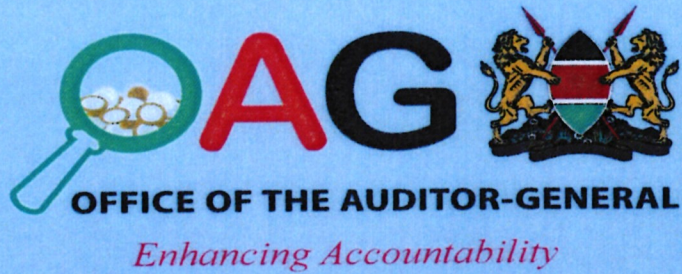


REPUBLIC OF KENYA



REPORT

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OF

THE AUDITOR-GENERAL

ON

BRAND KENYA BOARD

FOR THE YEAR ENDED

30 JUNE, 2019

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 FEB 2022

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**BRAND
KENYA**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2019**

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

I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

Brand Kenya Board is a State Corporation established in March 2008 under the State Corporations Act, CAP 446 through a Legal Notice known as the Brand Kenya Board Order, No. 38 of 2008.

b) Principal Activities

The Board's principal activity is to ensure an integrated national brand is created, harnessed and sustained in the long-term through;

- i) Coordinating initiatives for marketing the country in order to maximize their efficiency; and
- ii) Creating and maintaining the Kenya Brand and distinguish Kenyan Products, Services and Concepts.

Specifically, the functions of Brand Kenya Board are to;

- i) Establish a brand for Kenya which positions the country optimally in terms of investments, tourism and international relations;
- ii) Unite Kenyans and provide them with positive information about the country in order to promote patriotism and national pride;
- iii) Establish an integrated approach within Government and the private sector towards the international marketing of Kenya;
- iv) Build national support for the brand within Kenya with the cooperation of the government, non-governmental organizations and the private sector;
- v) Promote local products and services to encourage economic transformation;
- vi) Encourage commitment to quality and innovation among the businesses and people;
- vii) Assist the different towns and cities in the country to improve their image; and
- viii) Undertake measures aimed at improving the international image of Kenya.

c) Key Management

The Board's day-to-day management is under the following key organs:

- Board of Directors;
- Chief Executive Officer; and
- Management.

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Chief Executive Officer	Ms. Floice Mukabana
2.	Manager, Branding & Marketing	Ms. Hilda Ogada
3.	Manager, Internal Audit	Ms. Margaret Waihenya
4.	Manager, Media & Publicity	Ms. Maureen Mambo
5.	Manager, HR & Administration	Ms. Damaris Ngugi
6.	Ag. Manager, Finance & Accounts	Mr. Benjamin Mutula
7.	Manager, ICT	Mr. Samwel Rutto
8.	Manager, Supply Chain Management	Mr. Domnick Ariro

e) Fiduciary Oversight Arrangements

The Board of Directors has established four Committees which have specific terms of reference to guide their operations. The Committees which meet on a quarterly basis are as follows:

Marketing and Communications Committee

The Marketing and Communications Committee's responsibility is to provide strategic direction in implementation of the mandate of Brand Kenya Board. This covers country branding, marketing and strategic communication.

Human Resources and Administration Committee

The Human Resources and Administration Committee has an oversight responsibility over all human resource matters including recruitment of right caliber of staff as well as administrative issues.

Finance and Tender Oversight Committee

The Finance and Tender Oversight Committee undertakes an oversight role over finance and procurement matters in the Board.

Audit Committee

The Audit Committee assists the Board of Directors in furtherance of its oversight role in:

- Ensuring the integrity of the Board's financial statements, including the review of accounting policies and practices adopted in preparation of financial information;
- Strengthening risk management and the internal control environment;
- Fostering compliance with legal and regulatory requirements, ethical guidelines and good corporate governance;
- Strengthening the internal audit function.

f) Headquarters

P.O. Box 40500 - 00100
4th Floor, NHIF Building
Ragati Road, Upper Hill
Nairobi, Kenya

g) Contacts

Telephone: (254) 20 2715236/7
E-mail: info@brandkenya.go.ke
Website: www.brandkenya.go.ke

h) Bankers

Kenya Commercial Bank
Capital Hill Branch
NHIF Building
P.O. Box 46360 - 00100
Nairobi, Kenya

Brand Kenya Board
Financial Statements
As at 30th June, 2019



i) Independent Auditors




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

j) Principal Legal Adviser

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

II. THE BOARD OF DIRECTORS

 <p>Mr. Linus Gitahi Chairman</p>	<p>D.O.B. 12/08/1962</p> <p>Mr. Gitahi holds an MBA-USIU, Bachelor of Commerce (Accounting)-UoN, and a Diploma in Business Management-KIM. He is currently the Executive Chairman of Tropikal Brands Ltd, Chairman-Oxygen Marketing Communications, Trustee-USIU, Board Member-Simba Corporation and Allianz Insurance(K) Ltd.</p> <p>He previously worked for GlaxoSmithKline rising from Brand Management trainee in 1989 to serving in various capacities such as Group-Marketing Director East Africa 1994 -1998, Marketing Director- Africa-London 1998-2000, Commercial Director Near East –Cyprus 2001-2001 and General Manager East Africa and Indian Ocean islands –Nairobi 2001- 2003. He has also served in West Africa as CEO in public company quoted in the Lagos stock exchange from 2003 -2006 and Nation Media Group CEO 2006-2015.</p> <p>He Holds various awards such as Fellow- KIM and MBS (GoK) for starting and supporting Baraka Foundation, which educates bright kids from poor backgrounds.</p> <p><i>(Term lapsed after merger of Brand Kenya Board and Export Promotion Council to form Kenya Export Promotion and Branding Agency on 9th August 2019)</i></p>
 <p>Mr. Michael Mandu Alt. to PS, State Department for Trade.</p>	<p>D.O.B. 09/10/1968</p> <p>Mr. Mandu is an Assistant Director at the State Department for Trade in charge of trade and investment relations between Kenya and Europe and the Commonwealth and a lead negotiator on bilateral trade issues. He possesses strong managerial, leadership, negotiations skills and strategic planning.</p> <p>He has over 25 years’ experience in international trade, investment and economics and has previously worked at the Kenya High Commission in London. He is currently pursuing a Master’s Degree majoring in International Trade. He is married, with five children.</p> <p><i>(Appointed alternate director on 6th March 2019)</i></p>

 <p>Mr. Muia Mulei Alt. to PS, Ministry of Tourism</p>	<p>D.O.B. 14/04/1969</p> <p>Mr. Mulei Muia is a career civil servant having worked in public service in various capacities since the year 2,000. He is currently the Deputy Director/Head of Public Communications at the Ministry of Tourism & Wildlife. He has previously held similar positions in the Transition Authority, Ministry of Health, Ministry of Environment, Water and Natural Resources, State Law Office and Ministry of Lands.</p> <p>He holds a Bachelor of Arts (Communications) degree from Daystar University majoring in public relations and minoring in business administration.</p>
 <p>Mr. Maina Kigaga Alt. to PS, The National Treasury</p>	<p>D.O.B. 11/11/1962</p> <p>Mr. Maina Kigaga holds a Bachelor of Arts degree in Sociology & Arabic and a post graduate diploma in communications. He is currently the Senior Assistant Director of Public Communications at the National Treasury and has served in various capacities in the past such as Deputy Director in charge of Communications, Office of the First Lady and Assistant Director for Public Communications at the National Treasury.</p>
 <p>Ms. Eunice Muthamia Alt. to PS, Ministry of Information, Communication and Technology</p>	<p>D.O.B. 19/12/1961</p> <p>Eunice Muthamia is a career civil servant and a Public Communications & Relations Practitioner with over twenty years' experience in strategic communications management in the Government of Kenya.</p> <p>She holds a Masters in Corporate Reputation Management from University of Central Lancashire, UK and a Bachelor of Arts in Journalism and Mass Media (PR option) from Mt. Kenya University.</p> <p>She is currently the Acting Director of the Department of Public Communications in the Ministry of Information, Communications and Technology.</p> <p><i>(Appointed Alternate Director on 7th January 2019)</i></p>

 <p>Ms. Diana Kiambuthi Alt. to the PS, Ministry of Foreign Affairs</p>	<p>D.O.B. 30/01/1968</p> <p>Ms. Kiambuthi holds Bachelor’s Degree in Political Science and Master’s Degree in International Relations. She has over 24 years in Public Administration, Public policy and Diplomacy in various ministries and capacities. Ms. Kiambuthi has also served in Kenya Missions abroad in London and Bangkok. She is currently the Director of Cultural Diplomacy Unit in the Ministry of Foreign Affairs.</p> <p><i>(Appointed Alternate Director on 30th August 2018)</i></p>
 <p>Ms. Patricia Ndede Alt. to the PS, Ministry of Public Service, Youth and Gender Affairs</p>	<p>D.O.B. 17/06/1979</p> <p>Ms. Patricia Ndede holds a Master of Arts in Communications Studies from the University of Nairobi, Bachelor of Arts in International Relations, USIU and Bachelor of Arts in Journalism-USIU.</p> <p>She is currently the Director, Communications at Huduma Kenya Secretariat. She previously served as Manager, Corporate Communications at The Retirement Benefits Authority for 10 years, editor at Capital Media Group for 2 years and Sub-editor at Nation Media Group for 3 ½ years.</p> <p><i>(Appointed Alternate Director on 1st July 2018)</i></p>
 <p>Ms. Lucy Kagwanja Alt. to the Attorney General</p>	<p>D.O.B. 02/02/1966</p> <p>Ms. Kagwanja holds an LLM in International Legal Studies from American University and LLB from the University of Nairobi. She is an advocate of the High Court of Kenya and the Deputy Chief State Counsel, Attorney General’s Office. She has wide experience in negotiating, vetting and reviewing public service contracts.</p>

 <p>Ms. Julie Gichuru Independent Director</p>	<p>D.O.B. 07/01/1974</p> <p>Ms. Gichuru is an entrepreneur and media personality with investments in media, hospitality, fashion retail and entertainment sectors. She is a director at Acumen Communications Ltd. Her career of over 15 years in media cuts across the fields of broadcast, print and digital media. She holds the Martin Luther King Salute to Greatness, Fellow, Africa Leadership Initiative and Aspen Global Leadership Network, Order of the Grand Warrior, Archbishop Desmond Tutu Fellow, among other awards and recognitions. She is an alumna of the University of Wales, College of Cardiff, Harvard Kennedy School and Said Business School, Oxford University.</p> <p><i>(Term ended on 1st October 2018)</i></p>
 <p>Mr. Chris Diaz Independent Director</p>	<p>D.O.B 08/12/1968</p> <p>Mr. Diaz holds a Master of Science (International Marketing), Bachelor of Commerce (Hons) in accounting and a diploma in marketing. He is currently the Group Sales and Marketing Director at Bidco Africa Group. He is a trustee on the Board of Chartered Institute of Marketing (UK) and has held senior positions in the private sector in the area of marketing & communication.</p> <p><i>(Term ended on 1st October 2018)</i></p>
 <p>Mr. Geoffrey Shimanyula Independent Director</p>	<p>D.O.B. 27/01/1968</p> <p>Mr. Shimanyula is a seasoned business executive with local and regional experience in general management in the Hi-Tech Industry. He has 20 years' experience working for Multinational Corporations offering data-telecoms services currently consulting in Security, QoS and Network Intelligence Software solutions.</p> <p><i>(Term ended on 1st October 2018)</i></p>



**Ms. Margaret M. Kositany
Independent Director**

D.O.B. 15/07/1968

Margaret Kositany has over 19 years domestic and international experience in leadership, marketing and strategy. She has an Economics & Business Administration degree from Kenyatta University and an MBA from Curtin University, Australia. Margaret has previously held senior roles within Ericsson Africa, Unilever and Airtel, where she was responsible for driving revenue and growing market share.

(Term ended on 1st December 2018)



**Ms. Kathleen Kihanya
Independent Director**

D.O.B. 18/05/1962

Ms. Kihanya is the Managing Director of Sundales International, a firm that deals with supplies of different products to various institutions in the region. She is also the founder of XQUE Communications Ltd, an integrated marketing services and training consultancy firm.

Kathleen has a Bachelor of Business Administration, Marketing Major from the University of Texas, USA and an MBA from United States International University. She is a marketing consultant, a corporate culture trainer and a guest lecturer at the United States International University.

(Term ended on 1st October 2018)



**Mr. Arvind Vohora
Independent Director**

D.O.B. 30/08/1953

Arvind Vohora is a photographer living in Nairobi, Kenya. Arvind has worked in the photography industry since 1979 where he started working as an advertising and fashion photographer until 1988. Between 1987 and 1988, he travelled around Kenya documenting 'Wall Art' in Kenya, which later became a published book.

Arvind was part of establishing of the artist space, Kuona Trust in 1996 where he served in the Board for 20 years. In 1998, Arvind started Creative Business that eventually became TBWA. He is semi-retired since 2011 but he is a co-director at Circle Art Gallery and Agency in Nairobi, Kenya.

(Term ended on 30th May 2019)



**CPA Floice Mukabana
Ag. Chief Executive Officer**

D.O.B. 08/05/1975

Floice is a member of the Institute of Certified Financial Analysts (ICFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK). She holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi. She has over 10 years' experience in the Public Sector Financial Management, having worked with Kenya Industrial Research and development Institute (KIRDI) as the Finance Manager and Assistant Director, Finance. Prior to that she had worked in various capacities with Celtel Kenya Ltd, Kenya Revenue Authority and Devtech SYS Inc.

III. MANAGEMENT TEAM



CPA Floice Mukabana
Ag. Chief Executive Officer

Floice is a member of the Institute of Certified Financial Analysts (ICFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK). She holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi.

She has over 10 years' experience in the Public Sector Financial Management, having worked with Kenya Industrial Research and development Institute (KIRDI) as the Finance Manager and Assistant Director, Finance. Prior to that she had worked in various capacities with Celtel Kenya Ltd, Kenya Revenue Authority and Devtech SYS Inc.



CPA Benjamin Mutula
Ag. Manager, Finance & Accounts

CPA Mutula holds an MBA (Finance) from the University of Nairobi and a Bachelor of Arts in Economics & Business Studies from Kenyatta University. He is a certified public accountant of Kenya (CPAK) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He has over 20 years' experience in accounting and financial management & reporting from various positions held in both the corporate and public sectors.



**Ms. Hilda Ogada
Manager, Branding & Marketing**

Hilda has over ten (10) years' experience in the travel and tourism industry. Prior to joining Brand Kenya Board she worked in sales and marketing at Kenya Airways and Kenya Tourism Board respectively. Hilda's greatest strengths are her creativity, drive and leadership. She thrives on challenges, particularly those that expand the brand's reach. She holds a bachelor's degree in Tourism from Moi University, a diploma in Marketing from the Chartered Institute of Marketing and is currently pursuing an MBA-Strategic Management at the University of Nairobi. She is an active member of the Chartered Institute of Marketing.



**Mr. Samwel Rutto
Manager, ICT**

Mr. Rutto is a vastly experienced and detail oriented ICT professional with over 10 years broadband of involvement in ICT projects design, implementation and management, strategy building implementation and control, personnel training and management, scalable network system management and provision of oversight in policy formulation, control and governance in the ICT industry.

He holds an MBA in Information Systems Management from the University of Nairobi, Bachelor of Science in Telecommunication and Information Technology from Kenyatta University and widespread professional trainings in the expanse of ICT.



**Ms. Damaris Ngugi
Manager, HR & Administration**

Damaris holds an MBA -Strategic Management from Kenyatta University, Bachelor of Education Degree from Moi University, a Higher Diploma in Human Resource Management (KNEC) from the Institute of Human Resource Management and a Diploma in Management of Information Systems (IMIS) from Strathmore University. She is a Human Resource expert with over 10 years of experience, with a wide exposure in matters of human capital, acquired through training, industry practice and HR networks. She is an active member of the Institute of Human Resource Management (IHRM) with a valid practicing certificate, an associate member of the Kenya Institute of Management (KIM) and a member of Institute of Management of Information Systems (IMIS), UK.



**CPA Margaret Waihenya
Manager, Internal Audit**

CPA Margaret holds a Bachelor of Commerce (Accounting) from Kenyatta University. She is a CPA (K) and a Certified Information Systems Auditor (CISA). She has over 20 years' experience in audit, risk management and finance acquired while working in both public and private sector. She has worked at Brand Kenya Board since 2009. Prior to that, she was the Chief Internal Auditor for Kenya Seed Company, covering the East Africa Region.



**Mr. Domnick Ariro
Manager, Supply Chain Management**

Domnick Ariro holds Master of Science Degree in Procurement and Logistics, a Bachelor of Purchasing and Supplies Management Degree from Jomo Kenyatta University of Agriculture and Technology and a Diploma in Supplies Management from Nairobi Technical Training Institute. He is a licensed Supplies Practitioner and registered member of the Kenya Institute of Supplies Management. He has over 12 years of experience in public procurement.



**Ms. Maureen Mambo
Manager, Media & Publicity**

Maureen is a Strategic Communications and Media Relations expert with over 13 years of experience in the industry. She has a Master's Degree in Development Communications and a Bachelor of Arts Degree in Communications from Daystar University (Kenya).

She has managed client communications and engaged with high level media across international, Pan African and local outlets. She has supported clients from the private and public sector in various sectors including: Agriculture, Extractives, Infrastructure, Health, Banking, Oil and Gas among others. Prior to joining Brand Kenya, Maureen worked for Africappractice EA Ltd, a Pan-African strategy and communications consultancy and the Kenya Broadcasting Corporation.

IV. CHAIRMAN'S STATEMENT

The country has maintained a steady growth curve and made a serious come-back especially after the long electioneering period that marked the 2017 General Election. An even worse situation for the country brand was the January 2019 terrorist attack on Dusit D2 Hotel at 14 Riverside that left 21 people dead and scores injured.

Terrorism remains a global problem and is among issues directly affecting people everywhere, with every country grappling with a strategy to curb the menace. But more commendable was the Kenyan people, who stood in solidarity to defeat the act of evil and showed compassion, overflowing patriotism and individual courage. They remained unbowed and helped the attack victims, donated blood, and collectively defended the country's national pride. They attacked the "enemy", real or perceived, in one voice. I would like to commend all Kenyans for this show of courage and resilience for it is through such acts of courage and unity of purpose from its citizenry that builds strong country brands.

In the same spirit, Brand Finance in its 2018 Nation Brands report of the most valuable nation brands, ranked Kenya the fourth best performing brand in the world, and third in Africa.

The ranking was based on performance of trade and investment in tourism, governance, education and other sectors of the economy. Although Kenya is widely acclaimed globally as the home of champions (the athletes) and the preferred tourist destination courtesy of its wildlife (the big 5), sun, sand and sea at the coastal beaches as well as other tourist attraction sites across the country, the country's most valuable resource lies in its people. Kenya's most important and natural heritage is her people, and are the force behind its vibrant economy. Our diversity, traditions, customs and practices create a totality of the distinct people who work together, compete and interact in many ways.

Despite these notable challenges, Kenya remains a strong economy and a formidable brand according to the 2019 Economic Survey Report compiled by Kenya National Bureau of Statistics (KNBS). The Report indicated a significant rise in Kenya's economic growth by a 6.3 per cent in 2018. This, the report says, was thanks to a boom in the agricultural sector that was necessitated by favorable rainfall last year. Agriculture remains the country's biggest pillar that contributed more than a third of the overall wealth.

The sector, which has also been earmarked as a priority area towards the achievement of the national development blueprint Big 4 Agenda, experienced an accelerated growth of 6.4 per cent up from 1.9 per cent in 2017. The sector created more than KES. 3 Trillion in wealth. The transport sector came second after agriculture, injecting Sh711 billion into the Kenyan economy, with a greater percentage coming in from the Standard Gauge Railway (SGR), which has so far been a success story.

Tourism sector also flourished last year according to the report, recording the biggest growth ever at 16.6 per cent to earn the country a record Sh157 billion. This growth is attributed to the stable political environment among other factors. Other sectors which lifted the economy include manufacturing, telecommunication, financial services, among others. What does this say about Kenya? That Kenya's economy remains significantly stable and resilient despite challenges faced. The vibrant key sectors continue to flourish cementing Kenya's position as a powerhouse in the East African region. This is an indicator that the country is on the right path in strengthening its economy further.

The launch of Integrated National Export Development and Promotion Strategy (INEDPS) earlier in the financial year is a game-changer in matters exports. INEDPS is the country's blueprint towards ensuring export-led industrialization in order to spur economic growth for the country This is aimed at growing Kenya exports annually by 25% with a view to power Kenya's Big Four Agenda as well as the Vision 2030 to make Kenya a prosperous Nation for all the citizens. The Strategy highlights priority sectors of growth including tourism as Kenya's trade in services that are key to economic growth due to its foreign exchange netting.

These are some of the initiatives showing government commitment in making Kenya's economy more sustainable. As a Board, we re-aligned our strategy to the national development blueprint "The Big Four" Agenda as well as Vision 2030. The "Big 4" sectors that the government will be focusing on in the next 5 years are key catalysts to economic development. They include manufacturing, food security, affordable healthcare for all as well as housing.

The Board developed and launched several programs within the year to optimally position the country as the destination of choice for tourism, trade and investment. These include the County Branding Index that seeks to make counties competitive and attractive investment hubs, the Made in Kenya Brand Mark to boost Kenya's local manufacturing sector, the Brand Ambassadors program to create champions for

Kenya, among others. The Board has also leveraged on strategic partnerships to build the country brand further. The partnership included; Kenya Association of Manufacturers (KAM), the Media Council of Kenya, Government Spokespersons office and Bloggers Association of Kenya. These were just but a few of the stakeholder driven conversations to contribute to the country's transformation agenda.

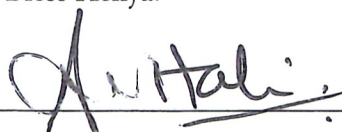
Boards Operations

The Board's operations remained on course even with the announcement of the merger between Brand Kenya Board and the Export Promotion Council earlier in the financial year. While delivering the President's Keynote address during the July 2018 Trade Week, The Deputy President indicated a presidential directive issued to merge the Export Promotion Council and the Brand Kenya Board as part of the Government strategy to realize the Big 4 Agenda. The Cabinet in its 5th Cabinet meeting held on 18th October 2018 approved the merger of the Export Promotion Council and Brand Kenya Board. The two institutions are under the Ministry of Industry, Trade and Cooperatives and Ministry of Tourism and Wildlife respectively. This necessitated winding up of the two former independent institutions to form a new organization known as Kenya Export Promotion and Branding Agency (KEPROBA). We were able to support the merger process and at the same time implement key projects that were lined up based on our mandate.

Acknowledgement

On behalf of the Board, I would like to express our sincere appreciation to; H.E. the President, Uhuru Kenyatta, for his support and being Kenya's number one Brand Ambassador; The Cabinet Secretary, Ministry of Tourism and Wildlife Hon. Najib Balala for his wise counsel and guidance during the 2018/2019 financial year and to all Brand Kenya Board Management and Staff for your passion and unwavering support in implementing key projects geared towards building a formidable country brand called Kenya.

God Bless Kenya.



MR. LINUS GITAHI
CHAIRMAN

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

Brand Kenya Board is the country's lead agency mandated to build a strong country brand that fosters national pride, patriotism and earns global recognition and preference. It was established to put in place an integrated coordinating mechanism for building and enhancing the Country's image and national identity and rallying its citizens behind it.

The Board performed exceptionally well this financial year ending June 2019 towards achieving its vision, mission and mandate. I am glad to have been part of a dedicated team that pushed the Board's agenda higher by putting in place several initiatives that foster national pride and position the country optimally as the preferred choice for tourism, trade and investment.

The Board thus accomplished several projects and campaigns to this end;

The Launch of Made in Kenya Brand Mark and campaigns for its uptake

To further boost profits in the manufacturing sector, the Board developed and launched an identity mark for all Kenyan products to identify and authenticate all Kenyan goods and services both on local and global markets. The Mark is expected to enhance competitiveness of Kenyan products on both local and global markets. It combines both excellence and quality to consistently communicate quality on Kenyan products more so in the face of increasing competition on all fronts.

Kenya is globally known for agricultural exports including tea, coffee, flowers and pyrethrum on a larger scale as well as textiles, tobacco, iron and steel products, petroleum products and cement.

The campaign is aimed at positioning Kenya's goods and services as superior and the preferred on the African Continent and beyond. The campaign will entail the following:

- Profiling of Goods and Services made in Kenya on integrated platforms with digital being the key driver. The Made in Kenya micro-site will be created and hosted on the country branding website.
- Profiling successful Kenyan Brands
- Hosting the made in Kenya expo where products and services would be showcased to the world.
- Consumer sensitization campaign on Kenyan made goods to further the "Buy Kenya Build Kenya" agenda.

So far, 40 companies have adopted the Mark that has been placed on about 300 products. The Board has been instrumental in sensitizing and rallying local manufacturers to adopt the Mark in order to create value for local products.

I am glad to note that over 100 companies have applied for the Mark are in the process of adopting it. As such, the Board inked a **partnership deal within the year with Kenya Association of Manufacturers (KAM)** to hasten the uptake and implementation of the Made in Kenya Brand Mark. The partnership deal was to enable both organizations synergize efforts to authenticate and promote locally made products in local and global markets. KAM is a Business Member Organization that represents over 1000 value-add companies and associate services in Kenya. Its members' significant contribution to the economy is estimated at a quarter of the country's Gross Domestic Product.

The Board also held a **Manufacturers Forum on the side-lines of this year's annual Manufacturers Summit dubbed Changamka Shopping Festival**, a week-long shopping spree for locally produced products that was organized by Kenya Association of Manufacturers (KAM) and various partners. The Forum provided a platform to rally more manufacturers to take up the Mark and sensitize consumers on the Mark to push the "Buy Kenya, Build Kenya" Agenda. I am also happy to inform you that the **Made in Kenya Microsite is up** and running and will be a key platform to promote locally manufactured products and provide market linkages.

Sensitization of Counties on County Branding Initiative

The Board also developed a program to sensitize and disseminate findings in the CBI Report to counties. The Board believes that prosperity of towns and cities across the country contributes greatly to the growth of the country, and branding plays a critical role in achieving these. CBI (County Branding Index) was launched to position counties optimally and enable them to attract trade, investments and tourism. Through this initiative, our aim was to profile unique projects in the counties that are aligned to the big 4 agenda.

The Board visited 25 counties to disseminate the report and also sensitize them on the need to brand their counties and create more competitiveness. County Branding is a journey that will increase prosperity for our counties and ultimately strengthen our nation brand. For us to have a stalwart National brand and also attract mega investments, it should first start at the grassroots level.

Partnership with Fashion Agenda Africa (FAA) to boost the manufacturing sector

The Board also inked a deal with Fashion Agenda Africa (FAA) to boost growth of the local fashion industry and enhance meaningful conversation between government and the industry.

The partnership was to create a platform for the 2 parties to engage in an effort to create awareness and encourage the habit among Kenyans to purchase and wear made in Kenya fashion brands within the local and international market. Kenya's untapped fashion industry, which is labour-intensive, has the potential of creating over 300,000 jobs annually.

Kenya is currently the largest exporter of apparels under the African Growth and Opportunity Act (AGOA) with about KES 35 billion worth of exports as of 2017. With the changes in the global apparels sourcing supply chain in the world, the sector is likely to get a significant boost. Fashion Agenda Africa (FAA) seeks to build, support and empower young passionate fashion professionals to become the best in their chosen areas of specialization across the value chain. This is through a set of initiatives, skills development workshops and access to industry relevant information.

The partnership also provided a platform for the Board to boost the earlier launched **Fashion Fridays initiative**, which sought to rally Kenyans to embrace Kenyan brands in the fashion industry and called upon all Kenyans to wear Kenyan brands, designed and produced by Kenyans, every Friday, as a break away from the official corporate attires and casuals worn on Friday. Many organizations have come on board, public and private in support of the initiative, including Ministry of Foreign Affairs, National Hospital Insurance Fund (NHIF), Kenya Revenue Authority (KRA), Liquid Telcoms, Kenya Association of Manufacturers (KAM), among others.

Launch of the Brand Ambassadors Program

The Board also launched the Brand Ambassadors Program dubbed "Pals of Kenya" in Australia. This was in collaboration with Kenya Association of South Australia (KASA), a welfare organization representing close to 5,000 Kenyans resident in Southern Australia. The launch was attended by the Kenya Ambassador to Australia, the Governor of South Australia and the Premier of South Australia among 500 Kenyans living in Australia.

This was an opportune time to promote the program amongst Kenyans in the diaspora to be able to play a key role in communicating what the country brand purposes to be. When the brand identity is supported, the citizens generally become proud ambassadors of their country and therefore can be fundamental in regards to shaping a country's perceptions. The country's success depends on her people's willingness to bring the brand to life.

A Brand Ambassador is a champion of the organization or in this case the country, whereby they represent the brand positively to external stakeholders. They embody the brand values and brand personalities that define the Kenya brand and are living examples of our desired brand culture. The Program sought to establish a relationship between brand ambassadors and BKB in order to exchange ideas on the most effective way of telling the Kenyan story and using the most appropriate media to showcase Kenya both locally and internationally. In the long run, the program will also recognize bright and influential opinion leaders who share a passion for Kenya. Personalities who reflect these attributes are a great asset to the Kenya Brand.

Brand Ambassadors will play a key role in communicating what a country brand purposes to be to Kenyans and other stakeholders abroad. When the brand identity is supported, especially from the grassroots level, the citizens generally become proud ambassadors of their country and therefore can be fundamental in regards to shaping a country's perceptions. The country's success depends greatly on her people's willingness to bring the brand to life.

Strategic Partnerships

Nation branding is a collective responsibility. The Board has thus been leveraging on strategic partnerships to further its core mandate of creating a strong nation brand for the country. The Board's collaboration with the Media Council of Kenya in engaging local media on conversations around nation branding was timely. As such, the Board successfully held 2 Media Forums in Nairobi and Mombasa as part of its strategy to proactively raise the country's profile and communicate key strengths in a bid to promote a consistent positive narrative about the country brand. The platform was to increase awareness and understanding of Brand Kenya's mandate and key projects, as well as sensitizing journalists on their role in country branding through the stories they write. The major aim of the forums was therefore to build relations with the local

media and provide a background briefing on the concept of nation branding, as well as introduce key Brand Kenya projects to journalists.

The Board also engaged in a similar initiative but this time targeted Kenya's key reputable bloggers through their organization Bloggers Association of Kenya (BAKE), which connects blogs in Kenya from all areas of interest and expertise and they are at the forefront of all matters digital in Kenya. The growth of internet users in Kenya has spurred the rise of citizen journalists who capture events as they happen. The mobile phone has changed our lives immeasurably, starting from its original core function of communication and onward to its enhanced utility that covers an increasing part of our waking hours. Enhanced utility has been driven primarily by connectivity, allowing access to content and services via the internet. This connectivity has allowed the growth of bloggers and influencers that are pushing various brands online.

The Board thus engaged bloggers and other online content creators to build a strong digital presence on Kenya the brand and help position the country optimally as a trade, investment and tourism destination.

Notable Changes

During the year, the Board merged with Exports Promotion Council (EPC) in a Presidential pronouncement made earlier in the financial year. This necessitated winding up of the two former independent institutions to form a new organization known as Kenya Export Promotion and Branding Agency (KEPROBA). Because of this transition phase, the Board has faced various challenges in implementing key projects as planned. Two critical projects that couldn't take off in the transition phase include the Kenya's Achievements Campaign Phase 2 and the launch of inaugural Nation Brand Summit. Due to the transition phase, BKB did not also have a Board of Directors after Board members' terms of service lapsed. This made it hard to get timely approvals of key projects. But I am glad that the State Corporations Advisory Committee (SCAC) appointed a substantive Board for us in due course.

Inadequate funding has also hindered implementation of some key projects that the Board would wish to roll out. I would like to assure our stakeholders that the management and staff of Brand Kenya Board will

Brand Kenya Board
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As at 30th June, 2019

continue working around the clock to ensure that Kenya's brand promise remains on course both to Kenyans and to investors, the merger notwithstanding.

Thank you.



FLOICE MUKABANA
AG. CHIEF EXECUTIVE OFFICER

VI. CORPORATE GOVERNANCE STATEMENT

Introduction

Corporate governance is the process by which organizations are directed and controlled. Brand Kenya Board recognizes the need to conduct its business and operations with integrity and in accordance with the principles of good corporate governance. The Board of Directors is committed to continued adherence to the highest standards of good governance and business ethics in Brand Kenya Board's operations.

The Board of Directors

The members of the Board of Directors are shown on pages *vi* to *xi*. The Board is chaired by a Non-Executive Chairman and all the Directors have extensive business and professional experience in private and public sectors that is applied for the benefit of Brand Kenya Board.

The principal responsibility of the Board of Directors is to set the strategic direction of Brand Kenya Board. The Board also ensures that effective plans are developed and implemented. These responsibilities, as per "mwongozo", entail:

- Providing the vision, mission, strategic direction and upholding the core values;
- Putting in place management structures (organization, systems and human capital) to achieve these goals;
- Ensuring targets are set, and monitoring their performance;
- Guiding the management on the implementation of strategic decisions and actions;
- Approving annual budgets;
- Ensuring management of risk, overseeing the implementation of adequate internal control systems, compliance with relevant laws and regulations, and compliance with accounting and auditing standards.
- Ensuring timely preparation of annual financial statements and reports.

The Board of Directors met two (2) times during the year under review. The allowances, honoraria and other expenses related to the Board of Directors are disclosed in Note 9 to these

financial statements. The Board of Directors has established four Committees which have specific terms of reference to guide their operations. The Committees which meet on a quarterly basis are as follows:

Marketing and Communication Committee

The Marketing and Communications Committee's responsibility is to provide strategic direction in implementation of the mandate of Brand Kenya Board. This covers country branding, marketing and strategic communication. The Committee held three (3) meetings during the year under review.

Human Resources and Administration Committee

The Human Resources and Administration Committee has an oversight responsibility over all human resource matters including recruitment of right calibre of staff as well as administrative issues. During the year under review the Committee held one (1) meeting.

Finance and Tender Oversight Committee

The Finance and Tender Oversight Committee undertakes an oversight role over finance and procurement matters in the Board. The Committee held two (2) meetings during the year under review.

Audit Committee

The Audit Committee assists the Board of Directors in furtherance of its oversight role in:

- Ensuring the integrity of the Board's financial statements, including the review of accounting policies and practices adopted in preparation of financial information;
- Strengthening risk management and the internal control environment;
- Fostering compliance with legal and statutory requirements, ethical guidelines and good Corporate Governance;
- Strengthening the Internal Audit function.

The committee held one (1) meeting during the year under review.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

The Board's Operational and Financial Performance

The Board made an operating deficit of Kshs.37,575,119 in the year under review. This is as a result of revenues recognized in earlier periods had been carried forward to the year under review. An example is the Kenya's Achievements Campaign expenditure incurred in the year under review while the revenue in form of a grant of Kshs.500 million had been received in May 2017 and recognized in the FY 2017/2018.

The Board's Compliance with Statutory Requirements

The Board is in compliance with various laws and regulations. Management is not aware of any non-compliance that may expose the entity to potential contingent liabilities.

Key Projects the Board is Implementing

The strategic focus areas in our nation branding efforts are National identity and pride and Image and reputation management. In line with the above, the board was able to achieve the following;

National Identity and Pride

Citizen Engagement

In an effort to foster national pride and patriotism amongst Kenyans the board has developed an integrated communication campaign dubbed "Kenya ni Sasa".which will highlight the progress and gains the country has made with a focus on citizen engagement, impact, participation in nation building and enhancing national unity.

Made in Kenya Initiative

In an effort to enhance the value proposition of Kenya goods and services, the board has created a uniform identity of our goods and services known as the 'Made in Kenya Brand Mark. This has since been launched and a Made in Kenya campaign communication campaign rolled out. Thirty-nine companies have adopted the mark to date.

In the realization that Counties are the building blocks of the Kenya brand, and in order to assist counties improve their image, the “board undertook a baseline study called the County Branding Index (CBI). The Index sought to identify the strengths of each county that can be used in positioning the counties for preference in tourism, trade and investment. Brand Kenya then sought to meet and address the counties at an individual level with a view of beginning the County branding journey with them. So far 11 counties e have been receptive towards the initiative.

Public Service Branding

The Agency has developed the Public Service Branding guideline which intends to remove existing inconsistencies in the application of the Government logo while harmonizing the look and feel across the Public Service locally and in our foreign missions. This project therefore aims at developing one common brand promise and rallying call for the Public service, communicating the same to stakeholders, while ensuring that we all deliver on that promise through one public service standard/delivery charter.

Image and Reputation Management

Global Advertising Campaign

In an effort to enhance Kenya’s image internationally, the board has developed an integrated communication campaign dubbed ‘Make it Kenya. The campaign will highlight Kenya’s strengths and opportunities in trade, tourism and investment with the objective of attracting tourists, increasing demand for Kenyan goods/services and attract more Foreign Direct Investment (FDIs) to Kenya.

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

“A nation that destroys its soils destroys itself. Forests are the lungs of our land, purifying the air and giving fresh strength to our people. –

Franklin D. Roosevelt - 32nd U.S. President

In order to attain a human face, most corporate organizations worldwide plough back to the organization some of their accrued profits. Even organizations which are not for profit have taken the cue to engage in Corporate Social Responsibility (CSR). This is commonly referred to as good corporate citizenship. CSR is about building relationships with the public who are the key customers, attracting and retaining talented staff, managing risks and assuring reputation.

Brand Kenya Board’s policies ensure that the corporation rigorously adhere to the highest standards in ethical behaviour, the National values, environmental sustainability and more. The Board has continuously engaged communities in Kenya mostly through the citizen engagement programme under the concept of national values. As a Board, we always endeavor to have a positive impact on society by improving the lives of individuals, groups and communities while at the same time enhancing our corporate image and brand.

The Board engaged in various CSR activities to positively manage the image and reputation of the Nation; as well as build a strong country brand that fosters national pride, patriotism and earns global recognition and preference. The projects included;

1. National tree planting projects-
 - i. This included tree planting activities in various Secondary schools whilst training them on National Values and Principles of Governance.
 - ii. Tree planting in activities in Narok, where staff members joined other participants from various SAGAs under the Ministry of Tourism and Wildlife in Narok Town.
2. Clean up of Nairobi County- The activities took place in Westlands, Kangemi, Dandora etc in partnership with Kenya Association of Manufacturers in a bid to sensitize the residents of Nairobi on plastic disposal.

3. Stanchart Marathon – The staff members joined other Kenyans in support of the annual Stanchart Marathon with the theme “Run for a Reason” which supports Seeing Is Believing initiative which aims to prevent curable blindness among children.

As the lead Kenya Branding Agency, we understand that we have a responsibility to our society and we have made Corporate Social Responsibility (CSR) an integral part of our business culture. To underline our deep commitment to build and enhance the Country’s image and national identity, the board is guided by four key pillars, namely; Tourism, Foreign Direct Investment, Exports and the Citizens. We are also guided by the presidents Big 4 agenda, which is committed to building transformations in Manufacturing, Health, Food security and Housing. These focus areas have been an integral part in addressing issues that affect the brand and forging solutions that will enhance the country’s visibility.

IX. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the *Board's* affairs.

Principal Activity

The principal activities of the Board are to ensure an integrated national brand is created, harnessed and sustained in the long-term.

Results

The results of the Board for the year ended June 30, 2019 are set out on page 1.

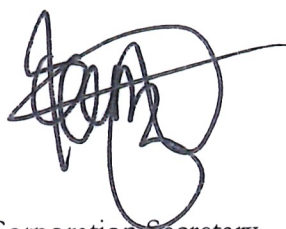
Directors

The members of the Board of Directors who served during the year are shown on page *vi* to *xi*. During the year, six (6) independent directors' terms ended and four (4) alternates to Principal Secretaries were appointed.

Auditors

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

By Order of the Board



Corporation Secretary

Nairobi

Date: 19/11/2020

X. 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 the Board, which give a true and fair view of the state of affairs of the *Board* at the end of the financial year and the operating results of the Board for that year. The Directors are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board.

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2019. 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 Board; (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 Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

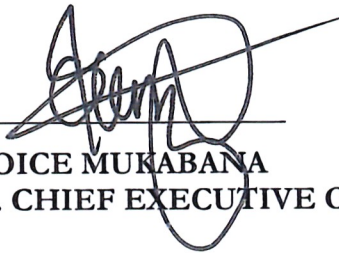
The Directors accept responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of *the* Board's transactions during the financial year ended June 30, 2019, and of the Board's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

Brand Kenya Board and Export Promotion Council were merged through Legal Notice No.110 of August 9, 2019 to establish the Kenya Export Promotion and Branding Agency (KEPROBA) a state corporation in the Ministry of Industry, Trade and Cooperatives with a mandate to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services.

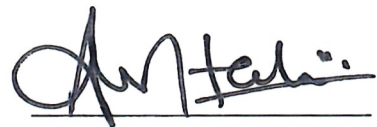
Brand Kenya Board
Financial Statements
As at 30th June, 2019

Approval of the Financial Statements

The Board's financial statements were approved by the Board of Directors on 26th September 2019 and signed on its behalf by:



FLOICE MUKABANA
AG. CHIEF EXECUTIVE OFFICER

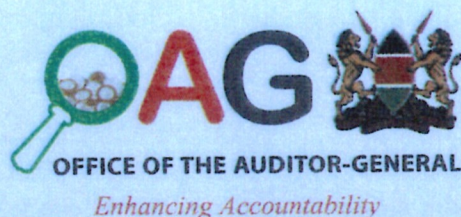


MR. LINUS GITAHI
CHAIRMAN

XI. REPORT OF THE INDEPENDENT AUDITORS ON BRAND KENYA BOARD

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BRAND KENYA BOARD FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Brand Kenya Board set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, 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, the financial statements present fairly, in all material respects, the financial position of Brand Kenya Board as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Brand Kenya Board Order, Legal Notice No.38 of 2008.

Basis for Qualified Opinion

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

Emphasis of Matter

Long Outstanding Debt

As disclosed under Note 15 to the financial statements, the statement of financial position reflects receivables from exchange transactions of Kshs.9,719,391. The figure includes receivables of Kshs.4,548,870 owed by the State Department for Trade. The State Department via letter ref: MOITC/SDT/ADMIN/1 dated 6 July, 2017 had requested the Board to finance, on its behalf, the branding and communication activities during the

Trade Week that took place at Kenyatta International Convention Centre (KICC) between 10 and 12 July, 2017 at a cost of Kshs.4,548,870. However, this debt has not been cleared despite various correspondences between the Board and the State Department. The Board during its meeting held in January, 2020 resolved to seek approval from the Cabinet Secretary in charge of The National Treasury for write off of the debt. Failure by the State Department for Trade to reimburse the Board the amount of Kshs.4,548,870 incurred may have impacted negatively on its financial affairs.

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delay in Project Implementation

The Board initiated the Kenya Achievements Campaign Project whose objective was to ensure dissemination of specific information concerning the progress of Government initiated projects and their achievements from the national level down to the grass roots and projects affecting specific localities in the country.

As previously reported, available information indicated that the Project budget timeline of nine (9) months included monitoring and evaluation period of two (2) months. During the 2016/2017 financial year, the Board through the Supplementary Budget, was allocated an additional Kshs.500,000,000 for the implementation of the Project and the funds were disbursed to the Board in May, 2017. However, Management managed to utilize Kshs.1,493,420 representing 0.3% only of the total amount of Kshs.500,000,000. This is a clear indication the Project was late in its implementation during the financial year 2016/2017.

A review of the matter during the year under review revealed that cumulative amount of Kshs.214,555,398 had been utilized representing 43% of the total received amount of Kshs.500,000,000. The Management attributed the delays in Project completion to lack of approval of contracts from the Cabinet Secretary, Ministry of Tourism and Natural Resources among other issues.

In the circumstances, the dissemination of specific information concerning the progress of Government initiated projects and their achievements from the national level down to the grass roots and how they are affecting specific localities in the country may not be achieved.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Board 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

27 November, 2020

XII. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018/2019 KShs	2017/2018 KShs
Revenue from Non-Exchange Transactions			
Transfer from Government Institutions – Recurrent Grants	6	137,337,200	175,100,000
Revenue from Exchange Transactions			
Other Income	7	<u>11,698,811</u>	<u>14,030,819</u>
Total Revenue		149,036,011	189,130,819
Expenses			
Employee Costs	8	60,138,708	53,522,493
Board Expenses	9	6,645,807	15,480,259
Depreciation & Amortization Expenses	10	6,247,944	6,443,136
Repairs and Maintenance	11	2,834,553	2,526,240
General Operating Expenses	12	110,744,118	232,185,815
Total Expenses		186,611,130	310,157,943
Other Gains/(Losses)			
Gain on Disposal/Impairment of Assets	13	=	<u>30,000</u>
Deficit for the Year		<u>(37,575,119)</u>	<u>(120,997,124)</u>

The notes set out on pages 7 to 37 form an integral part of these Financial Statements.


XIII. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2018/2019 KShs	2017/2018 KShs
Assets			
Current Assets			
Cash and Cash Equivalents	14	434,405,444	468,257,303
Receivables from Exchange Transactions	15	9,719,391	10,210,834
Receivables from Non-Exchange Transactions	16	1,118,487	118,774
		<u>445,243,322</u>	<u>478,586,911</u>
Non-Current Assets			
Property, Plant and Equipment	17	10,735,624	14,836,172
Intangible Assets	18	-	-
		<u>10,735,624</u>	<u>14,836,172</u>
Total Assets		<u>455,978,946</u>	<u>493,423,083</u>
Liabilities			
Current Liabilities			
Trade Payables from Exchange Transactions	19	31,115,824	32,904,299
Payables from Non-Exchange Transactions	20	292,705	13,586
Current Provisions	21	6,171,568	4,531,232
		<u>37,580,097</u>	<u>37,449,117</u>
Non-current liabilities			
Non-Current Provisions (Gratuity)		-	-
Total Liabilities		<u>37,580,097</u>	<u>37,449,117</u>
Net Assets		<u>418,398,849</u>	<u>455,973,966</u>
Reserves	22(iv)	<u>418,398,849</u>	<u>455,973,966</u>


The Financial Statements set out on pages 1 to 35 were signed on behalf of the Board of Directors by:



CPA Benjamin Mutula
Ag. Manager, Finance & Accounts
ICPAK Member No. 8913
 Date.....19/11/2020.....



Ms. Floice Mukabana
Ag. Chief Executive Officer
 Date.....19/11/2020.....



Mr. Linus Gitahi
Chairman
 Date.....19/11/2020.....

**XIV. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2019**

	General Reserve	<u>Reserves</u> Revaluation Reserve	Total
	KShs	KShs	KShs
Balance as at July 1, 2017	567,573,592	9,397,500	576,971,092
Deficit for the Year	(120,997,124))	-	(120,997,124)
Balance as at June 30, 2018	446,576,468	9,397,500	455,973,968
Deficit for the Year	(37,575,119)	-	(37,575,119)
Balance as at June 30, 2019	409,001,349	9,397,500	418,398,849

The total reserves include capital replacement reserve (Sinking Fund) which was KShs. 31,578,032 at the end of the financial year.

Revaluation reserve represents an increase in carrying value after revaluation of motor vehicles done on 10th August 2016.

XV. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018/2019	2017/2018
		KShs	KShs
Cash Flows from Operating Activities			
Receipts			
Government Grants	6.	137,337,200	175,100,000
Rendering of Services	7.	80,000	-
Finance Income	7.	11,618,711	14,026,599
Other Income	7.	100	4,220
Total Receipts		149,036,011	189,130,819
Payments			
Compensation of Employees	8.	(60,138,708)	(53,522,493)
Directors Remuneration and Allowances	9.	(5,877,787)	(12,815,024)
Goods and Services – Other Board Expenses	9.	(768,020)	(2,665,235)
Goods and Services – Repairs and Maintenance	11.	(2,834,553)	(2,526,240)
Goods and Services – General Operating Expenses	12.	(110,744,118)	(232,185,815)
Total Payments		(180,363,186)	(303,714,807)
Adjustments for:			
Decrease/(Increase) in Receivables from Exchange Transactions	15.	491,443	(6,084,563)
(Increase)/Decrease in Receivables from Non-Exchange Transactions	16.	(999,713)	87,770
(Decrease)/Increase in Payables from Exchange Transactions	19.	(1,788,474)	16,978,318
Increase in Payables from Non-Exchange Transactions	20.	279,119	4,602
Increase in Provisions	21.	1,640,337	33,282
Net Cash Flows from Operating Activities		(31,704,463)	(103,564,579)

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Cash Flows from Investing Activities			
Purchase of Property, Plant, Equipment and Intangible Assets	17.	(2,147,396)	(11,905,775)
Proceeds from Sale of Property, Plant and Equipment			30,000
Net Cash Flows Used in Investing Activities		(2,147,396)	(11,875,775)
Cash Flows from Financing Activities			
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
Increase in Deposits		-	-
Net Cash Flows from Financing Activities		-	-
Net Increase / (Decrease) in Cash and Cash Equivalents		(33,851,859)	(115,440,354)
Cash and Cash Equivalents at 1 July	14.	468,257,303	583,697,657
Cash and Cash Equivalents at 30 June	14.	434,405,444	468,257,303

**XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference
		2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
		KShs	KShs	KShs	KShs	KShs
Revenue						
Government Recurrent Grant	(a)	140,140,000	(2,802,800)	137,337,200	137,337,200	-
Interest Earned from Bank Balance	(b)	2,000,000	9,500,000	11,500,000	11,618,711	118,711
Revenue from Rendering of Service	(c)		80,000	80,000	80,000	-
Revenue from sale of old newspapers	(c)		100	100	100	-
Total Revenue		142,140,000	6,777,300	148,917,300	149,036,011	118,711
Expenses						
Compensation to Employees	(d)	64,353,620		64,353,620	60,138,708	4,214,912
Board Expenses	(e)	8,520,000		8,520,000	6,645,807	1,874,193
Depreciation & Amortization	(f)	6,500,000		6,500,000	6,247,944	252,056
Repairs and Maintenance	(g)	6,660,000	(3,660,000)	3,000,000	2,834,553	165,447
General Expenses	(h)	56,106,380	10,437,300	66,543,680	110,744,118	(44,200,438)
Total Expenses		142,140,000	6,777,300	148,917,300	186,611,130	(31,710,131)
Deficit for the Year		-	-	-	(37,575,119)	(37,575,119)

NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

- (a) The approved recurrent government grants budget for FY 2018/2019 was KShs 142,140,000 which was subjected to a 2% cut (KShs.2,802,800) during FY 2018/2019 supplementary budget I.
- (b) The Treasury approved budget factored A- in –A of KShs. 2,000,000 which was to be raised internally through bank interest. Mid- year analysis forecast put the figure to KShs. 11,500,000 and adjusted the budget by KShs. 9,500,000 but the actual realized as at the end the financial year was KShs. 11,618,711. This growth was occasioned by the high bank balance as a result of under-absorption of budgets.
- (c) Other Miscellaneous income of KShs. 80,100 was raised during the year and recognized as income in the statement of financial performance and an adjustment made in the operational budget.
- (d) Compensation to employees had a budget absorption of 93% during the financial year. Some positions which had been budgeted for remained vacant during the year as a result of the imminent merger between Brand Kenya Board and Export Promotion Council.
- (e) Board Expenses includes CEO's emoluments and gratuity. This expense had a budget absorption rate of 78%. The under-absorption is as a result of the office of the CEO being vacant for most part of the financial year. The terms of the independent members of the Board of Directors also ended and were never re-appointed or replaced during the financial year.
- (f) Depreciation and amortization expense had 99 % budget absorption at the end of the year.
- (g) Repairs and Maintenance expenses had 94% budget absorption rate in the financial year.
- (h) There is budget over-absorption under general expenses budget mainly as result of deferred balances of KShs.398,882,755 brought forward from Financial Year 2017/2018. This was composed of KShs.376,440,385 designated for projects/programmes under the Boards's core mandate while KShs.22,442,370 was from the operations and maintenance budget.

XIV. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Brand Kenya Board was established through a legal notice known as the Brand Kenya Board Order no. 38 of 2008 and derives its authority and accountability from the State Corporations Act (CAP 446). The Board is wholly owned by the Government of Kenya and is domiciled in Kenya. The Board's principal activity is to ensure an integrated national brand is created, harnessed and sustained in the long-term.

2. Statement of Compliance and Basis of Preparation

The Board's financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Board'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 4.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Brand Kenya Board Order No. 38 of 2008 and International Public Sector Accounting Standards. The accounting policies adopted have been consistently applied to all the years presented.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019.

Standard	Impact
IPSAS 40: Public Sector Combinations.	<i>Applicable: 1st January 2019</i> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector Combinations as amalgamations.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019.

Standard	Effective Date and Impact
<p>IPSAS 41: Financial Instruments</p>	<p><i>Applicable: 1st January 2022</i></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of amounts, timing and uncertainty of an entity's future cash flow.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for the instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits.</p>	<p><i>Applicable: 1st January 2022</i></p> <p>The objective of this standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> a) The nature of such social benefits provided by the entity; b) The key features of the operation of those social benefit schemes; and c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

- iii. The Board did not early-adopt any new or amended standards in year 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

ii) Revenue from Exchange Transactions

Rendering of Services

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest Income

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

b) Budget Information

The original budget for FY 2018/2019 was approved by the National assembly in April 2018. 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 upon receiving the respective approvals in order to conclude the final budget. Accordingly, the corporation recorded additional appropriations of Kshs. Xxx on the 2018/2019 budget following the board's approval.

The corporation'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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 xv of these financial statements.

c) Property, Plant and Equipment

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

Revaluation will be done every five years and assets stated at valuation less accumulated depreciation and impairment losses. Any accumulated depreciation will be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Decreases that offset previous increases of same assets will be charged against the revaluation reserve. Increase in carrying amount on revaluation will be credited to a revaluation reserve in the accumulated fund. The carrying amount of replaced asset will be derecognized.

Depreciation is calculated on the straight line basis at annual rates to write off the cost of assets over their estimated useful lives by equal annual instalments at the following rates;

(a) Motor Vehicles	25%
(b) Office Equipment	12.5%
(c) Furniture & Fittings	12.5%
(d) Computers	33.33%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight line basis at 33.33% per annum.

e) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Financial Instruments

Financial Assets

Initial Recognition and Measurement

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

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Board has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and Borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

g) Provisions

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

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

Contingent Assets

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

j) Nature and Purpose of Reserves

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

Retained Earnings

This is the portion of net income of the Board that is retained by the corporation. If the Board incurs a loss, then that loss reduces the corporation's retained earnings balance.

Revaluation Reserve

This represents surplus on revaluation of property, plant and equipment. Three motor vehicles that had been fully depreciated were revalued in a previous financial year to reflect their current market value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Capital Reserve (Sinking Fund)

The Board makes provision for the renewal of depreciating assets by maintaining a sinking fund with balances sufficient to replace the assets on a need basis.

k) Changes in Accounting Policies and Estimates

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

l) Employee Benefits

Retirement Benefit Plans

The Board provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The Board currently contributes to a defined contribution pension scheme at the rate of 15% of basic pay and to the National Social Security Fund (NSSF) as provided in the relevant statute.

Employee Entitlements

The estimated monetary liability for accrued employee annual leave entitlement at the statement of financial position reporting date is recognized as an expense in the statement of financial performance and accrued in the statement of financial position. Employee's entitlement to gratuity are recognized when they accrue and a provision for the liability is made in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

m) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related Parties

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

o) 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 Kenya Commercial Bank at the end of the financial year.

p) Comparative Figures

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

Q) 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 30 June, 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and Assumptions

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

Useful Lives and Residual Values

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

- The condition of the asset based on the assessment of experts employed by the Board;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and
- Changes in the market in relation to the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Provisions

Provisions were made based on a determination of present obligation and the ability of management to estimate based on the information available. Details of these estimates of provisions are included in Note 19. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Revenue

Transfer from Ministries, Departments and Agencies

Name of Entity Sending the Grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred Income	Amount recognized in capital fund	Total grant income during the FY 2018/2019	FY 2017/2018
	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
Ministry of Tourism and Wildlife / State Department for Tourism	137,337,200	-	-	137,337,200	175,100,000
Total	137,337,200	-	-	137,337,200	175,100,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Other Revenue

Description	2018/2019	2017/2018
	Kshs	Kshs
Revenue from sale of tenders	-	4,000
Revenue from sale of old newspapers	100	220
Interest income	11,618,711	14,026,599
Revenue from provision of service	80,000	-
Total	11,698,811	14,030,819

8. Employee Costs

Description	2018/2019	2017/2018
	Kshs	Kshs
Basic salaries	39,595,479	35,571,066
Remunerative Allowances	13,291,400	11,040,611
Telephone Airtime Allowance	1,615,900	1,685,194
Leave Allowances	564,000	412,333
Provision for Accrued Leave	(84,864)	(186,479)
Employer Contribution to Pension and NSSF	5,050,043	4,552,925
Casual wages & Internship Allowances	106,750	446,843
Total	60,138,708	53,522,493

9. Remuneration of Directors and other Board Expenses

Description	2018/2019	2017/2018
	Kshs	Kshs
Chairman's Honoraria	930,667	400,000
Chairman's Telephone Allowance	76,533	35,000
Directors' Sitting allowances	2,052,000	5,860,000
Travel & Subsistence Expenses	468,020	1,297,035
Training Expenses	300,000	1,368,200
CEO's Emoluments	1,441,387	5,260,264
CEO's Gratuity	1,377,200	1,259,760
Total	6,645,807	15,480,259

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Depreciation and Amortization Expense

Description	2018/2019	2017/2018
	KShs	KShs
Property, Plant and Equipment	6,247,944	6,322,803
Intangible Assets	-	120,333
Total	6,247,944	6,443,136

11. Repairs and Maintenance

Description	2018/2019	2017/2018
	KShs	KShs
Motor Vehicles	2,147,526	1,077,263
Partitions and Branding (Décor)	103,875	5,500
Furniture and Fittings	53,620	58,720
Computers and Office Equipment	237,294	419,720
Software Maintenance and Licences	292,238	965,037
Total	2,834,553	2,526,240

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. General Operating Expenses

Description	2018/2019	2017/2018
	KShs	KShs
Bank Charges	115,884	83,745
Internet Charges	1,482,048	1,076,070
Cleaning Services	654,240	371,200
Recruitment Services	342,000	1,911,367
Training, Seminars & Workshops	5,277,845	4,775,639
Rent	13,272,440	12,666,385
Telephone	122,763	92,887
Postal & Courier Services	9,450	18,390
Printing, Stationery and Computer accessories	1,154,529	1,427,641
Catering	1,951,660	1,729,494
Entertainment	32,760	-
Staff Uniform	31,908	-
Travelling & Subsistence	11,793,200	9,039,701
Newspaper Subscriptions	116,500	180,095
Subscriptions to Prof. Bodies & Club Membership	105,753	4,004,697
Provision for Audit Fees	348,000	348,000
Insurance	10,197,217	11,241,212
Performance Contract Surveys & Expenses	686,885	1,078,006
Legal Services	6,330,000	358,000
Advertising, Marketing & Communication	56,719,036	181,783,286
Total	110,744,118	232,185,815

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Gain on Disposal of Asset

Description	2018/2019	2017/2018
	KShs	KShs
Compensation Received on Disposal	-	30,000
Cost	-	93,000
Accumulated Depreciation	-	93,000
Net Book Value	-	-
Gain / (Loss) on Disposal	-	30,000

14. Cash and Cash Equivalents

Description	2018/2019	2017/2018
	KShs	KShs
Current Account (KCB)	434,405,254	468,224,883
Cash in Hand (Petty Cash)	190	32,420
Total	434,405,444	468,257,303

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

Financial Institution	Account Number	2018/2019	2017/2018
		KShs	KShs
(a) Kenya Commercial Bank	1110627041	434,405,254	468,224,883
(b) Cash in Hand (Petty Cash)	-	190	32,420
Total		434,405,444	468,257,303

The cash is held in Kenya Commercial Bank, Capital Hill Branch, A/C No. 1110627041 and includes Kshs. 31,578,032 being the balance of the capital replacement reserve (sinking fund).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Receivables from Exchange Transactions

Description	2018/2019	2017/2018
	KShs	KShs
Rent Deposit (NHIF)	1,743,850	1,743,850
Prepaid Insurance	3,347,791	3,918,114
State Department of Trade	4,548,870	4,548,870
Kenya School of Government	78,880	-
Total	9,719,391	10,210,834

Prepaid insurance comprises of the portion of insurance premiums paid during the year under review but relating to the period 1st July 2019 to 31st October 2019.

16. Receivables from Non-Exchange Transactions

Description	2018/2019	2017/2018
	KShs	KShs
Staff Debtors	1,118,487	118,774
Total	1,118,487	118,774

These are staff imprest accounts with debit balances meaning the imprests of Kshs. 1,118,487 held by staff had not been surrendered or accounted for as at 30th June 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Property, Plant & Equipment

	Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total
Cost/Valuation	KShs	KShs	KShs	KShs	KShs
At 1 July 2017	4,329,093	9,562,589	12,449,309	23,158,357	49,499,348
Additions	3,347,315	4,536,960	-	4,021,500	11,905,775
Disposals	-	-	-	-	-
At 30 June 2018	7,676,408	14,099,549	12,449,309	27,179,857	61,405,123
Additions		2,147,396	-	-	2,147,396
At 30 June 2019	7,676,408	16,246,945	12,449,309	27,179,857	63,552,519
Depreciation					
At 1 July 2017	2,530,199	8,955,736	10,454,356	18,305,857	40,246,148
Depreciation	1,094,416	2,078,922	526,590	2,622,875	6,322,803
Disposals	-	-	-	-	-
At 30 June 2018	3,624,615	11,034,658	10,980,946	20,928,732	46,568,951
Depreciation	941,242	2,187,872	495,955	2,622,875	6,247,944
At 30 June 2019	4,565,857	13,222,530	11,476,901	23,551,607	52,816,895
Net Book Values					
At 30 June 2019	3,110,551	3,024,415	972,408	3,628,250	10,735,624
At 30 June 2018	4,051,793	3,064,891	1,468,363	6,251,125	14,836,172

The Board has office equipment, computers and furniture & fittings which cost Kshs.1,439,908.00, Kshs.9,562,589.00 and Kshs.8,481,665.00 respectively that are fully depreciated but still in use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Intangible Assets - Software

Description	2018/2019	2017/2018
	KShs	KShs
Cost		
At Beginning of the Year	5,932,821	5,932,821
Additions	-	-
At the End of the Year	5,932,821	5,932,821
Amortization		
At Beginning of the Year	5,932,821	5,812,488
Additions	-	120,333
At the End of the Year	5,932,821	5,932,821
NBV	0	0

The Board has software that cost KShs.5,932,821.00 which is fully amortized but still in use.

19. Trade and Other Payables from Exchange Transactions

Description	2018/2019	2017/2018
	KShs	KShs
Trade Payables	30,543,712	32,520,497
Tax Liabilities	572,112	383,802
Total	31,115,824	32,904,299

The tax liabilities comprise of withholding VAT and withholding tax outstanding as at 30th June 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Payables from Non-Exchange Transactions

Description	2018/2019	2017/2018
	KShs	KShs
Staff Imprests	18,504	13,586
Payroll Liabilities	274,201	-
Total	292,705	13,586

These are staff imprest accounts with credit balances and payroll deductions which had not been paid by 30th June 2019 or had been paid but the cheques not presented to the bank in time hence had become stale.

21. Current Provisions

Description	Audit Fees Provision	Leave Provision	Gratuity Provision	Total
	KSh	KShs	KShs	KShs
Balance at 1 st July 2018	348,000	2,037,141	2,146,091	4,531,232
Provision Utilized	-	(2,037,141)	-	(2,037,141)
Provision Raised for Period	348,000	1,952,277	1,377,200	3,677,477
Balance as at 30th June 2019	696,000	1,952,277	3,523,291	6,171,568

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Financial Risk Management

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

The Board's financial risk management objectives and policies are detailed below;

i) Credit Risk

The Board 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 and external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net allowances for doubtful receivables, estimated by the Board's management based on prior experience and their assessment of the current economic environment.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Total Amount	Fully Performing	Past Due	Impaired
At 30 June 2019	KShs	KShs	KShs	KShs
Receivables from Exchange Transactions	9,719,391	9,719,391	-	-
Receivables from Non-Exchange Transactions	1,118,487	1,118,487	-	-
Bank Balances	434,405,444	434,405,444	-	-
Total	445,243,322	445,243,322	-	-
At 30 June 2018				
Receivables from Exchange Transactions	10,210,834	10,210,834	-	-
Receivables from Non-Exchange Transactions	118,774	118,774	-	-
Bank Balances	468,257,303	468,257,303	-	-
Total	478,586,911	478,586,911	-	-

ii) Liquidity Risk Management

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

The table below represents cash flows payable by the Board under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Less than 1 Month	Between 1 – 3 Months	Over 3 Months	Total
At 30 June 2019	KShs	KShs	KShs	KShs
Trade Payables	31,115,824	-	-	31,115,824
Provisions	348,000	-	348,000	696,000
Employee Benefit Obligations	5,749,769	-	-	5,749,769
Total	37,213,593	-	348,000	37,561,593
At 30 June 2018				
Trade Payables	32,904,299	-	-	32,904,299
Provisions	-	-	348,000	348,000
Employee Benefit Obligations	4,183,232	-	-	4,183,232
Total	37,087,531	-	348,000	37,435,531

iii) Market Risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board'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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Board's Finance department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Board's exposure to market risks or the manner in which it manages and measures risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

a) Foreign Currency Risk

The Board does not have transactional currency exposures.

b) Interest rate Risk

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

Fair Value of Financial Assets and Liabilities

Financial Instruments Measured at fair value

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 the Board's market assumptions.

The Board does not hold any financial instruments hence no disclosure of fair values of financial instruments not measured at fair value has been made.

iv) Capital Risk Management

The objective of the Board's capital risk management is to safeguard the Board's ability to continue as a going concern. The Board's capital structure comprises of general fund and revaluation reserve as follows;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Description	2018/2019	2017/2018
	KShs	KShs
General Fund	409,001,349	446,576,468
Revaluation Reserve	9,397,500	9,397,500
Total Funds	418,398,849	455,973,968
Total Borrowings	-	-
Less: Cash and Bank Balances	(434,405,444)	(468,257,303)
Net Debt (Excess Cash and Cash Equivalents)	434,405,444	468,257,303
Gearing	-	-

23. Events after the Reporting Period

Brand Kenya Board ceased to exist from 9th August 2019 through operationalization of the Kenya Export Promotion and Branding Agency order no. 110 which established a new corporation under the State Corporations Act, cap 44 and which became the successor of Brand Kenya Board and Export Promotion Council.

24. Currency

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

25. Contingent Liabilities

The Board has two ongoing litigations by former employees. One case is by a former employee (Industrial case no. 1441 of 2014) for work injury and other claims for a total of KShs. 7,455,496. The other case is by former Chief Executive Officer for wrongful dismissal. The outcome of the cases cannot be accurately determined as at the end of the financial year.

26. Capital Commitments

The Board did not have any capital commitments at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Taxation

The Board is established under the State Corporations Act and is fully funded by the exchequer and hence does not pay taxes.

28. Operating Lease Commitments

The Board has a 6 year lease with the National Hospital Insurance Fund (Lessor) which started on 1st July 2015

The total future minimum lease payments under the operating lease:

- Rental payments in year 1 (July 2019 to June 2020) is KShs.12,202,688.
- Rental payments in year 2 (July 2020 to June 2021) is KShs.12,202,688.
- Rental payments in year 3 (July 2021 to June 2022) is Nil.
- Rental payments in year 4 (July 2022 to June 2023) is Nil.
- Rental payment beyond 4 years (from July 2023 onwards) is Nil.

29. Related Party Balances

Nature of Related Party Relations

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

Government of Kenya

Brand Kenya Board is a state corporation fully owned by the Government of Kenya under the Ministry of Industry, Trade and Cooperatives, State department for Trade. In the Executive Order No.1 of 2018 signed on 5th June 2018 the Board was moved to the Ministry of Tourism and Wildlife. The Board received recurrent grants of Kshs.137,337,200 from the National Treasury through the Ministry of Tourism and Wildlife.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

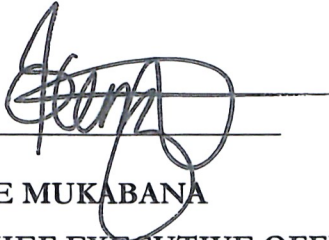
	2018/2019	2017/2018
Transactions with related parties	KShs	KShs
(a) Grants from the Government		
Grants from National Government	137,337,200	175,100,000
(b) Key Management Compensation		
Directors Emoluments & Other Expenses	3,827,220	6,295,000
CEO's Emoluments	1,441,387	5,260,264
CEO's Gratuity	1,377,200	1,259,760
Compensation to Key Management	26,400,400	16,276,400
Total	33,046,207	29,091,424

XVIII: APPENDIX I: PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

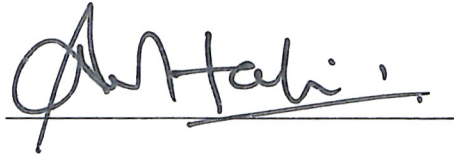
Ref. No. on External Audit Report	Issue/ Observations from Auditor	Management Comments	Focal Point Person to resolve the Issue.	Status	Timeframe
	<p>Contract Management</p> <ul style="list-style-type: none"> Contract for provision of integrated marketing communication at a contract sum of Kshs 84,849,128 to run from 22nd June 2018 to 21st December 2018 Concurrence by the Ministry of Tourism as directed by the Attorney-General not yet received. 	<p>After the merger of Brand Kenya Board and Export Promotion Council, the new Agency negotiated out of and terminated the contract and made payment for the work already done by the contractor.</p>	<p>Ms. Floice Mukabana – Ag. CEO</p>	<p>Resolved Internally</p>	
	<p>Delay in Project Implementation</p> <ul style="list-style-type: none"> Kenya's Achievements Campaign with a budget timeline of nine (9) months and funds disbursed in May 2017 Projects set performance targets were not met casting doubt whether the project will 	<p>After the merger the Board resolved to amalgamate all deferred funds from the defunct institutions, sought and was granted approval by the National Treasury to reallocate the resources to strategic focus</p>	<p>Ms. Floice Mukabana – Ag. CEO</p>	<p>Resolved Internally</p>	

**Brand Kenya Board
Financial Statements
As at 30th June, 2019**

	<p>meet all its objectives</p> <ul style="list-style-type: none"> Stakeholders may not realize value for money if this project is not completed. 	<p>of the new Agency.</p>			
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FLOICE MUKABANA
AG. CHIEF EXECUTIVE OFFICER
DATE: 19/11/2020



MR. LINUS GITAHI
CHAIRMAN
DATE: 19/11/2020

XIX: APPENDIX II: PROJECTS IMPLEMENTED BY THE BOARD

There were no projects implemented by the Board which were funded by development partners.

XX: APPENDIX III: INTER-ENTITY TRANSFERS

Brand Kenya Board			
Break Down of Transfers from the Ministry of Tourism and Wildlife			
FY 2018/2019			
(a) Recurrent Grants	Bank Statement Date	Amount (KShs)	FY to which Amounts Relate
	12/09/2018	35,035,000	2018/2019
	18/01/2019	35,035,000	2018/2019
	18/02/2019	35,035,000	2018/2019
	14/05/2019	32,232,200	2018/2019
	Total	137,337,200	

The above amounts have been communicated to and reconciled with the parent ministry.

XXI: APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of MDA / Donor Transferring the Funds	Date Received as per Bank Statement	Nature: Recurrent / Development / Others	Total Amount (KShs)	Where Recorded	Total Transfers During the Year
				<i>Statement of Financial Performance</i>	
N/A	N/A	N/A	NIL	N/A	NIL

There were no transfers from other government entities in the FY 2018/2019.

THE BOARD OF DIRECTORS



Mr. Linus Gitahi
Chairman

D.O.B. 12/08/1962

Mr. Gitahi holds an MBA-USIU, Bachelor of Commerce (Accounting)-UoN, and a Diploma in Business Management-KIM. He is currently the Executive Chairman of Tropical Brands Ltd, Chairman-Oxygen Marketing Communications, Trustee-USIU, Board Member-Simba Corporation and Allianz Insurance(K) Ltd.

He previously worked for GlaxoSmithKline rising from Brand Management trainee in 1989 to serving in various capacities such as Group-Marketing Director East Africa 1994 -1998, Marketing Director- Africa-London 1998-2000, Commercial Director Near East –Cyprus 2001-2001 and General Manager East Africa and Indian Ocean islands –Nairobi 2001- 2003. He has also served in West Africa as CEO in public company quoted in the Lagos stock exchange from 2003 -2006 and Nation Media Group CEO 2006-2015.

He Holds various awards such as Fellow- KIM and MBS (GoK) for starting and supporting Baraka Foundation, which educates bright kids from poor backgrounds.

(Term lapsed after merger of Brand Kenya Board and Export Promotion Council to form Kenya Export Promotion and Branding Agency on 9th August 2019)



Mr. Michael Mandu
Member to PS, State Department for Trade.

D.O.B. 09/10/1968

Mr. Mandu is an Assistant Director at the State Department for Trade in charge of trade and investment relations between Kenya and Europe and the Commonwealth and a lead negotiator on bilateral trade issues. He possesses strong managerial, leadership, negotiations skills and strategic planning.

He has over 25 years' experience in international trade, investment and economics and has previously worked at the Kenya High Commission in London. He is currently pursuing a Master's Degree majoring in International Trade. He is married, with five children.

(Appointed alternate director on 6th March 2019)



CPA Floice Mukabana
Ag. Chief Executive Officer

D.O.B. 08/05/1975

Floice is a member of the Institute of Certified Financial Analysts (ICFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK). She holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi. She has over 10 years' experience in the Public Sector Financial Management, having worked with Kenya Industrial Research and development Institute (KIRDI) as the Finance Manager and Assistant Director, Finance. Prior to that she had worked in various capacities with Celtel Kenya Ltd, Kenya Revenue Authority and Devtech SYS Inc.