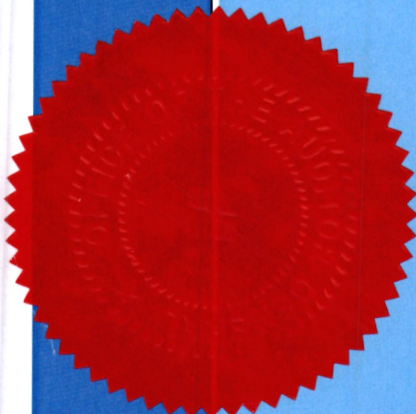


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

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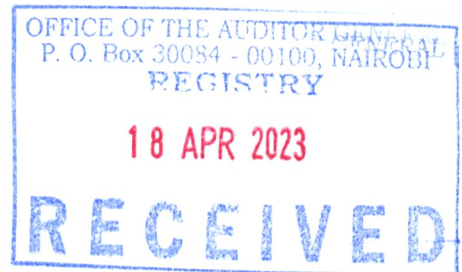
ON

BOMAS OF KENYA LIMITED

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



B O M A S
OF KENYA LTD



BOMAS OF KENYA LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2022

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2022

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Bomas of Kenya Ltd

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I. Key Entity Information

a) Background Information

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

b) Principal Activities

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

Our Mission

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

Our Vision

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

Our Core Values

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

c) Directors

The Directors who served the entity during the financial year ending 30 June 2022 were as provided on pages vii-x.

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

d) Registered Office

Bomas of Kenya Ltd
Langata Highway / Forest Edge Road
P.O. Box 40689 - 00100
Nairobi, Kenya.

e) Corporate Headquarters

Bomas of Kenya Ltd
P.O. Box 40689 – 00100
Langata Highway / Forest Edge Road
Nairobi, Kenya.

f) Corporate Contacts

Telephone: (254)-20-8891801/2, 8890793/5/8
Fax: (254)-20-310223
E-mail: info@bomasofkenya.co.ke.
Website: www.bomasofkenya.co.ke

g) Corporate Bankers

Kenya Commercial Bank
Moi Avenue Branch
P.O. Box 30081-00100
Nairobi, Kenya

h) Independent Auditors

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

Bomas of Kenya Ltd

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i) Principal Legal Advisers

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

2. Sharpley Barret & Company Advocates
Prudential Assurance Building,
2nd Floor - Wabera Street
P.O. Box 40286-00100
Nairobi, Kenya

II. The Board of Directors

 <p>Hon. Jane Jepkorir Kiptoo Chebaibai Chairperson – Appointed on 10th February 2023</p>	<p>Hon. Jane Jepkorir Kiptoo Chebaibai was appointed on 10th February 2023 as the chairperson of the Board of Directors of Bomas of Kenya. She is a holder of a Bachelor’s Degree in Counselling Psychology from African International University. Prior to her appointment, she served as the Women County Member of the National Assembly of Elgeyo Marakwet for a period of 5 years (2017-2022).</p> <p>Prior to her election to the National assembly, she worked with the Kenya Prisons for a period of over 10 years which saw her raise to various ranks in the service. She also worked as a clerical staff at the Kenya Railways for around 4years before joining Kenya Prisons.</p>
 <p>Khadija M. Awale, Chairperson – Retired on 10th February 2023</p>	<p>Mrs. Khadija joined the board of Bomas of Kenya as the Chairperson on May 2022. She previously served as the chairperson of the Jomo Kenyatta Foundation and she had also served as a director at Bomas of Kenya between 2015 to 2018. She has vast knowledge and expertise in business management for over 25 years in both the public and private sectors having served in several positions in the said sectors.</p>



Mr. Peter Gitaa Korja
General Manager/Chief
Executive Officer

Mr. Gitaa is an innovative, purpose-driven, and results-oriented manager with over 16 years of leadership and service in various organizations and institutions, particularly within the hospitality, tourism, and education sectors. He is the Chief Executive Officer and has served previously as the Hospitality Manager at the Kenya Utalii College, Banqueting/Events Manager at the Kenya Utalii College and as Deputy General Manager at Utalii Hotel and at the Alliance Naro Moru River Lodge. He also served as the Marketing Executive at the Conqueror Tours and Safaris.

He is a holder of a Master of Arts Degree in Diplomacy and Foreign Policy from Moi University, a Bachelor's Degree in Commerce from Kenyatta University and a four-year Diploma in Hotel Management from the Kenya Utalii College. He is currently pursuing a Masters of Arts Degree in Business Administration at the United States International University Africa (USIU). Mr. Gitaa has also benefited from various professional trainings and short courses, including in Education Network in Sustainable Tourism (Bologna University), Tourism Resources Planning and Development (Heilongjiang university), Corporate Governance Training for Directors and Strategic Leadership (Maseno University), and Customer Service Management, among others. He is an Alumni of Riomego Secondary School.



Zeinab A. Hussein
Principal Secretary
Ministry of Tourism

PS. Zeinab A. Hussein has over 20 years work experience both in private and public sectors. Prior to joining the public service, she held various senior and leadership roles in McKinsey & Co, Africa, working with the Johannesburg, Lagos and East Africa offices. Her work at McKinsey as an associate consultant saw her transform and reform various corporations in a wide range of sectors including National Oil companies, Large Commercial Banks and she oversaw successful mergers in the telecommunications sector in West Africa.

Prior to joining McKinsey, PS Hussein held various senior roles at Shell Africa including, Internal Auditor for the Shell Africa Group, Aviation Manager for both Shell Aviation East and West Africa and she also sat on the management teams of Kenya Shell, Shell Ghana and Shell Aviation and BP Aviation. In the Public Sector, PS Hussein has served as the Principal Secretary for the Departments for Gender, Irrigation, Post Training and Skills development, Correctional Services and currently she is the Principal Secretary Ministry of Tourism and Wildlife. PS Hussein holds a Master's in Public Administration from the Harvard Kennedy School, Harvard University. She also holds a Master's in Public Policy as a Mason Fellow from the same university and an MBA from the University of Nairobi.



	<p>Ms. Nasimiyu Joined the Board of Directors of Bomas of Kenya Limited on 6th October 2021. She is an Advocate of the High Court of Kenya by profession and a certified arbitrator and a member of the Chartered Institute of Arbitrators Kenya. She holds a Bachelor's Degree in Law from the University of Nairobi.</p>
<p>Ms. Gloria Nasimiyu Director</p>	<p>Mr. Khavuchi Joined the Board of Directors of Bomas of Kenya Limited on 28th October 2021. He holds a Bachelor's Degree in Education from the University of Nairobi. He has served as a consultant at various capacities, was a County Administrator at Kakamega County Government for 4 years, was a Director for 7 years at the National Irrigation Board and was the Chairman of the Board of Governors at Shamusinjiri Secondary School for 10 years. He has also served as the Chairman of the School Management Committee at Mwikhomo Primary School for 18 years and a Member of the Board of Governors of Musingu High School for 11 years (1996-2007) and Lirhembe Girls High School for 8 years.</p>
	<p>Ms. Mohamed Joined the Board of Directors of Bomas of Kenya Limited on 28th October 2021. She holds a Bachelor's Degree in Education and a matriculation certificate from Kampala International University. She worked with the Ministry of Interior and Coordination of National Government as the Deputy Sub-County Registrar of Persons, Starehe Sub-County, Nairobi for 3 years (2013-2016), Ministry of State for Immigration and Registration of Persons as the Deputy Sub-County Registrar of Persons, Wajir East Sub-County, (2012-2013), and Ministry of State for Immigration and Registration of Persons as Fingerprint Officer (2009-2012).</p>
<p>Mr. Wycliffe Khavuchi Director (65)</p>  <p>Ms. Habiba Mohamed Director (41)</p>	

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 <p>Mr. Samson Ojiayo (55) Director</p>	<p>Mr. Ojiayo was appointed a member of the Board of Directors of Bomas of Kenya Limited on 6th October 2021. He has previously served as a director at Athi Water Services Board. Mr Ojiayo is a self-motivated, enthusiastic and conscientious individual with excellent interpersonal and communication skills. He is well experienced in corporate governance and corporate leadership having worked in both Private and Public sectors for over 20 years.</p>
 <p>Christopher Guyo Huka, Rep- Interim Director General, Kenya Development Corporation(55)</p>	<p>Mr. Huka was appointed member of the Board of Directors of Bomas of Kenya Limited in July 2021, as an alternate of the cabinet secretary, the National Treasury. He is the Interim Director General mandated to manage the merger and transition of TFC, IDB Capital and ICDC into a single DFI entity. He has over 25 years in the Private Sector specifically – Oil & Gas sector, banking sector and public sector. Mr. Huka holds a Master’s Degree in Human Resources Management from University of Nairobi, Bachelor of Education from Moi University, Diploma in Executive Coaching; Academy of Executive Coaching – UK, Higher National Diploma: HRM from Institute of Human Resource Management.</p>


III. Management Team

Ref	Management	Details
1.	 <p data-bbox="272 862 667 963">Mr. Peter Koria Gitaa General Manager/Chief Executive Officer</p>	<p data-bbox="719 376 1485 757">Mr. Gitaa is an innovative, purpose-driven, and results-oriented manager with over 15 years of leadership and service in various organizations and institutions, particularly within the hospitality, tourism, and education sectors. He has notably served as the Hospitality Manager at the Kenya Utalii College, Banqueting/Events Manager at the Kenya Utalii College and as Deputy General Manager at Utalii Hotel and at the Alliance Naro Moru River Lodge. He also served as the Marketing Executive at the Conqueror Tours and Safaris.</p> <p data-bbox="719 779 1485 1261">He is a holder of a Master of Arts Degree in Diplomacy and Foreign Policy from Moi University, a Bachelor's Degree in Commerce from Kenyatta University and a four-year Diploma in Hotel Management from the Kenya Utalii College. Mr. Gitaa has also benefited from various professional trainings and short courses, including in Education Network in Sustainable Tourism (Bologna University), Tourism Resources Planning and Development (Heilongjiang university), Corporate Governance Training for Directors and Strategic Leadership (Maseno University), and Customer Service Management, among others. He is an Alumni of Riomego Secondary School.</p>
2.	 <p data-bbox="272 1657 667 1769">CPA Nixon Mugilwa (39) Finance and Administration Manager</p>	<p data-bbox="719 1294 1485 1552">CPA Mugilwa is a passionate senior management professional with strong expertise and experience in finance, auditing, taxation, financial advisory and corporate governance among other allied matters for over 10 years. His experience is drawn from working with inter-governmental organizations, public sector and private sector.</p> <p data-bbox="719 1574 1485 1818">Mugilwa is a Certified Public Accountant of Kenya (CPA-K). He holds Masters of Science in Finance and Investment from the University of Nairobi and a Bachelor of Commerce (Finance). He is currently pursuing a PhD in Business Administration (Finance) at the University of Nairobi. Prior to his appointment Mugilwa was the Chief Accountant.</p>

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<p>3.</p>	 <p>Mr. Jimmy Okidiang'i (41) Human Resource Manager</p>	<p>Mr. Okidiang'i has over 10 years' experience in the management of human capital. He holds Bachelor of Business Administration in Human Resource Management and a Higher National Diploma in Human Resource Management. He is the current head of Bomas of Kenya Limited's Human Resource Department.</p>
<p>4.</p>	 <p>Dr. Kahithe Kiiru (37) Production Manager</p>	<p>Dr. Kahithe Kiiru is the head of Production Department. She is an anthropologist, choreographer, producer and dance educator. She has a PhD in anthropology from the University of Paris X Nanterre (France) and master's degree (MPhil) in Ethnomusicology and Dance Anthropology from the same university. Since 2017, she has been the Head Choreographer at Bomas of Kenya, and was, in 2020, promoted to Ag. Production Manager. Dr. Kiiru's duties include choreography and artistic direction, cultural research and fieldwork management, audio-visual production and coordination of all theatre activities. She is a skilled researcher with extensive experience in ethnomusicological research in East Africa and a special focus on dance traditions of Kenya. She has published numerous articles and, in 2018, co-edited the book "Music and Dance in Eastern Africa", a joint publication by Twaweza Communications and the French Institute for Research in East Africa (IFRA-Nairobi). She is a member of the Kenya National Commission for UNESCO (KNATCOM) Culture Programme Expert Committee and sits on the Advisory Board of JAHAZI journal for the Culture, Arts and Performance.</p>
<p>5.</p>	 <p>Mr. Joseph W. Njoroge (43) Property Manager</p>	<p>Mr. Njoroge has over 10 years' experience in Property Management and Construction. He holds Diploma in Building Technology and a Bachelor of Arts degree in Quantity Surveying from Technical University of Kenya. He is the current head of the Property Department at Bomas of Kenya Limited.</p>

<p>6.</p>	 <p>Mr. Jason Obino (45) Food and Beverage Manager</p>	<p>Mr. Obino is a seasoned professional with over 14 years of experience in the hospitality sector. He thrives in food and beverage management and effectively manages all operations in food and beverage department. He holds a Diploma in hotel and restaurant management from Moi University. He is the current head of the Food and Beverage Department at Bomas of Kenya Limited.</p>
<p>7.</p>	 <p>Mr. Benard Ongeri (47) Public Relations and Communications Officer</p>	<p>Mr. Ongeri joined Bomas of Kenya Limited in 1997 and is the current head of the Public Relations and Communication Department. Prior to his appointment as Senior Public Relations and Communications Officer, he served as the institution's Information Officer. He has over 15 years' experience in Customer Relation Management and holds Diploma in Public Relations, Certificate in Purchasing and Supplies, and a Bachelor degree in Public Relations from University of Nairobi.</p>
<p>8.</p>	 <p>Gladys Kangethe (46) Ag. Marketing and Corporate Communication Manager</p>	<p>Gladys Kangethe is the Head of marketing department. She holds an MBA in strategic management from Catholic University of Eastern Africa. Possess a Bachelor's Degree In Education from Moi University. A member of Marketing Society of Kenya and an associate of Chartered Institute of Marketing UK (ACIM).</p> <p>Having been an assistant marketing officer since 2011 Gladys was promoted to Head the marketing department in 2020. Her main duties are leading in the planning and implementation of marketing strategies to increase the market share of Bomas of Kenya in the cultural tourism and conferencing sectors. Creating partnerships that lead to mutual benefit for Bomas to be able to realize its mandate. Market intelligence which allows for the development of new products and services as well as modification of existing ones for the different target markets.</p>

Bomas of Kenya Ltd

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IV. Chairperson's Statement

A. INTRODUCTION

The Board of Bomas of Kenya Limited is pleased to share with you our Annual Reports and Financial Statements for the year ended 30 June 2022. The financial year commenced during a challenging time in the mid of the COVID-19 pandemic. The global outbreak of COVID-19 really had the largest health and economic crisis in decades. The pandemic had adverse effects on economies, households, businesses, and financial institutions around the world more so the reversal of the gains that the various strategies in recovery of the tourism and hospitality industry.

The government announced various containment measures to limit the spread of the virus. These measures, adopted at various levels across the country, including restriction of movements to limit intra-country and cross-county infections resulted in a slowdown in economic activity, turning the pandemic into an economic and health crisis. While we could never have predicted the nature or extent of the crisis we continue to face, the tourism industry remained most hit due to closure of hotels and conferences.

The Government through stimulus program and reduction in tax did play a critical role in ensuring programs continue to run with a few adjustments including employee working from home. Thus, since the outbreak COVID-19, the pandemic has caused significant harm to humanity and disrupted life globally. It has been a challenge to all of us, our families and staff, the businesses, and global economies in different sectors. This has fully tested our resilience and drive to keep going.

B. MITIGATING EFFECTS OF THE PANDEMIC & SAFEGUARDING THE BUSINESS

The tourism industry has been negatively affected since March 2020 when the first COVID-19 case was reported. The crisis has hit East Africa, focus immediately shifted to the safety and well-being of our staff, customers, shareholders, families and other stakeholders. Some of the measures included the closure of the institution since bookings for conferences were cancelled and daily and out station performances paused. This was mainly due to government directive and safety to staff and other stakeholders.

The staff who were affected fully recovered over time. However, the institution put in place a number of activities tailored towards mitigating the spread including washing areas, sensitization and carrying out activities with strict compliance with the Ministry of Health protocol on Covid-19 Compliance. We continued to enhance the COVID-19 containment protocols in all our premises to give us a better chance to fight the pandemic. During this period, the pandemic exposed the reality of the balance between life and livelihoods. A number of measures were put in place including vaccination drive for staff to boost their immunity since they are the main resource of programs and activities operationalization.

Bomas of Kenya Ltd

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C. FINANCIAL RESULTS

The balance sheet of Bomas of Kenya Limited remains steady and is poised for growth despite the challenges faced due to COVID-19. Closure of businesses and activities owing to the pandemic negatively affected the performance of the institution, resulting in the deficit that was witnessed at the end of the financial year under focus. For sustainability of the business, through the Government of Kenya, the institution managed to get subsidy funds since operations had been closed. The organisation also got a revenue boost in the last quarter of the financial year due to increased political meetings and gathering as well as selection of BOK as the National Tallying Centre for the 9th August 2022 general elections.

D. GOVERNANCE OVERSIGHT

During the financial year, several board members continued to be part of the board since their limits had not expired. Thus, most activities were transacted despite the covid-19 pandemic challenges. During the financial year, several directors including Layi Khamis Jaber, Beth Syengo, William Osewe, Francis Nkoitoi and Robert Kariuki retired from the board and were replaced by Gloria Nasimiyu, Habiba Mohammed, Samson Ojiayo and Wycliffe Khavuchi. In addition, Mr. Josiah Magut who served as the entity's Chairperson retired on May 7th 2022 after serving for 8 years.

E. FUTURE OUTLOOK

In the financial year 2022/2023, the institution anticipates recovery strategies of the tourism industry as modelled by the Ministry of Tourism and Wildlife. This includes rolling out new products and services, embracing technological approach for conferences for budget implementation and identifying opportunities for cost savings. The organisation also expects an increase in revenue from gate collection due to reopening of schools and removal of movement and gathering restrictions. I look forward to a brighter year for all our stakeholders and project a much better year and future for the Institution.

F. APPRECIATION

I sincerely thank our clients and stakeholders whose trust and confidence has made our achievements possible. I am especially grateful to the leadership of the Ministry of Tourism and Wildlife and The National Treasury, and the Government of Kenya as a whole for the unwavering support. I also thank our former chairperson Ms. Khadija Awale from whom I took over for her dedicated service to the organisation, the management team and all members of our staff for the efforts made during the financial year 2021/2022. Finally, I appreciate fellow members of the Board for their selfless service, loyalty, and commitment to duty in the service of the company.



JANE JEPKORIR KIPTOO CHEBAIBAI
CHAIRPERSON OF THE BOARD

Bomas of Kenya Ltd

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V. Report of the Chief Executive Officer

A. INTRODUCTION

Bomas of Kenya limited continues to ensure that its mandate of preserving, maintaining and promotion of the diverse cultures of Kenya for tourism development remain in its cultural form. Despite the challenges posed by Corona Virus pandemic, the place of culture and heritage in Kenya's tourism is emphasized in the country's National Tourism Blueprint 2030 (NTB2030) hence need for sustainability.

In the financial year that ended 30th June 2022, the institution placed emphasis in safeguarding the health and safety of our employees, customers, our shareholders and all our stakeholders to ably navigate through this challenging time. The Management endeavoured in provision of a flexible working environment for staff and continuously engaged them to raise awareness to limit the risk of spread and infection. Our frontline staff members, in their characteristic dedication and commitment, remained out there to ensure our customers continued to get excellent service.

Africa has so far been spared from a devastating health crisis that would have caused even greater economic shocks if the number of cases had been as high as earlier feared. However, we must deal with personal tragedies, job losses, mental health challenges, and the pandemic's economic hardships. The COVID-19 pandemic brought forth unforeseen circumstances which significantly altered the business environment, influenced our way of life and changed the way Bomas of Kenya Limited physically conducts its business of preserving the diverse culture of Kenya.

B. TOURISM INDUSTRY OPERATIONS PANDEMIC

We started the financial year 2021/2022 by ensuring the relevant protocols as provided by the Ministry of Health were adhered to. This included the revision of signage, having the relevant test done and staff sensitization on COVID-19 awareness. It should be noted that, the tourism industry was shut hence the ripple effect were heavily felt by the stakeholders who depend on tourism including the hotels and other centres for conferences and allied activities.

C. PERFORMANCE OVERVIEW

The pandemic is still with us, and therefore we must factor in the tourism recovery models. However, early indicators point towards a faster than anticipated recovery of global and regional economies. Given the compliance to COVID-19 pandemic, uncertainty on the opening up of whole economy remains a major issue to the tourism sector. However, the institution majorly relied on the exchequer additional funding in ensuring the programs were activated in the month of November, 2020 after closure in compliance with presidential directive to reduce the spread of COVID-19.

During the financial year that ended 30th June 2022, the institution realized Kshs. 145 Million internally generated revenues and received Kshs. 224 Million as current grant and an additional KShs. 150 Million development grant from the Government of Kenya. The organisation also

Bomas of Kenya Ltd

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received the first tranche of Ksh. 8.76M from for the HEVA Fund for the Sample Bar Project which is being undertaken in partnership with Libido Music (Sweden) whose aim is to digitize and preserve traditional African music for future generations. This digital technology project upon completion is expected to change the way we envision the documentation and preservation of traditional music on the continent.

D. EMPLOYEE RETENTION AND MOTIVATION

I would also like to thank my 191 colleagues and the temporary staff for their commitment and resilience in the face of unprecedented adversity. It is only through our collective effort that the programs are able to run and modelled further to ensure that the products and services remain competitive. During the year, we were able to setup and operationalize the Bomas of Kenya Staff pension scheme that had been pending for long. However, in the financial year, Mr. Bernard Njoroge Irungu retired from the organisation after serving for Nineteen years. It is very unfortunate that during the financial year we lost a staff namely Cornelius Mlanda Mwasambu.

E. CONCLUSION AND FUTURE OUTLOOK

Bomas of Kenya Limited has re-imaged its role and effectiveness in the ‘new normal’ and plans to integrate the thinking in its Strategic Plan 2018-2022 during mid-term review. In the last quarter of the year, the Independent Electoral and Boundaries Commission (IEBC) selected Bomas of Kenya, as the National Tallying Centre and we undertook measures to ensure that the process is a success. The organisation rehabilitated the main Auditorium Hall and revamped the media centre as well as other halls to ensure they comply with COVID-19 protocols and accommodate IEBC activities. It is expected that the re-engineering that is envisaged will improve the institution’s financial performance and help to retain and motivate our staff more. The future looks promising with the re-imaged transformation.

F. APPRECIATION

Finally, I wish to acknowledge the support and direction that the management and I have received from the Board of Directors as we endeavour to make Bomas of Kenya achieve its mandate for posterity.



PETER GITAA KORJA

GENERAL MANAGER / CHIEF EXECUTIVE OFFICER

Bomas of Kenya Ltd

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VI. Statement of Performance against Predetermined Objectives for FY 2021-2022

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

Bomas of Kenya Ltd has four strategic focus areas (SFAs) and objectives within the current Strategic Plan for the FY 2021 - FY 2022. These strategic pillars are as follows:

SFA 1: Preservation of Kenyan Culture

SFA 2: Promotion of the Rich and Diverse Kenyan Culture

SFA 3: Financing and Investment

SFA 4: Human Resource Development, Governance and Support Services

Bomas of Kenya Ltd develops its annual work plans based on the above four strategic focus areas. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The organisation achieved its performance targets set for the FY 2021-2022 period for its four strategic pillars, as indicated in the diagram below:

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

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

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

VII. Corporate Governance Statement

a) INTRODUCTION

The Board of Directors of Bomas of Kenya Limited strives to ensure that the institution meets high standards of safety, performance, legal compliance, business ethics, and governance at all levels of the institution. The Board appreciates that it is indebted to the institution's shareholders, customers, and employees, as well as to the communities in which the institution operates. It therefore endeavours to design policy thrusts that bring harmony in its inter-relations with them.

The Board has ultimate authority and oversight over the institution. It considers good corporate governance as a critical pillar in the achievement of the institution's objectives. The Board also ensures that the institution complies with the laws and regulations that underpin the businesses and operations of the institution, while managing and mitigating any emergent risks.

As part of its efforts to manage and mitigate risks, the Board constantly reviews the framework of the institution's internal controls and assesses the processes that Management puts in place for the realization of this goal. Toward this, it has adopted a number of policies, procedures, and regulations to guide Management in running the institution and established committees to help it discharging its duties effectively while ensuring the sustainability of the institution.

b) COMMITTEES OF THE BOARD OF DIRECTORS

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

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

c) RISK MANAGEMENT

Bomas of Kenya Limited recognizes risk management as an integral part of the institution's internal control system. The Board ensures that measures are put in place to manage risks associated with the operations and functions of the institution, so as to guarantee the institution's sustainability. The measures include, routine monitoring through internal systems, evaluation of projects done by external resource persons, development of codes of practice regarding corporate accountability, reporting on the risks associated with projects, promoting independent and objective oversight, and review information presented by the management to identify potential risk areas and developing/reviewing policies and strategies to mitigate the risks.

d) OPERATIONAL RISKS

Operational risks are risks associated with losses arising from the failure of systems, human error, fraud, or external events. When controls fail to deliver intended results, operational risks set in and cause damage to the reputation of the institution and also lead to financial losses. Indeed, Bomas of Kenya Limited cannot practically eliminate all the operational risks associated with the institution and its operations, but can manage them through control frameworks and by monitoring and dealing with potential risks. The controls that the institution has put in place to minimize possible operational risks include: -

- a) Segregation of duties;
- b) Training of staff;
- c) Definition of authorization levels;
- d) Periodic assessment of risks;
- e) Internal auditing; and
- f) Implementation of access controls.

e) CREDIT RISK

Credit risk is a risk that arises from trade and other receivables where debtors are not able to meet their obligation as expected. Bomas of Kenya Limited does not have a significant concentration of credit risk. This is because the finance department assesses the credit worthiness of each client that the institution deals with, including his or her financial position, experience, and other related factors. Further, the institution's debtors are usually given a credit period of 30 days.

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

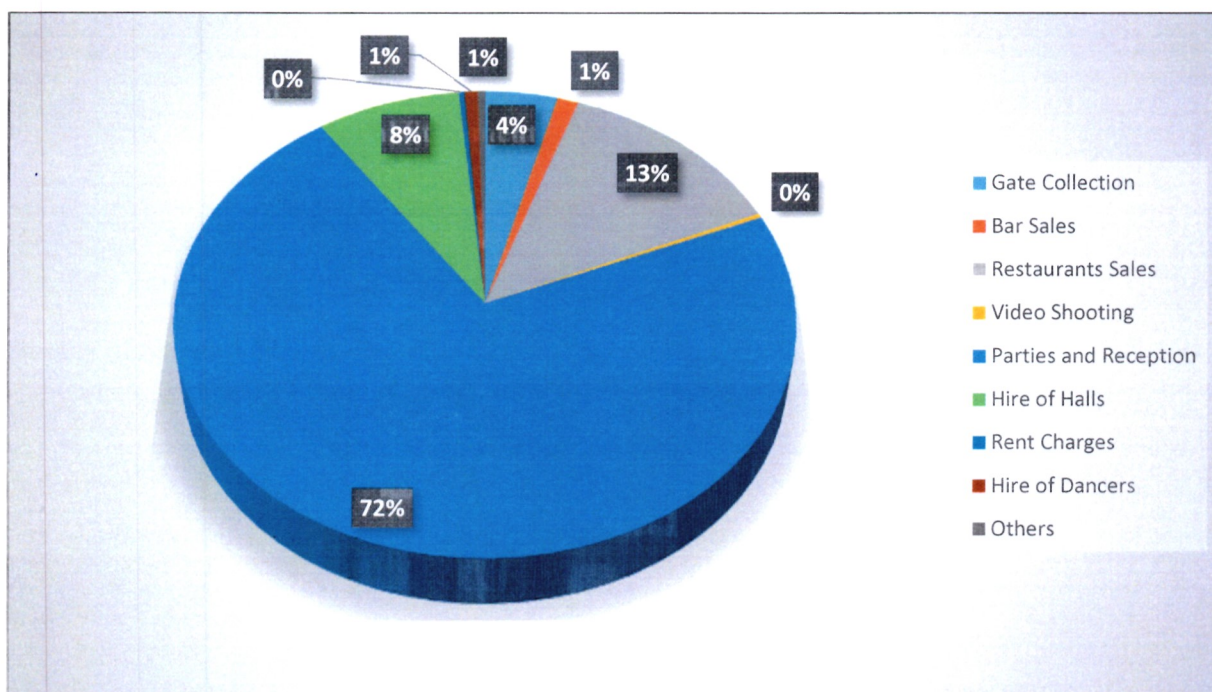
VIII. Management Discussion and Analysis

Bomas of Kenya continues to deliver its mandate of preserving, maintaining and promotion of the Rich Diverse cultural values of various ethnic groups of Kenya for posterity. The institution act as a tourist attraction centre thus Bomas of Kenya is expected to preserve the authenticity of the Kenya's Cultural values and to portray them in the pure form. The Cultural tourism is a distinctive niche that impacts the tourists who visit the institution which is under the tourism sector.

During the year, the impact of Covid19 continued to be experienced at sector level and the effect to the institution too. The sector contributed 24.3 million (6.7%) of the total employment. Domestic spending accounted for 56% of the tourism economy while 44% for international tourism spending comprised 9.6% of the region's total exports, worth \$58.5bn (WTTC, 2020). However, the effects are gradually improving gradually. The sector slowly opening activities the institution too was able to achieve 80% of the targeted revenue hence negatively affecting the programs.

Bomas of Kenya Limited held a Jubilee event to mark its 50 years of existence since the institution has successfully provided cultural tourism products since 1971. The institution leveraged on the event to increase its publicity in order to in ensure that revenue from the appropriation in aid as well stabilised from the various streams. The institution carried out appropriate preparations to ensure a cultural set up for the event. Nevertheless, the institution continued to comply with the relevant statutory including P.A.Y.E, National Social Security Fund, National Hospital Insurance fund and Higher Education Loans Board.

The revenue performance was majorly from parties and reception at 72%, which can be attributed to the provision of conference facilities to different political parties, which held various functions at the organisation during the electioneering period, and conference facilities to the Independent Electoral and Boundaries Commission, which selected Bomas of Kenya as their National Tallying Centre. Revenue from the main restaurant was 13% while hire of halls contributed to 8% of the total revenue. It should be noted that in the prior years the restaurant had been leased to Utalii Hotel but reverted it operations and management to Bomas of Kenya in March 2020. All the streams have indication of growth in the coming year since the COVID-19 pandemic impacts have been largely reduced and stability is expected after the August 9th 2022 elections. These can be graphically be presented as below.



FUTURE OUTLOOK

Through the board of directors, the management was able to initiate the relevant activities for the staff pension and registration process was finalized in the second quarter of the Financial Year. The staff pension scheme has increased the staff morale as there is certainty for them after retirement or exit from the institution. Once the Bomas of Kenya staff pension scheme was rolled out, we were able to have membership of 103 permanent staff. The defined contributions commenced in the month of January 2022 and the contributions and Interest are in excess of Kshs.6Million as at the reporting date.

In order to ensure improvement of facilities, the institution commenced the process of uplifting the main Auditorium Hall in consultation with the Ministry of Public Works. The Management has commenced the process of rehabilitating the hall and expects all the final work to be done in the current financial 2022/2023. During the year, the contract was awarded to a contractor in September 2021 and the contractor started renovations and rehabilitations in January 2022. The organisation also revamped the media centre, the new building hall and the pavilion to ensure the successful hosting of the 2022 General Elections National Tallying Exercise by the IEBC.

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

IX. Environmental and Sustainability Reporting

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

i). Sustainability Strategy and Profile -

Since its inception, BoK has been showcasing cultures, practices and values of Kenya's diverse ethnic communities being expressed in different forms. In discharging its mandate thereof, BoK has strived to meet the twin challenge of cultural preservation and financial sustainability without much success. Thus, in an effort to be self-sustaining, BOK developed the Strategic Plan 2018 – 2022 to enhance its sustainability and to make sure Kenyans and other stakeholders will get quality cultural products and services. The institution is also in the process of developing the Strategic plan 2023-2027 to ensure the strategic objectives align to the current strategic goals of the organization. BOK plans to develop the Nairobi International Convention and Exhibition Centre (NAICEC) through public private partnership. The development of this project will enhance revenue generation capacity for Bomas and help cross-subsidize the preservation and promotion of Kenya's diverse culture. In addition to cultural performances, hire of dancers, and tours of traditional homesteads, Bomas plays a significant role in shaping the country's governance and Management. The entity offers its facility where many notable conversations/ dialogues that have shaped the history of the country been held. We also offer an ambient space for meetings and conferences that enhance unity within and regionally.

The Institution also runs the Utamaduni restaurant that offers a rich menu of unique cultural foods from different communities of the country. We also intend to start offering cultural classes and lectures as well as digitization of Kenyan Music and instruments through the Sample Bar Kenya Project to ensure sustainability of the organisation.

ii). Environmental Performance

Kenya is endowed with numerous natural resources that provide important ecological goods and services and are key to the country's economy. The country holds water towers, which provide water for agricultural and domestic uses, provide recharge to rivers for wildlife and hydrological cycle maintenance. However, the country has witnessed significant infrastructural development, expansion as well other human induced changes which are a threat to the environment and pose serious pollution and environmental challenges to the tourism and the wildlife sectors. BOK being under the tourism sector is a key entity in cultural heritage preservation, wildlife and bio diversity resources preservation. The organisation in its commitment to environmental protection and performance started a botanical garden and nursery to preserve various indigenous and medicinal herbs that face environmental threat and extinction. In addition, due to the organisation's proximity to the Nairobi National Park, waste management measures and initiatives have been put in place to ensure that wild animals are

protected. We are also in the process of establishing a water purification system aimed at water recycling and adheres to the various environmental protection guidelines by the National Environment Management Authority.

iii). Employee Welfare

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

iv). Market Place Practices-

a) Responsible Competition Practice.

Bomas of Kenya ensures responsible competition practices and has a zero tolerance policy to corruption. The corporation has complains boxes upon which customers and employees report any suspected corruption cases. The corporation ensure fair marketplace practices and undertake research and due diligence before setting prices. In addition, the organisation adheres to all fair market and competition practices and undertake research on tangible and intangible heritage of Kenya in collaboration with different stakeholders.

b) Responsible Supply Chain and Supplier Relations

Bomas of Kenya acknowledges that suppliers are key to its operations and important stakeholders to the organisation and undertakes responsible supply chain practices. The corporation has strategies in place to ensure open supplier prequalification process, transparent and open tendering process and has an inspection committee to ensure high quality goods are delivered and high quality services are provided. The organisation also ensures timely payment of suppliers upon receipt and verification of documentation from stores. Over the coming years, we commit to stronger engagement in socially responsible supply chain management and supplier relations.

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

c) Responsible Marketing and Advertisement

Bomas of Kenya has adopted customer-centric approaches to marketing and ensures that they not only meet customers' needs but they also positively impacts them as well as the community at large. The organisation to increase awareness of BOK products and services as well as to increase patronage and consumption of BoK products uses various marketing and advertising platforms for its products and services. The company uses the services of a social media consultant who handles the corporation's social media advertising and digital marketing activities. The corporation also advertises on print media, TV/Radio, Newspapers as well as its website based on the existing laws and regulations.

d) Product Stewardship

BOK offer various products and services to its customers and clients. The organisation has put in place various measures to prevent unfair marketplace practices by employees as well pricing their products competitively after undertaking market research and intelligence. The organisation also has a service charter under which prices are listed and all information is normally provided to customers any dispute is always heard and appropriate actions undertaken. In case services and products fall below the standards as per organisations service charter, direct complaints or queries are effectively addressed by the organisation.

Corporate Social Responsibility/Community Engagements

During the year, BOK undertook various corporate social responsibility activities and engagements. The corporation continually supported Bomas of Kenya Football Club throughout the year and sponsored various football matches by the team. In addition, the corporation sponsored the gifted the best performing student at Utalii College during the financial year. Further, the corporation issued Eid al-Fitr Vouchers to Muslim staff and their families during the year and the organisation continues to support various charitable causes. Over the coming years, we intend to commit more time and resources to organise educational workshops on the cultural heritage of various ethnic communities, organise cultural competitions for students in various learning institutions and to support the needy in the society based on the organisation's performance.

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2022

X. Report of the Directors

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

i) Principal activities

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

ii) Results

The results of Bomas of Kenya Ltd for the year ended June 30, 2022, are set out on page 1 and 2. Below is summary of the profit or loss made during the year.

	2021-2022	2020-2021
	Kshs.	Kshs.
Profit/(Loss) Before Taxation	(41,929,467)	14,165,580
Income Tax Expense/(Credit)	-	-
Profit/(Loss) After Taxation	(41,929,467)	14,165,580


iii) Directors

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

iv) Auditors

The Auditor-General is responsible for the statutory audit of Bomas of Kenya Ltd in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2022.

By Order of the Board



Name: **Peter Gitaa**

Corporate Secretary/Secretary to the Board

Date: **18TH APRIL, 2023**

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

XI. Statement of Directors' Responsibilities

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

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

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

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022


Statement of Directors' Responsibilities (Continued)

The Directors are of the opinion that Bomas of Kenya Ltd financial statements give a true and fair view of the state of Bomas of Kenya Ltd's transactions during the financial year ended June 30, 2022, and of Bomas of Kenya Ltd financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for Bomas of Kenya Ltd, which have been relied upon in the preparation of Bomas of Kenya Ltd financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Bomas of Kenya Limited's financial statements were approved by the Board on 18TH APRIL, 2023 and signed on its behalf by:



Name: **JANE JEPKORIR KIPTOO**

Chairperson of the Board

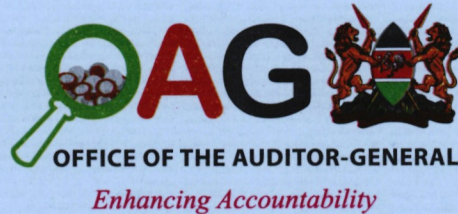


Name: **Peter Gitaa**

Accounting officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BOMAS OF KENYA LIMITED FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomas of Kenya Limited set out on pages 1 to 43, which comprise of the statement of financial position as at

30 June, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bomas of Kenya Limited as at 30 June, 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (Accrual Basis) and comply with the Companies Act, 2015 of the Laws of Kenya.

Basis for Qualified Opinion

1. Revaluation of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 13 to the financial statements reflects property, plant and equipment balance of Kshs.2,338,217,295. However, as previously reported, the last valuation for the assets was conducted in 1996. The long delay fails to take cognizance of the drastic change in the value of the assets and is contrary to International Accounting Standard No.16, Paragraph 31 which stipulates that property, plant and equipment should be revalued regularly.

In the circumstances, the value of the property, plant and equipment balance of Kshs.2,338,217,295 could not be confirmed.

2. Trade and Other Receivables

The statement of financial position and Note 15 to the financial statements reflects Kshs.67,222,598 as trade and other receivables. The balance includes; Kshs.14,595,206, Kshs.1,183,500, Kshs.1,005,434, Kshs.51,897,978 and Kshs.1,459,521 for trade receivables, deposits and prepayment, staff receivables and, other receivables and provision for bad and doubtful receivable respectively.

However, the following anomalies were noted;

- i. The trade and; other receivables exclude opening balance for long outstanding debtors of Kshs.5,844,308 in the financial year ended 30 June, 2020. No evidence of approval for write-off for long outstanding debts has been provided by the Management despite the Public Investment Committee's recommendation to pursue a write-off through the Cabinet Secretary of the National Treasury.
- ii. Trade debtors of Kshs.14,595,206 includes an amount of Kshs.13,555,495 and Kshs.1,036,840 that have remained outstanding for a period over one hundred twenty (120) days and over 90 - 120 days respectively contrary to the Company's credit policy. No evidence has been provided of efforts by Management to recover

the debts with exception of an amount of Kshs.4,454,525 that has been paid as of the time of audit leaving an unrecovered amount of Kshs.10,140,681.

- iii. Staff receivables of Kshs.1,005,434, includes Kshs.437,434 which relates to long outstanding staff debts from prior years since 2019. Further, Management has not provided documents supporting the decrease in the long outstanding staff debtors from the balance brought forward of Kshs.805,448. In addition, Note 15(c) indicates a nil balance while the balance disclosed under trade and other receivables is Kshs.1,005,434.
- iv. As previously reported deposits paid to Nakumatt holdings and Kenya Power and Lighting Company worth Kshs.1,183,500 have not been recovered as of the time of the audit. The Nakumatt holdings is under liquidation as it was not possible to confirm if the amount could be recovered. In this regard, the debts outstanding remain doubtful and no efforts have been made to seek authority from the Cabinet Secretary of the National Treasury on the way forward.
- v. As previously reported, an amount of Kshs.51,897,978 due from Little Theatre Club and Ushanga Kenya Initiatives has been outstanding for a long period of time despite several request letters sent to State Department for Tourism by the Company.

In the circumstances, the accuracy and completeness of the trade receivables balance of Kshs.67,222,598 could not be confirmed.

3. Long Outstanding Trade Payables

The statement of financial position and Note 22 to the financial statement reflects trade and other payables balance of Kshs.107,231,411 which includes Kshs.12,750,663 which has been outstanding for more than two (2) years.

In the circumstances, the Company's ability to pay its debts as and when they fall due is in doubt.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts had an approved final income budget of Kshs.477,241,000 against actual receipts of Kshs.530,965,751 resulting in an over-receipt of Kshs.53,724,751 or 11% of the approved budget. Similarly, out of the approved final expenditure budget of Kshs.477,241,000, the Company realized an actual expenditure of Kshs.572,895,218 leading to an over-expenditure of Kshs.95,654,218 or 20% of the approved budget.

The under-utilization of approved budget and under receipt of revenue may have negatively affected service delivery.

2. Unresolved Prior Year Issues

In the audit report of the previous year, two (2) paragraphs were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved all the issues as required by the National Treasury Circular Ref. AG.3/88/Vol.VII (21) of 11 May, 2022.

The Management had not resolved the issues as at 30 June, 2022.

Other Information

The Directors are responsible for other information, which comprises the Chairman's Statement, Report of the Directors, Corporate Governance Statement and the Statement of Directors Responsibilities. The other information does not include the financial statements and my auditors report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015 I report based on the audit, that:

- (i) 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;
- (ii) In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and,
- (iii) The Company's financial statements are in agreement with the accounting records and returns.

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or 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 Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 April, 2023

XIII. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2022

	Note	2021-2022	2020-2021
		KShs.	KShs.
REVENUES			
Revenue	6	145,627,484	95,537,659
Cost of sales	7	(34,366,253)	(18,275,347)
Gross profit		111,261,231	77,262,312
Other Income			
Grants from the National Government	8	285,615,258	288,808,920
Other Income (Grants from Other Partners)	9	9,354,815	-
Gain on provision for bad debts	10	1,742,451	-
TOTAL REVENUES		407,973,755	366,071,232
OPERATING EXPENSES			
Administration Costs	11	449,903,223	351,905,652
TOTAL OPERATING EXPENSES		449,903,223	351,905,652
PROFIT/(LOSS) BEFORE TAXATION		(41,929,467)	14,165,580
INCOME TAX EXPENSE/(CREDIT)		-	-
PROFIT/(LOSS) AFTER TAXATION		(41,929,467)	14,165,580

XIV. Statement of Financial Position as at 30 June 2022

	NOTE	2021-2022	2020-2021
		KShs.	KShs.
ASSETS			
Non –current assets			
Property plant & equipment	13	2,338,217,295	2,323,979,663
		-	-
Total Non-Current Assets		2,338,217,295	2,323,979,663
CURRENT ASSETS			
Inventories	14	3,886,732	1,577,643
Trade and other Receivables	15	67,222,598	82,592,662
Bank and Cash balance	16	56,992,215	3,112,132
TOTAL CURRENT ASSETS		128,101,545	87,282,437
TOTAL ASSETS		<u>2,466,318,840</u>	<u>2,411,262,100</u>
<u>EQUITY AND LIABILITIES:</u>			
Share Capital	17	5,080,000	5,080,000
Revaluation Reserve	18	164,829,167	164,829,167
Retained Earnings	20	147,771,386	189,700,853
Deferred capital grant	21	2,041,406,876	1,972,404,616
CAPITAL AND RESERVES		<u>2,359,087,429</u>	<u>2,332,014,636</u>
NON-CURRENT LIABILITIES			
TOTAL NON -CURRENT LIABILITIES			=
Current Liabilities			
Trade and other payables	22	107,231,411	79,247,462
TOTAL CURRENT LIABILITIES		107,231,411	79,247,462
TOTAL EQUITY & LIABILITIES		<u>2,466,318,840</u>	<u>2,411,262,100</u>

The financial statements were approved by the Board on 18th APRIL, 2023 and signed on its behalf by:

Name: **PETER GITAA.**
 Director
 General/C.E.O/M.D

Name: **NIXON MUGALWA**
 Head of Finance

Name: **JANE JEPKORIR KIPTOD.**
 Chairperson of the Board

ICPAK M/NO: 11710

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended June 30, 2022

XV. Statement of Changes in Equity for the year ended 30 June 2022

	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2020	5,080,000	124,896,132	215,468,309	2,026,830,877	2,372,275,318
Revaluation done in 1996	-	39,933,036	(39,933,036)	-	-
Restated balances	5,080,000	164,829,167	175,535,273	2,026,830,877	2,372,275,318
Net surplus/(Deficit) for the year 30th June,2021	-	-	14,165,580	-	14,165,580
Transfer of Depreciation from capital funds to retained earnings	-	-	-	(54,426,262)	(54,426,262)
Capital Grant	-	-	-	-	-
At June 30, 2021	5,080,000	164,829,167	189,700,853	1,972,404,615	2,332,014,636
At July 1, 2021	5,080,000	164,829,167	189,700,853	1,972,404,615	2,332,014,636
Net surplus/(Deficit) for the year 30th June,2022	-	-	(41,929,467)	-	(41,929,467)
Transfer of Depreciation from capital funds to retained earnings	-	-	-	(61,374,258)	(61,374,258)
Adjustment for Capital grant(Little Theatre)	-	-	-	(19,623,482)	(19,623,482)
Capital Grant	-	-	-	150,000,000	150,000,000
At June 30, 2022	5,080,000	164,829,167	147,771,386	2,041,406,876	2,359,087,429

XVI. Statement of Cash Flows for the year ended 30 June 2022

	NOTES	2021-2022	2020-2021
		KShs.	KShs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from Operations	24	(884,544)	12,092,629
Net Cash from Operating Activities		(884,544)	12,092,629
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets/Work in progress/BICEC		(75,611,891)	(14,061,633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Development Grants		130,376,518	=
Net Increase/(Decrease) in Cash and Cash equivalents		53,880,083	(1,969,004)
Add: Beginning Balance of Cash and Cash Equivalents		<u>3,112,132</u>	<u>5,081,135</u>
ENDING BALANCE OF CASH & CASH EQUIVALENTS	24(c)	<u>56,992,216</u>	<u>3,112,132</u>

Bomas of Kenya Ltd
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XVII. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2022

	Original budget 2021-2022	Adjustments 2021-2022	Final budget 2021-2022	Actual on comparable basis 2021-2022	Performance difference 2021-2022	Variance in Percentage 2021-2022	Remarks
	KShs.	KShs.	KShs.	KShs.	KShs.		2021-2022
Revenue							
Sale of goods	-	-	-	-	-	-	
Sale of services	103,000,000	-	103,000,000	147,369,935	44,369,935	43%	(i)
Transfers from the Government	224,241,000	-	224,241,000	224,241,000	-		
CAPITAL	100,000,000	50,000,000	150,000,000	150,000,000	-		
Grant from other Partners	-	-	-	9,354,815	-		
Total income	427,241,000	50,000,000	477,241,000	530,965,751	53,724,751	-	
Expenses							
Compensation of employees	206,427,017	-	206,427,017	209,535,026	3,108,009	2%	(ii)
Boards Emoluments	14,900,400	-	14,900,400	14,652,138	(248,262)	-2%	(iii)
Administration expenses	100,263,960	-	100,263,960	152,315,411	52,051,451	52%	(iv)
Cost of Sales	4,500,000	-	4,500,000	34,366,253	29,866,253	664%	(v)
Legal & Professionals costs	1,149,623	-	1,149,623	12,026,390	10,876,767	946%	(vi)
Depreciation	-	-	-	-	-		
CAPITAL	100,000,000	50,000,000	150,000,000	150,000,000	-		
Total expenditure	427,241,000	-	477,241,000	572,895,218	-		
Surplus / Deficit for the period	-	-	-	(41,929,467)	-		

Bomas of Kenya Ltd

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Budget Variances

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

i) Sale of services

Bomas of Kenya Ltd hosted the 2022 General Elections exercise which had not been budgeted for thus the increase in AIA.

ii) Compensation of employees

This is due to the fact that the demand for casual employees went up since the institution hosted the IEBC staff and other stakeholders in the national tallying exercise during the last two quarters of the financial year.

iii) Administration Expenses

The IEBC function that happened necessitated increase in utilities and other hiring charges thus the unfavourable variance in the expenditure item.

iv) Selling and Distribution Expenses

This is attributable to the fact that we needed to stock up our restaurant in order to meet the rising demand of our clients especially in the final quarter of the year.

v) Finance & Professionals costs

This was occasioned by low budgetary allocation in the financial year. In the year, there were a lot of policies and manuals that needed to be developed and incorporated thereby necessitating the need for the expenditure.

XVIII. Notes to the Financial Statements

1. General Information

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

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

2. Statement of Compliance and Basis of Preparation

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

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended June 30, 2022****Notes to the Financial Statements (Continued)****3. Application of New and Revised International Financial Reporting Standards (IFRS)**

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

Title	Description	Effective Date
Amendments to IAS 16 titled Property, Plant and Equipment: Proceeds before Intended Use (issued in May 2020)	The amendments, applicable to annual periods beginning on or after 1 January 2022, prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing an asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
Amendments to IAS 37 titled Onerous Contracts - Cost of Fulfilling a Contract (issued in May 2020)	The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. They are effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted
Amendment to IFRS 1 titled Subsidiary as a First-time Adopter	The amendment, applicable to annual periods beginning on or after 1 January 2022, provides a subsidiary that becomes a first-time adopter later than its parent with an exemption relating to the measurement of its assets and liabilities. The exemption does not apply to components of equity.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended June 30, 2022**

Title	Description	Effective Date
Amendment to IFRS 9 titled Fees in the '10 per cent' Test for De-recognition of Financial Liabilities	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IFRS 9 clarifies the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted
Amendment to IAS 41 titled Taxation in Fair Value Measurements (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IAS 41 removed the requirement to exclude taxation cash flows when measuring fair value. This amendment aligned the requirements in IAS 41 on fair value measurement with those in other IFRS	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended June 30, 2022****Notes to the Financial Statements (Continued)****Application of New and Revised International Financial Reporting Standards (IFRS)**

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

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020)	The amendments, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

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Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.
IAS 8- Accounting Policies, Errors and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

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

iii. Early adoption of standards

Bomas of Kenya Ltd did not early – adopt any new or amended standards in year 2021-2022.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

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

a) Revenue recognition

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

- i) Revenue from the sale of goods and services** is recognized in the year in which Bomas of Kenya Ltd delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government** are recognized in the year in which Bomas of Kenya Ltd actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- iv) Other income** is recognized as it accrues.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

b) In-kind contributions

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

c) Property, plant and equipment

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

d) Depreciation and impairment of property, plant and equipment

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

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

e) Intangible assets

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

f) Amortisation and impairment of intangible assets

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

g) Investment property

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

h) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever Bomas of Kenya Ltd incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Bomas of Kenya Ltd expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

i) Fixed interest investments (bonds)

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

j) Quoted investments

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

k) Unquoted investments

Unquoted investments stated at cost under non-current assets, and comprise equity shares held in other Government owned or controlled entities that are not quoted in the Securities Exchange.

l) Inventories

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

m) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

n) Taxation

i) Current income tax

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

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

o) Deferred tax

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

Deferred Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

p) Borrowing costs

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

q) Cash and cash equivalents

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

r) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are

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added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

s) Trade and other payables

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

t) Retirement benefit obligations

Bomas of Kenya Ltd operates a defined contribution scheme for all full-time employees from January 1, 2022. The scheme is administered by CPF and an in-house board of Trustees and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month.

u) Provision for staff leave pay

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

v) Exchange rate differences

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies

w) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Bomas of Kenya Ltd upon receiving the respective approvals in order to conclude the final budget. Accordingly, Bomas of Kenya Ltd recorded additional appropriations of Kshs.50,000,000 on the 2021-2022 budget following the governing body's approval.

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

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

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements (Continues)

a) Service concession arrangements

Bomas of Kenya Ltd analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Bomas of Kenya Ltd recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Bomas of Kenya Ltd also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

b) Comparative figures

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

c) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Notes to the Financial Statements (Continues)

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Bomas of Kenya Ltd 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 Bomas of Kenya Ltd. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material (include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended June 30, 2022****Notes to the Financial Statements (Continues)****6. Revenue**

	2021/2022	2020/2021
	KShs.	KShs.
Restaurant sales	19,096,449	1,064,050
Parties and Reception	104,161,573	91,206,471
Bar Sales	1,763,955	-
Gate collection & playground	5,970,560	816,200
Hire of Dancers/halls	13,129,185	700,000
Rent Income	493,052	899,459
Sundry Income	1,012,710	851,479
Total sales	145,627,484	95,537,659

The institution was contracted to host the IEBC exercise as the National Tallying Centre and the business started trickling in the final quarter of the financial year thus the increment in most of our revenue lines.

7. Cost of Sales

	2021/2022	2020/2021
	KShs.	KShs.
Purchase -Main Bar	3,383,859	499,789
Purchase - Nyama Choma Bar	-	137,280
Purchases - Parties/ Reception	20,079,334	11,231,109
Purchase - Main Restaurant	10,903,060	6,407,169
Total	34,366,253	18,275,347

The major differences in this expenditure line was due to the fact that the institution was hosting the IEBC in terms of trainings and other preparations for the General elections.

8. Grants from National Government

	2021/2022	2020/2021
	KShs.	KShs.
Recurrent grants received	224,241,000	234,382,658
Capital grants realized	61,374,258	54,426,262
Total	285,615,258	288,808,920

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

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs.	Amount deferred under deferred income KShs.	Amount recognised in capital fund. KShs.	Total grant income during the year KShs.
Ministry of Tourism & Wildlife	224,241,000	61,374,258	285,615,258	285,615,258
Total	224,241,000	61,374,258	285,615,258	285,615,258

9. Other Income (Grants from other partners)

	2021/2022	2020/2021
	KShs.	KShs.
Ignite Culture	8,759,983	-
Libido Music	594,833	-
Total	9,354,815	-

10. Other Gains and Losses

	2021/2022	2020/2021
	KShs.	KShs.
Gain on provision for bad debts	1,742,451	-
Total	1,742,451	-

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended June 30, 2022****Notes to the Financial Statements (Continued)****11. Administration Costs**

	2021/2022	2020/2021
Description	KShs.	KShs.
Staff Costs(11b)	209,535,026	171,762,878
Directors' Emoluments (11c)	14,652,138	15,815,591
Motor Vehicle Running & transport	5,035,371	6,885,800
Traveling & Entertainment	906,175	2,892,020
Medical Expenses	17,042,212	9,718,545
Dancers Expenses	1,783,995	2,868,310
Food & Accommodation	17,075,919	5,986,485
Uniforms for Staff	680,167	342,365
Publicity & Promotion	3,144,606	6,566,497
Printing & Stationery	6,603,806	3,736,322
Telephone & Postage	1,954,375	2,735,345
Cleaning & laundry	3,643,089	4,765,065
Security Charges	2,735,300	2,978,178
Hiring Charges	20,441,414	11,719,449
Staff Training	2,054,921	4,049,588
Sundry Expenses	1,252,330	1,429,245
Interest & Bank Charges	470,881	381,748
Subscriptions & Donations	940,058	460,830
Insurance & Licenses	4,673,247	8,116,635
Legal & professional	12,026,390	4,626,170
Audit fee	232,000	232,000
Land Rates	809,550	403,240
Electricity & Water charges	9,374,064	7,109,252
Repairs & Maintenance	31,142,918	14,673,481
Diverse Cultural Project	15,529,257	5,290,863
Bad and Doubtful Debts	1,459,521	-
Provisions for bad & doubtful debts	-	1,933,488
Depreciation Charge	61,374,258	54,426,262
Paid VAT	3,330,236	-
Total	449,903,223	351,905,652

Notes to the Financial Statements (Continued)

11b. Staff Costs

	2021/2022	2020/2021
Description	Kshs	Kshs
Salaries and allowances of permanent employees	164,904,358	133,784,525
Wages of temporary employees, Attachment and internships	20,390,777	16,346,510
General Managers salary	4,944,138	2,951,786
Compulsory national health insurance schemes	2,782,450	2,363,300
Compulsory national social security schemes	5,888,128	4,084,474
Terminal Benefits / Gratuity	10,625,175	11,951,283
Provision for leave paid	-	281,000
Total	209,535,026	171,762,878
The average number of employees at the end of the year was:	2021/2022	2020/2021
Permanent employees – Management	6	6
Permanent employees – Unionisable	103	107
Temporary and contracted employees	82	83
Total	191	196

11c. Directors Emoluments

Directors Emoluments	2021/2022	2020/2021
	KShs.	KShs.
Chairman Honorarium	960,000	960,000
Sitting Allowance	4,180,000	9,194,857
Travel & Subsistence	9,512,138	5,660,734
Total	14,652,138	15,815,591

Bomas of Kenya Ltd

Annual Report and Financial Statements for the year ended June 30, 2022

12. Operating Profit/(Loss)

	2021/2022	2020/2021
Description	KShs.	KShs.
The operating profit/(loss) is arrived at after charging/(crediting)		
Staff Costs (11b)	209,535,026	171,762,878
Depreciation of PPE	61,374,258	54,426,262
Depreciation of right of use of asset	-	-
Provision for bad and doubtful assets	-	1,933,488
Directors emoluments - fees	14,652,138	15,815,591
Other	164,109,801	109,668,922
Auditor's remuneration -	232,000	232,000
Prior year under-provision	-	-
Loss on disposal of PPE	-	-
Net foreign exchange loss	-	-
Interest receivable	-	-
Interest payable	-	-
Rent receivable	-	-

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

	FREEHOLD LAND	CAPITAL WORK IN PROGRESS	BUILDINGS & CIVIL WORKS	MOTOR VEHICLES	FURNITURE FITTINGS & EQUIPMENT	COMPUTERS	LOOSE TOOLS	PUMPS & FEES	TOTALS
COST OR VALUATION			2.5% on cost	0.25	0.175	0.30	0.50	0.20	
At July 1st, 2021	76,950,000	663,323,319	1,891,179,331	21,499,815	265,194,114	21,490,631	24,561,191	47,021,426	3,011,219,824
Additions	-	72,143,339	-	-	3,065,002	403,550	-	-	75,611,891
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
At June 30th 2022	76,950,000	735,466,658	1,891,179,331	21,499,815	268,259,115	21,894,181	24,561,191	47,021,426	3,086,831,715
DEPRECIATION									
At July 1st, 2021	-	-	402,797,325	19,052,921	183,243,874	16,365,409	24,437,466	41,343,167	687,240,162
Charge for the year on profit & loss	-	-	47,279,483	611,724	10,626,905	1,658,631	61,862	1,135,652	61,374,258
Impairment loss	-	-	-	-	-	-	-	-	-
Elimination on disposal	-	-	-	-	-	-	-	-	-
At June 30th 2022	-	-	450,076,809	19,664,644	193,870,779	18,024,041	24,499,328	42,478,819	748,614,420
NET BOOK VALUE AT JUNE 2022	76,950,000	735,466,658	1,441,102,523	1,835,171	74,388,336	3,870,140	61,862	4,542,607	2,338,217,295

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022

Notes To The Financial Statements (Continued)

Property, Plant and Equipment (Continued)

COST OR VALUATION	FREEHOLD LAND	CAPITAL WORK IN PROGRESS	BUILDINGS & CIVIL WORKS	MOTOR VEHICLES	FURNITURE FITTINGS & EQUIPMENT	COMPUTERS	LOOSE TOOLS	PUMPS & PIPES	TOTALS
AT July 1, 2020	76,950,000	663,323,319	1,891,179,331	21,499,815	252,411,262	20,226,949	24,556,090	47,011,426	2,997,158,192
Additions	-	-	-	-	12,782,851	1,263,681	5,100	10,000	14,061,632
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
AT June 30th 2021	76,950,000	663,323,319	1,891,179,331	21,499,815	265,194,113	21,490,630	24,561,190	47,021,426	3,011,219,824
DEPRECIATION									
At July 1, 2021	-	-	364,633,684	18,237,289	171,536,697	14,168,886	24,313,742	39,923,603	632,813,901
Charge for the year- on profit & loss	-	-	38,163,641	815,631	11,707,177	2,196,523	123,724	1,419,565	54,426,261
Impairment loss	-	-	-	-	-	-	-	-	-
Elimination on disposal	-	-	-	-	-	-	-	-	-
At June 30th, 2021	-	-	402,797,325	19,052,921	183,243,874	16,365,409	24,437,466	41,343,167	687,240,162
NET BOOK VALUE AT JUNE 2021	76,950,000	663,323,319	1,488,382,006	2,446,894	81,950,239	5,125,221	123,724	5,678,259	2,323,979,662

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes To The Financial Statements (Continued)

Valuation

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

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

WORK IN PROGRESS

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

Description	2022 Kshs	2021 Kshs
Work in progress analysis		
Balance brought forward	663,323,319	663,323,319
Additions for the year	72,143,339	-
Total balance carried forward	735,466,658	663,323,319

13 (b) Property, Plant and Equipment at Cost

Description	Cost KShs.	Accumulated Depreciation KShs.	NBV KShs.
Land	76,950,000	-	76,950,000
Buildings	1,891,179,331	450,076,809	1,441,102,523
Motor Vehicles Including Motor Cycles	21,499,815	19,664,644	1,835,171
Computer and Related Equipment	21,894,181	18,024,041	3,870,140
Office Equipment, Furniture and Fittings	268,259,115	193,870,779	74,388,336
Pumps and Pipes	47,021,426	42,478,819	4,542,607
Loose Tools	24,561,191	24,499,328	61,862
Work in Progress	735,466,658	-	735,466,658
	3,086,831,715	748,614,420	2,338,217,295

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended 30th June 2022**

Property, plant and machinery includes the following assets that are fully depreciated

	Cost valuation	Normal Annual Depreciation Charge
	KShs.	KShs.
Buildings and Civil Works	1,891,179,331	47,279,483
Motor Vehicles, Including Motor Cycles	21,499,815	611,724
Computer and Related Equipment	21,894,181	1,658,631
Office Equipment, Furniture and Fittings	268,259,115	10,626,905
Pumps and Pipes	47,021,426	1,135,652
Loose Tools	24,561,191	61,862
Total	2,274,415,059	61,374,258

14. Inventories

Description	2021/2022	2020/2021
	KShs.	KShs.
Finished Goods	3,886,732	1,577,643
Total	3,886,732	1,577,643

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

15. Trade and Other Receivables

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Receivables (Note 15 (a))	14,595,206	32,019,722
Deposits and prepayments	1,183,500	1,183,500
Vat recoverable	0	0
Staff receivables (Note 15 (c))	1,005,434	805,448
Other receivables	51,897,978	51,897,978
Gross Trade and Other Receivables	68,682,118	85,906,648
Provision for Bad And Doubtful Receivable	(1,459,521)	(3,313,986)
Net Trade and Other Receivables	67,222,598	82,592,662

15(a) Trade Receivables

	2021/2022	2020/2021
	KShs.	KShs.
Debtors- long outstanding		
Trade Debtors	14,595,206	32,019,722
Staff Debtors	1,005,434	805,448
Deposits Paid	1,183,500	1,183,500
Little Theatre & Ushanga Kenya Receivables	51,897,978	51,897,978
Total	68,682,118	85,906,648
Provision for bad & Doubtful Debts-	112,014	-
-(10% of trade debtors)	(1,459,521)	(3,201,972)
-(100% of long outstanding debtors over 10 years)	-	-
Provision for ex- staff debtors	(112,014)	(112,014)
Provision for leave paid		
Total	67,222,597	82,592,662
Provision for bad & Doubtful Debts		
Opening balance	3,201,972	1,268,484
Closing balance	1,459,521	3,201,972
Gain / Loss on Provisions	1,742,451	(1,933,488)

The institution did not have any receivables less than 30 days as it was closed to the public in preparation for the General elections.

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

15 (b) Reconciliation of Impairment Allowance for Trade Receivables

Provision for bad & Doubtful Debts	2021/2022	2020/2021
Opening balance	3,201,972	1,268,484
Closing balance	1,459,521	3,201,972
Gain / Loss on Provisions	1,742,452	(1,933,488)

15 (c) Staff Receivables

	2021/2022	2020/2021
	KShs.	KShs.
Gross staff loans and advances	487,000	93,750
Provision for impairment loss	-	-
	487,000	93,750
Less: Amounts due within one year	487,000	93,750
	_____	_____
Amounts due after one year	-	-
	=====	=====

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes To The Financial Statements (Continued)

16. Bank and Cash Balances

	2021/2022	2020/2021
	KShs.	KShs.
Cash at bank - Current A/c No (1108986668)	2,683,154	36,187
Cash in bank – Current A/c No (1108985580)	53,871,873	2,978,717
M-Pesa - Account	426,138	13,909
Cash in hand	11,050	43,320
Cash Float	-	40,000
Total	56,992,215	3,112,132

Detailed analysis of the cash and cash equivalents

		2021/2022	2020/2021
Financial institution	Account number	KShs.	KShs.
a) Current account			
Kenya Commercial bank		56,555,027	3,014,904
Sub- total		56,555,027	3,014,904
b) Others(specify)			
Cash Float		0	40,000
Cash in hand		11,050	43,320
M pesa		426,138	13,909
Sub- total		437,188	97,229
Grand total		56,992,215	3,112,133

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

17. Ordinary Share Capital

Description	2021/2022	2020/2021
	KShs.	KShs.
Authorised:		
254,000 ordinary shares of KShs. 20 par value each	5,080,000	5,080,000
	=====	=====
Issued and fully paid:		
254,000 ordinary shares of KShs. 20 par value each	5,080,000	5,080,000
	=====	=====

18. Revaluation Reserve

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

Description	2021/2022	2020/2021
	KShs.	KShs.
Balance brought forward	164,829,167	124,896,132
Less:-depreciation surplus for the year	-	-
<i>Revaluation surplus (valuation done in 1996)</i>	-	39,933,036
Balance carried forward	<u>164,829,167</u>	<u>164,829,167</u>

19. Fair Value Adjustment Reserve

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

Bomas of Kenya Ltd**Annual Report and Financial Statements for the year ended 30th June 2022****20. Retained Earnings**

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

	2021/2022	2020/2021
	KShs.	KShs.
Balance brought forward	189,700,853	215,468,309
Net Surplus / Deficit for the year	(41,929,467)	14,165,580
Total	147,771,386	229,633,889
<i>Revaluation surplus (valuation done in 1996)</i>		(39,933,036)
Balance carried forward	<u>147,771,386</u>	<u>189,700,853</u>
Balance carried forward	<u>147,771,386</u>	<u>189,700,853</u>

21. Deferred Capital Grant

	2021/2022	2020/2021
	KShs.	KShs.
Balance for the year 2020/2021	1,972,404,616	2,026,830,878
Capital Grant for the year	150,000,000	-
Deferred Grant for the year 2021/2022	61,374,258	54,426,262
Adjustment for Capital grant(Little Theatre)	19,623,482	-
Balance Carried Forward	<u>2,041,406,876</u>	<u>1,972,404,616</u>

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

22. Trade and Other Payables

	2021/2022	2020/2021
	KShs.	KShs.
Trade Creditors	53,627,133	34,380,102
Retention/Contract monies	23,955,768	-
Employee payables	1,779,936	15,861,551
Other Payables	27,868,574	29,005,809
Total Payable	107,231,411	79,247,462

23. Retirement Benefit Obligations

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

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

24. Notes to the Statement of Cash Flows

	2021-2022	2020-2021
	Kshs	Kshs
(a) Reconciliation of operating profit/(loss) to cash generated from/(used in) operations		
Profit or loss before tax	(41,929,467)	14,165,580
Depreciation	61,374,258	54,426,262
Capital Grants Realized	(61,374,258)	(54,426,262)
Operating profit/(loss) before working capital changes	(41,929,467)	14,165,579.66
(Increase)/decrease in inventories	(2,309,089)	(1,577,643)
(Increase)/decrease in trade and other receivables	15,370,064	(17,545,380)
Increase/(decrease) in trade and other payables	27,983,949	17,050,072
Cash generated from/(used in) operations	(884,543)	12,092,629
Balance at beginning of the year	3,112,132	5,081,135
Receipts during the year		
Repayments during the year		
Balance at end of the year	56,992,215	3,112,132
(c) Analysis of cash and cash equivalents		
Short term deposits	-	-
Cash at bank	56,981,165	3,028,813
Cash in hand	11,050	83,320
Balance at end of the year	56,992,215	3,112,133

25. Taxation

The company has been making losses over the years and therefore did not provide for tax in the financial statements. During the financial year ended 30 June 2022, the company had a deficit of Kshs. 41,929,467. A substantial amount of income during the year was grants from the Government. No provision for tax was therefore made.

Bomas of Kenya Ltd
Annual Report and Financial Statements for the year ended 30th June 2022

26. Incorporation

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

27. Events after the Reporting Period

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

28. Currency

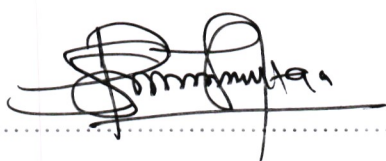
The financial statements are presented in Kenya Shillings (Kshs)

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XIX. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Over-expenditure on Directors Emoluments	Management has initiated measures to ensure the expenditure does not exceed the recommended threshold	Finance Manager	Not Resolved	One year
2	Long Outstanding Payables	Management embarked on clearing the long outstanding payables and this is an ongoing exercise.	Finance Manager	Not Resolved	One year
1.1	Valuation of Assets	Ministry of Tourism & Wildlife is working on a model to carry out valuation of State Corporation under it	General Manager	Not resolved	One year
1.2	Trade and Other Receivables	Management has requested the Board of Directors to get approval from the National Treasury to write off the long outstanding debts.	Finance Manager	Not resolved	One year



PETER GITAA KORIA

Accounting Officer

General Manager/CEO

Date

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Appendix II: Projects implemented by (Bomas of Kenya Ltd)

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 Rehabilitation of Auditorium Hall	1202102700	GOK	1year	150,000,000	No	Yes
2 Sample Bar Kenya	IGC/11/2022	HEVA FUND LLP	2 years	22,811,025	Yes	Yes

Appendix III: Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Rehabilitation of Auditorium Hall	150,000,000	130,451,250	87%	150,000,000	150,000,000	Grants
2	Sample Bar Kenya	22,811,025	6,087,315	27%	8,759,983	8,759,983	Grant

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Appendix IV: Transfers from Other Government Entities

Name of the MDA Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent Development /Others	Total Amount - Kshs	Statement of Financial Performance	Recorded/Recognized		Total Transfers during the Year
					Capital Fund	Deferred Income	
Ministry of Tourism and Wildlife	8/16/2021	Recurrent	56,060,250	56,060,250			56,060,250
Ministry of Tourism and Wildlife	10/28/2021	Recurrent	37,373,500	37,373,500			37,373,500
Ministry of Tourism and Wildlife	12/10/2021	Recurrent	18,686,750	18,686,750			18,686,750
Ministry of Tourism and Wildlife	3/2/2022	Recurrent	37,373,500	37,373,500			37,373,500
Ministry of Tourism and Wildlife	4/4/2022	Recurrent	18,686,750	18,686,750			18,686,750
Ministry of Tourism and Wildlife	11/5/2022	Recurrent	18,686,750	18,686,750			18,686,750
Ministry of Tourism and Wildlife	17/06/2022	Recurrent	18,686,750	18,686,750			18,686,750
Ministry of Tourism and Wildlife	17/06/2022	Recurrent	18,686,750	18,686,750			18,686,750
Ministry of Tourism and Wildlife	9/15/2021	Development	25,000,000		25,000,000		25,000,000
Ministry of Tourism and Wildlife	1/7/2022	Development	25,000,000		25,000,000		25,000,000
Ministry of Tourism and Wildlife	3/15/2022	Development	50,000,000		50,000,000		50,000,000
Ministry of Tourism and Wildlife	5/24/2022	Development	50,000,000		50,000,000		50,000,000
Total			374,241,000	224,241,000	150,000,000	150,000,000	374,241,000

