

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY


**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYATTA INTERNATIONAL CONVENTION  
CENTRE**

**FOR YEAR ENDED  
30 JUNE, 2024**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	09 APR 2025 DAY: Wednesday
TABLED BY:	Hon. Sybilus Oloo, MP Majority Party Whip
CLERK-AT-THE-TABLE:	A. Shitko

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
18 DEC 2024  
**RECEIVED**



---

**THE KENYATTA INTERNATIONAL CONVENTION CENTER**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2024**

---

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

---



---

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms .....	ii
2. Key Entity Information.....	iii
3. The Board of Directors.....	vi
4. Key Management Team.....	x
5. Fiduciary Management.....	xii
6. Fiduciary Oversight Arrangements .....	xii
7. Chairperson’s Statement.....	xiii
8. Report of the Chief Executive Officer .....	xv
9. Statement of Performance against Predetermined Objectives for FY 2023/24.....	xvii
10. Corporate Governance Statement.....	xviii
11. Management Discussion and Analysis .....	xxiii
12. Environmental and Sustainability Reporting .....	xxvii
13. Report of the Directors .....	xxviii
14. Statement of Directors’ responsibilities .....	xxix
15. Report of the Auditor-General on the financial statements for KICC.....	xxxi
16. Statement of Profit/Loss & Other Comprehensive Income for year ended 30th June 2024.....	1
17. Statement of Financial Position as at 30 June 2024 .....	2
18. Statement of Changes in Equity for the year ended 30 June 2024 .....	3
19. Statement of Cash Flows for the year ended 30 June 2024.....	4
20. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2024.....	5
21. Explanation of the variances .....	8
22. Notes to the Financial Statements .....	10
23. Disclosures:.....	37
24. Appendices.....	40

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

---

1. Acronyms and Glossary of Terms

<b>CEO</b>	<i>Chief Executive Officer</i>
<b>IFRS</b>	<i>International Financial Reporting Standards</i>
<b>NT</b>	<i>National Treasury</i>
<b>PFMA</b>	<i>Public Finance Management Act.</i>
<b>PSASB</b>	<i>Public Sector Accounting Standards Board</i>
<b>KICC</b>	<i>Kenyatta International Convention Centre</i>
<b>MICE</b>	<i>Meetings Incentives Conferences and Exhibitions</i>

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**2. Key Entity Information**

**a) Background information**

The Corporation was established under the Tourism Act, 2011 that came into operation on 1st September, 2012.

**b) Principal Activities**

The principal activities of the Corporation are to:

- (i) Organize and host meetings and provide incentives for conferences and exhibitions at the Convention Centre.
- (ii) Develop and implement the national meetings, incentives for conferences and exhibitions strategy, in collaboration with the Tourism Board upon consultation with the relevant stakeholders.
- (iii) Market the Convention Centre, in collaboration with the Tourism Board; and
- (iv) Perform any other functions that are ancillary to the object and purpose for which the Convention Centre is established.

**c) Directors**

The Directors who served at KICC during the year/period were as follows:

	Name	Designation	Appointed/Left on
1	Hon Irungu Nyakera, CBS	Chairman	23rd August 2024
1	Hon. Adelina Mwau OGW	Former Chairperson	21st April 2023-22nd August 2024
2	CPA, CS James Mwaura	Chief Executive Officer/ Secretary to the Board.	26th March 2024
3	Angela Mueni	Independent Director	30th June 2023
4	Catherine Ntinyari Kubania	Independent Director	23rd June 2023
5	Mgeni Mboto Hassan	Independent Director	24th March 2023
6	Abdullahi Omar Borai	Independent Director	30th June 2023
7	Solomon Mugwe	Independent Director	30th June 2023
8	June Chepkemei	Chief Executive Officer - KTB	
9	Ms. Winnie Katanu Mwalimu	Representative Principal Secretary, National Treasury	
10	Bernard Kahuthia	Representative Principal Secretary – State Department for Tourism	

- d) **Corporate Secretary**  
Mr. Justus Kivindyo  
P.O. Box 30746 – 00100  
Nairobi
- e) **Registered Office**  
KICC Building  
Harambee Avenue  
P.O. Box 30746 – 00100  
Nairobi, KENYA
- f) **Corporate Headquarter's**  
Kenyatta International Convention Centre,  
P.O. Box 30746 - 00100  
KICC Building  
Harambee Avenue  
Nairobi, KENYA
- g) **Corporate Contacts**  
Telephone: (254)-20-2247277, 3620000  
Fax: (254)-20-310223  
E-mail: [info@kicc.co.ke](mailto:info@kicc.co.ke).  
Website: [www.kicc.co.ke](http://www.kicc.co.ke)
- h) **Corporate Bankers**  
1. Kenya Commercial Bank  
KICC Branch, Harambee Avenue  
P.O. Box 46950-0010  
City Square 00200  
Nairobi, Kenya  
  
2. Co-operative Bank of Kenya  
City Hall Branch  
P.O. Box 44805-00100  
Nairobi  
Kenya
- i) **Independent Auditors**  
Auditor-General  
The Office of the Auditor-General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

Nairobi, Kenya

- j) **Principal Legal Advisers**  
The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**3. The Board of Directors**

---



**Hon Irungu Nyakera, CBS**  
**Chairman**  
Executive Master's in Business Administration, Oxford University, United Kingdom (ongoing)  
Bachelor of Science, Management Science and Engineering (Financial Analysis and Decision Engineering) (Stanford University, CA, USA)  
Diploma, Coursework in Computer Science, Physics, Robotics and French (Deerfield Academy, MA, USA)  
Party Leader, Farmers Part of Kenya (2022 – Present).



**Hon. Adelina Mwau OGW**  
**Former Chairperson**  
Hon Adelina holds a master's in development studies and a Diploma in Adult Education.  
She is the immediate former Deputy Governor, Makueni County and has Over 40 years in private and public service.



**CPA, CS James Mwaura**  
**Chief Executive Officer/ Secretary to the Board.**  
CPA, CS James holds an MBA in Finance, BBA (Accounting and Finance), LLB, CPA (K), CPS (K) and AKIB  
He has Over 19 years' experience in Finance, Accounting, Administration & Corporate Governance in public and private sector.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---



**Angela Mueni**  
**Independent Director**  
Holds a Bachelor of Science in Statistics, and Diploma in Front office Operations and Management  
She is the Former Secretary to Board, Machakos County and has over 10 years work experience in administration.



**Catherine Ntinyari Kubania**  
**Independent Director**  
Holds a Bachelor of Purchasing and Supplies, and a Diploma in Business Management and Administration  
She has over 20 years' experience in procurement both in private and public sector.



**Mgeni Mboto Hassan**  
**Independent Director**  
She holds a bachelor's in development studies and economics and a Diploma in Mass Communication and Media Relations.

---



**Abdullahi Omar Borai**  
Independent Director  
Holds an MBA in Business Administration Marketing (Management), Bachelor of Arts Degree in Business Administration and advanced Diploma in Business studies.



**Solomon Mugwe**  
Independent Director  
Holds an MBA in Strategic Management, and CPA(K)  
He is a Member ICPAK  
He has Over 35 years in senior management in the hospitality industry and private security services sector and over 25 years boardroom experience in the private sector.



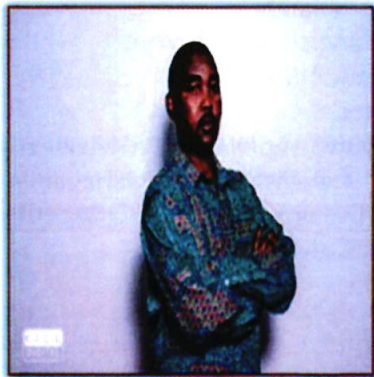
**June Chepkemei**  
Chief Executive Officer - KTB  
She holds a master's degree in communications studies, bachelor's Degree in PR & Communications, Postgraduate Diploma in Professional Marketing and executive training program on Innovation from Stanford Centre for Professional Development.  
She is also a Member of the Public Relations Society of Kenya (MPRSK).

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---



**Ms. Winnie Katanu Mwalimu**  
**Representative Principal Secretary,**  
**National Treasury**  
Holds an MSc Economics and BA (Hons).  
She is a Member ESK.  
She has over 20 years' experience in  
Treasury/Financial Management,  
Procurement, Budgeting and Research.



**Bernard Kahuthia**  
**Representative Principal Secretary – State**  
**Department for Tourism**  
Holds Post Graduate Diploma in  
Specialization in Tourism Moi University,  
Nairobi Campus, Certificate in French  
Language from Kenya Institute of  
Administration and  
Bachelor of Arts Degree in Geography and  
Political Science from The University of  
Nairobi

**4. Key Management Team**

---



**CPA, CS James Mwaura**  
Chief Executive Officer  
MBA Finance  
BBA (Accounting and Finance)  
LLB  
CPA (K)  
CPS (K)  
AKIB  
Over 19 years' experience in Finance, Accounting, Administration & Corporate Governance in public and private sector.



**Mr. Geoffrey Thande**  
Director- Business Development  
MBA-International Business.  
BA-Economics.  
Over 17 Years' experience in Marketing, Strategy, Stakeholder Management, Product Development, Competitive Analysis and Customer Service.



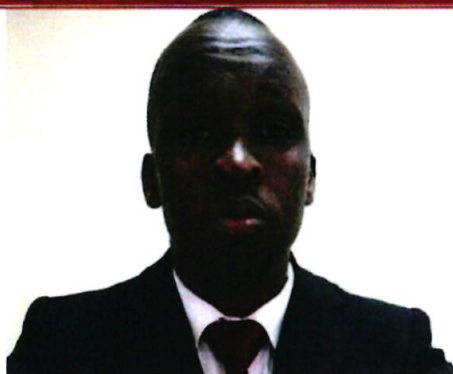
**Gomeri Kombo**  
Director- Operations  
BA Hospitality Management  
Diploma in hotel management (Switzerland)  
Over 20 years' experience in hospitality industry.



**Justus Kivindyo**  
Ag. Manager Legal and regulatory services  
Bachelor's degree in law (LLB)  
Diploma in Law  
Advocate of the High Court of Kenya of  
15 years standing.



**Hashim Ahmed**  
Director-Corporate Planning  
MBA Strategic Management  
Bachelor of Commerce (Finance)  
Diploma (French)  
Over 11 years' experience in Marketing and  
Strategy.



**CPA Livingstone Kipyego**  
Manager Finance and Accounts  
MBA –Accounting  
Bachelor of Business Management  
(Accounting).  
Diploma (Business Administration)  
CPA (K).  
Member of ICPAK & IIA.  
Over 12years' experience in Financial  
Management & Reporting in Public sector.

---

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**5. Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	CPA, CS James Mwaura
3.	Head of Finance	CPA Livingstone Kipyego
4.	Head of Procurement	Judith Nyamberi
5.	Head of Legal/Corporation Secretary	Justus Kivindyo

**6. Fiduciary Oversight Arrangements**

Name of the Committee	Members
Finance and Strategy Committee	<ul style="list-style-type: none"> <li>i) Solomon Mugwe Chairman</li> <li>ii) Catherine Ntinyari Member</li> <li>iii) Principal Secretary Tourism</li> <li>iv) Principal Secretary National Treasury Inspector General State Corporations</li> </ul>
Marketing, Public Relations and Operations Committee	<ul style="list-style-type: none"> <li>i) Catherine Ntinyari Chairperson</li> <li>ii) Abdullahi Omari Member</li> <li>iii) June Chepkemei Member</li> <li>iv) Mbotto Hassan Member</li> <li>v) Inspector General – State Corporations</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>i) Mgeni Mbotto Hassan Chairperson</li> <li>ii) Angeline Mueni Mulinge Member</li> <li>iii) June Chepkemei Member</li> <li>iv) Principal Secretary Tourism</li> <li>v) Principal Secretary National Treasury</li> <li>vi) Inspector General – State Corporations</li> </ul>
Human Resource, Governance and Strategy Committee	<ul style="list-style-type: none"> <li>i) Angeline Mueni Mulinge Chairperson</li> <li>ii) Abdullahi Omari Member</li> <li>iii) Principal Secretary Tourism</li> <li>iv) Principal Secretary National Treasury</li> <li>v) Inspector General – State Corporations</li> </ul>

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**7. Chairperson's Statement**

On behalf of the KICC Board of Directors, I am pleased to share 2023-2024 financial statement for the year ending 30<sup>th</sup> June 2024.

I am pleased with this year's steady performance of Kenya's Meetings, Incentives, Conferences, and Exhibitions (MICE) sector.

Kenya is increasingly becoming the preferred destination for hosting conferences, exhibitions, and events of global significance. Just recently Kenya was ranked third in Africa in the 2023 report by International Congress and Conventions Association (ICCA), which ranks Countries and cities according to the number of International rotational association meetings a destination hosts in a year.

This year's ranking is a great improvement from the ninth place in 2022. South Africa claimed first position by hosting 98 rotational Association conferences, Rwanda was second with 32 conferences while Kenya became third with 21 conferences

The Country's performance underscores Kenya's pivotal role in the global meetings industry, marking a remarkable journey of growth and development.

The KICC expresses immense pride in Kenya's accomplishments and extends gratitude to all stakeholders for their steadfast support. This achievement underscores Kenya's growing influence and capability to host world-class events, reaffirming its dedication to the highest standards of service excellence, innovation, and inclusivity in the global meetings industry. It is even satisfying to note that Government through cabinet meeting held in June recognized the MICE sector as a key contributor to Kenya's economic growth as laid out in the Bottom-Up Economic Transformation Agenda (BETA) and resolved to increase efforts to position the Country as a premier destination for conference tourism. This therefore necessitates continued investment in MICE infrastructure development, capacity building, marketing initiatives, and stakeholder collaboration to ensure that Kenya remains at the forefront of the global conference tourism industry.

In view of this, the Corporation is in the final stages of developing its new strategic plan 2023-2027 that will see the MICE industry revitalized. The Corporation also developed a number of policies that will guide and ensure efficiency in our operations and service delivery. Further, through the State department of Tourism and in collaboration with relevant stakeholders, the Corporation will develop a new National MICE Strategy.

To improve the functionality of the Centre in hosting events, the Corporation undertook major refurbishment of some of the conference facilities to modernize them as well as increase their aesthetic value

KICC will continue to build on its impressive performance in the coming year by executing more innovative business strategies.

As you are already aware, the Government of Kenya has set a target to plant 15 billion trees by the year 2032 to achieve 30% country coverage to mitigate against negative impacts of climate change and support the livelihood of Kenya. In line with this presidential directive, the Corporation planted 4,100 trees in different Counties.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

On Social Responsibility front, the Corporation in May ran a drive to support the flood affected Kenyans as part of its Corporate Social Responsibility programme. The KICC staff donated clothes, shoes toiletries and sanitary items to the affected persons.

Finally, I express my gratitude to all the Board Members, the entire KICC fraternity, and the stakeholders for their overwhelming support and request for the same in the near future.  
Thank you.



.....  
**Hon. Adalina Mwau, OGW**  
Chairperson of the Board of Directors  
Kenyatta International Convention Centre

## **8. Report of the Chief Executive Officer**

Kenya continues to establish itself as a leading destination for international conventions, particularly in the MICE sector. This is evident from the several high-profile international events the country hosted in the year.

The events have not only increased the profile of the destination as preferred for MICE events, it has also contributed significantly to Kenya's economic growth. It increased contribution to the Gross Domestic Product through foreign exchange and delegates spend. The KICC alone hosted 15 international conferences with 5 being high profile major conferences.

### **Marketing and Promotion**

During the year, the Corporation thrived to achieve its core mandate of promoting and marketing Kenya as a preferred destination for conference tourism as well as hosting Meetings, Conferences and Exhibitions. This saw the Improvement of KICC Business Events Performance and enhance its Market Share.

Further, the Corporation in liaison with local stakeholders placed 8 bids which are: Transform Africa, 10th World Congress of Herpetology, International Youth Nuclear congress 2026, World Congress of Social Workers, The International Conferences of Actuaries, 70th International Pharmaceutical Students Federation, International Business Models in Agriculture 2025 and International Biometric Conference 2028

On local marketing, the Corporation undertook the Decentralization of MICE Business to promote and develop the sector in the Counties. The initiative focused on different Regional Economic Blocs.

On Strategic Partnerships and Alliances, the Corporation, during the year, closed out partnership and collaboration agreements with strategic partners on MICE marketing and promotions

To increase the Centre's attractiveness to host events and conferences, the Corporation undertook some development projects.

On event hosting and management, preparations are on top gear to host several events scheduled in the next financial year.

The Corporation also undertook stakeholder engagements aimed at building KICC internal and external stakeholder relations, improve relationships for MICE growth.

### **Business Performance**

During the period under review, The Corporation achieved a turnover of Kshs. 1.45 Billion, this is in comparison to Kshs 945.4 Million from same year of the previous financial year

During the period the Corporation continued to employ stringent measures in its operations as guided by the Government directives and circulars.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Employee Productivity**

The Corporation has continued to recognize the need for staff training and development. During the year, the Corporation carried out staff capacity building to increase productivity and performance.

Finally, I would like to thank all the KICC staff for their immense contribution, hard work, dedication, and focus on driving the Corporation's core mandate.



.....  
**CPA, CS James Mwaura**  
**Chief Executive Officer**

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

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

Strategic Pillar/ Theme/Issues	Objective	Key Performance Indicators	Scheduled Activities	Annual Achievements
Marketing and hosting international Conferences and Delegates at KICC	Increase the number of delegates hosted at KICC	Number of local delegates hosted	Host local delegates at KICC	One-hundred and fifty-five thousand and fifty-five (155,055)
		Number of international delegates hosted	Host International delegates	Twenty-one thousand and fifty (21,050)
Improve KICC Business Events Performance and enhance its Market Share	Market the destination by participating in international Expos	Number of international MICE Expos attended	Attend international MICE Expos	Zero (0)
	Undertake Bidding for International Conferences	Number of leads generated	Data mining for lead generation	Sixty (60)
		Number of bids placed	Place bids to host international conferences	Eight (8)
Seek value-based partnerships	Number of signed partnerships	Research and identify new partners	One (1)	
Enhance MICE brand visibility for awareness creation	Increase brand awareness (digital; marketing and Public Relations)	Percentage implementation	Review and implement the KICC Public Relations and Communications Strategy	0%
Modernization and upgrade of KICC	Modernize and upgrade KICC infrastructure	Project completion rate	Rehabilitation of Amphitheatre roofing	100%
			Rehabilitation of the KICC Fountains	75%

#### **10. Corporate Governance Statement**

Corporate Governance relates to internal means by which Corporations are directed, controlled and held to account. This is done with a view to ensuring that, corporations attain their long-term value of shareholders while taking into consideration the interests of other stakeholders. The Governance structures of Corporations stipulates rules and procedures of certain organizations and at the same time identifies the manner of distribution of rights amongst different stakeholders such as Board of Directors, Managers, Shareholders, Creditors and Auditors. The Board of Directors of Kenyatta International Convention Centre is responsible for the Governance of the Corporation. While discharging its functions, it is accountable to shareholders and stakeholders in ensuring that it complies with all set regulations and business ethics. Similarly, the Board adheres to the generally accepted Corporate Governance procedures as stipulated in the existing Governances' Codes and also embraces the internationally accepted principles and best practices of Corporate Governance.

#### **The Board of Directors**

The Board of Directors Comprises of nine (9) Directors, six of which are independent non-executive Directors including the Chairman.

The Board of Directors directs the Corporation generally. Its basic role in directing the Corporation entails the formulation of the Corporation's Strategic Objectives, Policy Making, Supervision of Executive Management and Accountability to Stakeholders. The Directors entrench a wealth of experience, relevant expertise and knowledge, while deliberating on major issues pertaining to the organization. Except for direction and guidance in general Policy, the Board of Directors delegates the authority of day to day business operations of the organization to the Management through the Chief Executive Officer.

In discharging its onerous function, the Board of Directors is assisted by a Corporation Secretary who attends all Board meetings except the Audit Committee Meetings. The Corporation Secretary advises the Board in respect of Corporate Governance issues as well as legal and regulatory requirements pertaining to the Corporation.

#### **Board Meetings**

The Board holds regular meetings as provided by the Corporation's Board Calendar and as stipulated under the relevant statutes. Special meetings may however be convened when the Corporation deems it necessary to do so.

During the year under review, the Board held 6(Six) regular Full Board meeting and 7(Special) Full Board Meetings. In light of the fact that, the Corporation is a State Corporation, the Inspector General of State Corporations is invited to attend the Corporation's Board meetings both Committees and Full Board Meetings from time to time.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

The Inspector General exercises an oversight and advisory role in such meetings in accordance with the State Corporations Act.

The Members, attendance per Board member for the Board meetings for the year was as follows:

NO	BOARD MEMBER	Scheduled Meetings	Special Meetings	Total
1	Adelina Mwau -Chairperson	6	7	13
2	Solomon Mugwe	6	7	13
3	Abdullahi Omar Borai	6	7	13
3	Catherine Ntinyari	6	7	13
4	Mgeni Mboto Hassan	5	7	12
5	Angella Mulinge	6	7	13
6	Winnie Mwalimu	6	7	13
7	John Chirchir	4	0	4
8	George Ombua	3	1	4
9	Bernard Kahuthia	4	4	8

**Committees of the Board**

The Board discharges its functions through Committees which, have well defined terms of reference set by the Board. The operations of the Board, through various Committees, purposes to facilitate efficient and effective decision-making process in discharge its duties and responsibilities.

The Board Committees and their Membership comprises of the following-  
**Finance and Strategy Committee**

- i. Solomon Mugwe                      Committee Chairperson
- ii. Bernard Kahuthia                  Alternate to PS – Min. of Tourism & Wild Life
- iii. Catherine Ntinyari                Member
- iv. Winnie Mwalimu                    Alternate to PS – National Treasury
- v. Abdullahi Omar Borai                Member
- vi. George Ombua                      Inspectorate of State Corporations

The Committee assists the Board in fulfilling its oversight responsibilities in Financial, Staff and general Administrative matters pertaining to the Corporation.

The Committee held Four (4) regular meeting and 1(one) Special Meetings during the year under review. The attendance is as follows:

NO	BOARD MEMBER	Scheduled Meetings	Special Meetings	Total
1.	Solomon Mugwe	4	1	5
2	Catherine Ntinyari	4	1	5
3	Abdullahi Omar Borai	4	0	4
4	Bernard Kahuthia	4	0	4
5	Winnie Mwalimu	4	0	4
6	George Ombua	4	0	4

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Marketing, Public Relations and Operations Committee.**

- i. Catherine Ntinyari                      Committee Chairperson
- ii. Mgeni Mboto Hassan                  Member
- iii. Abdullahi Omar Borai                Member
- iv. June T. Chepkemei                    CEO KTB – Member
- v. George Ombua                         Inspectorate of State Corporations

The Committee is tasked with the responsibility of overseeing the Corporation's activities relating to Marketing, Business Development and Projects.

The Committee held Four (4) regular meeting during the year under review. The attendance is as follows: -

NO	BOARD MEMBER	Scheduled Meetings	Special Meetings	Total
1	Catherine Ntinyari	4	0	4
2	Mgeni Mboto Hassan	4	0	4
3	Abdullahi Omar Borai	4	0	4
4	John Chirchir	2	0	2
5	June T. Chepkemei	0	0	0
6	George Ombua	2	0	2
7	Bernard Kahuthia	1	0	1

**Audit Committee**

- i. Mgeni Mboto Hassan                  Committee Chairperson
- ii. Angella Mulinge                      Member
- iii. Abdullahi Omar Borai                Member
- iv. Bernard Kahuthia                    Alternate to PS – Min. of Tourism & Wild Life
- v. June T. Chepkemei                    CEO KTB – Member
- vi. John Chirchir                         Ag CEO KTB – Member
- vii. Winnie Mwalimu                    Alternate to PS – National Treasury
- viii. George Ombua                      Inspectorate of State Corporations.

The Committee assists the Board in fulfilling its Corporate Governance responsibilities and in particular enhancing internal checks and balances while fostering effective internal audit functions.

The Committee held Four (4) regular meeting in the year under review. The attendance is as follows: -

NO.	BOARD MEMBER	Scheduled Meetings	Special Meetings	Total
1	Mgeni Mboto Hassan	4	1	5
2	Angella Mulinge	4	1	5
3	Abdullahi Omar Borai	1	0	0
4	Bernard Kahuthia	4	1	5
5	June T. Chepkemei	0	0	0

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

6	John Chirchir	1	0	1
7	Winnie Mwalimu	3	1	4
8	George Ombua	2	1	3

**Human Resource, Administration & Corporate Governance Committee.**

- i. Angella Mulinge Committee Chairperson
- ii. Bernard Kahuthia Alternate to PS – Min. of Tourism & Wild Life
- iii. Abdullahi Omar Borai Member
- iv. Winnie Mwalimu Alternate to PS – National Treasury
- v. Solomon Mugwe Member
- vi. George Ombua Inspectorate of State Corporations

The Committee assists the Board in fulfilling its Corporate Governance responsibilities and in particular enhancing internal checks and balances while fostering effective internal audit functions.

The Committee held Six (6) regular meeting in the year under review. The attendance is as follows: -

NO.	BOARD MEMBER	Scheduled Meetings	Special Meetings	Total
1	Angella Mulinge	6	0	6
2	Bernard Kahuthia	6	0	6
3	Abdullahi Omar Borai	6	0	6
4	Winnie Mwalimu	5	0	5
5	Solomon Mugwe	6	0	6
6	Mboto Hassan	1	0	1
7	George Ombua	1	0	1

**Succession Plan**

The Board members of the Convention Centre are appointed at different times such that, the respective expiry dates of their terms of office shall fall at different times.

**Board Remuneration**

The aggregate amount paid to Directors in terms of sitting allowances for services rendered during financial year 2023/2024 are disclosed in the Financial Statements under Note 29(ii). Non-Executive Directors are paid sitting allowances for any meeting attended.

**Risk Management and Internal Controls**

The Corporation has defined procedures and financial controls to ensure its accounting information is complete and accurate. These include systems for obtaining approvals for all transactions and strict adherence to laws and regulations that have significant financial implications. The Board takes into consideration the results of work carried out to Audit and review the activities of the Corporation with a view to ascertaining the effectiveness of internal control systems. The Board also considers the Management accounts for each year,

**Kenyatta International Convention Centre**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

---

reports from each Board Committee, annual budgetary proposals, and strategic opportunities for the Corporation.

**Information and Board Developments**

The Board is supplied with detailed Board Papers and reports on business to be conducted at each meeting in advance. All Directors have access, advice and services of the Corporation Secretary. Where necessary the Directors may access external legal advice.

To update their skills and expertise in discharging board functions, directors are required to receive induction training on appointment. In addition, they are also required to attend trainings suited to their needs and expertise required to perform their duties regularly.

## 11. Management Discussion and Analysis

### SECTION A

#### KICC's operational and financial performance

##### Performance of KICC's Core mandates

- i. To facilitate the Modernization of KICC; the Corporation is undertaking a review of its modernization master plan for the KICC facility which outlines projects to be implemented. During the Year under review, KICC undertaken a refurbishment of the Tsavo Ball room, repair of Amphi Theatre, ICT infrastructure and rehabilitation of water fountain
- ii. MICE destination Marketing and awareness creation; the Corporation organized various MICE awareness creation events locally to promote awareness in Counties. Awareness creation was done in Uasin Gishu County, Kisumu County, Homabay County and also to all the County Executive Committee (CEC) members for tourism in Naivasha.
- iii. Some of the successful bids undertaken are: - Transform Africa 2024, International Association of Scientific Parks and Areas of Innovation (IASP2024), International Business Models in Agriculture 2025 2025 (IBMA), International Union of Forest Research Organizations (IUFRO) 2029, World Deaf Conference 2025, World Congress on Social Work and Social Development 2026

##### Revenues

The Corporation's main revenue streams include; conference/exhibitions & events, rental income, parking fees, tower viewing and third-party revenues. In total, the Corporation's revenue for the Year was Kshs. 1.15Billion against a target of Kshs. 1.09 Billion leading to a favourable variance of Kshs.358 Million.

During the Year the Centre did achieve its revenue targets on core mandates.

##### Expenses

The Corporation endeavored to spend within the budget limits. Total expenditure for the Year was Kshs. 838 million inclusive of General Provision for bad debts Kshs. 25.2 Million, depreciation and amortization amounting to Kshs. 58 Million. The total budget for the Year was Kshs. 1.14 Billion. There was favorable variance of Kshs.300 Million.

In comparison to 2022/2023 the Corporation total operating expenses for the Year was Kshs. 2.1 Billion.

##### Profit/Loss for the Year

Reported profit for the Year (after depreciation but before tax at 30%) was Ksh. 308 Million.

## SECTION B

### KICCs compliance with statutory requirements

#### INTERNATIONAL STANDARDS

Our commitment to quality in our services and processes remain steadfast. Complying to the requirements of ISO 9001:2015 ensures that the Corporation not only retains its status as an ISO 9001:2015 certified institution but that continuous improvement, research and development and on-going review of processes is systematically done to ensure that our processes and strategies remain current and relevant in the ever-dynamic business environment. In the long run there is positive impact on revenue, quality, costs, and customer satisfaction.

#### INFORMATION AND COMMUNICATIONS TECHNOLOGY

The ICT Department continued to collaborate with our business systems users in order to identify and exploit opportunities for utilizing technology solutions to solve business problems. Among the project completed in the Year under review include: Full installation of CCTV systems. During the corporation also initiated process of upgrading Enterprise Resource Planning (ERP). Data Storage offsite backup was done and is currently under support for the next 3years. The Corporation is also using the Integrated Financial Management Information System (IFMIS) for its procurement functions as per the Government requirement to all Government agencies.

## SECTION C

### Major risks facing KICC

The Corporation will continue to recognize risk Management as an integral part of the internal control systems. We will therefore continue to logically and systematically engage in the process of establishing, identifying, analysing, evaluating and communicating risks associated with any activities, functions or processes in a way that enables the Corporation to minimize losses and maximize opportunities while getting value for money committed.

#### Operational Risk

This is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation as well as lead to financial loss.

The controls that the Corporation has put in place to minimize the potential risks include:

- a) Effective duty segregation,
- b) Staff sensitization, training and capacity building
- c) Definition of authorization levels,
- d) Year risk assessment,
- e) Compliance and conformity with laid down policies and procedures and Acts governing operations
- f) Use of internal audit; and

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

g) Adherence to systems of internal controls.

**Credit and Liquidity risks**

The corporation continues to put measures in place to minimize risk of non-recovery of debts owed by defunct Government Ministries and Departments that were merged.

In compliance with accounting principles, the management will continue to recognise provisions for bad and doubtful debts in its financial statements.

The corporation cash and cash equivalents as at the end of the year was Kshs.17.2 Million held in our various bank accounts. Trade and other receivables balance were Kshs. 1.8 Billion while trade and other payables balance were Kshs.1.13 Billion

**Legal risks**

Due to 17 pending litigations/cases in court which are at various stages of litigation, the corporation is likely to incur costs with regard to legal costs, penalties and interests. This is purely dependent on the outcome i.e. whether it is unfavourable

**SECTION D**

**Material arrears in statutory/financial obligations**

Trade and Other payables	607,939,193
Provisions for other pending bills	50,996,952
Accrued expenses	25,474,702
Corporation tax	22,809,535
Gratuity	7,408,824
Provisions for Upgrade of ERP system	11,075,000
Provisions for salary review	308,502,480
Provision for legal contingency	67,909,486
Provision for Telephone allowances	-
	<b>1,102,116,172</b>

**SECTION E**

**KICCs financial improbity and governance issues**

Corporate Governance is the process by which Corporations are directed, controlled and held to account. The Board of Directors are responsible for the long-term strategic goals of the Corporation while being accountable to the shareholders for legal compliance and maintenance of the highest Corporate Governance and business ethics.

An independent Board manages the business of the Corporation. The Board is keen on reviewing the overall framework of the internal controls and the assessment of Management process and the adoption of the appropriate codes of ethics. It is also responsible for ensuring that the Corporation complies with the law and highest standards of Corporate and business ethics. The Board currently comprises members drawn from public and private sectors.

**Kenyatta International Convention Centre**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

---

The Corporation is committed to fighting corruption and other social vices in the work place. The corporation has adopted the government's zero tolerance approach to corruption and it has put in place mechanisms to control corruption. In this regard a corruption prevention committee has already been put in place and integrity assurance officers trained.

## 12. Environmental and Sustainability Reporting

### Corporate Social Responsibility / Community Engagements

#### Tree growing Exercise

KICC staff members planted 4,100 trees in the 2023-2024 financial year. The tree planting exercise was conducted in Kitui, Kilgoris, KICC, Makueni, Taveta, Naivasha and Lake Jipe. They exceeded the targeted number of trees of 3,900.

On the 15th of May 2024, a tree planting exercise was conducted in Kitui County Muumoni Wetland led by the former KICC Board. A total of 100 trees were planted. A total of 3000 trees were planted by KICC in Kilgoris in March 2024. The team was led by the Operations Director, Gomeri Kombo. Also present during the tree planting was former Ag. KICC CEO Patricia Ondeng and the PS Tourism and Wildlife Hon. John Ololuaa.

During KICC MICE sensitization entitled, "Unlocking Tourism Potential in Counties through MICE" on 28th-29th September 2023, KICC staff planted 500 trees. On the National Tree Planting Day, 13<sup>th</sup> November 2023, KICC Staff planted 300 trees in KICC grounds, Makueni and Taveta.

	PLACE	NO. OF TREES PLANTED
1.	KITUI	100
2.	KILGORIS	3000
3.	KICC	100
4.	MAKUENI	100
5.	TAVETA	50
6.	NAIVASHA	500
7.	LAKE JIPE	350
	<b>TOTAL</b>	<b>4,100</b>

#### KICC Assists flood victims in Nairobi

The Corporation in May 2024 ran a drive to support the flood affected Kenyans as part of its Corporate Social Initiative programme. The management engaged members of staff to donate clothes, shoes and other items they are not using as a drive to support for the victims of the floods who had been left devastated without shelter, food, or clothing. Through staff mobilization, the Corporation further acquired other basic requirements like toiletries and sanitary items. The items issued out to the affected Kenyans through the Red cross Society of Kenya.

#### KICC Hosted Enoosaen Primary School from Kilgoris

KICC hosted Enoosaen Primary School from Kilgoris to lunch and a tour of KICC. They enjoyed the view of Nairobi from the helipad.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**13. Report of the Directors**

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

**a) Principal activities**

The principal activities of the Corporation are to:

- a) Organize and host meetings and provide incentives for conferences and exhibitions at the Convention Centre;
- b) Develop and implement the national meetings, incentives for conferences and exhibitions strategy, in collaboration with the Tourism Board upon consultation with the relevant stakeholders;
- c) Market the Convention Centre, in collaboration with the Tourism Board; and
- d) Perform any other functions that are ancillary to the object and purpose for which the Convention Centre is established.

**b) Results**

The results of the entity for the year ended June 30, 2024 are set out on page 1 to 42.

**c) Dividends**

The corporation will pay dividend to the National Treasury and seek approval for reinvestment of any surpluses in refurbishment and modernization of the facility.

**d) Board of Directors**

The Board of Directors who served within the Financial Year are shown on page iii & iv.

**e) Auditors**

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

By Order of the Board



.....  
**Justus Kivindyo**  
**Corporate Secretary**

30<sup>th</sup> Sept. 2024.

**14. Statement of Directors' responsibilities**

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

The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

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

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

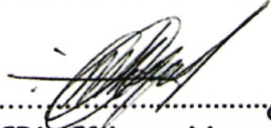
In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

**Approval of the financial statements**


The Kenyatta International Convention Centre's Financial Statements have been prepared in accordance with Section 83 of the PFM Act and were approved on June 30, 2024.



.....  
CPA, CS James Mwaura  
Chief Executive officer



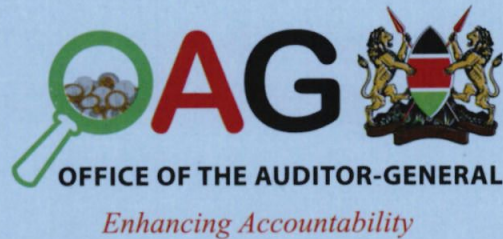
.....  
CPA, Livingstone Kipyego  
Manager Finance and Accounts  
ICPAK Member No. 18302



.....  
Hon. Adeline Mwau, OGW  
Chairperson  
Board of Directors

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KENYATTA INTERNATIONAL CONVENTION CENTRE FOR THE YEAR ENDED 30 JUNE, 2024**

---

### **PREAMBLE**

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

- A. Report on 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.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kenyatta International Convention Centre set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2024, and the statement of profit or loss and other comprehensive

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenyatta International Convention Centre as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with Tourism Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment amount of Kshs.5,329,346,858 as disclosed in Note 18 to the financial statements. Included in the amount is freehold land value of Kshs.2,296,000,000, which pertains to the parcel of land where the Centre Tower block stands. However, the title deed for this property is not registered in the Centre's name, despite its value being included in the financial statements. Additionally, the freehold land valuation excludes two parcels of land; the COMESA grounds, utilized by the Centre for parking and outdoor events, and land commonly known as Garden Square which is currently leased to a restaurant. To date, the Centre has not secured the title deeds for the three (3) parcels of land.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.2,296,000,000 could not be confirmed.

#### **2. Unsupported Work in Progress**

The statement of financial position reflects property, plant and equipment amount of Kshs.5,329,346,858 as disclosed in Note 18 to the financial statements. Included in the amount is capital work in progress amount of Kshs.1,394,359,108 out of which an amount of Kshs.1,350,000,000 relates to disbursements to the Ministry of Defense for renovating Kenyatta International Convention Centre. However, the payments were not supported by interim or certificates for payments by engineers from the Ministry of Defense.

In the circumstances, the accuracy, propriety and completeness of the work in progress of Kshs.1,394,359,108 could not be confirmed.

#### **3. Long Outstanding Trade Receivables**

The statement of financial position reflects trade and other receivables balance of Kshs.1,779,615,563 as disclosed in Note 21 (a) to the financial statements. Review of an ageing analysis revealed that trade receivables over three (3) years amount to Kshs.129,543,164 or 7% while those between two (2) and three (3) years amount to Kshs.58,917,390 or 3% respectively. The provision for bad and doubtful debt amount of Kshs.55,039,657 appears inadequate for the long outstanding debts. Further, the Centre

has no debt policy to deal with debt defaulters. In addition, Management has not provided any recoverability strategy in place to recover the outstanding amounts.

In the circumstances, the completeness and recoverability of the long outstanding receivables amounts of Kshs.188,460,556 could not be ascertained.

#### **4. Long Outstanding Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.1,131,718,302 as disclosed in Note 26 to the financial statements. Review of the payables ledger revealed that trade and other payables amounting to Kshs.76,567,900 remained unpaid for more than one year casting doubt on Management's commitments in settling the payments. Further, no demand notes were provided for audit as evidence of existence of the payables. In addition, provisions made by Management relating to provision of courtyard renovation Phase 1, amount of Kshs.52,411,665, upgrade of Enterprise Resource Process (ERP) system amount of Kshs.11,075,000, salary review amount of Kshs.308,502,480 and legal contingencies amount of Kshs.67,909,486 all totalling Kshs.439,898,631 were not supported by a credit policy or any other basis on which the estimates were computed.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.439,898,631 could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts of Kshs.1,090,472,836 and Kshs.1,449,182,824 respectively resulting to a budget surplus of Kshs.358,709,988. Similarly, the Centre spent an amount of Kshs.838,711,377 against actual receipts amount of Kshs.1,449,182,824 resulting to under-expenditure of Kshs.610,471,447 or 42% of the actual budget.

The under-expenditure 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **Other Matter**

### **Unresolved Prior Year Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, Management had not resolved the issues as at 30 June, 2024 as required by the Public Sector Accounting Standards Board template and The National Treasury's Circular.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxix which comprise of Key Entity Information, The Board of Directors, Key Management Team, Fiduciary Management, Fiduciary Oversight arrangements, Statement of Chairperson, 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, 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 Centre'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 thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Meetings Held Outside the Official Premises without Approval**

The statement of profit or loss and other comprehensive income reflects administrative costs amount of Kshs.769,848,325 as disclosed in Note 14 to the financial statements. Included in the amount is directors' emoluments amount of Kshs.30,974,68. Review of Board minutes revealed that the Centre held thirteen (13) Board meetings. However, nine (9) meetings were held outside the office premises in contravention of the Mwongozo Code of Regulations for state corporations.

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

## **2. Failure to Meet the Requisite Number of Representation of Persons Living With Disability in the Staff Establishment**

Review of the Centre bio data and personal files revealed that the Centre has three (3) employees under Persons Living with Disability (PWDs) category which translates to only 3% of entire employee population. This was contrary to the provision of Part B23(1,2) of Public Service Human Resource Policy 2016 that requires at least five percent (5%) of all appointments shall be for persons with disabilities.

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

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

#### **Basis for Conclusion**

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 those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) 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 Centre'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 terminate the Centre or to cease its 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.

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the 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**


**27 December, 2024**

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement of Profit/Loss & Other Comprehensive Income for year ended 30th June 2024.

DESCRIPTION	NOTE	2023-2024	2022-2023
		30th June	30th June
<b>REVENUES</b>		Kshs	Kshs
Revenues	6	1,032,821,172	909,877,688
Cost of Sales	7	(300,970,010)	(487,624,521)
<b>Gross Profit</b>		<b>731,851,162</b>	<b>422,253,167</b>
IDA Major Event	8	28,680,754	
ACS Major Event	9	219,821,580	
AFDB Major Event	10	80,129,366	
AFHS Major Event	11	61,045,339	
<b>Other Income</b>			
Other Income	12	25,524,612	435,480,684
<b>Total Revenues</b>		<b>1,147,052,813</b>	<b>857,733,851</b>
<b>OPERATING EXPENSES</b>			
Administration Costs	14	769,848,325	1,541,052,904
Selling and Distribution Costs	15	10,797,488	7,022,617
Depreciation and amortization	13	58,065,564	67,217,849
<b>Total Operating Expenses</b>		<b>838,711,377</b>	<b>1,615,293,370</b>
<b>Operating profit</b>		<b>308,341,436</b>	<b>(757,559,519)</b>
<b>Profit before Taxation</b>		<b>308,341,436</b>	<b>(757,559,519)</b>
Income Tax @30%	17	93,768,677	227,267,856
<b>Profit after Taxation</b>		<b>214,572,759</b>	<b>(530,291,663)</b>

The financial statements were approved by the Board on 30.09. 2024 and signed on its behalf by:

  
.....  
Hon Adelina Mwau  
Chairman of the Board

  
.....  
CPA, CS James Mwaura  
Chief Executive Officer


  
.....  
CPA Livingstone Kipyego  
Manager Finance & Accounts  
ICPAK M/NO: 18302


Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

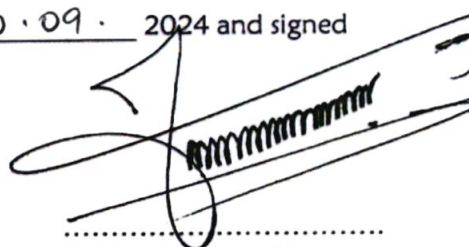
17. Statement of Financial Position as at 30 June 2024

Description	Note	2023-2024 Kshs	2022-2023 Kshs
<b>Non-Current Assets</b>			<b>Kshs</b>
Property, plant and equipment	18	5,329,346,858	4,013,298,206
Intangible assets	19	21,778,638	30,843,892
Staff receivables due after one year	21b	5,187,620	5,957,682
<b>Total Non-Current Assets</b>		<b>5,356,313,116</b>	<b>4,050,099,780</b>
<b>Current Assets</b>			
Inventories	20	17,934,823	7,173,776
Trade and other receivables	21	1,779,615,563	946,328,252
Cash and bank balances	22	17,187,237	128,138,697
Staff Imprest	21b	2,427,639	2,049,704
<b>Total Current Assets</b>		<b>1,817,165,262</b>	<b>1,083,690,429</b>
<b>TOTAL ASSETS</b>		<b>7,173,478,378</b>	<b>5,133,790,209</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Capital Fund	23	5,283,446,000	3,933,446,000
Retained earnings	25	(401,924,784)	(616,497,543)
Revaluation Reserve	24	1,137,438,325	1,137,438,325
<b>Capital and Reserves</b>		<b>6,018,959,541</b>	<b>4,454,386,782</b>
<b>Current Liabilities</b>			
Trade and other payables	26	1,131,718,302	750,371,568
Tax Payable	27	22,800,535	(70,968,142)
<b>Total Current Liabilities</b>		<b>1,154,518,837</b>	<b>679,403,426</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,173,478,378</b>	<b>5,133,790,208</b>

The financial statements were approved by the Board on 30.09.2024 and signed on its behalf by:

  
.....  
Hon Adelina Mwau  
Chairman of the Board

  
.....  
CPA, CS James Mwaura  
Chief Executive Officer

  
.....  
CPA Livingstone Kipyego  
Manager Finance & Accounts  
ICPAK M/NO: 18302

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

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

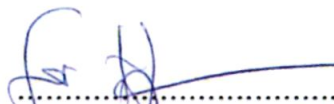
Description	Shareholders' Equity	Revenue Reserves/Retained Earnings	Revaluation Reserve	Total
	Kshs	Kshs	Kshs	Kshs
For the period ended 30th June, 2023	3,933,446,000	(616,497,543)	1,137,438,325	4,454,386,782
Net profit for the Year ended 30th June 2024	-	214,572,759	-	219,186,342
Capital Grant	1,350,000,000		-	1,350,000,000
For the period ended 30th June, 2024	5,283,446,000	(401,924,784)	1,137,438,325	6,018,959,541


Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>OPERATING ACTIVITIES</b>			
Cash generated from/ (used in) operations	28a	(95,909,483)	(213,389,358)
Tax paid			
Net cash generated from/ (used in) operating activities		(95,909,483)	(213,389,358)
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	14	(1,365,041,976)	(59,940,180)
Net cash generated from/ (used in) investing activities		(1,365,041,976)	(59,940,180)
<b>FINANCING ACTIVITIES</b>			
Capital/Development Grants received	19	1,350,000,000	
Net cash generated from/ (used in) financing activities		1,350,000,000	
Increase/ (decrease) in cash and cash equivalents		(110,951,459)	(273,329,538)
Cash and cash equivalents at beginning of the year		128,138,697	401,468,235
Cash and cash equivalents at end of the year		17,187,238	128,138,697

The financial statements were approved by the Board on 30.09 2024 and signed on its behalf by:

  
.....  
Hon Adelina Mwaui  
Chairman of the Board

  
.....  
CPA, CS James Mwaura  
Chief Executive Officer

  
.....  
CPA Livingstone Kipyego  
Manager Finance & Accounts  
ICPAK M/NO: 18302

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

20. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2024

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a+b	d	e = c-d	f = d/c
<b>REVENUE</b>	<b>KSHS</b>			<b>KSHS</b>	<b>KSHS</b>	<b>%</b>
Rent Revenue	258,670,554	-	258,670,554	296,262,379	-37,591,825	115%
Leased Parking Revenue	196,425,000	-	196,425,000	176,341,240	20,083,760	90%
Conference Revenue	281,635,014	-	281,635,014	196,070,135	85,564,879	70%
Catering	163,856,507	-	163,856,507	146,686,504	17,170,003	90%
Third party (Equipment)	164,885,761	-	164,885,761	206,460,914	-41,575,153	125%
Daily/Casual Parking Revenue	5,000,000	-	5,000,000	5,724,500	-724,500	114%
Tower Viewing Revenue	18,000,000	-	18,000,000	19,800,112	-1,800,112	110%
Other sources of revenue	2,000,000	-	2,000,000	-		
IDA Major Event	-	-	-	28,680,754	-28,680,754	
ACS Major Event	-	-	-	219,821,580	-219,821,580	
AFDB Major Event	-	-	-	80,129,366	-81,289,366	
AFHS Major Event	-	-	-	61,045,339	-61,045,339	
GoK Recurrent grant	-	-	-	11,000,000		
<b>Total Revenue</b>	<b>1,090,472,836</b>	<b>-</b>	<b>1,090,472,836</b>	<b>1,449,182,824</b>	<b>-358,709,988</b>	
<b>EXPENSES</b>					<b>0</b>	
<b>ADMINISTRATION COSTS</b>					<b>0</b>	
Electricity	48,000,000	-	48,000,000	53,611,757	-5,611,757	112%
Water & Conservancy	25,000,000	-	25,000,000	18,492,748	6,507,252	74%
Postage and Courier	112,500	-	112,500	9,450	103,050	8%
Telephone Expenses	3,360,000	-	3,360,000	492,707	2,867,293	15%
E-Mail & Internet	2,442,000	-	2,442,000	1,796,415	645,585	74%
Transport Operating Expenses	3,600,000	-	3,600,000	19,271,622	-15,671,622	535%
Travelling & Accommodation	27,000,000	-	27,000,000	72,430,431	-45,430,431	268%
Printing, stationery and photocopying	6,000,000	-	6,000,000	5,841,933	158,067	97%
Staff training expenses	15,000,000	-	15,000,000	21,570,805	-6,570,805	144%
Staff welfare & Uniform expenses	30,777,000	-	30,777,000	15,888,846	14,888,154	52%
Business Promotion Expenses (Entertainment)	2,450,000	-	2,450,000	3,466,110	-1,016,110	141%
General Insurance	18,487,772	-	18,487,772	-		
Bank charges and commissions	1,180,000	-	1,180,000	1,158,366	21,634	98%

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a+b	d	e = c-d	f = d/c
Membership to professional bodies	5,004,230	-	5,004,230	1,090,548	3,913,682	22%
Consultancy fees	25,278,680	-	25,278,680	25,299,775	-21,095	100%
Legal fees, Land rates, Licenses & Subscriptions	28,514,822	-	28,514,822	13,800,009	14,714,813	48%
Repairs and maintenance	25,070,000	-	25,070,000	37,486,080	-12,195,261	149%
Board Expenses	29,831,000	-	29,831,000	30,974,687	-1,143,687	104%
	<b>297,108,004</b>	-	<b>297,108,004</b>	<b>322,682,288</b>	<b>-25,353,465</b>	
<b>OTHER OPERATING EXPENSES</b>						
Contracted Services	84,412,000	-	84,412,000	78,347,480	6,064,520	93%
Consumable Stores	6,500,000	-	6,500,000	6,200,868	299,132	95%
Research and development	25,000,000	-	25,000,000	630,000	24,370,000	3%
Gift shop	-	-	-	-	-	
KICC@50	20,000,000	-	20,000,000	9,487,085	10,512,915	47%
Corporate Social Responsibility/Investment	3,000,000	-	3,000,000	476,410	2,523,590	16%
	<b>138,912,000</b>	-	<b>138,912,000</b>	<b>95,141,843</b>	<b>43,770,157</b>	
<b>STAFF COSTS (PERSONAL EMOLUMENTS)</b>					0	
Salaries Wages & Leave Allowance	332,976,046	-	332,976,046	205,581,962	109,055,252	67%
Medical Insurance	40,000,000	-	40,000,000	39,098,604	901,396	98%
Casual wages	-	-	-	4,929,067		
Gratuity & Pension	21,613,520	-	21,613,520	14,053,771	7,559,749	65%
	<b>394,589,566</b>	0	<b>394,589,566</b>	<b>258,257,479</b>	<b>112,587,330</b>	
<b>SELLING AND DISTRIBUTION COSTS</b>					0	
Third party costs	90,212,612	-	90,212,612	293,372,249	-203,159,637	981%
MICE & Participation in Exhibition	51,200,000	-	51,200,000	7,597,761	43,602,239	15%
Production of Promotion Materials	25,000,000	-	25,000,000	5,389,085	19,610,915	22%
Advertising & Publicity	29,700,000	-	29,700,000	5,408,403	24,291,597	18%
Provision for Depreciation	65,000,000	-	65,000,000	57,366,748	7,633,252	88%
Provision for Audit fees	500,000	-	500,000	500,000	0	100%
Provision for Provision for debts	-	-	0	25,210,681	-25,210,681	

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

DESCRIPTION	Original budget a	Adjustments b	Final budget c = a+b	Actual on comparable basis d	Performance difference e = c-d	% of utilization f = d/c
Replacement & Renewal Items	45,990,000	-	45,990,000	66,147,128	-20,157,128	144%
	307,602,612	0	307,602,612	460,992,055	-153,389,443	
<b>Total Expenses</b>	<b>1,138,212,182</b>	<b>0</b>	<b>1,138,212,182</b>	<b>838,711,377</b>	<b>299,500,805</b>	
Surplus for the period	-47,739,346	0	-47,739,346	308,341,436	260,602,090	
<b>CAPITAL EXPENDITURE</b>					0	
Corporation Tax at 30%	14,321,804	-	14,321,804	93,768,677	-79,446,873	
<b>Net Surplus</b>	<b>-33,417,542</b>	<b>0</b>	<b>-33,417,542</b>	<b>214,572,759</b>	<b>181,155,217</b>	

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**21. Explanation of the variances**

**a) Rent Revenue**

The favourable variance of Ksh. 37,591,825.00 during the Year was achieved by short term leases and timely billing and collection of revenue, cumulatively the revenue stood at Ksh. 296,262,379.00 against a targeted budget of Ksh. 258,670,554.00 leading to a 115% favorable variance.

**b) Conference, Catering and Third-Party Equipment Revenue**

During the Year the corporation met the target for the above revenue streams due to major events that were held. Conference revenue surpassed the target by 70% variance from a budget of Ksh. 281,635,014.00 to a revenue collection of Ksh. 331,403,048. Catering collected Ksh. 331,917,624.00 against a budget of Ksh. 163,856,507.00 leading to a favorable variance of 203% while Third party equipment achieved a positive variance of 527% from a budget of Ksh. 164,885,761.00 to a collection of Ksh. 868,191,633.00

**c) Casual Parking and Tower Viewing revenue**

During the Year there was increase in vehicles parked daily, this lead to increase in casual parking revenue by 114% from a budget of Ksh. 5,000,000.00 to a collection of 5,724,500.00. Helipad did receive many visitors during the Year leading to a 110% increase in revenue from a budget of Ksh. 18,000,000.00 to a collection of Ksh. 19,800,112.00

**d) Electricity, Water & Conservancy**

Consumption of electricity increased by 12% during the year this led to a unfavourable variance of Ksh. 5,611,757.00 from a budget of Ksh. 48,000,000.00 to an actual expenditure of 53,611,757.00. Water and conservancy also had a favourable variance of 26% from a budget of Ksh.25,000,000.00 the Corporation spent Ksh. 18,492,748.00 on water conservancy.

**e) Postage and courier**

During the Year the corporation opted to use email and internet services for its communication. There was no expenditure in this vote during the year.

**f) Transport & Operating Expenses, Travelling and accommodation.**

Transport & operating expenses vote had unfavourable variance of 535% from a budget of Ksh. 3,600,000.00 and an actual expenditure of Ksh. 19,271,622.00 this resulted from repairs and maintenance done to stalled corporation vehicles that are currently used for MICE. Travelling & accommodation had a unfavourable variance of 268% that resulted from various MICE activities that staff engage on during the year, from a budget of Ksh.27,000,000.00. the actual expenditure was Ksh. 72,430,431.00

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**g) Staff training expenses and Staff welfare & uniform expenses**

During the Year staff training had an unfavourable variance of 144%, this resulted from many capacity building trainings that happened during the year, the expenditure stood at Ksh. 21,570,805.00 against a budget Ksh. 15,000,000.00. However, staff welfare & uniform expenses had favourable variance of 52%.

**h) Business promotion expenses (Entertainment)**

During the Year the corporation held several business meetings, this led to an expenditure of Ksh 3,466,110.00 an unfavourable variance of 141% against a budget of Ksh. 2,450,000.00.

**i) Repairs and Maintenance**

During the Year there were some repairs at the centre that were carried in preparation for the major events that happened leading to an expenditure of ksh. 37,265,261.00 against a budget of Ksh. 25,070,000.00, this resulted to an unfavourable variance of 149%.

**j) Research and Development**

There was an expenditure of Kshs. 630,000.00 on Research & Development against a budget of Kshs. 25,000,000.00 leading to a favourable variance 3%, KICC did only one research.

**k) Third party costs**

These are costs directly relating to event/conferencing activities, during the Year the corporation endeavoured in providing equipment during conferences and exhibition this led to an actual cost of Kshs. 884,829,961.00 against a budget Kshs. 90,212,612.00. There was an unfavourable variance of 981%.

**l) MICE & Participation in Exhibition and Production of Promotion Materials**

There were few exhibitions held during the Year this means there was an expenditure on this vote head of Ksh. 7,597,761.00 against a budget of Kshs 51,200,000.00. There was an expenditure of Kshs 5,389,085.00 on production of promotion materials against a budget of Ksh. 25,000,000.00 leading to a favourable variance of 22%.

**m) Replacement and renewals**

During the Year there were major renewals and replacement done at the centre. There was an expenditure of Kshs. 66,147,128.00 against a budget of Kshs. 45,990,000.00 leading to unfavourable variance of 144%.

**22. Notes to the Financial Statements**

**1. General Information**

KICC is established by and derives its authority and accountability from Tourism Act, 2011. KICC is wholly owned by the Government of Kenya and is domiciled in Kenya.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying KICC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in *Note 26*. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of KICC, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, 2012 the Tourism Act, 2011, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

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

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

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

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

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

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

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

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

#### 4. Summary of Accounting Policies

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

a) **Revenue recognition**

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

i) **Revenue from the sale of goods and services** is recognized in the year in which KICC delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

ii) **Grants from National Government** are recognized in the year in which KICC actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

iii) **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.

iv) **Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.

v) **Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Notes to the Financial Statements (Continued)**

vi) **Other income** is recognized as it accrues.

b) **In-kind contributions**

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

c) **Property, plant and equipment**

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

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

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

d) **Depreciation and impairment of property, plant and equipment**

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

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

Freehold Land	0.0%
Buildings and civil works	2.5 %
Furniture	12.5 %
Others ( <i>Tools, Fire extinguishers, Laptop chains</i> )	12.5 %
Carpets	12.5 %
Office equipment	30.0 %
Motor Vehicles	25.0 %
CCTV Cameras	30.0 %
Software's	33.3 %
Plant and Equipment	12.5 %
Communication Equipment	12.5 %

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

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

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

**e) Intangible assets**

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

**f) Amortisation and impairment of intangible assets**

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

**g) Inventories**

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

**h) Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. In the year under review a 3% general provision has been made on total debtors. Bad debts are written off after all efforts of recovery have been exhausted and write off approved by Public investment committee of parliament.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

i) Taxation

i) Current income tax

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

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

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

j) Deferred tax

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

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

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

Notes to the Financial Statements (Continued)

**Summary of Accounting Policies**

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

**k) Borrowing costs**

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

**l) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**m) Borrowings**

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

**n) Trade and other payables**

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

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Notes to the Financial Statements (Continued)**

**Summary of Accounting Policies**

**o) Provision for staff leave pay**

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

**p) Exchange rate differences**

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

**q) Budget information**

The original budget for FY 23/24 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by KICC upon receiving the respective approvals in order to conclude the final budget. Accordingly, KICC recorded additional appropriations on the FY 23/24 budget following the governing body's approval.

KICC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 20 of these financial statements.

**r) Service concession arrangements**

KICC analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, KICC recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Notes to the Financial Statements (Continued)**

**Summary of Accounting Policies**

significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, KICC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**s) Comparative figures**

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

**t) 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, 2024.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

State all judgements, estimates and assumptions made: e.g.

**a) Estimates and assumptions**

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

**b) Useful lives and residual values**

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

- a) The condition of the asset based on the assessment of experts employed by KICC
- 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 assets

**c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 17 (c) and 22.

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Notes to the Financial Statements (Continued)**

**Summary of Accounting Policies**

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.

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continues)

6. Revenue from contract with customers

Description	2023-2024	2022-2023
	Kshs	Kshs
Conference	196,070,135	181,333,671
Rent	296,262,379	310,896,979
Leased Parking	176,341,240	193,541,720
Catering	146,686,504	129,795,813
Third party (Equipment)	206,460,914	94,309,504
Recurrent grant received (Recurrent TF)	11,000,000	
<b>Total</b>	<b>1,032,821,172</b>	<b>909,877,688</b>

7. Cost of Sales

Description	2023-2024	2022-2023
	Kshs	Kshs
Third party outsourcing	293,372,249	431,357,782
MICE & Participation in exhibitions	7,597,761	56,266,739
<b>Total</b>	<b>300,970,010</b>	<b>487,624,521</b>

8. IDA Major Event

Revenue	Kshs
Conference	8,485,882.39
Catering	11,895,800.00
Third Party (Hire of Equipment)	59,385,620.00
<b>TOTAL REVENUE</b>	<b>79,767,302.39</b>
<b>EXPENDITURE</b>	
Third Party costs (Catering)	5,950,000.00
Third Party costs (Hire of Equipment)	45,136,548.00
<b>TOTAL EXPENSES</b>	<b>51,086,548.00</b>
<b>REVENUE TO BE TRANSFERED TO P &amp; L</b>	<b>28,680,754.39</b>

9. ACS Major Event

Revenue	Kshs
Conference	60,396,569.51
Catering	67,978,320.00
Third Party (Hire of Equipment)	350,092,079.72
<b>TOTAL REVENUE</b>	<b>478,466,969.23</b>
<b>EXPENDITURE</b>	
Third Party costs (Catering)	42,860,000.00
Third Party costs (Hire of Equipment)	215,785,388.83
<b>TOTAL EXPENSES</b>	<b>258,645,388.83</b>
<b>REVENUE TO BE TRANSFERED TO P &amp; L</b>	<b>219,821,580.40</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

10. AFDB Major Event

Revenue	Kshs
Conference	49,571,224.34
Catering	65,569,000.00
Third Party (Hire of Equipment)	136,697,300.00
<b>TOTAL REVENUE</b>	<b>251,837,524.34</b>
<b>EXPENDITURE</b>	
Third Party costs (Catering)	41,725,000.00
Third Party costs (Hire of Equipment)	129,983,158.00
<b>TOTAL EXPENSES</b>	<b>171,708,158.00</b>
<b>REVENUE TO BE TRANSFERED TO P &amp; L</b>	<b>80,129,366.34</b>

11. AFHS Major Event

Revenue	Kshs
Conference	16,879,236.37
Catering	38,628,000.00
Third Party (Hire of Equipment's)	115,555,720.00
<b>TOTAL REVENUE</b>	<b>171,062,956.37</b>
<b>EXPENDITURE</b>	
Third Party costs (Catering)	28,370,000.00
Third Party costs (Hire of Equipment)	81,647,617.00
<b>TOTAL EXPENSES</b>	<b>110,017,617.00</b>
<b>REVENUE TO BE TRANSFERED TO P &amp; L</b>	<b>61,045,339.37</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

12. Other Income

Description	2023-2024 Kshs	2022-2023 Kshs
Casual Parking	5,724,500	3,482,400
Tower viewing	19,800,112	19,718,284
Other sources		280,000
Tourism Fund		12,000,000
GoK grant-Recurrent		400,000,000
<b>Total</b>	<b>25,524,612</b>	<b>435,480,684</b>

13. Depreciation and Amortization

Description	2023-2024 Kshs	2022-2023 Kshs
Buildings & civil works	40,708,342	41,737,783
Furniture & Fittings	1,995,888	2,713,403
Office equipment	1,515,161	2,443,502
Carpets	1,370,304	
Motor vehicle	-	4,932,500
Plant & equipment	729,412	379,688
Communication Equipment	2,681,203	2,268,726
Amortization of Intangible Assets	9,065,254	3,618,791
Prior year adjustment (Intangible Asset)		9,123,456
<b>Total</b>	<b>58,065,564</b>	<b>67,217,849</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

14. Administration Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Staff costs (note 14a)	258,257,499	555,851,943
Directors' emoluments	30,974,687	3,323,667
Electricity and water	72,104,505	65,500,384
Communication services and supplies (Postage, Telephone, Email & Internet)	2,298,572	3,420,340
Transportation, travelling and subsistence (Transport operating expenses, Travelling & Accommodation.)	91,702,053	66,790,642
Printing, stationery and photocopying	5,841,933	9,759,300
Staff training expenses	21,570,805	25,416,113
Hospitality supplies and services (Entertainment & Staff Welfare)	19,355,256	35,532,684
Insurance costs (general)	-	15,236,507
Bank charges and commissions	1,158,366	1,373,157
Auditors' fees	500,000	2,463,999
Consultancy fees	25,299,775	195,947,871
Legal fees, licence & rates	13,800,009	76,955,480
Repairs and maintenance	37,265,261	374,404,245
<u>KICC@50</u>	9,487,085	
Other operating expenses (CSI, Membership to Prof bodies, Contracted Services, Consumables, R&D, Replacement and renewals)	150,460,746	79,808,688
Provision for bad debts	25,771,773	29,267,884
<b>Total</b>	<b>769,848,325</b>	<b>1,541,052,904</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

14(a) Staff Costs

Description	2023-2024 Kshs	2022-2023 Kshs
Salaries and allowances of permanent employees	205,581,962	508,286,094
Gratuity, Pension and Retirement Benefits	8,647,867	9,328,582
Medical expenses	39,098,604	37,544,190
Casual	4,929,067	693,077
<b>Total</b>	<b>258,257,500</b>	<b>555,851,943</b>
The average number of employees at the end of the year was:		
Permanent employees – Management	122	135

15. Selling and Distribution Costs

Description	2023-2024 Kshs	2022-2023 Kshs
Advertising and publicity	5,408,403	1,252,969
Production of promotional materials	5,389,085	5,769,648
<b>Total</b>	<b>10,797,488</b>	<b>7,022,617</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

16. Operating Profit/ (Loss)

Description	2023-2024	2022-2023
	Kshs	Kshs
The operating profit/(loss) is arrived at after charging/(crediting):		
Staff Costs (Note 12b)	258,257,500	555,851,943
Depreciation of property, plant and equipment	49,000,312	63,599,958
Amortization of intangible assets	9,065,254	3,617,891
Provision for bad and doubtful debts	54,478,565	29,267,884
Directors' emoluments – fees	30,974,687	3,323,667
Auditors' remuneration - current year fees	500,000	2,463,999

17. Income Tax Expense/(Credit)

Description	2023-2024	2022-2023
	Kshs	Kshs
(a) Current taxation		
Current taxation based on the adjusted profit for the year at 30%	93,768,677	(227,267,856)
Total	93,768,677	(227,267,856)

(a) Reconciliation of tax expense/ (credit) to the expected tax based on accounting profit

Description	2023-2024	2022-2023
	Kshs	Kshs
Profit before taxation	308,341,436	(757,559,519)
Tax at the applicable tax rate of 30%	(93,768,677)	227,267,856
Total	214,572,759	(530,291,663)

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**18. Property, Plant and Equipment**

DETAILS	Freehold land	Buildings & civil works	Furniture	Carpets	Office equipment	Motor vehicle	Plant & equipment	Communication Equipment	Capital work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net book value as at 30th June 2022	2,296,000,000	1,591,606,841	11,281,874	2,265,629	1,572,939	4,932,500	1,701,562	11,057,475	1,117,342,484	5,036,384,170
Additions		12,639,208		4,850,000	19,191,472	-	1,109,500			37,790,180
Erroneous maintenance and repair included WIP									(363,411,976)	
Erroneous printing and stationery included as WIP									(7,424,000)	
Erroneous Third-party expenses included as WIP									(291,398,952)	
Erroneous Consultancy expenses included as WIP									(194,883,071)	
Erroneous inclusion of payment ERP system included as WIP									(9,123,456)	
Erroneous inclusion of payment for KRA included									(80,000,000)	
Erroneous inclusion of pending bill not verified included as WIP									(61,536,219)	
Prior year adjustment on assets		57,131,942	6,813,760		1,260,000				(65,205,702)	
Depreciation for the period ending 30th June 2023		42,708,825	2,128,523	584,880	2,443,502	13,085,814	379,688	2,268,726		63,599,958
Accumulated Dep as at 30th June 2023		305,536,658	12,505,935	3,574,960	11,068,013	19,730,000	2,130,038	11,615,769		366,161,373
NET BOOK VALUE AS AT 30th June 2023	2,296,000,000	1,628,333,679	15,967,111	6,530,748	10,887,437	0	2,431,374	8,788,748	44,359,108	4,013,298,206
Additions	-				2,381,097			12,660,879	1,350,000,000	1,365,041,976
Depreciation								1,425,110		
Depreciation for the period ending 30th June 2024	-	40,708,342	1,995,889	816,344	2,062,134		729,412	2,681,203	-	48,301,495
Accumulated Dep as at 30th June 2024		346,245,000	14,501,823	4,391,304	11,759,842	19,730,000	2,859,450	14,296,973		414,462,867
NET BOOK VALUE AS AT 30TH JUNE 2024	2,296,000,000	1,587,625,337	13,971,222	5,714,405	11,206,400	0	1,701,962	18,768,424	1,394,359,108	5,329,346,858

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	2,296,000,000	0	2,296,000,000
Buildings	1,933,870,337	346,245,000	1,587,625,337
Plant And Machinery	4,561,412	2,859,450	1,701,962
Motor Vehicles, Including Motorcycles	19,730,000	19,730,000	0
Computers And Related Equipment	33,065,397	14,296,973	18,768,424
Furniture, And Fittings	28,473,045	14,501,823	13,971,222
Office Equipment	22,030,450	12,438,318	9,592,132
Carpets	10,105,708	4,391,304	5,714,405
<b>Total</b>	<b>4,347,836,349</b>	<b>414,462,868</b>	<b>3,933,373,481</b>

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

Description	Cost Valuation	Normal Annual Depreciation charge
	Kshs	Kshs
Motor Vehicles	19,730,000	3,946,000
<b>Total</b>	<b>19,730,000</b>	<b>3,946,000</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

19. Intangible Assets

Description	Kshs
At July, 2019 at Valuation	36,784,504
Net book value as at 30th June 2022	12,311,783
Additions during the year	22,150,000
Amortization for the period ending 30th June 2023	3,617,891
Accumulated Amortization as at 30th June 2023	28,090,612
Net book value as at 30th June 2023	30,843,892
Amortization for the period ending 30th June 2024	9,065,254
Accumulated Amortization as at 30th June 2024	37,155,866
Net book value as at 30th June 2024	21,778,638

20. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Technical Items	2,928,142	287,780
Housekeeping Items	540,275	282,381
ICT items	4,906,966	3,612,770
Stationery Items	3,761,372	1,220,195
Promotional Items	5,798,068	1,766,150
Consumables		4,500
Security Items		-
<b>Total</b>	<b>17,934,823</b>	<b>7,173,776</b>

21. Trade and Other Receivables

Description	2023-2024	2022-2023
	Kshs	Kshs
Net trade receivables (note 19a)	1,761,473,615	946,328,252
Deposits and prepayments (Overpaid VAT liability)	18,703,040	
<b>Gross trade and other receivables</b>	<b>1,781,176,655</b>	<b>946,328,252</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

21 (a) Trade Receivables

Description	2023-2024 Kshs	2022-2023 Kshs
Trade and Other receivables	1,834,655,220	975,596,136
General provision for Bad Debts	(55,039,657)	(29,267,884)
Net trade Receivables	1,779,615,563	946,328,252

21 (b) Staff Receivables

Description	2023-2024 Kshs	2022-2023 Kshs
Description	Kshs	Kshs
Gross car loans & salary advance	5,187,620	5,957,682
Staff Imprest	2,427,639	2,049,704

21.(c) Trade and Other receivables aging analysis

	2023-2024	% of the total	2022-2023	% of the total
Under one year	1,531,907,955.92	84.6%	95,583,668.76	34%
1-2 years	95,583,668.76	5.3%	51,490,564.25	18%
2-3 years	58,917,390.71	3.2%	19,903,045.31	7%
Over 3 years	129,543,164.62	7.1%	117,066,945.76	41%
Total		100		100

22. Bank and Cash Balances

Description	2023-2024 Kshs	2022-2023 Kshs
Cash at bank	17,187,237	128,138,697
Cash in hand	0	0
Total	17,187,237	128,138,697

*The bulk of the cash at bank was held at Cooperative Bank of Kenya and Kenya Commercial Bank, the Corporation's main bankers.*

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

22.(a) Detailed analysis of the cash and cash equivalents

Description	2023-2024 Kshs	2022-2023 Kshs
<b>BANK &amp; BRANCH</b>		
Kenya Commercial Bank - KICC-Operations	16,484,458	33,241,896
Kenya Commercial Bank - KICC-Development	231,384	3,707,447
Kenya Commercial Bank - KICC-USD. 796.23	103,129	78,259,418
Co-operative Bank - CITYHALL-Operations	368,266	12,929,936
Petty Cash		
MPESA Control ACC		
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>17,187,237</b>	<b>128,138,697</b>

23. Capital Fund

Description	2023-2024 Kshs	2022-2023 Kshs
Work in progress Investment (Refurbishment of Tsavo and Rehabilitation of Fountain)	1,350,000,000	-
Capital contribution	3,933,446,000	3,933,446,000
<b>Total</b>	<b>5,283,446,000</b>	<b>3,933,446,000</b>

*The Corporation is a parastatal wholly (100%) owned by Government of Kenya, the Capital Reserve includes the original valuation of the Corporation and subsequent grants received from the Government.*

24. Revaluation Reserve

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

Description	2023-2024 Kshs	2022-2023 Kshs
Surplus on Revaluation of Property Plant & Equipment (PPE)	1,137,438,325	1,137,438,325
<b>Total</b>	<b>1,137,438,325</b>	<b>1,137,438,325</b>

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**25. Retained Earnings**

The retained earnings represent amounts available for distribution to KICC's shareholders. Undistributed retained earnings are utilised to finance KICC's business activities.

Description	2023-2024 Kshs	2022-2023 Kshs
At the beginning of the year	(616,497,543)	55,330,340
Net Profit for the year	214,572,759	(530,291,663)
		(80,000,000)
		(61,536,219)
<b>At the close of the year</b>	<b>(401,924,784)</b>	<b>(616,497,543)</b>

*The retained earnings represent amounts utilised to finance the Corporation's business activities*

**26. Trade and Other Payables**

Description	2023-2024 Kshs	2022-2023 Kshs
Trade payables	607,939,193	153,805,053
Provisions for WTO pending bills	50,996,952	83,908,475
Provisional for courtyard renovation phase 1	52,411,665	52,411,665
VAT Liability		31,296,960
Provisions for Upgrade of ERP system	11,075,000	22,150,000
Provisions for gratuity	7,408,824	15,784,073
Provisions Salary Review	308,502,480	308,502,480
Provision for legal contingency	67,909,486	67,909,486
Accrued expenses	25,474,702	14,603,376
<b>Total</b>	<b>1,131,718,302</b>	<b>750,371,568</b>

**Notes to the Financial Statements (Continued)**

**26(a) Aging Analysis for Trade and other Payables]**

	2023-2024	% of the total	2022-2023	% of the total
Under one year	531,371,292.82	84.8%	95,270,940.29	62%
1-2 years	76,567,900	15.2%	58,534,112.71	38%
<b>Total</b>	<b>607,939,193</b>	<b>100</b>	<b>153,805,053</b>	<b>100</b>

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

27. Corporation Tax Liability

Description	2023-2024 Kshs	2022-2023 Kshs
At beginning of the year	(70,968,142)	156,299,714
Income tax charge for the year	93,768,677	(227,267,856)
At end of the Year	22,800,535	(70,968,142)

28. Notes to the Statement of Cash Flows

Description	2023-2024 Kshs	2022-2023 Kshs
(a) Reconciliation of operating profit/ (loss) to Cash generated from/ (used in) operations		
Operating profit/ (loss)	308,341,436	(757,559,519)
Depreciation and amortization	58,065,564	67,217,849
Prior year adjustment on WIP		857,117,999
Operating profit/ (loss) before working capital changes	366,407,000	166,776,329
(Increase)/decrease in Inventories	(10,761,047)	(3,338,263)
(Increase)/decrease in trade and other receivables	(833,294,298)	(126,191,927)
Increase/ (decrease) in trade and other payables	381,346,735	(249,114,279)
Increase/ (decrease) in staff advances and loans	392,127	(1,521,218)
Cash generated from/ (used in) operations	(95,909,483)	(213,389,358)
(b) Analysis of cash and cash equivalents		
Cash at bank	17,187,237	128,138,697
Balance at end of the year	17,187,237	128,138,697

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

29. Related Party Disclosures

Government of Kenya

The Government of Kenya is the principal shareholder of KICC, holding 100% of KICC's equity interest. Other related parties include:

- i) Ministry of Tourism and Wildlife
- ii) Key management
- iii) Board of directors

Transactions with related parties

Description	2023-2024 Kshs	2022-2023 Kshs
<i>The Corporation is wholly owned and controlled by the Government of Kenya through the Ministry of Tourism; there are no other companies which are related to the Corporation.</i>		
The following transactions were carried out with related parties:		
<b>i) Key management compensation</b>		
Salaries and other short-term employment benefits	258,257,500	555,851,943
<b>ii) Directors' remuneration</b>		
The Board of Directors remuneration for last twelve (12) months	30,974,687	3,352,581
<b>(iii) Employees</b>		
<i>The Corporation provides certain qualifying employees with car loans on terms more favourable than available in the market. The benefit obtained by staff is subjected to income tax as required under the Kenya Income Tax Act.</i>	122	135

Notes To The Financial Statements (Continued)

**30. Financial Risk Management**

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

**(i) Credit risk**

KICC 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 company's management based on prior experience and their assessment of the current economic environment.

*Credit Risk (Continued)*

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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company'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 KICC's directors, who have built an appropriate liquidity risk management framework for the management of KICC's short, medium and long-term funding and liquidity management requirements. KICC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Notes To The Financial Statements (Continued)

(iii) **Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by KICC 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 KICC'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 company'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 KICC's exposure to market risks or the manner in which it manages and measures the risk.

a) **Interest rate risk**

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

i) **Management of interest rate risk**

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

ii) **Fair value of financial assets and liabilities**

a) ***Financial instruments measured at fair value***

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect KICC's market assumptions. These two types of inputs have created the following fair value hierarchy:

i) **Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

This level includes listed equity securities and debt instruments on exchanges.

ii) **Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).**

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to The Financial Statements (Continued)**

iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. KICC considers relevant and observable market prices in its valuations where possible.

**iv) Capital Risk Management**

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	1,137,438,325	1,137,438,325
Retained earnings	(401,924,784)	(616,497,543)
Capital reserve	5,283,446,000	3,933,446,000
<b>Total Funds</b>	<b>6,018,959,541</b>	<b>4,454,386,782</b>
Total Borrowings	0	0
Less: Cash and Bank balances	(17,187,237)	(128,138,697)
Net Debt/ (Excess Cash and Cash Equivalents)	17,187,237	128,138,697
<b>Gearing</b>		

**31. Incorporation**

KICC is incorporated in Kenya under *Tourism Act, 2011* and is domiciled in Kenya.

**32. Events after the Reporting Period**

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

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

**23. Disclosures:**

Name of the Valuing Firm: SYAGGA AND ASSOCIATES LIMITED-RESEARCH & DEVELOPMENT CONSULTANTS

Qualifications: Prof Maurice Syagga PhD.MISK, Registered and Licensed Valuer.

Revaluation basis applied: For book purposes at market value, and the insurable value for insurance purposes.

Date of Valuation: 15<sup>th</sup> December 2017

**CONTIGENCIES**

**i) World Trade Organization Conference (2015)**

Kenya won the bid to host the 10<sup>th</sup> World Trade Organization (WTO) Ministerial Conference held from 15<sup>th</sup> to 18<sup>th</sup> December 2015. An Inter-Ministerial Organization Committee was established to coordinate all the activities geared towards successful hosting of the Conference. Several WTO related projects were initiated and procured without following laid out procurement procedures and regulations. The Corporation had recognized a provision of Kshs.431Million as potential liabilities in its books. After verification of accruing pending bills by office of Auditor General, Kshs.198.4Million has been settled based on the recommendation by Office of the Auditor General.

Out of the verified outstanding pending bill; there was payment of Kshs. 32.9 Million during the year the Corporation continues to carry a further provision of Kshs 50.997 Million on WTO related pending bills in its books.

PENDING BILLS -2015(VERIFIED & RECOMMENDED FOR PAYMENT BY KENAO)		
NO.	NAME OF SUPPLIER	AMOUNT
	Outstanding Balances	
1	Tintin Restaurant	23,487,374
2	Safaripark Hotel & Casino	21,147,262
3	Sage Media	20,000,000
4	Radar Security Services Limited	18,270,078
5	Bella Kitchen	9,012,478
6	Viable Deco	6,813,760
7	Express Automation	6,000,800
8	Combiat Agencies	5,400,000
9	Silverpearl Creations	5,204,393
10	Thames Electrical	5,020,178
11	Nordica Logistics	4,500,000
12	Capital Group Limited 98.4 FM	4,126,600
13	Pillar Audio Visual Services Limited	3,436,540
14	Mema Trader Company Limited	3,244,899
15	Classique Concepts	3,001,920
16	Conference Caterers	2,992,166
17	Elzika Enterprises	2,438,100
18	House 7 Degrees	2,436,240
19	Hathaway General Merchants	2,067,300
20	Shwester Supplies Limited	2,066,873
21	Repcon Group Limited	1,970,000
22	Sukali & Associates Company	1,950,000
23	Mansard Contractors	1,942,850
24	Punja Supplies Limited	1,928,562
25	Skyvin Limited	1,926,800
26	Milda Agencies	1,870,881

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

27	Moment Contractors Limited	1,654,900
28	Tango Logistics	1,605,500
29	Bluryl Media Limited	1,357,200
30	Africa Metal Detectors	1,183,200
31	Proximus Company Limited	1,149,960
32	Opticom Kenya Limited	1,095,602
33	Joel E.D Nyaseme and Associates	986,000
34	Ravina Agencies Limited	981,000
35	Nuritek	750,000
36	Marsland Services	542,920
37	Compassy Trading Company Limited	496,500
38	Sap International Company Limited	495,000
39	Creative Consolidated Systems	485,000
40	Candoors Business Services	477,365
41	Dew Capital Investments Ltd	471,225
42	Fairdeal Superstores Ltd	449,995
43	Artoffice Furniture Limited	434,800
44	Philiki Enterprises	431,740
45	Maline General Supplies	412,500
46	Kenfront Consortium	400,500
47	Aguilla Ventures Limited	397,285
48	Prifannic Creations Limited	390,000
49	Sajucy Company Limited	381,000
50	Tamata Supplies	338,305
51	Chana Construction	247,500
52	Fachimo Florist	201,000
53	Rescuemed Supplies	175,392
54	Aristoc Ltd	164,220
55	Unique loo	142,912
56	Albin Enterprises Limited	107,600
57	Becitech Technologies	96,940
58	Advision Limited	92,220
59	Jaruh Supplies	52,500
60	Security Group Limited	14,616
	<b>Total</b>	<b>180,918,452</b>
	<b>Amount paid during the quarter</b>	
1	Safaripark Hotel & Casino	3,216,645
2	Safaripark Hotel & Casino	21,147,262
3	Thames Electrical	5,204,393
	<b>Total</b>	<b>29,568,300</b>
	<b>Balance as 30th September 2021</b>	<b>151,350,152</b>
1	Radar Security Services Limited	18,270,078
2	Pillar Audio Visual Services Limited	3,436,540
		<b>21,706,618</b>
	<b>Balance as 31st Decemberr 2021</b>	<b>129,643,534</b>
	<b>Balance as 31st March 2022</b>	<b>129,643,534</b>
1	Sage Media	20,000,000
	<b>Balance as 30th June 2022</b>	<b>109,643,534</b>
1	Bella Kitchens & Interiors Ltd	9,012,478.00
2	Combiat Agencies	5,400,000.00
3	Maline General Supplies	412,500.00
4	Proximus co. Ltd	1,149,960.00
5	Punja Supplies	1,928,562.00
6	Schwester Supplies Limited	2,066,873.00
7	Sukali & Associates	1,950,000.00
8	Tamata Suppliers Limited	338,305.00
9	Tango Logistics	1,605,500.00
		<b>23,864,178.00</b>
	<b>Balance as 31st Dec 2022</b>	<b>85,779,356</b>

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

1	Milda Agencies	1,870,881.00
	<b>Balance as 31st March 2023</b>	<b>83,908,475</b>
	<b>Balance as 30th June 2023</b>	<b>83,908,475</b>
	<b>Amount paid during the quarter</b>	
1	Mema Trader Company Limited	3,244,899
2	Compassy Trading Company Limited	496,500
3	Sap International Company Limited	495,000
4	Tintin Restaurant	23,487,374
5	Mansard Contractors	1,942,850
		<b>32,911,522</b>
	<b>Balance as 30th June 2024</b>	<b>50,996,952</b>

**ii). Pending Litigation**

The Corporation has 17(Seventeen) Cases pending in different Courts i.e. Employment and Labour Relations Court, land Matters, Commercial Matters, Judicial Review Matters and Tenancy/ Landlord disputes. Depending on the outcome of the cases the total contingent liabilities arising from the same is approximately 450 (Four Hundred and Fifty) Million.

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

24. Appendices

Appendix 1: Implementation Status of Auditor-General prior year recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Lack of title to COMESA, courtyard Land, Garden square restaurant	The Corporation is in talk with the relevant Government agencies with an aim of getting title for the said pieces of land.	Not resolved	To be resolved this FY 2024-2025
2.0	Unsupported Intangible Asset	The statement of financial position reflects intangible assets totalling Kshs.30,843,892 as further disclosed in Note 16 to the financial statements. The amount includes Enterprise Resource Planning (ERP) upgrade amounting to Kshs.30,000,000 which was not supported.	Not resolved	To be resolved this FY 2024-2025
3.0	Long Outstanding Staff Car Loans	The statement of financial position reflects staff receivables due after one (1) year totalling Kshs.5,957,682 in respect of gross car loans and salary advance as disclosed in Note 19(c) to the financial statements. The amount includes car loans due from former employees amounting to Kshs.3,616,831 which have been outstanding for more than four (4) years.	Not resolved	To be resolved this FY 2024-2025
4.0	Long Outstanding Trade and Other Payables	The statement of financial position reflects trade and other payables totalling Kshs.750,371,568. The amount includes trade payables amounting to	Not Resolved	To be resolved this FY 2024-2025

Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Kshs.153,805,053 as disclosed in Note 25 to the financial statements. The trade payables amount includes Kshs.103,484,409 which has been outstanding for over eleven years.		

  
 .....  
 CPA, CS James Mwaura  
 Chief Executive Officer

**Kenyatta International Convention Centre  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Appendix II: Projects implemented by KICC**

**Projects**

Projects implemented by the KICC Funded by Tourism Promotion Fund (TPF).

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)
Refurbishment of Tsavo ballroom and rehabilitation of water fountain		Tourism promotion fund				

