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REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
KENYA TOURIST BOARD FOR THE YEAR ENDED 30 JUNE 2001

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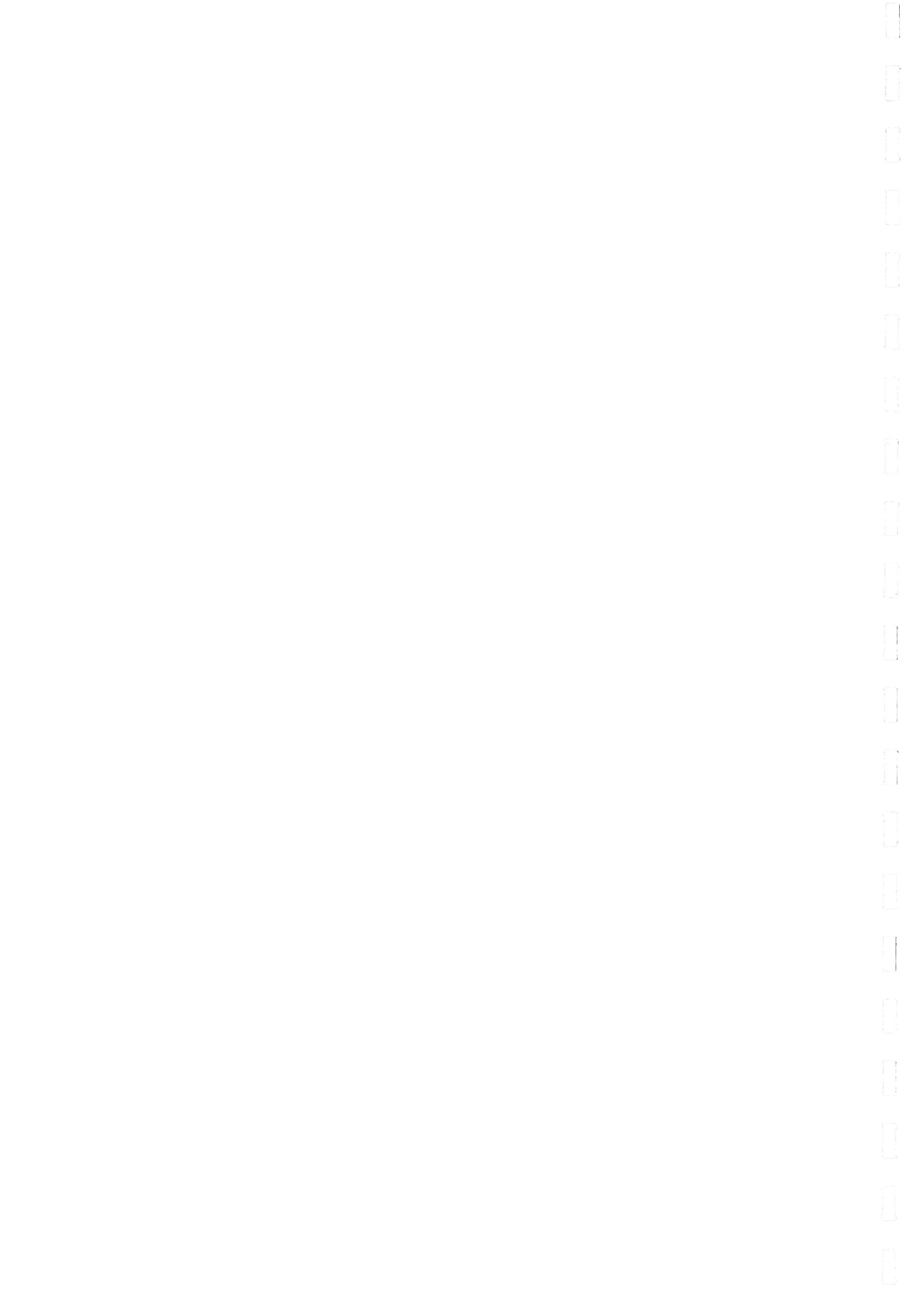
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**REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON
THE ACCOUNTS OF KENYA TOURIST BOARD FOR THE
YEAR ENDED 30 JUNE 2001**

I have examined the Accounts of Kenya Tourist Board for the year ended 30 June 2001 in accordance with the provisions of Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith.

In my opinion, the Accounts, when read together with the Notes thereon, present a true and fair view of the Board's financial state of affairs as at 30 June 2001 and of its surplus and cash flows for the year then ended.


S. M. MALUKI

AUDITOR GENERAL (CORPORATIONS)

10 July 2002

KENYA TOURIST BOARD**INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2001**

	NOTE	30-Jun-01 KSHS	30-Jun-00 KSHS
INCOME			
GOVERNMENT GRANT		90,000,000	40,000,000
CATERING LEVY		32,000,000	27,932,000
OTHERS	6 (Page 5)	75,058,007	33,440,694
		197,058,007	101,372,694
EXPENDITURE			
RECURRENT EXPENDITURE	7 (Page 5)	144,221,772	86,951,057
DEPRECIATION		2,734,972	1,545,647
AUDIT FEE		150,000	150,000
		147,106,745	88,646,704
SURPLUS / (DEFICIT)		49,951,262	12,725,990
GENERAL FUND			
OPENING BALANCE		12,195,762	566,752
PRIOR PERIOD ADJUSTMENT	8 (Page 6)	487,455	(1,096,980)
ADJUSTED OPENING BALANCE		12,683,217	(530,228)
SURPLUS / (DEFICIT) FOR THE YEAR		49,951,262	12,725,990
CLOSING BALANCE		62,634,479	12,195,762



KENYA TOURIST BOARD

BALANCE SHEET AS AT 30TH JUNE 2001

	NOTES-	30-Jun-01 KSHS	30-Jun-00 KSHS
FIXED ASSETS	2 (page 4)	18,226,795	4,173,292
		18,226,795	4,173,292
CURRENT ASSETS			
PETTY CASH		27,805	7,330
BANK ACCOUNT		58,122,003	14,826,849
CALL DEPOSIT		-	2,000,000
PREPAYMENTS & DEPOSITS	3 (Page 4)	897,872	3,067,996
RECEIVABLES	4 (Page 5)	368,890	152,796
		59,416,569	20,054,971
CURRENT LIABILITIES			
CREDITORS AND ACCRUALS	5 (Page 5)	13,913,546	9,767,938
AUDIT FEE PAYABLE		300,000	450,000
		14,213,546	10,217,937
NET CURRENT ASSETS		45,203,023	9,837,034
TOTAL ASSETS		63,429,818	14,010,326
FINANCED BY			
GENERAL FUND		62,634,479	12,195,762
CAPITAL GRANTS (EU)		795,340	1,814,564
		63,429,818	14,010,326

The Financial accounts were signed on behalf of the Board on 25th JUNE 2002 by :-

Chairman: Director: 



KENYA TOURIST BOARD**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2001**

	30-Jun-01 KSHS	30-Jun-00 KSHS
NET CASH FLOW FROM OPERATING ACTIVITIES		
OPERATING SURPLUS / (DEFICIT)	49,951,262	12,725,990
<u>ADJUSTMENT</u>		
DEPRECIATION	2,734,972	1,545,647
AMORTIZATION-EU CAPITAL GRANT	(531,769)	-
PRIOR PERIOD ADJUSTMENT	-	(1,096,980)
<u>CHANGES IN WORKING CAPITAL</u>		
(INCREASE) / DECREASE IN DEBTORS	1,954,030	(2,992,374)
INCREASE / (DECREASE) IN CREDITORS	3,995,608	3,500,813
NET CASH FLOW FROM OPERATING ACTIVITIES	58,104,104	13,683,096
INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(16,788,475)	(1,181,028)
NET CASH FLOW FROM INVESTING ACTIVITIES	(16,788,475)	(1,181,028)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	41,315,629	12,502,068
CASH & CASH EQUIVALENTS AS AT 1ST JULY	16,834,179	4,332,111
	58,149,808	16,834,179
ANALYSIS OF BALANCES OF CASH & CASH EQUIVALENTS		
PETTY CASH	27,805	7,330
FIXED DEPOSIT	-	2,000,000
BANK BALANCE	58,122,003	14,826,849
	58,149,808	16,834,179

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) **Basis of Accounting**

The financial statements are prepared under the historical cost basis of accounting.

(b) **Depreciation**

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

Motor vehicles	25%
Office Equipment & Furniture	12.5%
Computers	30%

2 FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2001

DETAILS

	OFFICE EQUIPMENT	COMPUTERS	FURNITURE	MOTOR VEHICLES	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS
<u>COST / VALUATION</u>					
As at 1st July 2000	1,154,092	2,797,871	275,512	3,211,087	7,438,562
Additional during the year	1,214,377	2,124,139	13,449,960	-	16,788,476
	2,368,469	4,922,010	13,725,472	3,211,087	24,227,039
<u>DEPRECIATION</u>					
As at 1st July 2000	355,970	574,489	68,005	2,266,806	3,265,270
Charge for the year	187,197	1,070,844	725,026	751,906	2,734,972
	543,167	1,645,333	793,031	3,018,712	6,000,243
NET BOOK VALUE	1,825,303	3,276,677	12,932,442	192,375	18,226,795

3 PREPAYMENTS

	30-Jun-2001	30-Jun-2000
Refund Serena	15,982	15,982
Reeds Exhibitions	-	3,034,514
Telkom	57,500	17,500
Insurances	110,862	-
Kenya Airports Authority	37,500	-
Staff Imprest	502,342	-
Others	173,686	-
	897,872	3,067,996



4 RECEIVABLES

	30-Jun-2001	30-Jun-2000
TTC Project	-	777,648
Jim Flannery	208,308	208,308
Staff Advances	184,260	107,061
Others	207,285	45,735
	<u>599,853</u>	<u>1,138,752</u>
Provision for bad debts	(230,963)	(985,956)
	<u>368,890</u>	<u>152,796</u>

5 CREDITORS AND ACCRUALS

	30-Jun-2001	30-Jun-2000
Local Creditors	10,327,882	4,902,617
International Creditors	2,067,706	3,898,156
Miscellaneous Creditors	1,517,957	967,165
	<u>13,913,546</u>	<u>9,767,938</u>

6 OTHER INCOME

	30-Jun-01	30-Jun-00
	Kshs	Kshs
Industry contribution	21,555,786	19,890,004
EU Grant-cash	50,000,000	10,750,000
Miscellaneous	2,970,453	2,800,690
Amortization-EU Capital Grant	531,769	-
	<u>75,058,007</u>	<u>33,440,694</u>

7 RECURRENT EXPENDITURE

	30-Jun-01	30-Jun-00
	Kshs	Kshs
Bank charges	385,918	286,074
Salaries and wages	27,161,106	12,660,160
Staff training	793,931	18,500
Staff uniforms	71,639	4,800
Subscriptions & Donations	388,024	270,559
Staff medical & insurance	1,172,423	793,011
Motor Vehicle fuel	517,771	287,883
Motor Vehicle maintenance	586,517	175,018
Motor Vehicle insurance	130,923	186,034
Rent	5,186,249	1,390,840
Postage	60,573	94,944
Maintenance-Office equipment	365,044	278,999
Relocation expenses	2,287,980	-
Telephone and internet	3,327,621	2,235,078
Stationery	525,354	268,628
Office general expenses	798,725	411,591
Staff Recruitment	616,673	104,640
Advertising	114,466	193,772
Travelling & Accommodation	768,753	699,131
Marketing and promotion	96,931,037	65,325,460
Entertainment	257,962	340,169
Committees, Conferences & Meetings	202,508	-
Pension	1,547,919	925,767
Bad Debt Expense	22,655	-
	<u>144,221,772</u>	<u>86,951,057</u>

8 PRIOR PERIOD ADJUSTMENT-KSHS 487,455

The current year's prior period adjustment (Kshs.487,455/-) relates to amortization of European Union capital grant. No amortization was done in the financial year ended 30th June 2000.

The comparative prior period adjustment relates to directors expenses for the 1998-1999 financial year which was paid in the 1999-2000 year. No provision had been made as at 30 th June 1999.

