with the BETA guidelines.

The Committee held the bellow Meetings during the FY under review;

MEMBER ATTENDANCE LIST

No.	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Mr. Sylas Tochim	3	0	0	3
2.	Dr. Patrick Bucha	3	0	0	3
2.	Mr. Patrick Ng'ere	3	0	0	3
3.	Ms. Dorcas Mbalanya	3	0	0	3
5.	John Karanja	1	0	0	1

BOARD SUCCESSION PLANNING

The organizations succession plan in place and reviewed regularly to achieve proper succession planning for both the Board and Management. For example, appointment of Members of the Board of Trustees is staggered to ensure availability of the Board Quorum for continuity of the Fund's mandate.

APPOINTMENT AND REMOVAL OF DIRECTORS

The Cabinet concerned is involved with the selection of the Members of the Board of Trustees. The appointments are made by name and become effective upon gazettelement in the Kenya Gazette. Appointment shall cease if the Board Member commits among others the following;

- a) Serves the Fund with a written notice of resignation in writing, copied to the Chairperson of the or
- b) Is absent without the permission of the Chairperson from three consecutive Meeting or;
- c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or a fine exceeding twenty thousand shillings etc.

INDUCTION AND TRAINING

Tourism Fund complies with the Mwongozo “the code of governance for state corporations” in that Board Members undergo training on the code and other relevant trainings as organised by the State Corporation Advisory Commission in conjunction with other state agencies. In 2023/2024 FY Board Members attended training on Board Induction organised by the institute of Certified Public Secretaries and SCAC and a further training on the Productivity Mainstreaming by NPCC for oversight purposes.

BOARD AND MEMBER PERFORMANCE

The Board conducts self-annual evaluations to appraise its performance in accordance with the Board Evaluation Tool. The Board conducted its annual evaluation performance in August 31, 2023 in the year under review.

CONFLICT OF INTEREST

The Office has put in place the Conflict of Interest Register which is signed by all the Board Members in attendance and the register is accessed at the office of the Board Secretary.

BOARD REMUNERATION

The Board Members are remunerated for their services in accordance with the applicable legislative provisions. In accordance with the Office of the President guidelines on term and conditions of the service, The Board Members are paid sitting allowance. The Chairperson of the Board is paid a monthly honorarium.

ETHICS AND CONDUCT

Code of Ethics

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Tourism Fund is committed to the Public Officers Integrity and Ethics Act 2003, Leadership and Integrity Act 2012 and Kenya Anti-Corruption and Economic Crimes Act 2003.

The Board of Trustees has developed a code of conduct for both the Board of Trustees which is strictly adhered to. The code is reviewed occasionally in line with the applicable laws.

GOVERNANCE AUDIT

The self-governance audit is intended to ensure the organization conforms to the highest standards of good governance. The audit ought to be carried out on yearly basis. However, the last Audit was conducted in 2016. During the year under review, the Audit was not carried but the Fund had scheduled to carry out the audit in the current Financial Year. However, following the deployment of austerity measures by the government the proposed budget for governance audit was affected leading to the decision of deferral of the audit to a future date and ensure availability of budgetary provision facilitate the audit process.

DIRECTORS' EMOLUMENTS

The aggregate amounts of emoluments paid to Directors for services rendered during the Year 2024/2025 is disclosed in Note 27 & 46 to the Financial Statements.

POLICY ON RELATED PARTY TRANSACTIONS

Related Party Transactions, are subject to the approval or ratification by the Board in accordance with Tourism Fund's policies, Mwongozo code of Governance and relevant legal framework.

CHAIRMAN

AG. CHIEF EXECUTIVE OFFICER

9. MANAGEMENT DISCUSSION AND ANALYSIS

In the Financial Year 2024/2025, the organisation deployed strategies that saw marginal improvement of the Fund's tourism levy collection realisation by 4.0% that from Kshs.4.9B to Kshs.5.04B. In the establishing Kenya's second premier hospitality institution, namely the Ronald Ngala Utalii College, the fund attained a completion rate of 85.26%.

The Fund provided 100% budgetary commitment assistance to Kenya Tourism Board's Marketing initiatives and Kenya Utalii College's Capacity Building mandate based on first revision of the budget. Additionally, it supported upskilling capacity building initiative for over 2,800 establishment employees countrywide while 2,108 hospitality students benefited from Tourism Training and Revolving Fund (TTRF) loans, disbursed by Higher Education Loans Board (HELB) on behalf of the Fund.

The quality management system was enhanced inclusive of policy implementation accountability to the Board of Trustees, hence resulting in improved compliance level to the 5th cycle strategic plan, budget and performance contracting commitments. The Fund's Quality Management System is now ISO9001:2015.

Performance Contract results registered excellent performance rating. There was increased industry support disbursements to Kenya Association of Hotel Keepers & Caterers (KAHC), Kenya Tourism Federation (KTF), Tourism Professional Association (TPA), Pubs Entertainment Restaurant Association of Kenya (PERAK) and Eco-Tourism Kenya.

The Fund took critical strides towards actualising additional mandates by among others; operationalising Resource Mobilisation and Revolving Fund objectives as envisaged by the provisions of Tourism Act Cap.383 Laws of Kenya.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability strategy and profile

Tourism Fund is committed to financing and investing in sustainable eco-tourism products. They focus on increasing environmentally sustainable activities like encouraging tourism stakeholders the adoption of best practices with respect to the environment, socio, and cultural aspects. The Fund has taken urgent action to combat climate change and its impacts, including beautification and greening for Tourism (Tree Planting). Further more encouraging innovation in sustainable tourism products and services. Tourism Fund is also focused on conservation and sustainable use of the oceans, seas, and marine resources for sustainable development. The initiatives by the Fund focuses on Fish Exploratorium and Science Park. Cruise ship Tourism, Flotels and Beach Tourism Development.

ii) Environmental performance

Tourism Fund Provides grants for tourism enterprises that comply with regulations on riparian ecosystem protection and invest in conservation and new sustainable and climate-resilient tourism products/ experiences. Tourism Fund plays a vital role in fostering a sustainable and resilient tourism sector in Kenya by providing financial support, promoting responsible practices, and encouraging innovation and collaboration. The following are additional matrices are parameters for Tourism Fund as a responsible company.

iii) Employee welfare

- **Mental Wellness**

The Fund recognizes that mental wellbeing is significant to staff productivity. The Fund is committed to ensure a state of well-being in which the staff realizes his or her own abilities, can cope with the normal stresses of life, work productively and fruitfully, and is able to make a contribution to his or her community. The Fund has an elaborate program for staff to identify and facilitate interventions for the affected staff to get counselling services.

Management ensures that arrangements are made to provide counselling services to the employees for their well-being and in order to develop a psychologically healthy workforce as per the Public Service Policy on Guidance and Counselling.

- **Drug and Substance Abuse**

Drugs or substance abuse is treated like any other disease at Tourism Fund. An employee who is confirmed to deal with drug and substance abuse problem is referred for rehabilitation services to a Medical facility for help.

The Fund provides both in-patient and out-patient rehabilitation services within the limits that are provided in the Medical Insurance Scheme.

- **Work Environment**

Each employee at Tourism Fund is duty-bound to maintain a clean and healthy working environment. The organization provides spacious working space, well ventilated offices and well lighted. Tourism Fund provides clean drinking water for the staff at all times.

- **Medical Cover**

The Fund has procured a comprehensive medical cover for members of staff which includes last expense cover of KES. 200,000 (Two hundred thousand shillings) for the employee, one spouse and up to four (4) dependent children.

- **Recruitment**

The Fund is an equal opportunity employer and does not in its recruitment and selection process, discriminate on the basis of gender, race, religion, ethnicity or any other form of discrimination. The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 232 of the Constitution is observed alongside any policies issued by the National Cohesion and Integration Commission.

- **Career Growth and Development**

Tourism Fund has provided career progression guidelines for all cadres in Tourism Fund which: -

- I. Provide norms and standards for the specific cadres for the determination of qualifications and progression;
- II. Prescribe relevant competencies for all cadres; and
- III. Advise on relevant technical and professional training for all carders.
- IV. Career progression in line with the approved organization structure.

- **Health and Safety**

The Fund recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.



- **Retirement benefits**

Tourism Fund provides retirement benefits for its employees under its scheme CTDLTSPS -2011. 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. Fund Overview – In the year 2024; the fund value increased from KES 1.22Billion to KES 1.5Billion. This was due to net contributions during the quarter as well as an investment growth. The performance was -0.87% mainly due to Unrealised Gain / (Loss) in Local Quoted Equity, and Unrealised Gain / (Loss) in Local Treasury Bonds.

iv) Market place practices, Responsible competition practice.

In the year under review the Fund’s Board of Trustees approved the Tourism Fund Procurement policy that promotes a procurement system that is fair, equitable, transparent, competitive and cost effective. To ensure adherence to public procurement laws and best practices, all purchases and acquisitions in the year under review were undertaken based on a market survey accompanied by a professional opinion to the Chief Executive Officer. Supplier relationships were also enhanced in the year under review in terms of conducting pre-tender meetings and debriefing meetings to the interested bidders. All ongoing contracts have now been uploaded in the SAP system and through the contract management module all contractors’ invoices are processed and paid promptly as per the terms of the respective contracts.”

a) Responsible Supply chain and supplier relations

In the year under review the Fund’s Board of Trustees approved the Tourism Fund Procurement policy that promotes a procurement system that is fair, equitable, transparent, competitive and cost effective. To ensure adherence to public procurement laws and best practices, all purchases and acquisitions in the year under review were undertaken based on a market survey accompanied by a professional opinion to the Chief Executive Officer. Supplier relationships were also enhanced in the year under review in terms of conducting pre-tender meetings and debriefing meetings to the interested bidders. All ongoing contracts have now been uploaded in the SAP system and through the contract management module all contractors’ invoices are processed and paid promptly as per the terms of the respective contracts.”

b) Responsible marketing and advertisement

The Fund has been able to enforce and maintain ethical marketing and advertising practises by observing the following:

- Ensuring adherence to the provisions of Data Protection Act 2019 that cover, amongst other clauses; the principles of personal data protection, processing for direct marketing, collection of personal data, duty to notify and conditions for consent.
- The Fund's strategic plan gives guidance to the marketing and communication policy and procedures that sets the guidelines for ensuring that all marketing and advertising practises are aligned to the budget, procurement plan and the departmental work plan. This ensures that all activities undertaken are as approved appropriately.
- The Public procurement and Asset Disposal Act, revised edition of 2016 provides for; establishing and maintaining good supplier relations through timely processing of all advertising documentation, publishing of all procurement opportunities through the different channels (print, media, social media etc.) as well procedures for reporting on conflict of interest on all matters that guide supplier relations. Additionally, the PPAD Act clearly outlines how to dispose of organisational assets such as furniture and vehicles in an environmentally friendly and sustainable manner of which the Fund strictly adheres to.
- The Finance Act, 2021 provides for timely processing of all works undertaken by suppliers to the Fund. This ensures that all marketing and advertising payments comply with budget allocations which are also in compliance with the Fund's Strategic plan.
- Monitoring and evaluation- The Fund has developed well-defined monitoring and evaluation tool kits that guide in reporting and analysis of all marketing and advertising activities conducted. This helps in ensuring that Management reports to the Board on activities undertaken while monitoring on budget expenditure.
- The Fund's Service Delivery Charter gives proper guidance on our service provision standards as a Fund; from handling of official complaints to settling creditor's debts.
- The code of practice for the deployment of communications infrastructure in Kenya provides for a clear legal framework on advertising practises as relates to confidentiality of information, data privacy and verification of facts. The Fund

adheres to all relevant Government laws, regulations and industry standards that protect our stakeholders in all our marketing and advertising practises.

c) Product stewardship

The Fund as a service-oriented organisation does not directly engage in physical production or sales of a commodity, hence product stewardship does not apply to the Fund.

v) Corporate Social Responsibility / Community Engagements

Corporate Social Responsibility and Investment practises (CSR&I) is the way in which an organisation meets her wider economic, social and ecological environment obligations through promoting a vision of business accountability to a wide range of stakeholders, shareholders and investors. The Fund's mandate is to mobilise resources to finance the development of a sustainable tourism industry in Kenya. Besides this, it has the responsibility of looking into activities that contribute to /or that have positive impact on the community which it operates in.

The Fund aims to transform people's lives through impactful and sustainable Tourism practises this is the purpose and the driving force behind everything we do. It's what guides us to deliver on our strategy; by putting our stakeholders first and delivering efficient and effective services that promote overall sustainability, and improving operational excellence. The Fund's key areas of concern are environmental protection, the well-being of employees, the community and public in general, both now and in the future.

During the FY 2024/25, the Fund engaged on the following CSR&I activities:

Tree planting aimed toward towards the promotion of environmental sustainability initiatives in line with the presidential directives under the Mwongozo Act. Equally, the Fund carried out the following community and stakeholder engagement activities during the period under review: -

Corporate Social Responsibility (CSR) initiative organized by the Tourism Fund (TF), in partnership with the Office of the Women Rights Advisor and other stakeholders, in Londiani, Kericho County, focusing on empowering vulnerable widows through skills development, resource provision, and rights awareness.

Tourism Fund Kenya visited Mindililwo Special School in Elgeyo Marakwet County as part of the organization's implementation of Corporate Social Responsibility (CSR & I) program. The purpose of the visit was to hand over a washing machine

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and donation of food items to support the school's operations and the well-being of the pupils.

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Tourism Fund.

The Board of Trustees submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of Tourism Fund's affairs.

i) Principal activities

The principal activities of the Entity are:

The principal activities of the Tourism Fund are as follows:

- a) Finance the development of tourism products and services;
- b) Finance the marketing of Kenya as a tourist destination through the Tourism Board;
- c) Finance the activities of the Protection Service;
- d) Finance the tourism research, tourism intelligence and the national tourism information management system;
- e) Finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
- f) Finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act;
- g) Mobilize resources to support tourism-related activities.

ii) Results

The results of Tourism Fund for the year ended June 30, 2025 are set out on pages 21-28

iii) Directors

The members of the Board of Trustees who served during the year are indicated under section 7 on Corporate Governance Statement.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Tourism Fund is in the Financial Services Sector since reclassification in 2018. It is not a regulatory entity and hence doesn't fall within the entities that remit surpluses into the consolidated Fund.

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v) Auditors

The Auditor-General is responsible for the statutory audit of the **Tourism Fund** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or for the year/period ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Name *Margaret Jepkoach* Signature *MJE* Date

Corporation Secretary/Secretary to the Board

12. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 69 of the Tourism Act, 2011, require the Board of Trustees to prepare financial statements in respect of Tourism Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year and the operating results of the Fund for that year. The Board of Trustees is also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Board of Trustees is also responsible for safeguarding the assets of the Fund.

The Board of Trustees is also responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- c) 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;
- d) Safeguarding the assets of the Fund;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Board of Trustees accept responsibility for Tourism Fund'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 and Tourism Act 2011. The Trustees are of the opinion that Tourism Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

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

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2025.**



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

Approval of the financial statements

Tourism Fund's financial statements were approved by the Board on 14th November, 2025 and signed on its behalf by:



**Samson K. Some
Chairperson of the Board**



**David K. Mwangi, MBS
Accounting Officer**

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON TOURISM FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Tourism Fund set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of

cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tourism Fund as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Tourism Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on comparable basis amounts of Kshs.6,283,579,692 and Kshs.5,037,652,623 respectively, resulting in an under-funding of Kshs.1,245,927,069 or 20% of the budget. Similarly, the Fund spent Kshs.5,789,164,603 against actual receipts of Kshs.5,037,652,623 resulting in an over-utilization of Kshs.751,511,980 of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to audit in the year under review.

Other Matter

Unresolved Prior Year Issues

In the prior years' audit reports, several issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Failure to Carry out Inspection on Works and Services
2	2023/2024	Violation of One Third Rule of Basic Pay
3	2023/2024	Failure to Recruit a Substantive Chief Executive Officer
4	2023/2024	Anomalies in Construction Works for Proposed Ronald Ngala Utalii College
5	2023/2024	Unbalanced Budget
6	2023/2024	Board Expenditure Beyond the Recommended Threshold

Other Information

The Management is responsible for the Other Information set out on page iii to xliv which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of the matters described on 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 of Conclusion

1. Staff Serving in an Acting Capacity for More than Six (6) Months

Review of the staff payroll revealed that seven (7) employees have been in acting capacity for positions above their grade for a period longer than six (6) months without the position being substantially filled according to law. The total amount paid as acting capacity as at

30 June, 2025 was Kshs.13,606,900. This was contrary to Public Service Human Resource Policy Manual 2016 which states that when an officer is eligible for appointment to a higher post and is called upon to act in that post pending advertisement of the post, he / she is eligible for payment of acting allowance at the rate of twenty percent (20%) of the substantive basic salary. Acting allowance will not be payable to an officer for more than six (6) months.

In the circumstances Management was in breach of the law.

2. Delayed Completion of Ronald Ngala Utalii College Project

The contract agreement to build the Ronald Ngala College was signed on 14th May, 2013 and the works were to commence on 20th June, 2013. The project was intended to take only sixty (60) months with expected completion date of 19 June, 2018. The project contract period was extended vide addendum No. 1 to No.3 dated 20th April, 2021. The main contractor and the sub-contractors were to complete the specific works within twelve (12) months with an expected completion date of 20th April, 2022.

Review of the project file in the month of May, 2025 and monthly progress report dated 31 May, 2025 revealed that the project was at 85% completion status and the contractor was behind schedule having taken more than 12 years since commencement.

Physical inspection carried out in June, 2025 revealed that some buildings had developed molds and cracks an indication that upon completion of the project, additional costs might be incurred for repairs. Management responds that the delay was accessioned by lack of funds.

In the circumstances, value for money on the expenditure so far incurred could not be confirmed.

3. Engagement of Temporary Staff Beyond Twelve (12) Months

Review of staff records of the Tourism Fund revealed that twenty-two (22) employees had been engaged on temporary terms for periods exceeding twelve (12) months, contrary to the provisions of the Tourism Fund Human Resource Policy and Procedures Manual (January 2018).

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

4. Late Submission of the Annual ALMANAC

During the year under review, the Board of Directors did not submit the ALMANAC to the State Corporations Advisory Committee (SCAC) by the statutory date of 30 June, 2024. Instead, it was received on 09 August, 2024. This was contrary to Guideline A (1) of Reference letter OP/CAB.9/1A dated 11th March, 2020 on Management of State Corporations which states that All Boards of Directors are required to submit their annual ALMANAC to SCAC through the parent Ministry by 30th June of every year.

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

5. Irregular Transfer of Funds to Bomas of Kenya

On 16 May, 2025, a sum of Kshs.250,000,000 was transferred from the Tourism Fund revenue account to Bomas of Kenya Limited bank account. The purpose of the transfer was stated as grant for the renovation of Bomas of Kenya. However, the following anomalies were noted:

- i. Bomas of Kenya at the time of transfer of funds was under the State Department for Culture, The Arts and Heritage, which falls under the Ministry of Gender, Culture, The Arts and Heritage. This was in accordance with Executive Order Number 2 of 2023. Therefore, the Tourism Fund did not have jurisdiction over Bomas of Kenya, raising concerns about the appropriateness of the fund transfer. However, Executive Order No1 of 2025 of June 2025 transferred Bomas to the State Department for Tourism.
- ii. The transfer of funds was not supported by any Memorandum of Understanding (MoU) or formal agreement between the State Department for Tourism and the Ministry of Gender, Culture, The Arts and Heritage.
- iii. The Kshs.250,000,000 transfer was approved in the supplementary budget dated 01 May, 2025 under the budget line "Use of Goods and Services". However, the funds were disbursed as grants and subsidies, which contradicts the approved classification and may constitute a misapplication of budgeted resources.

In the circumstances, regularity and value for money of funds transferred to Bomas of Kenya could not be confirmed.

6. Non-Compliance with Public Procurement Capacity Building Levy

The Fund did not comply with the requirements of Legal Notice No.206 of 2023 (The Public Procurement Capacity Building Levy Order, 2023) during the financial year 2024-2025. The Fund did not deduct the mandatory levy of 0.03% from all contracts signed after 1st September, 2024. Additionally, a summary of contracts signed after 1st September was not provided for audit review.

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

The audit was conducted in accordance with the 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of External Disaster Recovery Services

During the year under review, the Fund did not have a disaster recovery service in place as the service provider's contract had expired. The Fund relies heavily on digitized operations to collect levy income and in the absence of a disaster recovery service, the Fund risks loss of key data and disruptions of service delivery.

In the circumstances, safety of key data and recovery of data and information in case of a disaster could not be confirmed.

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

Responsibilities of Management and Board of Directors

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

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

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

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

The Board of Directors is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 December, 2025



14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025.

	Note	2024 / 2025 Kshs	2023 / 2024 Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	6	250,000,000	600,000,000
Levy Income Received	7	4,813,088,403	4,743,189,273
Levy interest & penalties Received	7	192,529,714	127,280,964
Levy arrears earned for the year & not Received	7	50,991,201	38,472,818
Total revenue from non-exchange transactions		5,306,609,318	5,508,943,054
Revenue from exchange transactions			
Rental revenue from Tourism Fund Building	8	76,827,703	71,132,863
Finance income	9	1,036,669	356,797
Disposal income	10	-	2,630,235
Bidding Fees	10	-	10,500
Total revenue from exchange transactions		77,864,372	74,130,395
Total revenue		5,384,473,690	5,583,073,449
Expenses			
Use of goods	11	355,651,276	518,800,547
Employees costs	12	745,376,645	783,668,988
Board of Trustees remuneration	13	27,640,890	32,843,639
Depreciation and Amortization	14	27,792,915	39,887,075
Repairs & maintenance	15	152,599,625	144,555,618
Grants and subsidies	16	4,581,937,090	3,641,837,648
Total expenses		5,890,998,441	5,161,593,515
Other gains/(losses)			
Gain (Loss) on disposal	17	-	2,630,235
(Deficit) / Surplus for the period before tax		(506,524,751)	424,110,169

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2025.**



The notes set out on pages 9 to 49 form an integral part of these Financial Statements. The Financial Statements set out on pages 1-8 were signed on behalf of the Board of Directors by:

David K. Mwangi
Accounting Officer

Date

Lilians Wafukho
Director Corporate Services
ICPAK M/No: 6390

Date

Samson K. Some
Chairman of the Board

Date

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2025.**



15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	72,817,981	374,653,250
Prepayments	21	41,073,658	73,964,314
Receivables from exchange transactions	19	150,643,248	29,629,278
Receivables from non-exchange transactions	20	877,758,723	624,374,294
Total Current Assets		1,142,293,609	1,102,621,136
Non-Current Assets			
Property, plant and equipment	22	2,751,403,699	2,712,363,443
Intangible assets	23	201,605,501	202,947,358
Total Non-Current Assets		2,953,009,200	2,915,310,801
Total Assets		4,095,302,809	4,017,931,937
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	1,463,531,718	882,295,672
Refundable deposits from tenants	25	2,848,560	2,920,110
Employee benefit obligations	26	10,999,452	8,268,325
Total current liabilities		1,477,379,730	893,484,107
Net Assets		2,617,923,079	3,124,447,830
Represented by:			
Reserves		307,070,681	307,070,681
Capital Fund		1,984,062,150	1,984,062,150
Accumulated Surplus		326,790,248	833,314,999
Total Net Assets		2,617,923,079	3,124,447,830

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2025.**



The financial statements set out on pages 1-8 were signed on behalf of the Board of Directors by:

.....
David K. Mwangi
Accounting Officer

Date

.....
Lilians Wafukho
Director Corporate Services

ICPAK M/No: 6590

Date

.....
Samson K. Some
Chairman of the Board

Date



16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Revaluation Reserve	Capital Fund	Accumulated surplus(Deficit)	Capital Development Grants	Total
		Kshs	Kshs	Kshs		Kshs
As at 01.7.2023		307,070,681	1,984,062,150	409,204,830		
Prior Year Adjustment	-					-
Accrued expenses						-
Adjustments			-	-		-
Revaluation reserve						-
Surplus/ (deficit) for the year	-	-	-	424,110,169		424,110,169
As at 30 June 2024		307,070,681	1,984,062,150	833,314,999		3,124,447,830

As at 01.7.2024		307,070,681	1,984,062,150	833,314,999		3,124,447,830
Prior Year Adjustment	-	-	-	-		-
Accrued expenses						-
Adjustments			-	-		-
Revaluation reserve						-
Surplus/ (deficit) for the year	-	-	-	(506,524,751)		(506,524,751)
As at 30 June 2025		307,070,681	1,984,062,150	326,790,248		2,617,923,079



17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other government entities	6	100,000,000	600,000,000
Levy income, (interests and penalties)	7	4,828,444,803	4,753,767,412
Rental revenue from Tourism Fund building-Be only actual received	8	108,171,151	44,102,571
Interest income	9	1,036,669	356,797
Miscellaneous Income	10	-	2,640,735
Total receipts		5,037,652,623	5,400,867,515
Payments			
Use of goods	11	(332,265,095)	(488,788,493)
Employees costs	12	(742,645,518)	(732,597,910)
Board of Trustees remuneration	13	(27,640,890)	(32,843,640)
Repairs & maintenance	15	(118,174,608)	(142,677,900)
Grants and Subsidies	16	(4,053,270,466)	(4,006,564,228)
Total payments		(5,273,996,577)	(5,403,472,171)
Net cash flows from (used in) operating activities		(236,343,954)	(2,604,656)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	22	(65,491,314)	(28,611,783)
Proceeds from sale of property, plant, equipment	17	-	2,630,235
Net cash flows used in investing activities		(65,491,314)	(25,981,548)
Cash flows from financing activities			
Net increase in cash and cash equivalent		(301,835,268)	(28,586,204)
Cash and Cash Equivalent 1st July 2024		374,653,249	403,239,453
Cash and Cash Equivalent 30th June 2025	18	72,817,981	374,653,249

Note:

Statement of cash flow excludes all non-cash items.

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2025.**



.....
David K. Mwangi
Accounting Officer

Date

.....
Lilians Wafukho
Director Corporate
Services
ICPAK M/No: 6590

Date

.....
Samson K. Some
Chairman of the Board

Date



18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original budget	Adjustments	Final budget	Actual comparable basis	Performance difference	% of utilization
Budget carryovers from previous year						
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from other government entities	850,000,000	(650,000,000)	200,000,000	100,000,000	(100,000,000)	50%
Levy income, interest & penalties	6,001,579,692	-	6,001,579,692	4,828,444,803	(1,173,134,889)	80%
Rental revenue from Tourism Fund Building	79,000,000	-	79,000,000	108,171,151	29,171,151	137%
Finance income	500,000	-	500,000	1,036,669	536,669	207%
Other Income - Disposal	2,500,000	-	2,500,000	-	(2,500,000)	0%
Total income	6,933,579,692	(650,000,000)	6,283,579,692	5,037,652,623	(1,245,927,069)	
Payments.						
Use of goods	337,126,991	60,701,427	397,828,418	332,265,095	(65,563,323)	84%
Employees costs	879,641,725	-	879,641,725	742,645,518	(136,996,207)	84%
Board of Trustees remuneration	30,000,000	-	30,000,000	27,640,890	(2,359,110)	92%
Repairs & maintenance	77,788,596	42,716,041	120,504,637	118,174,608	(2,330,029)	98%
Grants and Subsidies	5,117,038,597	-	5,117,038,597	4,568,438,492	(548,600,105)	89%
Total expenditure	6,441,595,909	103,417,468	6,545,013,377	5,789,164,603	(755,848,774)	
Surplus for the period	491,983,783	-	(261,433,685)	(751,511,980)	-	
Capital Expenditure	70,176,972	-	70,176,972	68,471,814	68,471,814	

Budget notes

- (i) The drop in levy is attributable to significant budget cuts in the initial budget approval and very late release of the approved revised budget. This had significant effect on field operations meant to ramp up more levies
- (ii) TPF Fund had initial committed to a budget of Ksh 850M in the final revised approved budget, making the total revenue budget of Ksh 6,933,579,692. However, the same was scaled down to Ksh 250M, with a remittance of Kshs. 100M and a receivable of Kshs. 150M

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Tourism Fund is established by and derives its authority and accountability from Tourism Act, 2011. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to fund tourism activities.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Tourism Fund accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. *The* financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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

Standard	Effective date and impact:
	<p>relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Fund will disclose the operational leases in the financial statements.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flow arising from revenue transactions. There is a possibility of reclassifying revenues as are currently under IPSAs 9 and 23.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature,</p>

Standard	Effective date and impact:
	amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. Disbursements and intergovernmental transfers may be reclassified in line with this standard.
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The Tourism Fund adopted has adopted the new standards as per published guidelines.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REVENUE RECOGNITION

i) Revenue from non-exchange transactions

Tourism Levy, Fees, taxes and fines

Tourism Fund recognizes revenues from levies, interests and penalties 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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the

amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

Rental income

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

iii) Budget information

The original budget for the Current FY was approved by the National Assembly on 21st July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs.1.6billion on the 2024/2025 budget following the governing body's approval.

The Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by

presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented as below:

Reporting Currency	2024/2025	2023/2024
	Kshs	Kshs
Total revenue as per Statement of Comparison of Budgeted Vs Actual Amounts	5,037,652,623	4,405,622,577
Add: Levy income (levy debtors)	228,164,515	213,903,890
Add: Accrued Rental income received	(31,343,448)	55,515,583
Add: Accrued transfers from TPF	150,000,000	
Total revenue as per SFP	5,384,473,690	4,675,042,050
Total expenses as per statement of Comparison of budgeted vs actual amounts	5,814,871,191	4,048,751,566
Add: Accrued use of goods and services	21,969,893	81,998,935
Gratuity	2,731,127	
Depreciation and amortization	27,792,915	99,552,213
Repairs & maintenance	34,425,017	
Net changes in grants and subsidies	(10,791,702)	35,475,734
Total expenses as per SFP	5,890,998,441	4,265,778,448
Surplus / (Deficit) as per SFP	(506,524,751)	409,263,602

Notes to the Financial Statements (Continued)

iv) 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 Tourism Fund 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.

v) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

vi) 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.

vii) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Fund also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

viii) Intangible assets

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

Notes to the Financial Statements (Continued)

B. Financial assets

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i) Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

ii) Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Notes to the Financial Statements (Continued)

iii) Amortized cost

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

iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

v) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

- vi) Fair value through surplus or deficit** Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note*

Notes to the Financial Statements (Continued)

C. Financial liabilities

i) Classification

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

ii) Provisions

Provisions are recognized when the Fund 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 Fund 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.

iii) Contingent liabilities

The Entity 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.

iv) Contingent assets

The Entity 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.

Notes to the Financial Statements (Continued)

v) Nature and purpose of reserves

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

vi) Changes in accounting policies and estimates

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

D. Employee benefits

Retirement benefit plans

The Fund provides retirement benefits for its employees and directors. 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.

E. Related parties

The Tourism Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

F. 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.

G. Comparative figures

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

H. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Tourism Fund 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)

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

The estimated rates are as follows:

Computers and Accessories	33.3%
Furniture, Fixtures & Fittings	12.5%
Plant & Equipment	12.5%
Motor Vehicles	25%
Building	2.5%
Levy Software System	30.0%

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Name of the entity sending the grant	Total transfers 2024/2025	Total transfers 2023/2024
	Kshs'	Kshs'
Ministry of Tourism - RNUC Government Grants	-	-
Tourism Promotion Fund - RNUC Government Grants	250,000,000	600,000,000
Total	250,000,000	600,000,000

7. Levies, Fines and Penalties

Description	2024/2025 Kshs'	2023/2024 Kshs'
Tourism Levy - received	4,813,088,403	4,743,189,273
Interests (3% Interests)-received	149,196,551	82,410,823
Penalties-Received	43,333,163	44,870,141
Un received levies earned in the year-Levy Arrears	50,991,201	38,472,818
Total	5,056,609,318	4,908,943,054

8. Rental Revenue from Facilities and Equipment

Description	2024/2025 Kshs'	2023/2024 Kshs'
Rental income	76,827,703	71,132,863
Service charge	-	-
Total rentals	76,827,703	71,132,863

9. Finance Income

Description	2024/2025 Kshs'	2023/2024 Kshs'
Interest Income on loans & investments - KCB&Co-op Mortgage interests	1,036,669	356,797
Total finance income	1,036,669	356,797

Notes to the Financial Statements (Continued)

10. Other Income

Description	2024/2025 Kshs'	4,908,943,054 Kshs'
Disposal income	-	2,630,235
Bidding fees	-	10,500
	-	2,640,735

11. Use of Goods and Services

Description	2024/2025 Kshs'	2023/2024 Kshs'
Electricity & Water	15,109,535	17,001,175
Professional services (Note 10 ii)	30,234,685	30,217,095
Subscriptions	427,430	974,372
Telecommunication & postage	9,781,951	12,626,507
Office Rent- HQ & Branches	26,472,514	31,237,422
Fuel Expenses	14,060,726	19,612,477
Printing and stationery	20,317,237	15,468,867
Travel, accommodation, subsistence and other allowances	44,259,159	96,903,850
Advertisement & Publicity	3,867,000	9,689,938
Audit fees	3,400,600	9,456,046
Legal expenses	16,864,003	8,160,237
Office security	19,586,360	20,991,340
Staff Development Training	41,414,933	73,171,813
General Insurance	13,254,433	12,269,972
Provision for doubtful & bad debts (Increase)	4,144,091	25,579,829
Other general office expenses (Note 10 i)	92,456,620	135,439,607
Total	355,651,276	518,800,547

Notes to the Financial Statements (Continued)

Description	2024/2025 Kshs'	2023/2024 Kshs'
Note: Further disclosures		
(i) Other general office expenses		
General expense	711,330	1,404,020
Corporate Social Responsibility	3,870,820	7,830,100
Land Rent, Rates & Services	1,046,550	516,211
Newspapers & Periodicals	52,800	76,936
Entertainment & Public Relations	2,406,581	3,644,114
Levy Recruitment Drive	48,441,919	88,240,254
Email & Internet	7,058,935	8,323,363
Bank Charges	2,357,698	2,492,245
Office Cleaning	9,484,141	11,413,103
Rebranding	1,018,000	3,681,160
World Tourism Expenses	13,813,445	7,818,100
Tourism Development (Acts & Constitution)	2,194,400	-
Total	92,456,620	135,439,607
(ii) Professional services -		
Descriptions	2024/2025 Kshs'	2023/2024 Kshs'
PC Surveys	25,495,705	22,671,115
HIV programs	156,480	970,400
ISO 9001-2008 Expenses	4,582,500	6,575,580
Total	30,234,685	30,217,095

Notes to the Financial Statements (Continued)

12. Employee Costs

Descriptions	2024/2025 Kshs'	2023/2024 Kshs'
Salaries and wages (Basic Pay)	415,913,356	443,836,576
Medical Insurance	52,852,747	56,447,651
Pension & Gratuity	86,506,745	92,322,853
Housing benefits and Allowances (Note 11 i)	155,791,770	162,086,927
Other employee related costs (Note 11 ii)	34,312,027	28,974,981
Employee costs	745,376,645	783,668,988

Note: Further disclosures

(i) Housing benefits and Allowances

House Allowances	103,778,000	109,179,000
Acting Allowance	3,961,600	3,787,400
Leave Allowance	8,262,770	8,575,727
Transfer Allowance	1,833,000	494,400
Transport Allowance	33,838,000	35,542,000
Remunerative Allowance	2,670,000	3,060,000
Disability Allowance	240,000	240,000
Hardship Allowance	1,208,400	1,208,400
Total	155,791,770	162,086,927

(ii) Other employee related Costs	2024/2025 Kshs'	2023/2024 Kshs'
Staff uniforms	-	1,708,000
Staff tea & consumables	3,435,097	4,433,064
Staff contingencies	-	99,000
Staff welfare / Gifts	22,456,500	14,173,690
Employer contribution to affording housing	8,420,430	8,561,228
Total	34,312,027	28,974,981

Notes to the Financial Statements (Continued)

13. Board Expenses

Description	2024/2025 Kshs'	2023/2024 Kshs'
Chairman Honoraria	960,000	960,000
Trustees sitting allowances	11,102,031	13,104,396
Trustee Training & Induction	2,764,032	-
Trustees traveling & accommodation	12,814,827	18,779,243
Total	27,640,890	32,843,639

14. Depreciation and Amortization Expense

Description	2024/2025 Kshs'	2023/2024 Kshs'
Motor vehicles	8,804,519	1,987,500
Furniture and fittings	4,341,529	9,343,107
Partitions	4,473,832	5,991,583
Computers & Accessories	7,085,134	10,561,877
Office Equipment	1,746,045	3,042,635
Total Property, Plant and Equipment	26,451,058	30,926,702
Intangible Assets	1,341,857	8,960,373
Total depreciation and amortization	27,792,915	39,887,075

15. Repairs and Maintenance

Repairs and Maintenance Description	2024/2025 Kshs'	2023/2024 Kshs'
Repairs - Motor vehicle	21,997,842	15,329,149
Repairs - Building (Investment property earning rentals)	24,043,836	26,217,908
Repairs - Furniture	316,814	73,100
Repairs - Equipment and Machinery	15,023,717	29,712,608
ICT Repair expenses (Computer & Accessories)	91,217,416	73,222,853
Total repairs and maintenance	152,599,625	144,555,618

Notes to the Financial Statements (Continued)

16. Grants and Subsidies

Description	2024/2025 Kshs'	2023/2024 Kshs'
Grants - Kenya Utalii College	630,000,000	552,000,000
Grants - Kenya Tourist Board	470,000,000	360,000,000
Grants - Ronald Ngala Utalii College	1,906,185,449	1,510,075,349
Withholding taxes RNUC	-	150,000,000
Grants – Other Training Activities	4,797,528	5,329,873
Grants to other Tourism Agencies set up	69,369,464	60,614,886
Product Development	367,568,606	139,921,193
Grants Refresher Courses	175,419,973	53,993,314
Strategic partnerships & collaborations	78,786,940	-
RNUC Government Disbursements	100,000,000	809,903,033
Grants to Tourism Protection Service	40,794,975	-
Grants to Tourism Research Institute	66,000,000	-
Grants to Tourism Regulatory Authority	37,600,000	-
Grants to Tourism Sector Safety & Recovery	39,054,592	-
Grants to State Department of Tourism	96,359,563	-
Grants to Bomas of Kenya	500,000,000	-
Total grants and subsidies	4,581,937,090	3,641,837,648

17. Gain on Sale of Assets

Description	2024/2025 Kshs'	2023/2024 Kshs'
Cost of purchase		12,650,000
Accumulated depreciation		(12,372,235)
Net Book Value		277,765
Sales proceeds		2,908,000
Gain (Loss) on disposal	-	2,630,235

Notes to the Financial Statements (Continued)

18. Cash and Cash Equivalents

Cash and Cash Equivalents		
Description	2024/2025 Kshs'	2023/2024 Kshs'
Current account	17,039,761	357,384,617
Savings account	-	334,648
Others-Specified	91,652	79,596
Staff car loan/ mortgage	55,686,568	16,854,388
Total cash and cash equivalents	72,817,981	374,653,250

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

Cash and Cash Equivalents		
Description	2024/2025 Kshs'	2023/2024 Kshs'
Current account	17,039,761	357,384,617
Savings account	-	334,648
Others-Specified	91,652	79,596
Staff car loan/ mortgage	55,686,568	16,854,388
Total cash and cash equivalents	72,817,981	374,653,250

	2024/2025	2023/2024
Savings account		
Co-Op Bank Savings A/C-Hekima	-	334,648
Total	-	334,648

	2024/2025	2023/2024
Loan Accounts (Balances held by Bank- Unutilized/ Undisbursed)		
KCB Mortgage Account	45,355,533	208,846
Co-op Housing Mortgage Account	10,331,035	16,645,542
Total	55,686,568	16,854,388

Notes to the Financial Statements (Continued)

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

Others-Specified	2024/2025	2023/2024
Cash at hand -Head Office	250	2,176
Cash at hand-Central Kenya	12,430	20,000
Cash at hand-Nairobi North	20,000	20,000
Cash at hand-Nairobi South	20,000	14,000
Cash at hand-North Rift	10,000	8,350
Cash at hand-South Rift	10,000	200
Cash at hand-West Kenya	7,222	13,700
Cash at hand-Coast	11,750	1,170
Total	91,652	79,596
Grand total	72,817,981	374,653,250

19. Receivables from Exchange Transactions

Current receivables from exchange transactions	2024/2025	2023/2024
	Kshs'	Kshs'
Rental Income Deposits -Villa Care	-	2,598,987
Rental Income Arrears	15,643,248	27,030,292
HELB Loans	135,000,000	-
Total current receivables	150,643,248	29,629,279

19(a) Ageing analysis from Receivables from Exchange Transactions.

Description	2024/2025		2023/2024	
	Kshs	%	Kshs	%
	Current	% of the total	Comparative	% of the total
Less than 1 year	24,355,924	16%	73,964,314	71%
Between 1- 2 years	50,965,700	34%	10,812,117	10%
Between 2-3 years	30,128,650	20%	16,218,175	16%
Over 3 years	45,192,974	30%	2,598,987	3%
Total (a+b)	150,643,248	100%	103,593,593	100%

Notes to the Financial Statements (Continued)

19(b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	103,593,592	131,032,343
Additional provisions during the year	180,821,007	116,514,576
Recovered during the year	(25,600,200)	(17,815,129)
Payments/Written off during the year	(108,171,151)	(126,138,198)
At the end of the year	<u>150,643,248</u>	<u>103,593,592</u>

20. Receivables from Non-Exchange Transaction

Description	2024/2025	2023/2024
Levy debtors	Kshs'	Kshs'
Levies, Fines, Penalties (Levy debtors)	594,478,391	511,596,589
Levies, Fines, Penalties for RD cheques	16,617,045	16,617,045
Tourism Promotion Fund	150,000,000	-
	<u>761,095,436</u>	<u>528,213,634</u>
Less: provision for bad & doubtful debts	(29,723,920)	(25,579,829)
Less: provision for RD Cheques	(16,617,045)	(16,617,045)
Total receivables from Non-Exchange transactions	<u>714,754,471</u>	<u>486,016,760</u>
Other debtors	<u>2024/2025</u>	<u>2023/2024</u>
Other Debtors (Non-Exchange Transactions)	163,004,252	138,357,535
Other debtors for RD cheques	3,823,716	3,823,716
Sub total	<u>166,827,968</u>	<u>142,181,251</u>
Less: provision for RD Cheques	(3,823,716)	(3,823,716)
Total other debtors	<u>163,004,252</u>	<u>138,357,535</u>
Total current receivables	<u>877,758,723</u>	<u>624,374,294</u>

Notes to the Financial Statements (Continued)

20(a) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Notes	2024/2025	2023/2024
Levy debtors		
Provision for RD cheques	Kshs'	Kshs'
Levy debtors-Nairobi	510,512	510,512
Levy debtors-Mombasa	1,946,359	1,946,359
Levy debtors-Western	176,815	176,815
Levy debtors-Riftvalley	78,597	78,597
Levy debtors-Additional Cases	681,089	681,089
Levy debtors-Additional Cases	3,723,250	3,723,250
Levy debtors-Africa Safari Club	9,500,423	9,500,423
Total	16,617,045	16,617,045

b) Other debtors

Other debtors	2024/2025	2023/2024
Medical Advances	560,000	-
Staff Housing Loans & Mortgages (Balances held by staff)	162,444,252	138,357,535
Total	163,004,252	138,357,535

c) Provisions for RD cheques

20 (c) Provision for RD cheques	2024/2025	2023/2024
Insurance	649,958	649,958
External loans	1,678	1,678
Staff debtors	880,000	880,000
Furniture and Fridge loans	95,613	95,613
Staff housing loans	691,015	691,015
Medical Advances	1,505,452	1,505,452
	3,823,716	3,823,716

Notes to the Financial Statements (Continued)

d) Analysis of Receivables

Analysis of Receivables

Description	2024/2025 Kshs	2023/2024 Kshs
Levies, Fines, Penalties (Levy debtors)	564,754,471	486,016,760
Tourism Promotion Fund	150,000,000	
Rental Income Deposits -Villa Care	-	2,598,987
Rental Income Arrears	15,643,248	27,030,292
HELB Loan	135,000,000	
Staff Housing Loans & Mortgages (Balances held by staff)	162,444,252	138,357,535
Medical Advances	560,000	-
Subtotal	1,028,401,971	654,003,573
Prepayments -Medical Insurance	3,696,488	5,519,314
Prepayments -General Insurance	23,821,344	28,445,000
Prepayments KTB	-	40,000,000
Prepaid Office Rent - Nyali Air Conditioning	555,826	
Prepaid Office Security	-	
Prepayment: Grants to KUC	13,000,000	-
	41,073,658	73,964,314
Total receivables from non- exchange transactions	1,069,475,628	727,967,887
Cash	72,817,981	374,653,250
Grand total	1,142,293,609	1,102,621,137

e) Ageing Analysis – Receivables from Non – Exchange Transactions

Ageing Analysis- Receivables from non- exchange transactions	2024/2025	% of the total	2023/2024 Kshs	% of the total
Less than 1 year	293,901,374	26%	73,964,314	10%
Between 1-2 years	277,763,714	24%	165,387,827	23%
Over 3 years	570,628,522	50%	488,615,746	67%
Total	1,142,293,610	100%	727,967,887	100%

Notes to the Financial Statements (Continued)

f) Levy Debtors -Movements

Movement	2024/2025 Kshs	2023/2024 Kshs
At the beginning of the year	486,016,760	369,313,935
Additional provisions during the year	422,481,419	265,873,929
Recovered during the year	(193,743,708)	(149,171,104)
At the end of the year	714,754,471	486,016,760

g) Debtors – Ageing Analysis

Ageing Analysis- Levy debtors exchange transactions	2024/2025 Kshs	% of the total	2023/2024 Kshs	% of the total
Less than 1 year	114,360,715	16%	73,862,787	15%
Between 1-2 years	243,016,520	34%	110,794,180	23%
Over 3 years	357,377,235	50%	301,359,792	62%
Total	714,754,471	100%	486,016,759	100%

h) Other Debtors- Movements

Other debtors Movements Description	2024/2025 Kshs	2023/2024 Kshs
At the beginning of the year	138,357,535	153,533,026
Additional provisions during the year	163,004,252	32,201,209
Recovered during the year	(138,357,535)	(47,376,700)
Written off during the year	-	-
At the end of the year	163,004,252	138,357,535

21. Prepayments

Prepayments	2024/2025 Kshs	2023/2024 Kshs
Prepayments - General Insurance	3,696,488	5,519,314
Prepayments - Medical Insurance	23,821,344	28,445,000
Prepayment: Grants to KTB	-	40,000,000
Prepayment: Grants to KUC	13,000,000	-
Prepaid office rent - Nyali	555,826	-
	41,073,658	73,964,314

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

	Land	Motor vehicles	Furniture and fittings	Partitions	Computers & Accessories	Office Equipment	WIP Building	WIP Partitioning	Total
Cost									-
As at 1st July 2023	522,800,000	128,259,840	71,466,059	39,397,500	106,292,696	23,701,581	1,832,941,510	281,127,251	3,005,986,437
Additions	-	7,950,000	3,278,800	8,535,164	7,658,320	1,189,499			28,611,783
Disposals		-				(550,000)			(550,000)
Transfers/adjustments		-							-
As at 30th June 2024	522,800,000	136,209,840	74,744,859	47,932,664	113,951,016	24,341,080	1,832,941,510	281,127,251	3,034,048,220
As at 1st July 2024	522,800,000	136,209,840	74,744,859	47,932,664	113,951,016	24,341,080	1,832,941,510	281,127,251	3,034,048,220
Additions	-	29,255,576	4,204,061	13,548,324	16,145,605	2,337,748			65,491,314
Disposals									-
Transfers/adjustments		(128,259,840)							(128,259,840)
As at 30th June 2025	522,800,000	37,205,576	78,948,920	61,480,988	130,096,621	26,678,828	1,832,941,510	281,127,251	2,971,279,694
Depreciation and impairment									
As at 1st July 2023		(128,259,840)	(34,873,583)	(19,698,750)	(98,258,065)	(9,408,954)			(290,499,192)
Depreciation	-	(1,987,500)	(9,343,107)	(5,991,583)	(10,561,877)	(3,042,635)			(30,926,702)
Disposal	-	-	-	-	-	(258,882)			(258,882)

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Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As at 30 June 2024	-	(130,247,340)	(44,216,691)	(25,690,333)	(108,819,942)	(12,710,471)	-	-	(321,684,777)
Depreciation and impairment									
As at 1st July 2024	(1,987,500)	(44,216,691)	(25,690,333)	(108,819,942)	(12,710,471)	-	-	-	(193,424,937)
Depreciation	(8,804,519)	(4,341,529)	(4,473,832)	(7,085,134)	(1,746,045)	-	-	-	(26,451,058)
Disposal	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As at 30 June 2025	-	(10,792,019)	(48,558,219)	(30,164,165)	(115,905,076)	(14,456,516)	-	-	(219,875,995)
Net Book Value									
As at 30 June 2025	522,800,000	26,413,557	30,390,701	31,316,823	14,191,545	12,222,312	1,832,941,510	281,127,251	2,751,403,699
As at 30 June 2024	522,800,000	5,962,500	30,528,168	22,242,331	5,131,074	11,630,609	1,832,941,510	281,127,251	2,712,363,443

Notes to the Financial Statements (Continued)

a) Valuation

Valuation of PPE is earmarked to be done in the course of the next financial year. There was no valuations for the year under review.

b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	Net book value
Land	522,800,000	-	522,800,000
Motor vehicles	37,205,576	(10,792,019)	26,413,557
Furniture and fittings	78,948,920	(48,558,219)	30,390,701
Partitions	61,480,988	(30,164,165)	31,316,823
Computers & Accessories	130,096,621	(115,905,076)	14,191,545
Office Equipment	26,678,828	(14,456,516)	12,222,312
WIP Building	1,832,941,510	-	1,832,941,510
WIP Partitioning	281,127,251	-	281,127,251
Total	2,971,279,694	(219,875,995)	2,751,403,699

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

Description	Cost or valuation	Normal annual depreciation charge
Motor Vehicles	128,259,840	(32,064,960)
Computers and Related Equipment	106,292,696	(35,395,468)
Intangible assets	50,903,810	(16,950,969)
Total	285,456,346	(84,411,396)

Notes to the Financial Statements (Continued)

c) Computation of gain or loss on disposal

	2024/2025		2023/2024	
	Cost (Kshs)		Cost (Kshs)	
	Equipment's	Motor Vehicle	Total	
Cost of purchase	-	12,100,000	12,100,000	
Accumulated depreciation	-	(12,100,000)	(12,100,000)	
Net book value	-	-	-	
Sales Proceeds	-	2,807,000	2,807,000	
Gain /Loss on Disposal	-	2,807,000	2,807,000	

23. Intangible Assets

	2024/2025	2023/2024
	Cost (Kshs)	Cost (Kshs)
Intangible assets		
Description		
At the beginning of the year	253,851,168	253,851,168
Additions	-	-
At the end of the year	253,851,168	253,851,168
At the end of the year	253,851,168	253,851,168
Amortization & impairment		
At the beginning of the year	(50,903,810)	(41,943,437)
Amortization & impairment	(1,341,857)	(8,960,373)
At the end of the year	201,605,501	202,947,358

Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Trade and Other Payables		
Trade and Other Payables - Ex Transactions		
Description	2024/2025 Kshs'	2023/2024 Kshs'
RNUC Payables(Pending bills)	1,160,247,787	664,796,041
TF Office Payables (Pending bills)	77,289,695	-
Provision-Audit fee	4,000,000	4,000,000
Provisions - Performance incentives	-	36,218,417
Provision for staff debts - reinstatement	-	6,584,336
Accrued office Security	963,920	2,333,320
Accrued office cleaning-Liga Holdings	-	778,453
Accrued Rent - Nyali/ Kenya Re	877,586	1,320,451
Accrued R & M Equipment	3,060,556	1,877,718
Other creditors	198,362,706	-
Subtotal	1,444,802,249	717,908,737
Description	2024/2025 Kshs'	2023/2024 Kshs'
Withholding tax payable	1,436,820	150,000,000
WWAT payable	1,768,113	740,415
WRIT payable	-	58,893
VAT Payable	15,370,536	12,829,318
P.A.Y.E	154,000	758,310
TOTAL	18,729,469	164,386,936
	1,463,531,718	882,295,672
Tenants Deposits	2,848,560	2,920,110
Provisions - Pension & Gratuity increase	10,999,452	8,268,325
Subtotal	13,848,012	11,188,435
Grand Total Trade & Other Payables	1,477,379,730	893,484,107

Notes to the Financial Statements (Continued)

a) Trade and Other Payables - Analysis

Analysis Description	2024/2025	2023/2024
	Kshs	Kshs
RNUC & TF Office Payables(Pending bills)	1,160,247,787	664,796,041
TF Office Payables (Pending bills)	77,289,695	
Provisions -	4,000,000	46,802,753
Provisions - Pension & Gratuity increase	10,999,452	8,268,325
Accruals	203,264,768	6,309,943
Taxes	18,729,469	164,386,936
Tenant deposits	2,848,560	2,920,110
Total trade and other payables	1,477,379,730	893,484,107

b) Trade and Other Payables - Ageing Analysis

Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
	Kshs		Kshs	
Under one year	18,729,469	1%	164,386,936	18%
1-2 years	218,264,220	15%	2,920,110	0%
2-3 years	889,463,145	60%	61,381,020	7%
Over 3 years	350,922,896	24%	664,796,041	74%
Total (tie to above total)	1,477,379,730	100%	893,484,107	100%

Notes to the Financial Statements (Continued)

25. Refundable Deposits and Prepayments from Customers

Description	2024/2025	Percentage (%)	2023/2024	Percentage (%)
	Kshs			
Tenants deposits	2,848,560		2,920,110	
Prepayments	0		-	
Total deposits	2,848,560		2,920,110	
Ageing analysis: (Refundable deposits)	2024/2025	% of the Total		% of the Total
Under one year	1,281,852	45%	1,752,066	60%
1-2 years	341,827	12%	584,022	20%
2-3 years	854,568	30%	146,006	5%
Over 3 years	370,313	13%	438,017	15%
Total	2,848,560	100%	2,920,111	100%

26. Current Provisions

Description	Provisions			Provision for staff debts - reinstatement	Total
	- Pension & Gratuity increase	- RNUC & TF Building	- Performance incentives & Other accruals		
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	8,268,325	664,796,041	6,309,943	-	671,105,984
Additional provision	2,731,127	572,741,440	51,225,808	6,584,336	633,282,712
Provision utilized	-	-	-	(6,584,336)	(6,584,336)
Changes due to discount or time value of money	-	-	-	-	-
Transfer from non-current provisions	-	-	-	-	-
Total provision for the year	10,999,452	1,237,537,481	57,535,751	-	1,297,804,360

Notes to the Financial Statements (Continued)

27. Non-Current Provisions

Description	Long service leave	Gratuity provisions	Total
	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	8,268,325	8,268,325
Additional provisions	-	2,731,127	2,731,127
Provision utilised	-	-	-
Change due to discount and time value for money	-	-	-
Less: current portion	-	-	-
Balance at the end of the year		10,999,452	10,999,452

28. Surplus Remission (for category 3 entities)

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Tourism Fund is in the Financial Services Sector since reclassification in 2018. It is not a regulatory entity and hence doesn't fall within the entities that remit surpluses into the consolidated Fund.

29. Cash Generated from Operations

Description	2024/2025 Kshs'	2023/2024 Kshs'
Adjusted Surplus for the year before tax	(506,524,751)	424,110,169
Adjustments for:		
Depreciation and Amortization	27,792,915	39,887,075
Accrued rent incomes	15,643,248	27,030,292
Levy arrears raised in the year	50,991,201	38,472,818
Gain on Disposal of Assets		2,807,000
Working Capital adjustments		
Consolidated (increases) in receivables	(253,384,429)	(101,567,333)
Consolidated increases (decrease) in payables	429,137,862	(433,344,677)
Net cash flows from operating activities	(236,343,954)	(2,604,656)

Notes to the Financial Statements (Continued)

30. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity'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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Financial Risk Management

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

Notes to the Financial Statements (Continued)

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	150,643,248	62,697,645	87,945,603	-
Receivables from non exchange transactions	846,014,400	468,214,446	377,799,954	-
Bank balances	72,817,981	-	-	-
Total	1,069,475,628	530,912,092	465,745,557	-
As at 30 June 2024				
Receivables from exchange transactions	29,629,279	12,500,000	17,129,279	-
Receivables from non exchange transactions	486,016,760	135,700,000	350,316,760	-
Bank balances	374,653,250	374,653,250	-	-
Total	890,299,288	522,853,250	367,446,039	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, 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 Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the Financial Statements (Continued)

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	25,578,029	203,264,768	1,237,537,481	1,466,380,278
Provisions	-	-	10,999,452	10,999,452
Total	25,578,029	203,264,768	1,248,536,933	1,477,379,730
As at 30 June 2024				
Trade payables	164,386,936	49,722,863	671,105,984	885,215,782
Provisions	-	-	8,268,325	8,268,325
Total	164,386,936	49,722,863	679,374,309	893,484,107

Financial Risk Management

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the *Entity* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Entity's* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The *Entity's* Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the *Entity's* exposure to market risks or the way it manages and measures the risk.

a) Interest rate risk

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

Notes to the Financial Statements (Continued)

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to apply payroll check off systems to minimize the default rate.

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	307,070,681	307,070,681
Retained Earnings	326,790,248	833,314,999
Capital Reserve	1,984,062,150	1,984,062,150
Total Funds	2,617,923,079	3,124,447,830
Total Borrowings	-	-
Less: Cash and Bank Balances	(72,817,981)	(374,653,249)
Net Debt/(Excess Cash And Cash Equivalents)	2,545,105,098	2,749,794,581
Gearing	0	0

31. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

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

Notes to the Financial Statements (Continued)

Other related parties include:

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

Transactions with related parties	2024/2025 Kshs'	2023/2024 Kshs'
Grants /Transfers from the Government		
Grants from National Govt	250,000,000	600,000,000
Total	250,000,000	600,000,000
Key Management compensation		
Board of Trustees (Chairperson honoraria)	960,000	960,000
Compensation to key management (CEO & Directors)	28,660,706	27,333,119
Total	29,620,706	28,293,119
Purchases from related parties		
Rent paid to government agencies	18,530,760	7,235,000
Training & Conference fees paid to government agencies	6,500,000	2,500,000
Purchase of electricity and water	15,109,535	17,001,175
Total	40,140,295	26,736,175

Notes to the Financial Statements (Continued)

32. Contingent Assets and Contingent Liabilities

(i) Contingent Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Court Cases		
Board of Trustees of Tourism Fund vs. George Kithi T/A Kithi & Company Advocates	13,000,000	13,000,000
Total	13,000,000	13,000,000

*Tourism Fund seeks to recover the funds paid to the advocate, however the amount of the cash inflow determinable by the court and the timing remains uncertain.

(ii) Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Court Cases		
Mercy Murrey Vs Tourism Fund & Board of Trustees(Provision as at 30.06.2025)	6,358,200	2,000,000
Professional Marketing Services Limited Vs Tourism Fund (MCCOMMSU/E631/2023)	3,828,000	3,828,000
Patrick, Teddy & Partners Advocates VS Tourism Fund	12,255,637	12,255,637
Alex Mosei T/A Molly's Bar vs. Tourism Regulatory Authority & Tourism Fund	-	-
Total	22,441,837	18,083,637

*The parties against Tourism Fund seek to recover the funds under contest, however the amount of the cash outflow determinable by the court and the timing remains uncertain.

Other cases under dispute

Supplier	2024/2025	2023/2024
	Kshs	Kshs
Kone Kenya	21,538,700	21,538,700
**Aqua Plumbers	4,215,602	4,215,602
Triple Nine	7,048,605	7,048,605
Patience Services	6,161,081	6,161,081
Marimo Construction	3,312,409	3,312,409
Climate Engineering Works	199,744	199,744
Total	42,476,141	42,476,141

**The total reconciled amount was Kshs 9,313,524, of which a part was settled leaving the balance shown, which relates to drainage works of the HQ Building and her environs and which is still being contested by Tourism Fund

Notes to the Financial Statements (Continued)

33. Reconciliation of Surplus /(Deficit) Between Statement of Comparison of Budgeted Vs Actual Amounts and Statement of Financial performance (SFP) for the Financial Year Ended 30th June 2025

(i) The Reconciliation

Reporting Currency	2024/2025	2023/2024
	Kshs	Kshs
Total revenue as per Statement of Comparison of Budgeted Vs Actual Amounts	5,037,652,623	4,405,622,577
Add: Levy income (levy debtors)	228,164,515	213,903,890
Add: Accrued Rental income received	(31,343,448)	55,515,583
Add: Accrued transfers from TPF	150,000,000	
Total revenue as per SFP	5,384,473,690	4,675,042,050
Total expenses as per statement of Comparison of budgeted vs actual amounts	5,814,871,191	4,048,751,566
Add: Accrued use of goods and services	21,969,893	81,998,935
Gratuity	2,731,127	
Depreciation and amortization	27,792,915	99,552,213
Repairs & maintenance	34,425,017	
Net changes in grants and subsidies	(10,791,702)	35,475,734
Total expenses as per SFP	5,890,998,441	4,265,778,448
Surplus / (Deficit) as per SFP	(506,524,751)	409,263,602

Note: Statement of Budget Vs Actual is prepared on a Cash Basis while Statement of Financial Performance is prepared on an Accrual Basis.

(ii) Budget Carry Overs.

As at 30th June 2025, the Fund had existing contracts under the Youth Innovation Hub (Ksh 150m) and the Likuyani Eco-Tourism Project (Ksh 55m), with existing budgets under FY 2024/2025. No certificates, Fee Notes, invoices or other instructions for part or full payments had been received. Such budgets will be carried over for settlement of contractor claims once due in the FY 2025/2026.

Notes to the Financial Statements (Continued)

The Fund also anticipates to revalue her property, plant and equipment (PPE) in the FY 2025 / 2026, whose budget is under the FY 2024 / 2025. The revised budget for the Fund was received when it was not feasible to procure services for revaluation. As such, the Fund will carry over the budget to the FY 2025 /2026 in order to facilitate revaluation of PPE.

(iii) Reallocations

The austerity measures imposed on the initial approved budget and subsequent late release of the approved revised budget necessitated approved reallocation to facilitate TF operations. However, overall, budget ceiling was maintained.

34. Events after the Reporting Period

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

35. Ultimate and Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Tourism. Its ultimate parent is the Government of Kenya.

36. Currency

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



37. APPENDICES

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	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<p>Construction Works for Proposed Ronald Ngala Utalii College The construction works of the proposed Ronald Ngala Utalii College was awarded to a local contractor on 14 May, 2013 at a contract sum of Kshs.8,961,370,998. The contract commencement date was on 20 June, 2013 and date of practical completion on 19 June, 2018. The following issues were noted in the execution of the contract.</p> <p>(i) The first addendum to the contract was made on 14 May, 2013 which introduced sectional completion of the project into five (5) phases. The first (1) Phase was on site clearance, boundary wall/fencing, excavations and earth works for the entire site, sub-structure works up to and including ground floor beds/slabs for all buildings, erection and completion of administration block, tuition block (1 No.) and kitchen/dining hall all estimated to take 12 months from the start date of 20 June, 2013 and at a cost of Kshs.1,900,000,000.</p> <p>(ii) The second addendum to the contract dated 25 August, 2014 scaled down the contract sum from Kshs.8,961,370,998 to</p>	<p>Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7th November 2023, received a response vide The 13th Parliamentary Special Accounts</p>		Resolved	

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	<p>Kshs.4,923,005,000 and revised the contract completion date to 28 February, 2017.</p> <p>(iii)A third addendum to the agreement was agreed on 20 April, 2021 valid for a period of twelve (12) months from the date of execution which provided that:</p> <ul style="list-style-type: none"> The main contractor and the sub-contractors would grant to the Fund a rebate in the sum of Kshs.85,509,569 or 20% of Kshs.435,133,292 being the total outstanding interests, penalties and contractual claims certified by the project consultants as at 1 August, 2020. 	Committee Report dated 14 th August 2024			
Reference No. on the External Audit Report	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<ul style="list-style-type: none"> The outstanding amount of Kshs.349,623,722 was due and payable to the main contractor and subcontractor as at the date of the execution of the addendum and shall be settled not later than 30 days. The main contractor and subcontractors shall complete the specific works within twelve (12) months as per the annexed schedule of uncompleted works and bills of quantities. According to Interim certificate No.39 dated 31 May, 2021 which reflects total amount of work certified as Kshs.4,025,996,193 out of which Kshs.3,900,353,661 relates to the main contractor. Included in the amount payable to the 	Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7 th November 2023, received a response vide The 13 th Parliamentary		Resolved	

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	<p>main contractor is Kshs.432,596,500 claim on interests on delayed payments attributed to underfunding on grants by The National Treasury to the Project.</p> <ul style="list-style-type: none"> The project approved completion date was 28 February, 2017. However, as at the time of audit in February 2023, the completion period had lapsed by about five (5) years while the project completion rate was at 71% as per the progress report dated 28 February, 2023. <p>Under the circumstances, the value for money on project expenditure incurred on account of the projects has not be realized.</p>	Special Accounts Committee Report dated 14 th August 2024			
Reference No. on the External Audit Report	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<p>Contract for Consultancy, Supervision and Management of the Proposed Ronald Ngala Utalii College</p> <p>The Fund Management entered into a contract for consultancy, supervision and management of the Ronald Ngala Utalii College on 25 May, 2012. The details were:</p> <ul style="list-style-type: none"> (i) The consultancy fees were based on the initial contract sums of Kshs. 8,961,370,998 of the construction works of the project signed on 14 May, 2013. The contract was revised on 25 August, 2014 vide second addendum which scaled down the contract sum from Kshs.8,961 ,370,988 to Kshs. 4,923,005,669. 	Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7 th November 2023, received		Resolved	

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	<p>(ii) Addendum between Tourism Fund and a consortium of consultants was executed on 8 April, 2021 where the consortium granted a rebate in the sum of Kshs. 214,490,430 being 20% of the total outstanding professional fees, penalties and interest of Kshs. 1,091,479,332.</p> <p>(iii) A review of the consultants' fee notes and payments revealed continued imposition of interest on delayed payments on interim certificates amounting to Kshs.2,278,603,612 as at 30 June, 2021 as shown below:</p>				<p>a response vide The 13th Parliamentary Special Accounts Committee Report dated 14th August 2024</p>			
Reference No. on the External Audit Report	Prior Year Issues Raised				Management Comments	Focal Point person to resolve the issue (Name and Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	Consultant	Interim Fee Note No.	Reference	Interest Penalty Kshs	<p>Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7th November 2023, received a response vide The 13th Parliamentary</p>		Resolved	
	Lead Architect	Interim Fee Note	TF/021 INV /20/BSL	1,012,920,347				
	Quantity Surveyors	9	UC/P/105/FN/09	374,305,369				
	Civil and Structural Engineers	42	220/1 OOFN/12	459,687,377				

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	Mechanical and Electrical Engineers	14	WC/GEN/RNUC/F/2020	431,690,519	Special Accounts Committee Report dated 14 th August 2024			
	Total			2,278,603,612				
<p>Although the Fund management has explained that the reason for levying of interest penalties is due to insufficient disbursements of budgeted amounts to the Project by The National Treasury over the years. The continued delay in disbursements of funds to the project may lead to continued escalation of project costs from interests and penalties which were not budgeted for.</p> <p>In view of the above, there is no value for money on project expenditure incurred on account of interest charged on delayed payments to projects consultants.</p>								

David K. Mwangi

Ag. Chief Executive Officer

Date:

**Tourism Fund
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Appendix II: Status of Projects Completion

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or 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)
Ongoing Construction of the Ronald Ngala Utalii College	TF/CONF/II/158	Tourism Fund, Tourism Promotion Fund and Exchequer Funding	Jun 20-2013 Oct 07 -2024	FY 2024/2025 Kshs 200M	Utilization Report to TPF (Yes)	(Yes)

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Status of Projects completion

Below is a summary of the status of project completion at the end of the reporting year

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Ongoing Construction of the Ronald Ngala Utalii College	Contract Sum KES 4,923,005,669.00 Revised Estimates Sum KES 7,611,819,238.70 Managing Consortium KES 1,746,947,691.00	14,423,379,395.79	85.259%	Contract Sum 8,961,370,998.00 Phase 1: KES 4,923,005,669.00 Phase 1 Revised Estimates: Sum KES 7,611,819,238.70 (5TH June 2023)	14,423,379,395.79	Tourism Fund. Tourism Promotion Fund and Exchequer

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - Grants	
Ministry of Tourism (Tourism Promotion Fund)		Development	100,000,000	100,000,000	-	-	-	100,000,000	100,000,000
Total			100,000,000	100,000,000				100,000,000	100,000,000

**Tourism Fund
Annual Reports and Financial Statements
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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - Grants	
Ministry of Tourism		Development	600,000,000	600,000,000	-	-	-	600,000,000	600,000,000
Total			600,000,00	600,000,00				600,000,000	600,000,000

**Tourism Fund
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Appendix V- Inter-Entity Confirmation Letter

**Name of transferring entity; Tourism Fund
Name of Beneficiary entity: Kenya Tourism Board**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

I confirm that the amounts shown above are correct as of the date indicated. *(Annexed)*

Head of Accounts Department - Disbursing Entity:

Name *Lilian Njoroge* Sign *[Signature]* Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

**Tourism Fund
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Appendix V- Inter-Entity Confirmation Letter

**Name of transferring entity: TOURISM FUND
Name of Beneficiary entity: KENYA UTALII COLLEGE**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

I confirm that the amounts shown above are correct as of the date indicated. *(Annexed)*

Head of Accounts Department - Disbursing Entity:
 Name *Leah Njoroge* Sign *[Signature]* Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

Tourism Fund
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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
National tree planting	Tree planting	Environmental conservation	Tree planting				1,360,000	Tourism Fund	Ministry of Tourism



REPUBLIC OF KENYA



Kenya Utalii College

Gateway to international careers in hospitality and tourism

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Email: info@utalii.ac.ke | Website: www.utalii.ac.ke

UNWTO and IATA Accredited

Our Ref: KUC/8/4(441)

25th July, 2025

Mr. David K. Mwangi, MBS
Ag. Chief Executive Officer
Tourism Fund
P. O. Box 46987 – 00100
NAIROBI



Handwritten signature and initials

Dear Mr. Mwangi,

RE: INTER-ENTITY TRANSFERS CONFIRMATION FOR FY 2024/2025

We make reference to your letter Ref: TF/CONF/1/63/VOL.III(144) dated 16th July, 2025 on the above subject matter.

This is to confirm Kenya Utalii College received Kshs. 643 Million for the Financial Year 2024/2025 against KUC approved budget of Kshs. 700 Million as per the table below.

DATE	RECEIPT NO.	AMOUNT	REMARKS
12/07/2024	C24110	50,000,000.00	FY 2024/2025
09/08/2024	C24232	58,000,000.00	FY 2024/2025
10/09/2024	C24387	58,000,000.00	FY 2024/2025
22/10/2024	C24571	58,000,000.00	FY 2024/2025
27/11/2024	C25318	68,000,000.00	FY 2024/2025
06/12/2024	C25961	18,000,000.00	FY 2024/2025
23/12/2024	C26322	55,000,000.00	FY 2024/2025
21/01/2025	C26495	55,000,000.00	FY 2024/2025
26/03/2025	C27303	55,000,000.00	FY 2024/2025
31/03/2025	C27618	55,000,000.00	FY 2024/2025
31/04/2025	C27800	55,000,000.00	FY 2024/2025
21/05/2025	C28049	58,000,000.00	FY 2024/2025
	TOTAL	643,000,000.00	

Handwritten notes on the right margin

Yours sincerely,

Handwritten signature of Peter M. Muindi

PETER M. MUINDI
For: PRINCIPAL/CHIEF EXECUTIVE OFFICER



ISO 9001:2015 Certified

“Utumishi na Ukarimu”

KTB/4/9/Vol. I (12)

18th July 2025

Mr. David K. Mwangi
Ag. Chief Executive Officer
Tourism Fund
P.O BOX 46987-00100
NAIROBI



Handwritten notes:
P.S.
MWA
FYA
30/7/25

Dear CEO,

RE: INTER ENTITY TRANSFERS CONFIRMATION FOR FY 2024/25

Reference is made to the National Treasury guidelines for year-end closing procedures for the financial year 2024/25.

We confirm that Tourism Fund (TF) disbursed a total of KShs. 455M in the FY 2024/25.

We request you to confirm the funds disbursed to KTB as at 30th June 2025 are as indicated below and sign the attached appendix to facilitate reconciliations and year-end closure.

Confirmation of amounts received by Kenya Tourism Board- FY 2024/25					
Reference Number	Date Disbursed	Recurrent (A)	Development/ Special Project (B)	(C)=(A+B)	Remarks
477	15.08.24	44,000,000	-	44,000,000	Recognized in FY 2024/25
608	05.09.24	-	25,000,000	25,000,000	Recognized in FY 2024/25
609	05.09.24	42,000,000	-	42,000,000	Recognized in FY 2024/25
840	25.10.24	42,000,000	-	42,000,000	Recognized in FY 2024/25
841	25.11.24	41,000,000	-	41,000,000	Recognized in FY 2024/25
889	20.12.24	42,000,000	-	42,000,000	Recognized in FY 2024/25
983	20.01.25	42,000,000	-	42,000,000	Recognized in FY 2024/25
1054	27.02.25	42,000,000	-	42,000,000	Recognized in FY 2024/25
1094	21.03.25	42,000,000	-	42,000,000	Recognized in FY 2024/25
1132	25.04.25	42,000,000	-	42,000,000	Recognized in FY 2024/25
1233	21.05.25	42,000,000	-	42,000,000	Recognized in FY 2024/25
1304	16.07.25	9,000,000	-	9,000,000	Recognized in FY 2024/25
TOTAL		430,000,000	25,000,000	455,000,000	

Tourism Fund revised FY 2024/25 grants to KTB was KShs. 727,453,551 as approved by the National Treasury. The Fund confirmed an adjusted budget of KShs. 470M via letter TF/CONF/1/25 VOL 11 (135) of 11th July 2025. This will result to pending bills for FY 2024/25.

We take this opportunity to sincerely thank you for your continued support.

Yours Sincerely,
June Chepkemei

JUNE CHEPKEMEI
CHIEF EXECUTIVE OFFICER

KENYA TOURISM BOARD
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OFFICE OF THE CHIEF EXECUTIVE OFFICER

Ref: TRI/1/VOL.2 (495)

17th July 2025

Mr. David Mwangi
Ag. Chief Executive Officer
Tourism Fund
NAIROBI



Dear *David*

CONFIRMATION OF RECEIPT OF GRANTS

We are in receipt of your letter Ref. No.TF/CONF/1/25 vol II(131) of 16th July 2025 on the above subject.

We hereby confirm receipt of the K-shs. 60.1 Million as tabulated in your letter and look forward to receiving the balance so we can settle the pending obligations as per the approved budget.

Yours *Sincerely*

David G. Gitonga
AG. CHIEF EXECUTIVE OFFICER



When replying please quote:

Ref: TRA1/3/3

DATE: 10th July, 2025

Mr. David K. Mwangi, MBS
Chief Executive Officer
Tourism Fund,
P.O BOX 46987-00100,
NAIROBI.

Dear *CEO*,

PS

INTER ENTITY CONFIRMATION LETTER ON RELEASED GRANTS.

This is in reference to the National Treasury Circular Ref: AG.3/88/Vol. VII (45) Dated 13th May, 2025 on guidelines on year end closing procedures for the FY 2024/2025

Section 3.9 on Annual Financial Statements (part Vii -Inter entity transactions) requires MDAs to carry out confirmations from receiving / sending public entity to ensure both parties have recorded the amounts as an inter- entity transaction and the amounts tally. This is to be completed in the prescribe format/ template that is provided in the guidelines under (Appendix 2) and (Appendix V) in the revised annual reporting template prescribed by the IPSAS which need to be signed, stamped and attached to the annual financial statements. This is therefore to request for your confirmation of recurrent grant released to the Authority for the period 1st July 2024 to 30th June 2025 by signing and stamping off the attached documents for inclusion in our annual financial statements.

Thank you for your continued Support.

Yours

Sincerely,

Norbert Talam

Norbert Talam
DIRECTOR GENERAL
Encl.

14/7/2025

Copy: The Principal Secretary
State Department for Tourism

Appendix V - Inter-Entity Confirmation Letter

Name of Transferring entity: Tourism Fund

Name of Beneficiary entity: Tourism Regulatory Authority.

Confirmation of amounts received by Tourism Regulatory Authority as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C=A+B)	Remarks
FT24290SZSS8,1/TOURISM FUND REVENUE ACCOUNT	16-10-2024	16,700,000	-	16,700,000	Recurrent Grants
FT24355F12MZ,1/TOURISM FUND REVENUE ACCOUNT	20-12-2024	8,400,000	-	8,400,000	Recurrent Grants
FT25080LQWRF,1/TOURISM FUND REVENUE ACCOUNT	21-03-2025	12,500,000	-	12,500,000	Recurrent Grants
Total		37,600,000		37,600,000	

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

Name of Head of Accounts Department - Disbursing Entity:

Name: Stephen O'Connell

Signature: *[Signature]*

Sign:

Date: 14/7/2025

Name of Head of Accounts Department - Beneficiary Entity:

Signature: *[Signature]*

Name: Nkatha Mugambi

Sign:

Date: 10th July, 2025

