KENYA
Tourism Board

2024

KTB ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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

KENYA
Tourism Board

2024

CONTENTS

2024

1.ACRONYMS, ABBREVIATIONS & GLOSSARY OF TERMS

ACS	Africa Climate Summit
A-I-A	Appropriations in Aid
AJEA	Annual Journalist Excellence Awards
APAC	Asian and Pacific Countries
APTA	Association for the Promotion of Tourism to Africa
ATM	Arabian Travel Market
AUC	Africa Union Commission
B2B	Business to Business
B2C	Business to Consumer
CAETE	China Africa Economic Trade Exhibition
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
DMC	Destination Management Company
EAC	East Africa Community
EARTE	East Africa Regional Tourism Expo
EK	Ecotourism Kenya
GTA	Ghana Tourism Authority
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ITB	International Tourism Bourse
JKIA	Jomo Kenyatta International Airport
KAA	Kenya Airports Authority
KAHC	Kenya Association of Hotel Keepers and Caterers
KATO	Kenya Association of Tour Operators
KCTA	Kenya Coast Tourism Association
KICC	Kenyatta International Convention Centre
KPA	Kenya Ports Authority
KTB	Kenya Tourism Board
KTF	Kenya Tourism Federation
MCK	Media Council of Kenya
MICE	Meeting, Incentive, Conferences & Exhibitions
MKSE	Magical Kenya Signature Experiences
MKTE	Magical Kenya Tourism Expo
MKTS	Magical Kenya Travel Specialist
MTC	Mombasa Tourism Council
NACADA	National Authority for the Campaign against Alcohol and Drug Abuse
NACC	National Aids Control Council
NCWPD	National Council for Persons with Disabilities
NGEC	National Gender & Equality Commission
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
OTOAI	Outbound Tour Operators of India
OTT	Over-the-top
PFM	Public Finance Management
POATE	Pearl of Africa Tourism Expo
PPADR	Public Procurement & Asset Disposals Regulation
PPDA	Public Procurement & Disposals Act
PPE	Property Plant & Equipment
PS	Permanent Secretary
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
TF	Tourism Fund
TPF	Tourism Promotion Fund
TOSK	Tour Operator Society of Kenya
UK	United Kingdom
UNESCO	United Nations Educational, Scientific and Cultural Organization
USTOA	United States Tour Operators Association
UTB	Uganda Tourism Board
WRC	World Rally Championship
WTM	World Travel Market
WTTC	World Travel & Tourism Council

: Glossary of Terms

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

Comparative Year- Means the prior period.


Kenya
Trail
Series

2. KTB'S INFORMATION & MANAGEMENT

I. BACKGROUND INFORMATION

KTB is a state corporation established under the Tourism Act No.28 of 2011. Prior to enactment of the Tourism Act, KTB (then known as Kenya Tourist Board) operated under Legal Notice No.14 of 1997. At Cabinet level, KTB is represented by the Cabinet Secretary for Ministry of Tourism, Wildlife & Heritage, who is responsible for the general policy and strategic direction of KTB. The Entity is domiciled in Nairobi Kenya and has a satellite office in Mombasa.

II. PRINCIPAL ACTIVITIES

The Kenya Tourism Board mandate under the Tourism Act No. 28 of 2011 is to: -

a) Develop, implement and co-ordinate a national tourism marketing strategy;
b) Market Kenya at local, national, regional and international levels as a premier tourist destination;
c) Identify tourism market needs and trends and advise tourism stakeholders accordingly; and
d) Perform any other functions that are ancillary to the object and purpose for which the Tourism Board is established.

VISION

To be the most visited tourism destination in Africa.

MISSION

To market Kenya as the home of human origin and as an all-year-round diverse, sustainable and authentic tourism destination.

CORE VALUES

To fulfil its mandate and accomplish its vision and mission, the Board will be guided by its core values of:

1.Sustain

2.Excellence

3. Innovation & Creativity

4.Collaboration

OUR CUSTOMERS

Local

- Employees
- Government
- The General Public
- The Tourism Private Sector
- Suppliers
- Local & International media correspondents in Kenya
- Domestic Tourists

International

- Kenya Missions Abroad
- Market Development Representatives (MDRs)
- The Travel Trade in various source markets
- The International Media
- International Suppliers
- International Tourists
- Kenyans in the Diaspora

OUR SERVICES

We strive to provide our customers with:

- Destination Marketing Services
- Tourism Marketing Information Services
- Media liaison and Tourism Sector Crisis Management Services
- Collateral Materials/Promotional Materials Services
- Exhibitions, Road shows and Stand Design Services
- Destination Training Services for Source Market Travel Trade
- Product Packaging
- Product Value Added Advisory Services
- Tourism Trade Partnership Support
- General Industry Marketing Services

OUR STRATEGIC PARTNERS

Our key strategic partners include the following:

- Kenya Airways(KQ)
- Kenya Wildlife Services(KWS)
- Kenya Railways Corporation (KRC)
- Kenya Tourism Federation (KTF)
- Kenya Association of Tour Operators (KATO)
- Kenya Association of Hotelkeepers& Caterers (KAHC)
- Eco Tourism Kenya (EK)
- Kenya Association of Travel Agents (KATA)
- Kenya Airports Authority (KAA)
- Kenya Civil Aviation Authority (KCAA)
- Pubs, Entertainment & Restaurants Association of Kenya (PERAK)

III. KEY MANAGEMENT

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

Chief Executive Officer | **Executive management**

NO.	DESIGNATION	NAME
1.	Accounting officer/ CEO	June Chepkemei
2.	Director of Market Development	Betty Ichan
3.	Director of Marketing Support Services	Lorna Nyagah
4.	Director of Finance & Administration	Mary Maina
5.	Company Secretary	Allan Njoroge
6.	Manager Internal Audit	Onesmus Karanja
7.	Manager Human Resources	Gladys Lusweti
8.	Manager Supply Chain Management	Gerald Omondi
9.	Strategy & Compliance Manager	Doreen Odhiambo
10.	ICT Manager	Paul Kathambana

IV. FIDUCIARY MANAGEMENT

The key management personnel who held office during the year ended 30th June 2024 and show had direct fiduciary responsibility were:

NO.	DESIGNATION	NAME
1.	CEO	Ms. June Chepkemei
2.	Director of Marketing Development	Ms. Betty Ichan
3.	Director of Marketing Support Services	Ms. Lorna Nyagah
4.	Director Finance & Administration	Mrs. Mary Maina
5.	Company Secretary	Mr. Allan Njoroge
6.	Manager Supply Chain Management	Mr. Gerald Omondi
7.	Manager Human Resources	Ms. Gladys Lusweti
8.	Manager Internal Audit	Mr. Onesmus Karanja
9.	Strategy & Compliance Manager	Ms. Doreen Odhiambo
10.	ICT Manager	Paul Kathambana

V. FIDUCIARY OVERSIGHT ARRANGEMENTS

KTB's key fiduciary oversight arrangements are as below:

i)Board Audit & Risk Committee Activities

The Committee provides oversight of financial reporting, risk management, internal control, compliance and governance processes.

ii)Board Finance & Establishment Committee Activities

The committee's responsibilities including ensuring overall sound financial reporting, internal system of controls, review of business plans and budgets, human resources and staff affairs.

iii)Ad hoc BOD committee Activities

The BOD appoints ad hoc committees to carry out specific exercises. The ad hoc committees report to the Full Board.

iv)Departmental Committee on Tourism & Wildlife

The committee is mandated to monitor and report on implementation of budget and report on the expenditures and non-financial performance of the board.

VI. BOARD HEADQUARTERS

Kenya Re Towers, 7th Floor,
Ragati Road, Upper Hill,
P.O Box 30630 – 00100
Nairobi, Kenya.

SERVICE DELIVERY CENTRE

MOMBASA
Mombasa International Airport
MOMBASA
020 2047370

VII. KTB'S CONTACTS

Telephone: (254) 202711262
E-mail: info@ktb.go.ke

Social Media
Corporate Website: www.ktb.go.ke/
Destination website: www.magicalkenya.com/

@MagicalKenya MagicalKenya MagicalKenya

MARKET DEVELOPMENT REPRESENTATIVES

USA:

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Advocate Travel Marketing
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Email: lukejones@advocatetravel.com
Website: www.advocatetravel.com

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1TD, United Kingdom
Mobile: +44 (0) 7708 805 652
Email: sthomson@hillsbalfour.com
Website: https://www.hillsbalfour.com/about-hills-balfour/

VIII. KTB'S BANKERS

Kenya Commercial Bank Ltd.
Moi Avenue Branch
P.O Box 484 – 00100
Nairobi, Kenya.

IX. INDEPENDENT AUDITORS

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

X. PRINCIPAL LEGAL ADVISERS

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


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3. THE BOARD OF DIRECTORS

Francis Gichaba
BA degree, PGD in
Business Management.

Mr. Francis Gichaba, born in 1964, is the Chairman of the KTB Board of Directors has led an impressive career both as a marketing professional and entrepreneur. Before founding Motion Pictures a marketing agency, his last employment was at the National Carrier where he spearheaded an aggressive global expansion of the airline into the Far East, Middle East, North America's including other high potential untapped markets within Africa.
He is adept at creating strategic alliances with other corporate & government leaders to effectively support key business initiatives. As an entrepreneur, he's been deeply involved in building some of the most reputable brands in the market today cutting across different segments – FMCG's, Telco's, Banking, NGO's, Government agencies etc just to name a few. He has a good understanding of how various levels of consumers relate with brands across different categories & markets.
Francis is part of the global OnePulse team that is spread in over 60 countries across the continents. He heads the OnePulse team in Sub-Saharan Africa. He is also the Vice Chairman of an International NGO, and has served on the boards of various industry bodies in and out of the country. He holds a BA degree from the University of Nairobi, and a post-graduate diploma in Business Management.

Alphina Bwaley
Bcom (BA), EMBA, MA
(Counselling Psychology, Dip
(Counselling Psychology).

Ms. Alphina Bwaley, born in 1961, Vice-Chairperson of the KTB Board of Directors, is a career banker with 30+ years of accumulated experience in all aspects of banking operations at Senior Management levels at both KCB Group and Transnational Bank. Alphina has previously served as the Group Head of Credit Support at KCB Group and as the Head of Credit at Transnational Bank, before switching to a career in Counselling Psychology. Alphina currently runs a private Counselling Psychology consultancy within Nairobi.

She holds a Bachelor of Commerce in Business Administration from the University of Nairobi, an Executive MBA, awarded jointly by the Eastern and Southern African Management Institute and Maastricht Business School in the Netherlands. She also holds a Master of Arts Degree in Counselling Psychology from Daystar University and a Diploma in Counselling Psychology from Amani Counselling Centre and Training Institute. Alphina is a Certified Professional Mediator and a KCPA senior accredited Counsellor Supervisor.

David M. Tanki
Bcom(Accounts Option),
MBA, PG (MC&MIS

Mr. David Tanki, born in 1972, is the founder and Chief Executive Officer of Lan-x Africa Limited, a company that provides support to SMEs and corporate organizations to succeed through strategy formulation, business restructuring, human capital development, financial management and process improvement. He is also the founder and Executive Director of The HPH Group. He has served on a number of boards including The Regent Group where he served as Chairman. He is also the host of Business & Money TV on KTN and Occupy Today on Hope TV/FM. He is also Chairman of the CITAM Business Forum.
He is a holder of a B.Com degree (Accounts Option) and a Post Graduate in Managerial Control and Management Information Systems from Maastricht School of Management, Netherlands and Masters in Business Administration.

Victor. M Shitakha
BSC (Hospitality and Tourism Management),Dip
(Hotel Management)

Mr. Victor M. Shitakha, born in 1964, is the Managing Director & Lead Consultant of Shitakha & Shitakha Consultancy, a company he founded in late 2021 after having had a 30-year exciting and successful working experience in the hospitality Industry including working in the Eastern and Southern African countries with a small stint in Europe. Victor has been an active Skal member since 2000 and is a Past President of Skal Kenya Coast, leading it for 3 successful terms.

He serves as Chairman of the Kenya Coast Tourism Association KCTA (former MCTA), the voice of tourism in the six counties of the coast and was also appointed to the Board of Mama Ngina Water Front to enhance sustainable experiences at the Kenyan beachfront. He has also served as the Chairman of the Mombasa County Liquor Board.

He is a holder of BSC in Hospitality and Tourism Management from Moi University. He also holds a Diploma in Hotel Management from Kenya Utalii College

Jacklyne Cherop Tai
BBA (Marketing option

Ms. Jacklyne Tai, born in 1989, is the Business Development Officer at Clifton Gas Limited tasked with overseeing business growth in the organization both locally and internationally. She has a keen interest in the areas of marketing, business development, management, and administration as well as customer care services. She is a holder of a Business Administration (BBA) degree (marketing option) from Baraton University.

She has previously worked with the National Construction Authority (NCA) as a senior data analyst as well as the Kenya Wine Agencies Limited (KWAL).

Jane-Anne Munyao
BCom (Marketing)

Ms. Jane-Anne Munyao, born in 1963, is a highly experienced professional in the fields of project management, business development & marketing with over fifteen years of experience in managing projects, leading cross-functional teams and implementing marketing strategies to increase brand awareness and drive revenue growth. She is also passionate about social enterprise and community development.

Jane-Anne has held various leadership positions including Director/Projects Manager at Carakana, Office of the First Lady Kenya, Managing Director at Pacpro International, and Manager at Robertson Taylor (NA) New York. She is a holder of a Bachelor's Degree in Commerce (Marketing).

John Ololtuaa
B.Ed(Arts),Masters
(Education Administration)
Principal Secretary

Hon. John Lekakeny Ololtuaa serves as Kenya's Principal Secretary in the State Department of Tourism within the Ministry of Tourism, Wildlife and Heritage. He is in charge of Tourism Promotion, Policy formulation, and Development of the Tourism industry in Kenya.

He is an educationist who started his education-based career in 1993. He attained his Bachelor of Education (Arts) Degree and a Master's Degree in Education Administration both from Kenyatta University. He has served as County Director of Education for Bomet and Kajiado Counties and also served as a Regional Director of Education. He has previously served in the Transition Authority overseeing Kenya's transition to the Devolved System of Governance. He specifically served as the County Transition coordinator in charge of Narok County.

Hon. John Ololtuaa is a mentor of the youth where he supports several youth development initiatives across the country. In 2020 he participated in Global Schools Partnership Program being implemented through the British Council. The program is aimed at developing learning Partnerships between schools in Africa, Asia, Latin America and the Caribbean.

He is a transformative leader who believes in the ideals of strategic management and high standards of professionalism, transparency, integrity, and accountability.

Dr. Chris K. Kiptoo, CBS
PhD(Finance), Msc(Ag. Economics) &
Bsc (Ag. Economics)

Dr. Chris Kiptoo is the Principal Secretary, National Treasury. He was appointed Principal Secretary on 1st December 2022. Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives.

In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.

Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.

Dr. Chris Kiptoo holds a Doctor of Philosophy Degree (PhD) in Finance (International Macroeconomics Finance specialization) from The Nairobi University, as well as a Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) degree from Egerton University. He is also an Accredited Fellow in Macroeconomic Management Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI).

Mr. David Mwangi
(MBA), BBM.

Mr. David Mwangi, born in 1981, holds a Master of Business and Administration (MBA) and Bachelor of Business Management

He is the Ag. Chief Executive Officer of the Tourism Fund and sits on the KTB Board as an ex-officio member by virtue of S.32 (1)(d) of the Tourism Act

Mr John Olela
MA in Economics, BA (Economics)
PGD- Mass Communication

Mr John Olela, born in 1972 is the alternate to the Principal Secretary, National Treasury, Mr. Olela is the Director of Planning and Head of Central Planning and Project Monitoring Department of the National Treasury. He is a Career Civil Servant with over 27 years experience having risen through the ranks from the position of Economist to the current position.
He holds a Bachelor of Arts degree in Economics and Masters of Arts in Economics both from the University of Nairobi, a certificate in International Trade policy and negotiation from Adelaide University, Australia and a Post-graduate diploma in Mass Communication from Kenya Institute of Mass Communication. He has also attended numerous short training courses both locally and abroad. Mr. Olela has previously been the Director in charge of Sustainable Development Goals (SDGs) coordination at the State Department for Economic Planning and also headed the Economic Planning function in various Ministries including the Ministry of Environment, Climate Change and Forestry. Mr. Olela has a wide experience in tourism planning and monitoring having worked as an economist in the Ministry of Tourism and Wildlife for 14 years.

Mr. David Kinyangi
Executive Masters (Tourism & Hospitality Management), Bcom

Mr. David Kinyangi, born in 1968, is the Alternate to the PS, State Department for Tourism. He is a Director of Tourism in the State Department. He holds an Executive Masters Degree in Tourism and Hospitality Management from the Moi University, School of Tourism, Hospitality and Events Management as well as a Bachelor of Commerce from the University of Nairobi.

June Chepkemei
Masters (Communication Studies),
Bachelors in PR & Communication
PDG in Marketing
CEO
Appointed 2nd April 2024

Ms. June Chepkemei, born in 1986, is the Chief Executive Officer of Kenya Tourism Board. She is experienced in Marketing, Brand, Communication and Project management in telecommunication, investment and other industries.

June is a dynamic leader committed to driving innovation, fostering collaboration, and showcasing Kenya's potential on the global stage. She spearheads strategic initiatives to position Kenya as a premier tourist destination.

She holds a Master's Degree in Communications Studies from Moi University, a bachelor's Degree in PR & Communications, and a Postgraduate Diploma in Professional Marketing from The Chartered Institute Of Marketing UK. Additionally, she has completed an Executive training program on Innovation from Stanford Centre for Professional Development. Currently, she is pursuing a Ph.D. in Information Science.

June is also a member of the Public Relations Society of Kenya

Company Secretary
Mr. Allan Njoroge

Mr. Allan Njoroge, born in 1976, is the Corporation Secretary to the KTB Board of Directors. He holds a Bachelor of Laws (LLB) from the University of Nairobi and a postgraduate diploma in Law from the Kenya School of Law. He is a Certified Public Secretary, CPS (K) as well as an Advocate of the High Court of Kenya. He is a member of the Institute of Certified Secretaries Kenya and the Law Society of Kenya (LSK).

He is a governance and legal professional and is responsible for providing guidance and support to the Board and charged with establishing and enforcing the corporate governance framework of the Board.

BOARD COMMITTEES

During the period under review, the following Committees were in place.

BOARD MARKETING COMMITTEE

The Board Marketing Committee is chaired by a non-executive director (Mr David M Tanki) and meets on quarterly basis. Other Members are Janeanne Munyao, Principal Secretary - Ministry of Tourism & Wildlife (State Department of Tourism) and the KTB Chief Executive Officer. The committee's responsibilities are to provide marketing strategies to the board and approve marketing plans, activities and budgets. The committee also constitutes the technical team on behalf of the Board in the event of extraordinary circumstances such as crisis.

BOARD FINANCE AND ESTABLISHMENT COMMITTEE

The Board Finance and Establishment committee is chaired by non-executive director (Ms. Alphina Bwaley) and meets on a quarterly basis. The other members are the Chief Executive Officer - Tourism Fund, Principal Secretary - National Treasury and the KTB Chief Executive Officer. The committee's responsibilities including ensuring overall sound financial reporting, internal system of controls, review of business plans and budgets, establishment and staff affairs

BOARD AUDIT & RISK COMMITTEE

The Board Audit Committee is chaired by a non-executive director (Mr. Victor Shitakha) and meets on quarterly basis. Other members who are non-executive directors Janeanne Munyao, Jacklyne Cherop Tai, Principal Secretary - National Treasury and an independent Internal Audit Manager (Mr. Onesmus Karanja). The Committee provides oversight of financial reporting, risk management, internal control, compliance and governance processes.

AD HOC COMMITTEES

The Board of Directors may appoint ad hoc committees to carry out specific assignments as and when needed. The ad hoc committees report to the Full Board. In 2023/24, an Ad Hoc Committee comprising the entire Board was established to oversee the recruitment of a Chief Executive Officer while another Ad Hoc Committee was tasked with undertaking the recruitment for senior management positions. The Board also established an Ad Hoc Committee comprised of the three committee chairpersons to provide oversight over the timely implementation of marketing activities upto the end of the 2023/24 FY.


AQUA

4. MANAGEMENT TEAM

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

June Chepkemei
Chief Executive Officer

Born in 1986, **June** holds a Master's Degree in Communications Studies from Moi University, a bachelor's Degree in PR & Communications, and a Postgraduate Diploma in Professional Marketing from The Chartered Institute Of Marketing UK. Additionally, she has completed an Executive training program on Innovation from Stanford Centre for Professional Development and is currently pursuing a Ph.D. in Information Science.

June is also a member of the Public Relations Society of Kenya.
She is experienced in Marketing, Brand, Communication and Project management in telecommunication, investment and other industries.
June is a dynamic leader committed to driving innovation, fostering collaboration, and showcasing Kenya's potential on the global stage. She spearheads strategic initiatives to position Kenya as a premier tourist destination.

As the CEO of the Board, she is responsible for operational running of the Board to ensure that its mission and objectives and agreed performance targets are achieved. The CEO is accountable for the Board's actions, security of resources as well as ensuring execution of the Board strategy. In addition to representing the management position on the Board, the CEO chairs and supervises the Executive Committee (Exco).

Ms. Betty Ichan
Director – Marketing Development

Born in 1977, **Betty** holds a Master's Degree in International Business from Edith Cowan University - Australia, a Professional Postgraduate Diploma in Marketing from the Chartered Institute of Marketing – United Kingdom and an undergraduate degree in Tourism Management from the United States International University - Africa. She is a Full Member of the Chartered Institute of Marketing – United Kingdom. In addition to her academic qualifications, she is a Certified Digital Marketing Professional (CDMP) from the Digital Marketing Institute – Ireland.

Betty Ichan is professional marketer with more than 15 years' experience in destination marketing. In her role as a proactive, adaptable, and results-driven team leader, she has played a pivotal role in shaping and effectively executing Kenya's National Tourism Marketing Strategy. She is also a brand champion engaged in the collaborative effort to develop the East African Community (EAC) tourism destination brand in partnership with GIZ (German Agency for International Cooperation) and technical teams from the EAC partner states.
She is currently overseeing the Directorate of Market Development and is responsible for the development & execution of the market & business development strategy to achieve results in a sustainable & values-driven way.

Ms. Lorna Nyagah
Director – Marketing Support Services

Born in 1984, **Lorna** holds a Masters' in Business Administration (MBA) from the University Of Sunderland in the United Kingdom, a Professional Postgraduate Diploma in Marketing from the Chartered Institute of Marketing in the United Kingdom (full member), and a Bachelor of Commerce degree (Marketing) from the Catholic University of East Africa (CUEA). Additionally, she holds certification as a Digital Marketing Professional, further augmenting her qualifications in the field.

Lorna is a professional marketer with a robust background spanning over 18 years. She has built extensive expertise in brand development, strategic planning, and executing impactful marketing initiatives.
She oversees the Directorate of Marketing Support Services where she leads and co-ordinates Kenya's communication strategy to position the country as a consistent, authentic, diverse, and sustainable destination throughout the year.

Company Secretary
Mr. Allan Njoroge

Mr. Allan Njoroge, born in 1976, is the Corporation Secretary to the KTB Board of Directors. He holds a Bachelor of Laws (LLB) from the University of Nairobi and a postgraduate diploma in Law from the Kenya School of Law. He is a Certified Public Secretary, CPS (K) as well as an Advocate of the High Court of Kenya. He is a member of the Institute of Certified Secretaries Kenya and the Law Society of Kenya (LSK).

He is a governance and legal professional and is responsible for providing guidance and support to the Board and charged with establishing and enforcing the corporate governance framework of the Board.

Mary G. Maina (Mrs)
Director Finance and Admin

Mary Maina, born in 1975, holds an Executive MBA from Kenyatta University, Bachelor of Commerce (Accounting major) 1st class degree from the Catholic University of Eastern Africa. She is a certified public Accountant (CPA), a certified Information Systems auditor (CISA) and a certified Internal Auditor (CIA).
Mary has 23 years of experience, 6 in external audit and 10 in internal audit and 7 years in financial and accounting experience.
She is responsible for effectively and efficiently managing all financial and human resources of KTB in order to achieve its goals and objectives.

Ms. Gladys Lusweti
Human Resources Manager

Gladys Lusweti, born in the year 1973, holds a Master's of Science Degree in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology, member of Institute of Human Resource management.

Gladys has over 15 years of work experience in management of Human capital. She is responsible for spearheading the development of Human Capital and enhancing administration of services by developing appropriate policies, strategies and systems in line with the Board's strategic plan and overall mandate.

Mr Onesmus Karanja
Internal Audit Manager

Onesmus Karanja, born in 1980, holds a Masters of Commerce postgraduate degree (Forensic Accounting) from Strathmore University, Bachelor of Commerce degree (Accounting Option) from the University of Nairobi. He is a certified public Accountant (CPA), a Certified Information Systems Auditor (CISA) and a Certified Fraud Examiner (CFE).

Onesmus has over 15 years of experience in the areas of Audit Assurance, Risk Management and Investigations.
He is responsible for the quality and performance of internal auditing within KTB. He provides independent and objective assurance and consulting activity of KTB's operations to the Audit Committee and the CEO on the overall adequacy and effectiveness of KTB's arrangements for governance, risk management, and internal controls and their impact on the operations of the organization.

Doreen Odhiambo
Strategy & Compliance Manager

Doreen Odhiambo, born in 1982, holds an MBA degree from the University of Nairobi, Bachelors of Education from Kenyatta University and a Post Graduate in Diploma Project Management.

With over 13 years of experience, Doreen coordinates the development, monitoring, evaluation and reporting on the corporate strategic plan, the destination marketing and the change management strategy in the organization.

Gerald Omondi
Manager Supply Chains Management

Gerald Omondi, born in December 1975, holds a Master's Degree in Supply chain Management from JKUAT and a professional Diploma in Purchasing and Supplies from the Chartered Institute of Purchasing Supplies UK (CIPS). He is a member of the Kenya Institute of Supplies Management (KISM) and a licensed procurement practitioner in Kenya.

Gerald has over 20 years of experience in Supply chain Management. He is responsible for supply chain management at the board.

Paul Kathambana
ICT Manager

Paul Kathambana, born in 1974, holds a Master's degree in Management of Information Systems from Moscow State University of Culture. He is a Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), Certified Information Systems Auditor (CISA), and Certified in Risk and Information Systems Control (CRISC).

With over 20 years of experience, Paul's primary mandate revolves around harmonizing technological endeavors with KTB's strategic objectives. He is entrusted with the task ensuring the efficiency of KTB's technological ecosystem and also fortifying its security and resilience in a dynamic digital landscape.

5. CHAIRMAN'S STATEMENT

Francis Gichaba
BA degree, PGD in
Business Management.

> Stakeholder engagement has also been a key focus area for the Board. Over the past year, we have engaged extensively with various tourism sector players to understand their needs and concerns.

It is with great pride that I present the Kenya Tourism Board's Annual Report and Financial Statements for the year ended 30th June 2024. This past financial year has been a period of remarkable growth and resilience for Kenya's tourism sector, further solidifying our country's position as a premier destination on the global stage.

OVERVIEW

The financial year 2023/24 was characterized by a strong rebound in the tourism sector, building on the recovery that began in the previous year. We witnessed a significant increase in total international arrivals, which closed at **2,128,504** tourists, compared to **1,687,392** tourists in the previous year. This **26.1%** growth underscores the effectiveness of our strategies and the enduring appeal of Kenya as a travel destination.

The increase in international arrivals was complemented by a robust performance in the domestic market, with domestic bednights rising to **4.81 million**, up from **4.52 million** the previous year. This growth in both international and domestic tourism resulted in total tourism revenue earnings of **Ksh. 384.58 billion**, a substantial increase from the Ksh. 286.86 billion recorded in the previous year.

Several factors drove this remarkable performance. The global reopening of destinations after the COVID-19 pandemic, including the critical source market of China, played a pivotal role in the resurgence of travel. Increased consumer confidence, fueled by the effective management of COVID-19 infections and the removal of travel restrictions, led to a surge in travel demand. Kenya, with its diverse attractions, benefited immensely from this pent-up travel demand.

Moreover, KTB's aggressive marketing campaigns in key source markets significantly contributed to this growth. These campaigns, which highlighted Kenya's unique attractions and leveraged digital platforms, resonated well with international audiences. Additionally, the implementation of the Electronic Travel Authorization (eTA) system in Kenya simplified the visa application process, making it easier and more convenient for tourists to visit our country.

Favorable exchange rates further enhanced Kenya's attractiveness as an affordable destination, while the expansion of air access into Kenya through new airlines and increased frequencies improved connectivity and accessibility.

The year was also marked by Kenya's successful hosting of international events, such as the World Rally Championship and the Magical Kenya Golf Open. These events not only attracted global attention but also brought thousands of visitors to our country especially from our neighbouring countries, contributing significantly to our tourism numbers.

The relative political stability and improved security situation in Kenya provided a conducive environment for tourism, further boosting the sector's performance. Domestically, the success of the "Tembea Kenya" campaigns, aimed at promoting domestic tourism, led to a significant increase in local travel. These campaigns encouraged more Kenyans to explore their own country, contributing to the overall growth in bednights.

OPERATING ENVIRONMENT

The global tourism landscape in 2023/24 was characterized by a strong recovery, driven by the reopening of destinations and the return of international travel. Kenya's tourism sector benefited from this recovery, as evidenced by the significant increase in international arrivals and tourism revenue. The World Travel and Tourism Council (WTTC) reported that the total contribution of travel and tourism to Kenya's economy in 2023 was **Ksh. 1,046.3 billion**, equivalent to **7%** of GDP. This underscores the critical role that tourism plays in driving economic growth and development in Kenya. Additionally, the sector saw a **6%** growth in jobs, reaching **1.55 million** jobs, which accounts for one in 13 jobs across the country. This job creation highlights the sector's importance as a key driver of employment and livelihoods in Kenya.

The operating environment was also shaped by the continued evolution of consumer behavior, with travelers increasingly seeking personalized and sustainable travel experiences. Kenya's diverse offerings, from wildlife safaris to cultural experiences and beach holidays, positioned the country well to meet these changing demands. However, the sector also faced challenges, including the need to maintain competitive pricing in the face of rising operational costs and to ensure that Kenya remains a top-of-mind destination in an increasingly competitive global market.

STRATEGY

In response to the evolving operating environment, KTB implemented a multi-faceted strategy focused on sustaining the growth of both international and domestic tourism. Our aggressive marketing campaigns in key source markets, including the United States, United Kingdom, China, and India, played a crucial role in driving international arrivals. These campaigns were tailored to convert awareness into bookings by highlighting Kenya's unique selling points, including its iconic wildlife, stunning landscapes, and rich cultural heritage.

A key component of our strategy was the focus on digital marketing, which allowed us to reach a global audience efficiently. We utilized data-driven insights to tailor our messaging and engage potential tourists effectively across various online channels. This approach proved particularly effective in capturing the attention of younger, tech-savvy travelers.

Recognizing the growing importance of the domestic market, we continued to invest in campaigns that encouraged Kenyans to explore their own country. The #YouDeserveAHoliday initiative was instrumental in driving up domestic bednights, as it offered attractive travel packages and showcased lesser-known destinations within Kenya.

In addition, the financial year saw the finalization of our new strategic plan for 2023-2027. This plan sets out the roadmap for the next five years, focusing on sustainable growth, market diversification, and enhanced stakeholder engagement. We believe that this strategic plan will provide the foundation for continued success in the years to come.

CORPORATE GOVERNANCE

The Kenya Tourism Board remains committed to upholding the highest standards of corporate governance. Over the past year, we placed a strong emphasis on laying a robust human resource foundation, which included a comprehensive review of our HR policies. This was essential in ensuring that we attract and retain the best talent to drive our strategic objectives. We successfully completed the recruitment of a new CEO and senior staff in the marketing and support directorates, which are critical appointments for providing the leadership necessary to navigate the challenges and opportunities in the tourism sector.

Stakeholder engagement has also been a key focus area for the Board. Over the past year, we have engaged extensively with various tourism sector players to understand their needs and concerns. These engagements have informed our strategies and ensured that we are aligned with the broader industry goals. The Board remains committed to transparency, accountability, and ethical conduct in all our operations.

RISK MANAGEMENT

Effective risk management is crucial to KTB's long-term success. Over the past year, we have continued to strengthen our risk management framework to safeguard the organization against potential legal and operational risks. The legal directorate has been bolstered to provide effective management of legal risks, ensuring that we are in full compliance with all regulatory requirements and best practices.

Furthermore, we have provided additional support to the internal audit team, enabling them to offer assurance and advisory services to the Board and management. This has been crucial in maintaining the integrity of our operations and financial reporting. We recognize that the tourism sector operates in a dynamic and sometimes unpredictable environment, and we remain committed to identifying and mitigating risks to ensure the continued success of our organization.

FUTURE OUTLOOK

As we look ahead to the financial year 2024/25, we are confident that the foundational work laid in the past year will yield significant results. The finalization of our new strategic plan, the recruitment of a senior leadership team, and the implementation of effective marketing strategies will be instrumental in driving the growth of mature markets and penetrating new ones.

We anticipate continued growth in both international and domestic tourism, supported by our aggressive marketing efforts and the ongoing recovery of global travel. The Board is optimistic about the future and remains committed to working closely with all stakeholders to achieve our ambitious targets and contribute to the overall economic development of Kenya. We expect to see further benefits from the strategic initiatives implemented over the past year, including the expansion of air access, the successful hosting of international events, and the sustained focus on promoting domestic tourism.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my deepest gratitude to the Government of Kenya, our parent Ministry of Tourism and Wildlife, county governments, our sister parastatals, the tourism private sector, and all our other key stakeholders. Your unwavering support, engagement, and collaboration have been instrumental in the achievements of the past year.

I would also like to thank my fellow Board members for their dedication and hard work in steering KTB through this pivotal period. Lastly, I extend my appreciation to the management and staff of KTB for their commitment and excellence in executing our strategies and driving the growth of Kenya's tourism sector.

As we embark on the next phase of our journey, I am confident that, together, we will continue to position Kenya as a premier global destination, delivering lasting economic benefits for our country.

FRANCIS GICHABA

CHAIRMAN, KTB

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

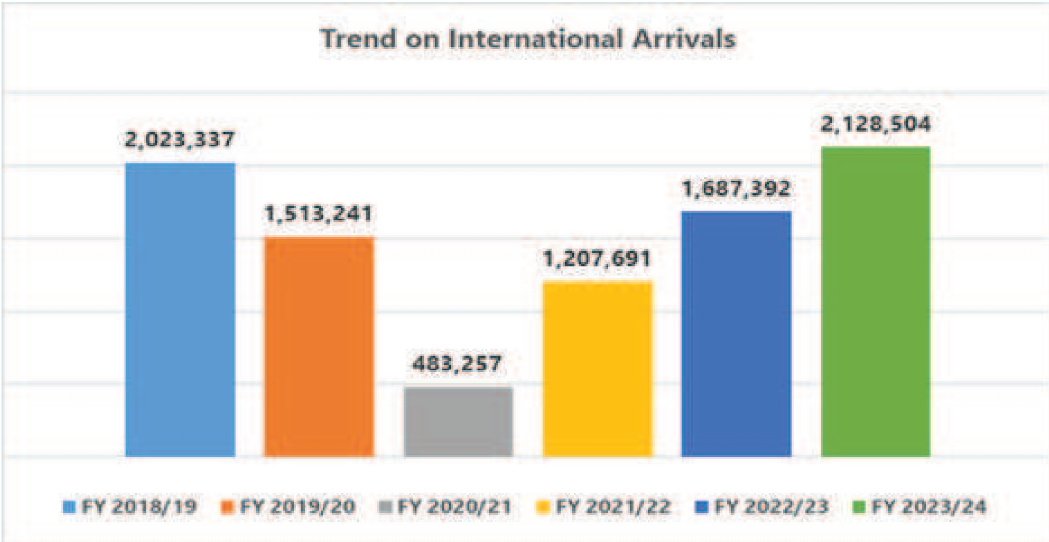
June Chepkemei
Masters (Communication Studies),
Bachelors in PR & Communication
PDG in Marketing
CEO

"Let me also appreciate the KTB board of directors and our parent Ministry of Tourism and Wildlife, for providing us with support and policy guidance towards the achievement of our Mandate.

The financial year 2023/24 gave us a clearer indication of our journey to complete recovery after the devastating impact of the COVID-19 pandemic. Positive responses from both our traditional and emerging markets to our marketing and promotional campaigns reinforced our initiatives towards increasing tourism arrivals into the country.

With competing destinations also benefiting from increased travel, we focused on consolidating our gains and expanding our market share.
Some of the key strategies put in place include market and product diversification, a deliberate focus on promoting domestic tourism, destination branding, optimized digital marketing and enhanced partnership with our stakeholders. The continuous curation and dissemination of enhanced inspirational destination content has also anchored and propelled the desire among travellers to visit Kenya.

Under the review period (financial year 2023/24) international arrivals were **2.128 million** visitors, this was a significant **26%** increase compared to the previous fiscal year's arrivals of **1.69 million,** indicating a positive upward trend.



DOMESTIC TOURISM

Domestic tourism continues to record impressive performance with the period under review indicating an increase of **10%** with **4.81 million** domestic bed nights recorded compared to the previous fiscal year's bed nights of **4.52 million.**

Revenue receipts

Revenue generated from tourism saw a growth of **22%** compared to the same period in financial year 2022/23 to record **Ksh. 384.56 Billion** compared to **Kshs 286.86 Billion**. This growth is indicative of the sector's resilience and recovery from the challenges posed by the global pandemic and economic uncertainty.

MARKET PERFORMANCE

Within the review period, the United States emerged as the leading source market, with a market share of **13.2%** and **281,138 arrivals**. This represented a substantial **20%** growth compared to the previous fiscal year's arrivals of **234,309.**

From the regional markets, Uganda held the second-largest market share at **10.1%**, with 215,332 arrivals. This marked a notable **22%** growth compared to the previous fiscal year's arrivals of **177,131.**

The United Kingdom, one of the key and traditional market to Kenya recorded a **7.6%** market share and **160,986** arrivals. This represented a **14%** growth compared to the previous fiscal year's arrivals of **141,140.**

Tanzania accounted for an **8.5%** market share, with **179,930** arrivals. The country experienced a robust growth of **27%** compared to the previous fiscal year's arrivals of **142,109.**

India accounted for a **4.8%** market share, with **102,743** arrivals. This reflected a **22%** growth compared to the previous fiscal year's arrivals of **84,354.**

PURPOSE OF ENTRY

Visit to Kenya for the purposes of holiday and leisure took the bulk with **952,327** visitors within the review period throughout the financial year. Holiday arrivals accounted for **45.4%** of the total.

Visiting Friends and Relatives (VFR) was the second-largest category, with **483,948** arrivals, making up **23.1%** of the total.

The Business & MICE (Meetings, Incentives, Conferences, and Exhibitions) category accounted for 24.5% of arrivals, with **513,581** visitors. In Transit visitors accounted for **4.6% (96,167)** of the total, indicating Kenya's position as a transit hub for travelers connecting to other destinations. Education, Medical, religion and sports accounted for about **2.4%** of visitors.

TOURISM OUTLOOK

According to the 2024 Economic survey report, possible risk mitigation for tourism included diversifying market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.

The tourism sector in Kenya has demonstrated resilience and potential for future growth Forecasts suggest **2.4 million** tourists in 2024 and earnings reaching **Kshs 430 billion** indicating a positive outlook for future growth.

Some of the key drivers for this projected growth will include:

- Continued focus on marketing, infrastructure development
- Continuous sustainable tourism practices
- Adoption of digital innovations and technology to enhance visitor experience
- Targeting African markets to enhance intra-continental travel

CONCLUSION

In conclusion, let me take this opportunity to express my gratitude to all our stakeholders and partners whose unwavering commitment has enabled us to implement numerous initiatives aimed at growing tourism business.

Let me also appreciate the KTB board of directors and our parent Ministry of Tourism and Wildlife, for providing us with support and policy guidance towards the achievement of our Mandate.

To the KTB staff, their hard work and commitment with which they have executed and contributed to better destination marketing and building the magical brand has been valuable.

Our industry players and partners have been our bastions in this mission of bettering the economic livelihoods of Kenya by jointly harnessing the potential of tourism. Their contribution has positioned the country as one of the world's sought-after destinations.

Thank you and God bless you

JUNE CHEPKEMEI
CHIEF EXECUTIVE OFFICER

7. STATEMENT OF PERFOMANCE AGAINST PREDERTERMINED OBJECTIVES FOR FY 2023/2024

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.

In the fiscal year of 2023/24, the Kenya Tourism Board (KTB) implemented the KTB 2023-2027 strategic plan. The plan is aimed at growing the tourism sector's contribution to Kenya's economy to **Kshs. 1 trillion** annually by 2027/28, by achieving **5.5 million** international arrivals and 7.5 million domestic bed nights. Over the next five years, the KTB will be guided by the following identity:

The Kenya Tourism Board has four strategic objectives that guide the implementation of the 2023-2027 strategic plan. Specifically, KTB seeks to:

1. To grow brand visibility
2. To increase Kenya's market share of International arrivals to Africa
3. To coordinate destination marketing efforts
4. To achieve organizational excellence

In line with the strategic objectives, KTB contracted the following results under the core mandate for the FY 2023/24

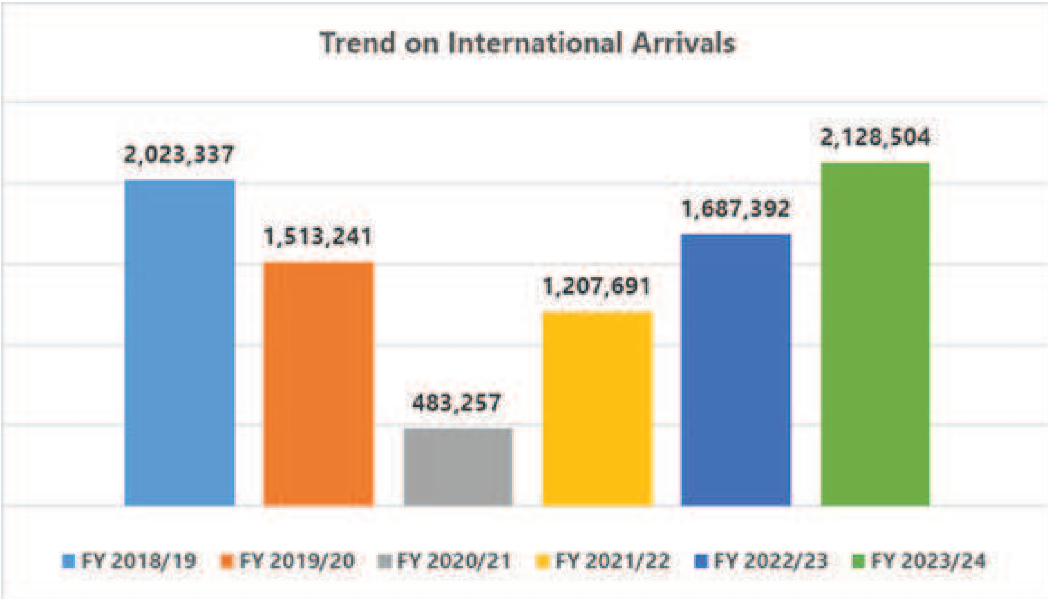
Performance Indicator	Unit of Measure	Approved Target
Increase in International	Number of Arrivals in Millions	1.98
Increase in Tourism Receipts	Kshs. in Billions	352
Increase in the domestic bed nights	Number in Millions	5.1
Brand Awareness	%	89

The targets were distributed among the staff to guide the development of the Annual Work plans for the source markets and supporting departments in line with the strategic objectives outlined above. The 2023/24 Annual work plans were developed based on these strategic objectives and then presented to the Board of Directors for approval. Progress reports on the implementation of the work plans were presented to the board quarterly, and a full year report was presented at the end of the financial year.

1. The Kenya Tourism Sector Performance

1.1 International Arrivals

In line with the performance contract, the destination performed impressively, exceeding the set targets. The destination saw **2.128 million** international arrivals, surpassing the target of **1.98 million**. This marks a **32% growth** compared to 2022/23. Kenya's tourism showed a strong recovery, surpassing the pre-pandemic level of **2.063 million** arrivals by **3%.**



Source: Tourism Research Institute (TRI) report

The key drivers of the growth and recovery over the period included:

i. Enhanced Marketing Campaigns
ii. Improved Aviation Connectivity
iii. Hosting Major Events
iv. Niche Tourism Development
v. Economic Conditions

1.2 Tourism Revenues

The remarkable increase in international arrivals had a positive impact on Kenya's tourism receipts. In the financial year 2023/24, tourism receipts amounted to **Kshs. 384.58 Billion** against a target of **352 Billion**, indicating a significant growth of **29.3 %** compared to the previous year's earnings of Kshs. 286.86 Billion. The tourism revenue growth can be attributed to several factors, including increased visitor spending on accommodation, transportation, wildlife safaris, cultural experiences, and other tourism-related activities. Kenya fully recovered to the pre-pandemic revenue levels for FY2018/19 of **KShs. 304.08 Billion**.

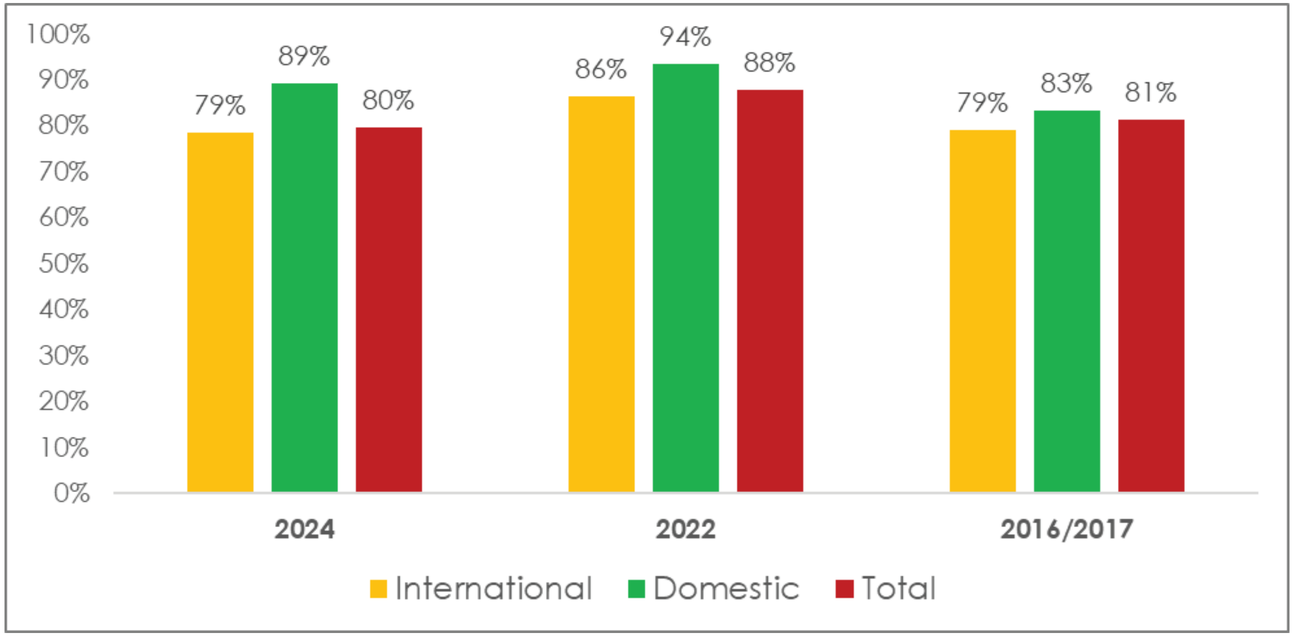
1.3 Domestic Bed Nights

Domestic tourism also showcased growth, with bed nights recording a **6.4 %** increase in the financial year 2023/ 24 compared to the previous financial year. The number of bed nights reached **4.81 million**, compared to **4.52 million** in the previous fiscal year. This growth can be attributed to various factors, including improved accessibility to tourist destinations within the country, increased pent-up demand from both leisure and business travel among the local population, and effective marketing campaigns promoting domestic tourism.

1.4 Brand Index

KTB commissioned a brand awareness study for the Magical Kenya Brand. Brand awareness is a crucial metric for measuring the effectiveness of marketing efforts and assessing a brand's position in the market. The Brand Awareness Index is a key tool for quantifying the level of familiarity and recognition that customers have with a brand.

According to the study, Magical Kenya's Aided Brand Awareness Index score is **80**, which represents a decline from the **88%** registered in 2022. Some of the factors that contributed to this decline include a reduction in investment in brand communication over the period and short-term investment in brand communication, which affects the impact. Other destinations invested more promoting their brands, posing more competition to the destination brand.



KTB performance over the 2023/24 period can be summarized as follows:

Performance Indicator	Unit of Measure	Annual Target	Achievement 2023/24	Variance
Increase in International Arrivals	No. in Millions	1.98	2.128	+0.148
Increased Tourism Earnings	Kshs. (B)	352	384.58	+32.58
Increased Domestic Tourism Bed -nights	No. in Millions	5.1	4.81	-0.29
Increase Brand Awareness	%	89	80	-9

KTB therefore met the target for the tourism arrivals and earnings for the FY 2023/24 and however missed the target for brand awareness and domestic bed nights. The performance against the strategic objectives can be summarised as follows:

Strategic Pillar /Theme/Issue	Objective	Key Performance Indicators	Activities	Achievements
To increase Kenya's market share of International arrivals to Africa	Increase in International Arrivals	No. of international Arrivals to the Country	• Digital Marketing Campaigns • Market Development and Penetration Campaigns • Business and Tourism Events	2.128 Million Arrivals
	Increase the Domestic Bed-nights	No .of Domestic Bed nights	• Digital Marketing Campaigns • Market Development and Penetration Campaigns • Business and Tourism Events	4.81 Million Domestic Bed nights
To coordinate destination marketing efforts	Increase the Tourism revenues	Kshs. In Billions of revenue generated from Tourism activities	• Trade Engagements • Product packaging and promotion	Kshs. 384.58 Billion
Grow the Brand Visibility	Grow the destination Brand Index	% of the destination Brand Awarenes	• Brand Visibility Campaigns • Strategic partnerships • Stakeholder Management	80%

2. KTB Performance on the Corporate Strategy

The 2023/24 fiscal year marked the beginning of the 2023-2027 Strategic Plan implementation. The Kenya Tourism Board (KTB) planned 80 activities across four objectives to be implemented. Out of these 80 activities, KTB managed to implement 54, achieving 68% of the planned activities. 50% of the activities that were not implemented were affected by a lack of adequate funds, while the remaining activities were introduced later in the financial year and did not kick off in good time or were not implemented within the financial year. Some of the activities affected by a lack of adequate funding included: Partnerships with the coffee and flower sectors, Feasibility studies for new markets, Audit of the ICT infrastructure, Revision of the brand manual and Product portfolio packaging, among others. Despite the challenges that emerged during the financial year, KTB made significant progress in realizing the planned activities for the fiscal year.

Strategic Objective	Activities	Outcome / Milestone
1. To grow brand visibility	• KTB conducted joint marketing campaigns with non-tourism brands such as Bata, OP, Sony, Zeiss, Techno PGYTECH, and photography. • KTB leveraged marathons to market the destination • KTB leveraged the visit of high-level personalities in the country e.g. the Visit of King Charles • KTB undertook ambient branding; the bus branding was done during the Safari rally classics in Kenya • KTB collaborated with influencers from Africa to showcase the destination offering • KTB engaged Brand Ambassadors e.g. Omanyala	• Improved competitiveness of Kenya as a tourism destination; According to the 2024 WEF: Travel and Tourism Development Index report. Kenya is ranked 5th from the 7th position in Africa in terms of competitiveness Kenya comes 5th; behind South Africa, Mauritius, Egypt and Botswana
2. To increase Kenya's market share of International arrivals to Africa	• KTB participated in various Exhibitions and Roadshows in the FY 2023/24 including; ITB Berlin, The North America Roadshow, The UK Roadshow, West Africa Roadshow, Poarte, Akwaba , Kilifair • KTB conducted 2 Consumer campaigns that were implemented in China and India, • KTB conducted the My Bucket list campaign • KTB conducted a digital campaign With Kenya Airways • KTB executed joint marketing activities with the travel trade partners including online travel agents such as Expedia • Partnership established with 5 Airlines:(KQ, Discover, China South, Brussel Airline Ethiopian)	• Destination Kenya welcomed 2.128 international arrivals, fully recovering to pre-pandemic levels, standing 3% above the pre-pandemic period. • Out of the 66.4 Million in Africa, Kenya received 2.128 international arrivals being 3.2 % arrivals compared to Destination Kenya

Strategic Objective	Activities	Outcome / Milestone
3. To coordinate destination marketing efforts	• KTB organized over 6 stakeholder forums during the year, this included sessions with the German Embassy and tourism investors Meeting Media to brief on KTB's strategic direction, Meetings with the tourism stakeholders in Lamu, National County stakeholders Forums, Meetings with Potential Members of the Adventure Product Clubs, Meeting with stakeholders to validate the KTB strategic plan amongst others, • KTB conducted capacity-building sessions for the county officers and product owners across 47 counties on product packaging and positioning • KTB delivered various events through inter-ministerial coordination: This included EARTE, The climate summit and WRC • Facilitated MoTWH to Participate in Identified Destination Marketing Activities e.g. ITB Berlin, reception of cruise ships amongst others	• Developed a stakeholder engagement framework which guided stakeholders engagement for the period • Shared vision and direction with key stakeholders in the sector towards destination marketing • Improved mapping and positioning of the tourism experiences in the country
4.To achieve organizational excellence	• Adopt the utilization of digital marketing tools • Optimizing the CRM system; the customer management platform • Rewards and sanctions policy developed and shared with the Board for review • Conducted the staff Training needs assessment which informed the staff capacity development effort • All trainings planned for the financial year were implemented • HR planning and succession management strategy developed and implemented • Conducted board trainings • The board conducted the self-performance evaluation	Improved staff effectiveness through appropriate skills tools and support

8. CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The KTB Board of Directors is charged with the governance of the Corporation and recognizes that corporate governance is a fundamental framework for achieving KTB's goals. It is also a crucial tool for measuring corporate performance and ensuring that KTB is effectively guided, controlled, and held accountable.

The Board remains steadfast in its commitment to upholding the highest standards of corporate governance. To this end, the Board of Directors has continued to adhere to robust governance principles, ensuring that the organization's strategic direction is aligned with national goals and the expectations of our stakeholders.

Throughout the year, the Board navigated challenges and seized opportunities with a focus on accountability, transparency, and ethical leadership. This Corporate Governance Statement outlines the measures undertaken by the Board to steer the organization effectively during the financial year ended 30th June 2024.

THE BOARD OF DIRECTORS

The Board of Directors has a formal schedule of matters reserved for it. To ensure effective oversight of strategic, financial, operational, compliance and governance issues, directors are provided with timely and relevant information.

The Board is responsible for defining KTB's strategic goals, values, key policies, and procedures according to best practices. It establishes and maintains the internal controls for financial, operational, and compliance functions and oversees the performance of executive management.

While the Chief Executive Officer handles the day-to-day operations of KTB, the Board retains ultimate responsibility for the Corporation's financial performance, legal compliance and operational oversight. The Chief Executive Officer, under the Board's leadership, manages daily activities in alignment with the strategic plans, business plans and budgets approved by the Board, and offers recommendations on corporate strategy and policy. The Board then makes final decisions, oversees their implementation and conducts reviews.

During the financial year, the Board completed the development of the KTB Corporate Strategic Plan for the period 2023-2027. This plan is closely aligned with the Bottom-Up Economic Transformation Agenda (BETA) and the Medium Term Plan IV and lays out the key strategies that will guide the growth of Kenya's tourism sector. The development process was collaborative, with the Board holding several workshops with the KTB Management team to develop the plan.
In line with the principles of inclusivity and stakeholder engagement, the Board conducted public participation in the development of the Corporate Strategic Plan. A stakeholders' validation workshop was held at the Bomas of Kenya on 31st October 2023, ensuring that the views and insights of key tourism and non-tourism stakeholders were incorporated into the plan.

During the year, the Board also undertook a comprehensive review of KTB's Revised Human Resource Instruments and these polices and instruments are now under implementation. This review included a significant revamp of the organizational structure, incorporating internal digital and creative teams, strengthening core mandate departments, and integrating MICE (Meetings, Incentives, Conferences, and Exhibitions) marketing into KTB's human resource framework.

Further to this, the Board concluded the recruitment of senior leadership staff in both core marketing directorates and key support directorates and also bolstered KTB's capacity in digital marketing. The Board also oversaw the re-development of KTB's destination website, elevating it to world-class standards having recognised that the destination website is a critical tool in the promotion of Kenya as a leading global tourist destination.

BOARD SIZE, COMPOSITION AND APPOINTMENT

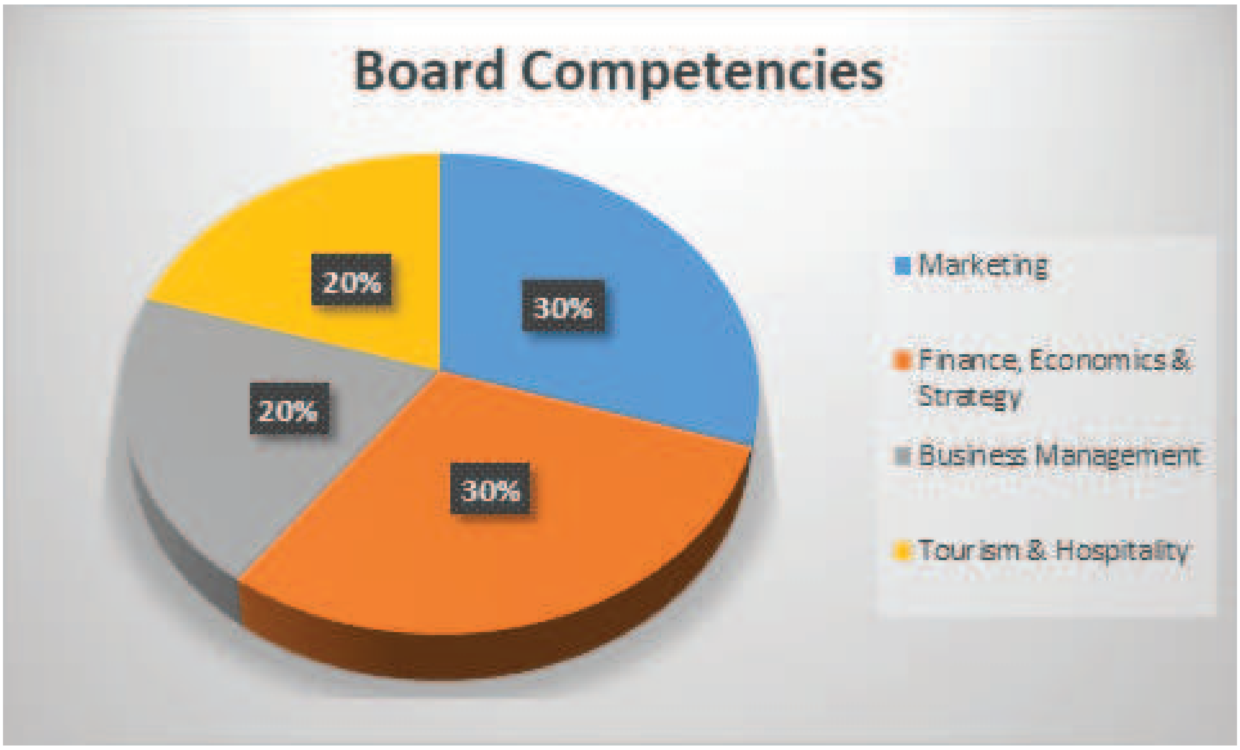
The Board comprises of the Board Chairman and five (5) independent non-executive directors as well as three (3) other ex-officio members drawn from the central government and a sister parastatal in addition to the KTB Chief Executive Officer.

The Board Chairman is appointed by the President. The independent directors are appointed by the Cabinet Secretary in the Ministry of Tourism and Wildlife. These comprise of five members, not being public servants, appointed by the Cabinet Secretary taking into account regional balance and gender parity.

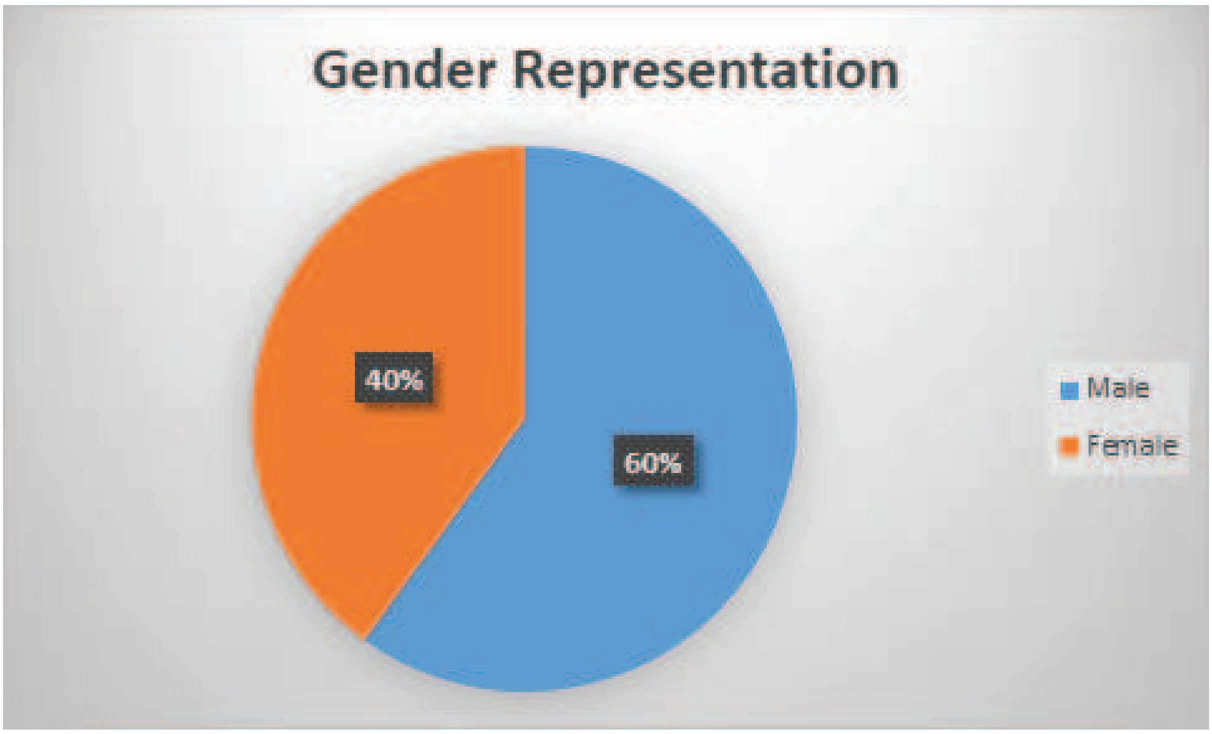
The public sector representatives are the principal secretaries or their designated alternates from the National Treasury and also the parent ministry. The Chief Executive Officer of the Tourism Fund is also a member of the Board by virtue of the fact that KTB is partly funded by the tourism levy collected by the Tourism Fund.

The Board's diverse composition brought together a wealth of knowledge, expertise, and experience, ensuring robust governance and strategic oversight as shown in **Pie Chart 1.**
The representation of the respective genders on the Board is shown in **Pie Chart 2.**

Pie Chart 1: Board Competencies



Pie Chart 2: Board gender representation



During the year, the Board constituted an ad-hoc committee of the whole board to oversee the recruitment process for the Chief Executive Officer position. This exercise was successfully concluded during the year, and the new Chief Executive Officer officially assumed office on 2nd April 2024. The Chief Executive Officer, who is appointed by the Cabinet Secretary responsible for tourism upon the recommendation of the KTB Board, is an ex-officio member of the Board but has no voting right at any meeting of the Board.

The directors' abridged biographies appear on pages IX to XIV of this Annual Report.

INDEPENDENCE, SEPARATION OF ROLES AND RESPONSIBILITIES

All Directors, with the exception of the Chief Executive Officer, are non-executive and independent of Management. These non-executive directors establish the framework for delegating authority and ensure that there is a succession plan for the Chief Executive Officer and senior management. Their responsibilities include advising, constructively challenging, and monitoring the implementation of the corporate strategy, all within the risk appetite and control framework set by the Board.

The roles of the Chairman of the Board, the Chief Executive Officer, and the non-executive directors are clearly defined and distinct, ensuring a balanced distribution of power and preventing any single individual from having unchecked decision-making authority. These roles are documented and are expected to be independent and free from conflict upon appointment.

The Chairman has the overall responsibility of leading the Board, while maintaining the principle of collective responsibility for Board decisions. The Chairman is responsible for building an effective board, setting the board agenda in collaboration with the Chief Executive Officer, and ensuring clear communication with stakeholders.

Conversely, the Chief Executive Officer reports to the Board and is responsible for the management of the organization. This includes overseeing the efficient day-to-day operations and implementing the strategy recommended to the Board. The Chief Executive Officer also ensures the timely and appropriate flow of information between the Board, its committees, and management.

OVERSIGHT ROLE OF THE BOARD

The Board sets the strategic direction for the organization, emphasizing consistent business performance within a framework of transparency and accountability, while also overseeing and ensuring effective corporate governance across the organization.

The Board's duties are outlined in the Tourism Act No. 28 of 2011, the MWONGOZO Code of Governance, and the Board Charter. It establishes the organization's purpose, strategic goals, objectives, and values, and ensures that procedures and practices are in place to safeguard KTB's assets and reputation.

The Board maintains comprehensive control over KTB and supervises Management's execution of the Board's plans and strategies. It upholds ethical conduct and compliance with applicable laws, regulations, audit standards, corporate policies, and the Code of Ethics, aiming to exceed minimum standards and align performance with international best practices.

The Directors Code of Conduct and Ethics outlines the governance framework within which the Board operates. In line with principles of sound corporate governance, each director commits to act in KTB's best interests, exercising their powers with good faith, care, and prudence. Each director signs the Directors Code of Conduct and Ethics upon appointment.

BOARD MEETINGS

The Board of Directors typically convenes at least once per quarter, with meetings chaired by a non-executive Chairman. Throughout the year, the Board, along with its Committees, conducts regular scheduled meetings, and special meetings are organized as needed. If a director cannot attend a meeting due to other obligations, they are required to notify the Board or Committee chair, via the Corporation Secretary, before the meeting date. A summary of the attendance for Full Board meetings by the Directors is set out below:

Full Board Meeting Attendance from 1st July 2023 to 30th June 2024

Board Member	Position	4th Aug	23rd Aug	28th Sept	2nd Nov	14th Dec	31st Jan	11th March	25th April	26th June
Francis Gichaba	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
June Chepkemei*	Chief Executive Officer ***(appointed 2nd April 2024)***	-	-	-	-	-	-	-	✓	✓
John Chirchir	Ag. Chief Executive Officer ***(retired 1st April 2024)***	-	✓	✓	✓	✓	✓	✓	-	-
Alphina Bwaley	Vice-Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
David Tanki	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓
Victor Shitakha	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓
Janeanne Munyao	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jacklyne Tai	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓
PS, Tourism	Ex Officio Alternate is David Kinyangi	✓	-	✓	✓	✓	✓	✓	✓	✓

BOARD COMMITTEES AND RESPONSIBILITIES

The Board assigns specific functions to well-structured committees while retaining its overall responsibilities. It has established a committee framework to support the execution of its duties, powers, and authorities.

These Committees are composed of Board members with the relevant skills and experience. Each Committee operates according to its own Charter or Terms of Reference, which defines its responsibilities as delegated by the Board.

Committees are required to function transparently, provide full disclosure to the Board, and adhere to the rules and procedures established by the Board. The outcomes of Committee discussions are reported to the Board by the respective Committee chairs at the subsequent Board meeting.

Additionally, the Board may form Ad Hoc Committees as needed. For example, during the year, an Ad Hoc Committee comprising the entire Board was established to oversee the recruitment of a Chief Executive Officer while another Ad Hoc Committee was tasked with undertaking the recruitment for senior management positions. The Board also established an Ad Hoc Committee comprised of the three committee chairpersons to provide oversight over the timely implementation of marketing activities upto the end of the 2023/24 FY These Ad Hoc committees had specific mandates and limited time span and completed their work during the financial year.

In line with the Head of the Public Service's circular of March 2020 concerning the management of State Corporations, the number of members on any board committee is restricted to no more than one-third of the full Board, and any individual Board member may serve on no more than two committees.

Further, in compliance with the directives from the Head of the Public Service issued vide Circular OP/CAB.9/1A of 11th March 2020, the Board undertook a rotation of the membership of the three board committees. This rotation was designed to expose board members to various operational areas within the organization and to enhance the board's oversight function.

BOARD MARKETING COMMITTEE

The Board of Directors has delegated to the Board Marketing Committee the authority to undertake the following functions:

1. Provide input from the private sector to KTB's marketing strategies and plans
2. Undertake proactive crisis management on behalf of the Board and constitute the technical team in the event of a crisis.
3. Provide strategic direction for KTB's marketing policies
4. Deliberate on cross-cutting issues that impact on tourism development and growth in co-operation with Government and other institutions.
5. Provide input in the selection and recruitment of senior staff within the marketing department by reviewing job specifications
6. Engage with strategic partners such as KWS, KQ, KTF among others
7. Any other matters assigned to the Committee by the Full Board.

A summary of Board Marketing Committee meetings attendance by the committee members is shown below.

Board Marketing Committee Meeting Attendance from 1st July 2023 to 30th June 2024

Committee Member	Position	19th July	18th Aug	17th Oct	16th Jan	11th April	19th June
Victor Shitakha	Chairman ***(retired 25th April 2024)***	✓	✓	✓	✓	✓	✓ (by invitation)
David Tanki	Chairman ***(appointed 25th April 2024)***	-	✓ (by invitation)	-	-	-	✓
June Chepkemei	Chief Executive Officer ***(appointed 2nd April 2024)***	-	-	-	-	✓	✓
John Chirchir	Ag. Chief Executive Officer ***(retired 1st April 2024)***	✓	✓	✓	✓	-	-
Janeanne Munyao	Director	✓	✓	✓	✓	✓	✓
PS, Tourism	Alternate is David Kinyangi	✓	✓	-	-	✓	✓
Inspectorate of State Corporations		-	-	✓	✓	-	✓
Alphina Bwaley		-	✓ (by invitation)	-	-	-	-

BOARD FINANCE & ESTABLISHMENT COMMITTEE

The Board of Directors has delegated to the Board Finance & Establishment Committee the authority to undertake the following functions:

1. To deliberate on all financial matters presented by management and make recommendations to the Full Board, including reviewing of the KTB budgets and annual financial statements, among others
2. To deliberate on all matters relating to human resources including staff emoluments and benefits, organizational structure, recruitment, appraisals and termination, among others
3. To deliberate on legal matters affecting the organisation and to receive updates on legal issues that the organisation may be party to.
4. To deliberate on procurement matters including receiving of procurement reports
5. To deliberate on Performance Contracting matters including reviewing of the draft annual performance contract and receiving quarterly PC reports.
6. To deliberate on the Corporate Strategic Plan including receiving of quarterly strategic plan implementation reports
7. To deliberate on any other matters that may be delegated to the Committee by the Full Board

A summary of Board Finance & Establishment Committee meetings attendance by the committee members is shown below.

Board Finance & Establishment Committee Meeting Attendance from 1st July 2023 to 30th June 2024

Committee Member	Position	20th July	14th Sept	18 h Oct	27th Nov	17 th Jan	9th Apr	20th June
David Tanki	Chairman ***(retired 25th April 2024)***	✓	✓	✓	✓	✓	✓	-
Alphina Bwaley	Chairperson ***(appointed 25th April 2024)***	-	-	-	-	-	-	✓
June Chepkemei	Chief Executive Officer ***(appointed 2nd April 2024)***	-	-	-	-	-	✓	✓
John Chirchir	Ag. Chief Executive Officer ***(retired 1st April 2024)***	✓	✓	✓	✓	✓	-	-
CEO, Tourism Fund		✓	-	-	✓	-	-	✓
PS National Treasury	Alternate is Anthony Muriu	✓	✓	✓	✓	✓	✓	-
Inspectorate of State Corporations		-	✓	✓	-	✓	✓	✓

BOARD AUDIT & RISK COMMITTEE

The Board of Directors has delegated to the Board Audit & Risk Committee the authority to undertake the following functions:

1. Assist the Chief Executive Officer in enhancing internal controls in order to improve efficiency, transparency and accountability
2. Review audit issues raised by both internal and external auditors
3. Resolve unsettled and unimplemented relevant Parliamentary Committees recommendations.
4. Enhance communication between management, internal and external auditors and foster an effective internal audit function
5. Establish and maintain an effective Board risk management process.

A summary of Board Audit & Risk Committee meetings attendance by the committee members is shown below.

Board Audit & Risk Committee Meeting Attendance from 1st July 2023 to 30th June 2024

Committee Member	Position	21st July	19th Oct	19th Jan	8th April
Alphina Bwaley	*Chairperson* ***(retired 25th April 2024)***	✓	✓	✓	✓
Victor Shitakha	*Chairman* ***(appointed 25th April 2024)***	-	-	-	-
Janeanne Munyao	Director	✓	✓	✓	✓
Jacklyne Cherop	Director	✓	✓	✓	✓
PS, National Treasury	Alternate is Anthony Muriu	✓	✓	✓	✓
Inspectorate of State Corporations	Representative is Stephen Mbatia	-	✓	✓	-

BOARD AD HOC COMMITTEE ON CEO RECRUITMENT

The Board of Directors at its 124th Regular Full Board meeting resolved that an Ad Hoc Committee be established for purposes of undertaking the recruitment f or senior management positions in Grade 2 and 3. The Committee was chaired by the Chair of the Board Finance and Establishment Committee.

Board Ad Hoc Committee on Recruitment Meetings Attendance from 1st July 2023 to 30th June 2024

Board Member	Position	14th Nov	4th Dec	5th Dec	6th Dec	7th Dec	8th Dec
David Tanki	Committee Chairman	✓	✓	✓	✓	✓	✓
Francis Gichaba	Board Chairman	-	✓	✓	-	-	-
Alphina Bwaley	Vice-Chairman	✓	✓	✓	✓	✓	✓
Janeanne Munyao	Independent Director	✓	-	-	-	-	-
PS, Tourism	Ex Officio Alternate is David Kinyangi	✓	✓	✓	✓	✓	✓
PS, National Treasury	Ex Officio Alternate is Anthony Muriu	✓	-	-	-	-	-

BOARD AD HOC COMMITTEE ON CEO RECRUITMENT

The Board of Directors at its 125th Regular Full Board meeting resolved that an Ad Hoc Committee of the Whole Board be established for purposes of undertaking the recruitment of the Chief Executive Officer. The Committee was chaired by the Chair of the Board Finance and Establishment Committee.

Board Ad Hoc Committee Meetings Attendance from 1st July 2023 to 30th June 2024

Board Member	Position	12th Feb	19th Feb	27th Feb	11 th March
David Tanki	Committee Chairman	✓	✓	✓	✓
Francis Gichaba	Board Chairman	✓	✓	✓	✓
Alphina Bwaley	Vice-Chairman	✓	✓	✓	✓
Victor Shitakha	Independent Director	✓	✓	✓	✓
Janeanne Munyao	Independent Director	✓	✓	✓	✓
Jacklyne Cherop	Independent Director	✓	✓	✓	✓
PS, Tourism	Ex Officio Alternate is David Kinyangi	✓	✓	✓	✓
PS, National Treasury	Ex Officio Alternate is Anthony Muriu	-	✓	-	✓
CEO, Tourism Fund	Ex Officio	-	✓	✓	✓

BOARD AD HOC COMMITTEE ON PERFORMANCE MANAGEMENT

The Board of Directors at its 125th Regular Full Board meeting resolved that an Ad Hoc Committee comprising of the Board Committee Chairpersons be established for purposes of providing oversight over the timely implementation of marketing activities up to the end of the 2023/24 FY. The Committee was chaired by the Chair of the Board Audit & Risk Committee.

Board Ad Hoc Committee on Performance Management Meetings Attendance from 1st July 2023 to 30th June 2024

Board Member	Position	29th Feb	16th April	18th June
Alphina Bwaley	Committee Chairman	✓	✓	✓
Victor Shitakha	BMC Chairman	✓	✓	✓
David Tanki	BFC Chairman	✓	✓	✓

REMUNERATION OF THE BOARD

Non-executive directors receive a taxable sitting allowance, as sanctioned by the State Corporations Advisory Committee. Additionally, the Board Chairman receives a monthly honorarium at a rate set by the Government, in addition to a monthly allowance for airtime and internet.

Directors are reimbursed for transportation costs related to Board business according to current AA rates. Independent directors are also provided with outpatient and inpatient medical coverage, personal accident insurance, and a monthly internet allowance, all as approved by the Government, to support their use of the electronic board meeting platform.

DIRECTORS INDUCTION AND TRAINING

Induction programs are implemented to introduce new directors to the operations of the Board while corporate governance trainings are organized at different times during the year to deepen the boards' understanding of the changes in risks, laws and business and political environment in which the Board operates.

KTB recognizes the importance of continuous learning and development for its directors. During the financial year, the Board undertook several trainings aimed at enhancing the skills and knowledge of its members in various aspects of governance, risk management, and the tourism industry.

The Board Audit and Risk Committee participated in a training workshop on audit oversight and risk management, facilitated by the Institute of Corporate Governance at the Sarova Whitesands Hotel from 6th to 10th November 2023. This training was instrumental in enhancing the committee's ability to oversee KTB's audit processes and manage the organization's risks effectively.

The Board Chairman attended a Chairpersons Capacity Building training organized by the Institute of Certified Secretaries at Sawela Lodge, Naivasha, from 4th to 8th September 2023. This training focused on leadership, governance, and the roles and responsibilities of a board chairman in steering an organization towards achieving its strategic objectives.

Additionally, the Board participated in media training at the Fairview Hotel, Nairobi, on 29th September 2023. This training aimed to enhance the directors' understanding of media engagements and their role in promoting Kenya as a tourist destination.

The Board also received training on digital marketing during a workshop held at Entim Sidai, Nairobi, on 1st November 2023, which provided valuable insights into the latest trends and best practices in digital marketing.

To deepen their understanding of Kenya's tourism products, the Board also undertook a series of familiarization visits to various parts of the country, including Masai Mara, Lamu, Turkana, Mombasa, and Diani. These visits allowed the directors to interact closely with tourism private sector players, gaining firsthand knowledge of the challenges and opportunities within the sector.

BOARD EFFECTIVENESS AND EVALUATION

The effectiveness of the Board of Directors is critical to the success of KTB. During the financial year, the Board undertook a comprehensive Board Evaluation Exercise facilitated by the State Corporations Advisory Committee (SCAC) for the FY2022/23. The results, presented in September 2023, indicated excellent performance, with the Board achieving a rating of **88%**.

This evaluation covered various aspects of the Board's performance, including its strategic oversight, governance practices, and the effectiveness of its committees. The Board is committed to continuous improvement and has identified areas for enhancement based on the evaluation's findings. The Board continues to explore strategies to further improve its performance in the coming years, ensuring that it remains effective in guiding KTB towards its strategic goals.

During the year, meetings of the Board continued to be managed effectively and efficiently through the use of a **100%** paperless electronic board management solution.

CODE OF CONDUCT AND ETHICS

KTB operates under a strict Code of Conduct and Ethics, which outlines the ethical principles and standards that guide the behaviour of its directors, management, and staff. The Board is committed to upholding the highest standards of ethical conduct in all its dealings, ensuring that KTB operates with integrity, accountability, and transparency.

During the financial year, the Board reinforced its commitment to the Code of Conduct and Ethics, ensuring that all directors and staff adhered to its provisions. The Code emphasizes the importance of ethical behaviour in all interactions, both within the organization and with external stakeholders. The Board also ensured that mechanisms were in place for reporting and addressing any breaches of the Code, fostering a culture of ethical behaviour throughout the organization.

ACCOUNTABILITY & AUDIT

The Board is required to present an objective and understandable assessment of the organizations' operational position and prospects. To this end, the Board ensured that accounts were presented in accordance with the International Public Sector Accounting Standards (IPSAS).

(i) External Auditors

Kenya Tourism Board accounts are audited by the Office of the Auditor-General. The Office of the Auditor-General is an independent office whose role and responsibilities are defined under the Constitution of Kenya.

(ii) Internal Auditors

The Board in furtherance of its duties to ensure that the process, structure and internal controls are maintained and adhered to has recruited qualified and experienced in-house internal audit staff to carry out such functions and present reports on compliance.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is tasked with identifying internal risks and creating strategies to address these risks. It oversees the development and implementation of internal control systems, ensuring a thorough understanding of the risks and employing effective internal controls and risk management practices.

To this end, the Board has established a Risk Management Framework that identifies and prescribes measures for managing these risks. Recognizing the critical role of information technology in risk management, the Board has also ensured that a business continuity plan, disaster preparedness plan, and other ICT policies are in place.

The Board Audit and Risk Committee played a central role in this process, regularly reviewing the effectiveness of the internal controls and risk management systems and making recommendations to the Board for improvement. The Board is committed to continuous improvement in this area and will continue to monitor and enhance KTB's internal controls and risk management processes. Day-to-day risk management responsibilities are delegated to Management, who handle these through established systems and processes.

RELATIONSHIP WITH STAKEHOLDERS

The KTB Board places significant importance on maintaining strong relationships with its stakeholders. During the financial year, the Board undertook a proactive approach to stakeholder engagement, ensuring that the views and concerns of both internal and external stakeholders were taken into account in the organization's decision-making processes.

The Board engaged with various tourism and public sector stakeholders, including the Cabinet Secretary for Tourism and Wildlife, the Principal Secretary – State Department for Tourism, the Turkana Tourism Association (TTA), the Lamu Tourism Association (LTA), the Tour Operators Society of Kenya (TOSK), the Kenya Tourism Federation (KTF), the Kenya Association of Hotel Keepers and Caterers (KAHC), the Kenya-Chinese Tourism Association, the Kenya Wildlife Service (KWS), the Turkana Basin Institute (TBI), and the Kenya Ports Authority (KPA), among others. These engagements were critical in fostering collaboration and ensuring that KTB's strategies were aligned with the needs and expectations of the tourism sector and other stakeholders.

In addition to these engagements, the Board also held discussions with other entities aligned with KTB's mandate of promoting Kenya as a tourist destination. These included engagements with the Malaysian High Commission, GIZ, FlyDubai, IndiGo Airlines, and the Jordanian Tourism Board. These interactions were instrumental in enhancing KTB's international networks and exploring new opportunities for promoting Kenya as a leading global tourist destination.

During the year, the Board held also engagements with the Magical Kenya Signature Experience (MKSE) affiliates on 26th October 2023 and 26th April 2024 to enhance stakeholder engagement with the tourism private sector players enrolled in the MKSE programme and to understand their concerns and receive feedback on the performance of the programme.

In alignment with the Government's focus on environmental sustainability, the Board also participated in various tree planting activities during the year in different parts of the country, including the Masai Mara, Taveta, Kitui, and Kapsabet. These activities underscored KTB's commitment to environmental conservation and its role in preserving Kenya's natural heritage.
The Board has continued to encourage electronic communication through publishing relevant information on the corporate website www.ktb.go.ke and on the destination website www.magicalkenya.com and has endeavoured to ensure that the two websites are highly interactive and contain all the relevant information that stakeholders may require. In addition, KTB also regularly publishes an electronic newsletter for purposes of communicating with its stakeholders.

CONCLUSION

The financial year ending June 30, 2024 has been a period of significant achievements for the Kenya Tourism Board, underpinned by strong governance and strategic oversight from the Board of Directors. The Board's commitment to transparency, accountability, and ethical leadership has been instrumental in guiding the organization towards its strategic objectives.

As we move forward, the Board remains dedicated to maintaining the highest standards of corporate governance, ensuring that KTB continues to play a pivotal role in the growth and development of Kenya's tourism sector. The Board will continue to engage with stakeholders, enhance its governance practices, and drive the organization towards achieving its long-term goals.

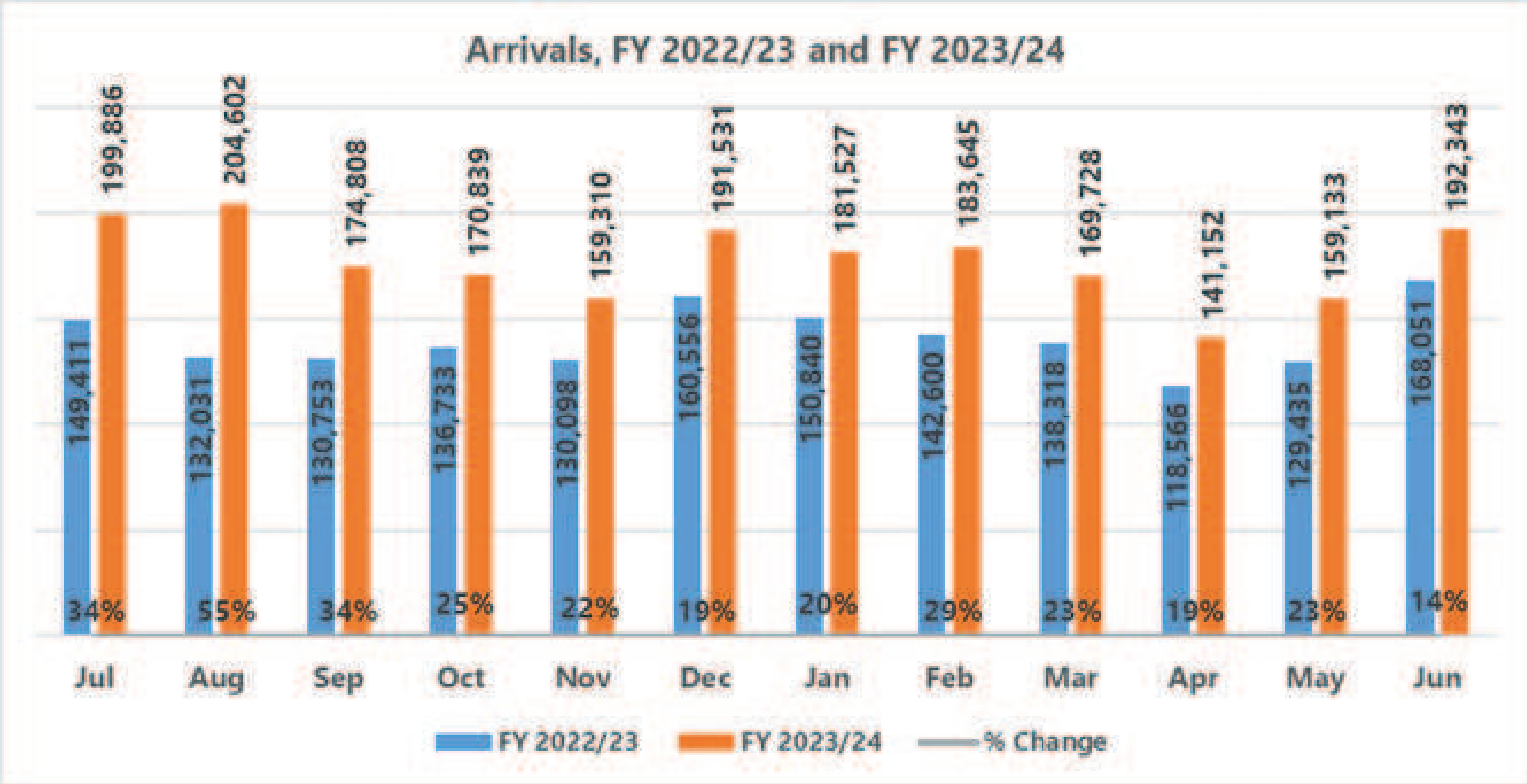
9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A- KTB'S OPERATIONAL AND FINANCIAL PERFORMANCE

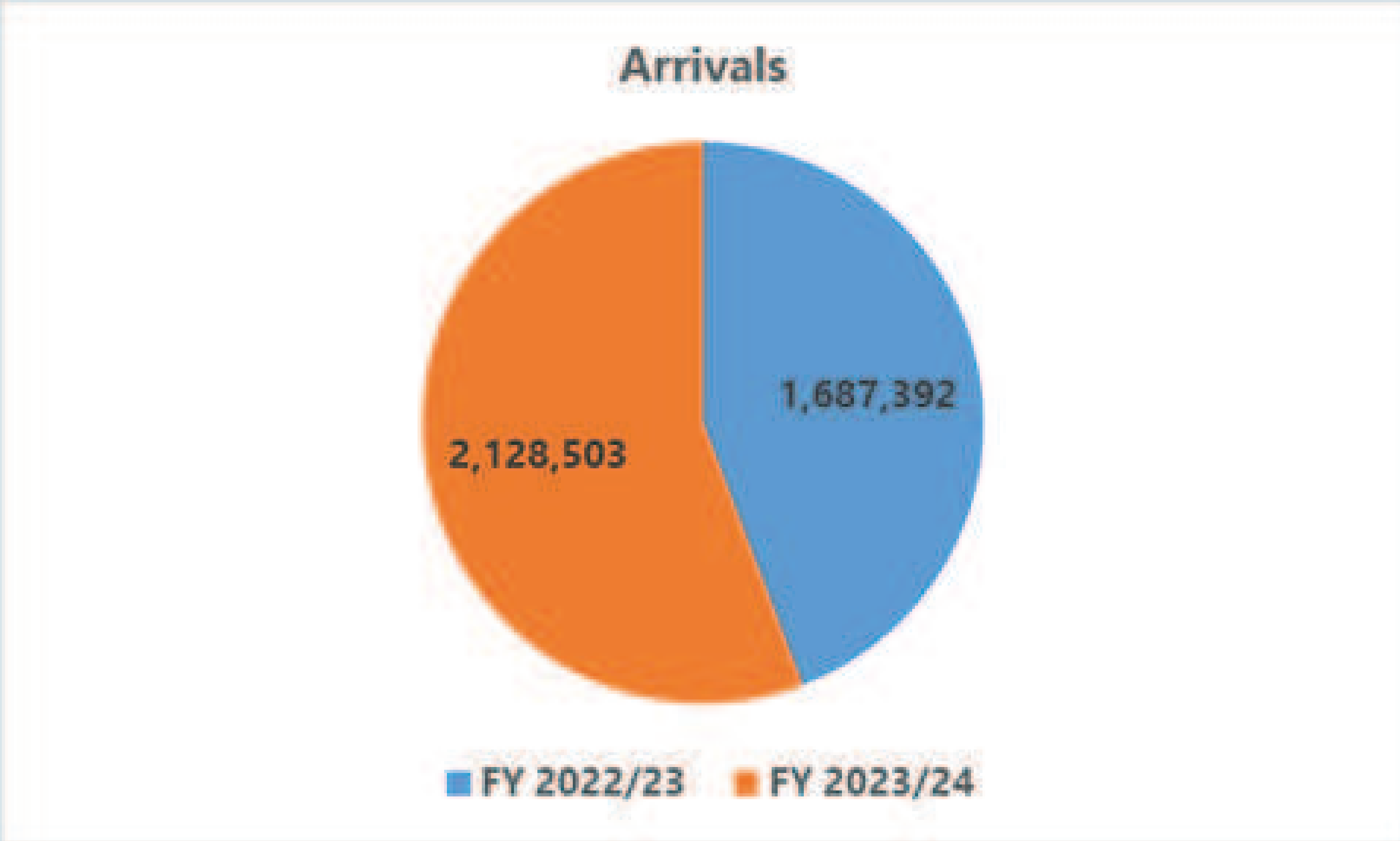
OVERVIEW

a) Total Arrivals

In the FY 2023/24 Kenya's tourism exhibited a robust recovery rate of **103%** surpassing the global pre pandemic rate of **88%**. This growth is attributed to increased international visitor arrivals, strategic marketing initiatives, and a favorable exchange rate environment.



Visitor Arrivals FY 2022/23 vs 2023/24



Source: Tourism Research Institute (TRI)

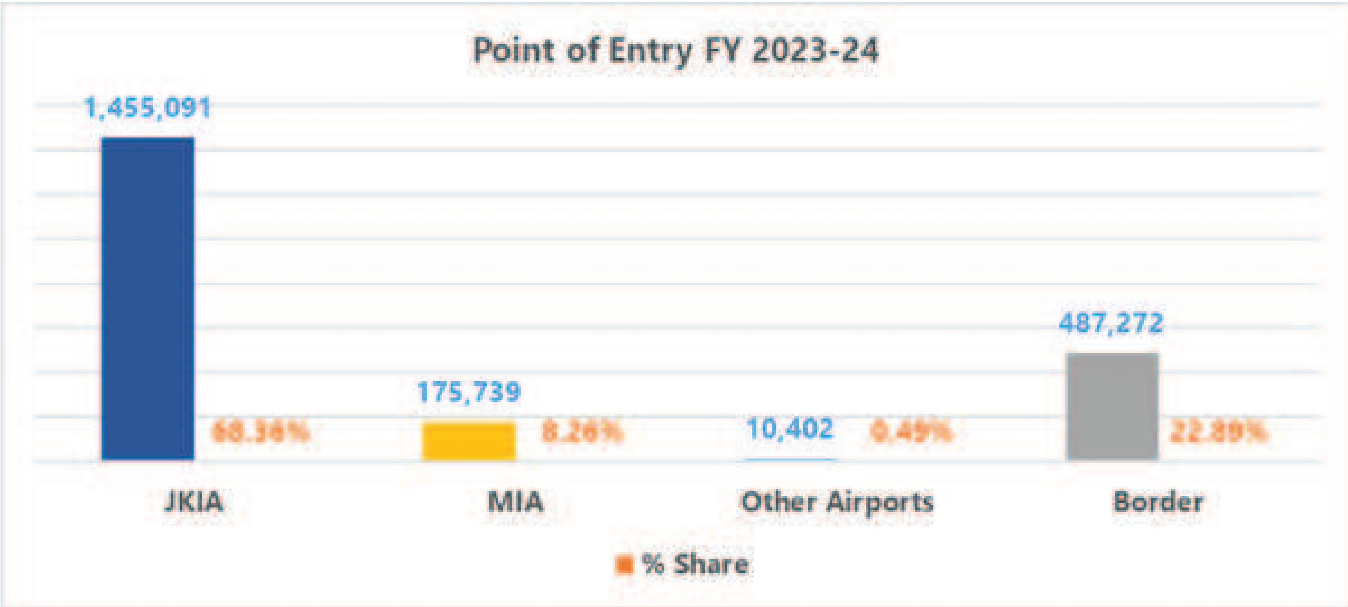
Point of Entry
The top points of entry included:

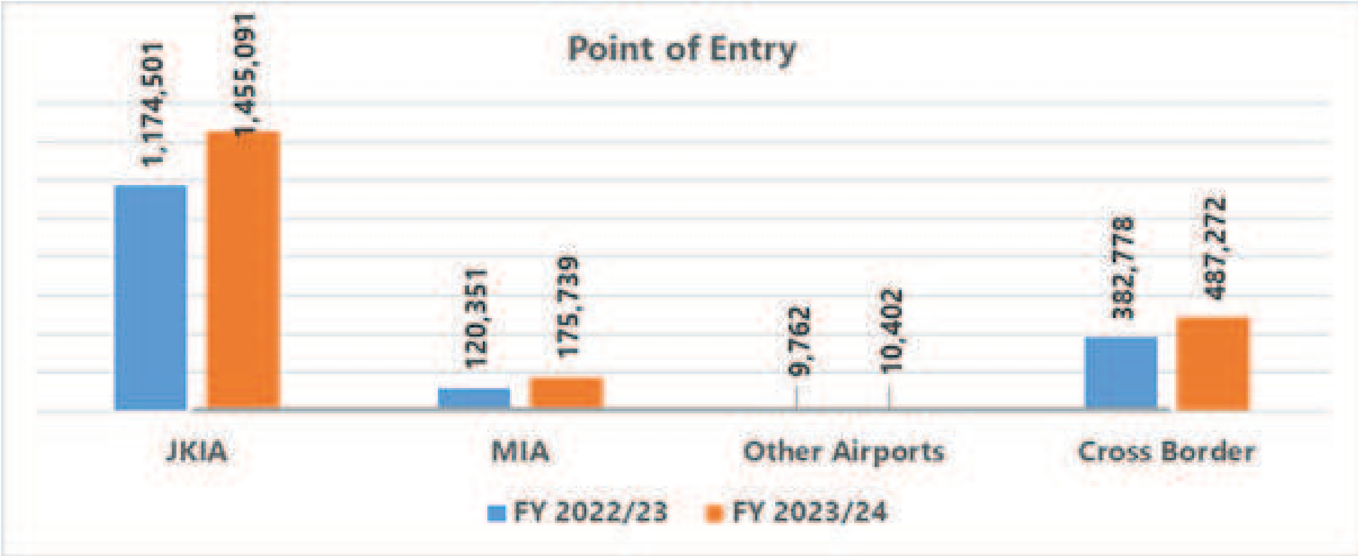
Jomo Kenyatta International Airport (JKIA)
The airport served as the main entry point, it is the country's busiest airport and a major gateway for international travelers.

Cross Borders
The cross borders serve as entry points for tourists from neighbouring countries, such as Uganda and Tanzania.

Mombasa International Airport (MIAM)
The coastal region known for its beaches and resorts, attracted a significant number of tourists through this airport.

Other Airports
Seaports and piers played a role in bringing in tourists, interested in cruise. These airports cater to specific regional travel needs and provide convenient access to various parts of the country.

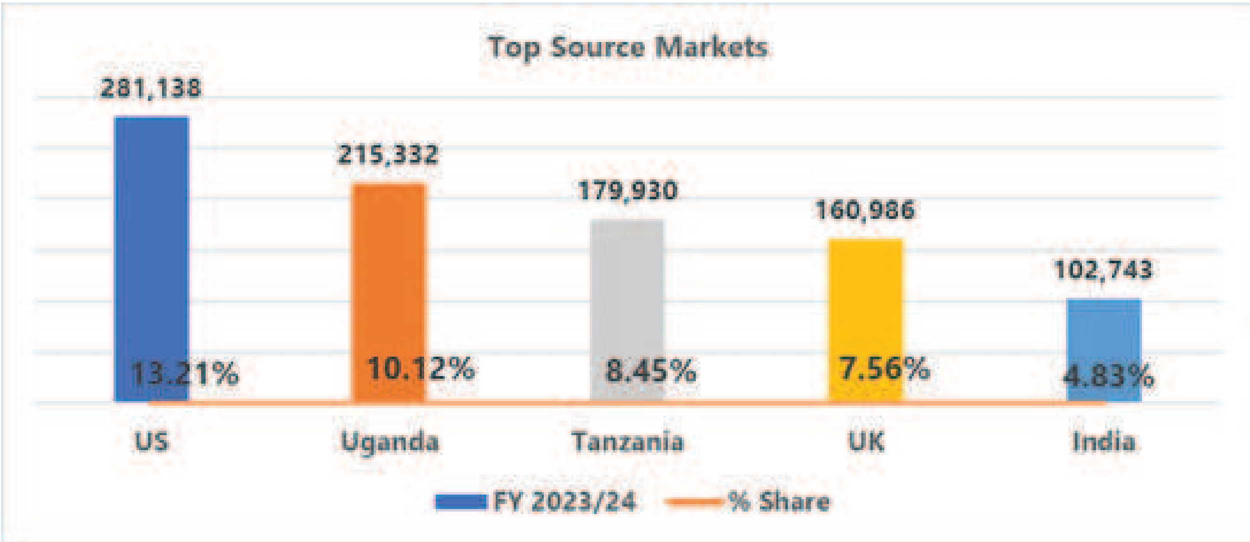


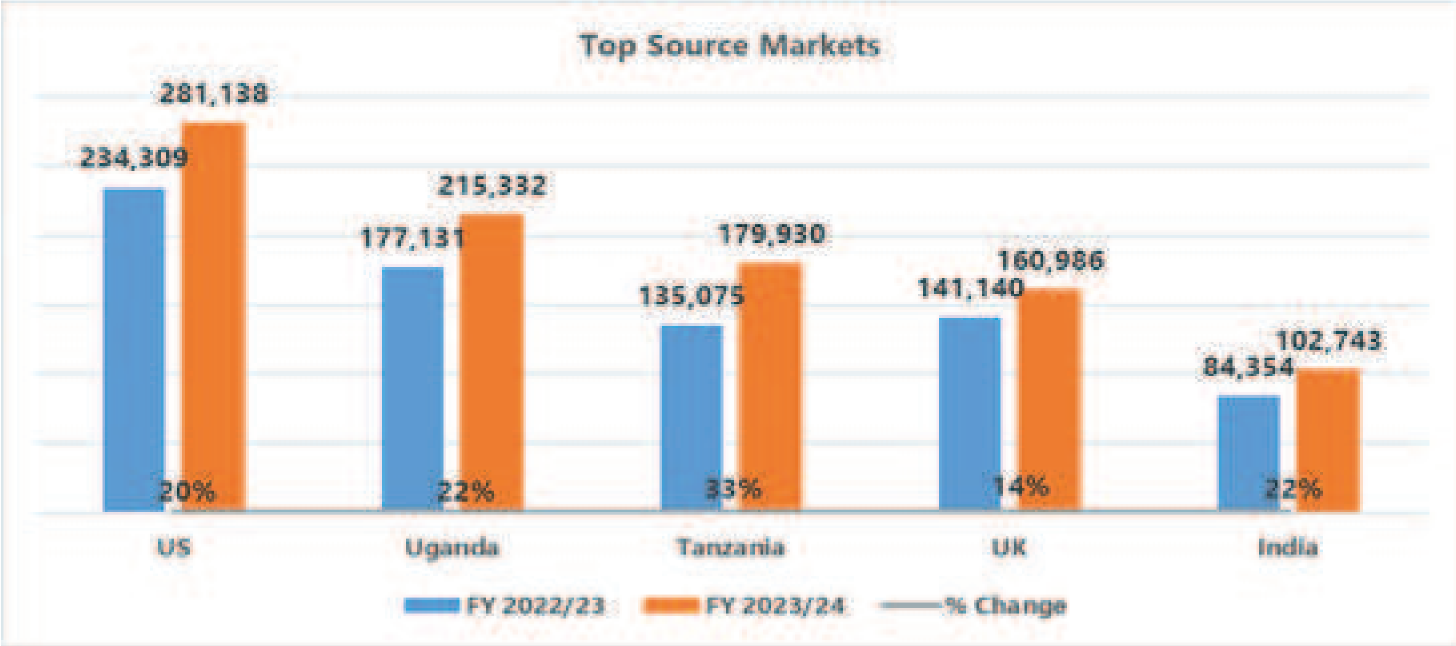


Market Share

In the FY 2023/24, the top five source markets for Kenya's tourism sector demonstrated notable performance. Key source markets included the United States, Uganda, Tanzania, United Kingdom and India remained the top five markets reflecting Kenya's broad international appeal.

Key insights of the top five source market share for FY 2023/24 include:





Purpose of Entry

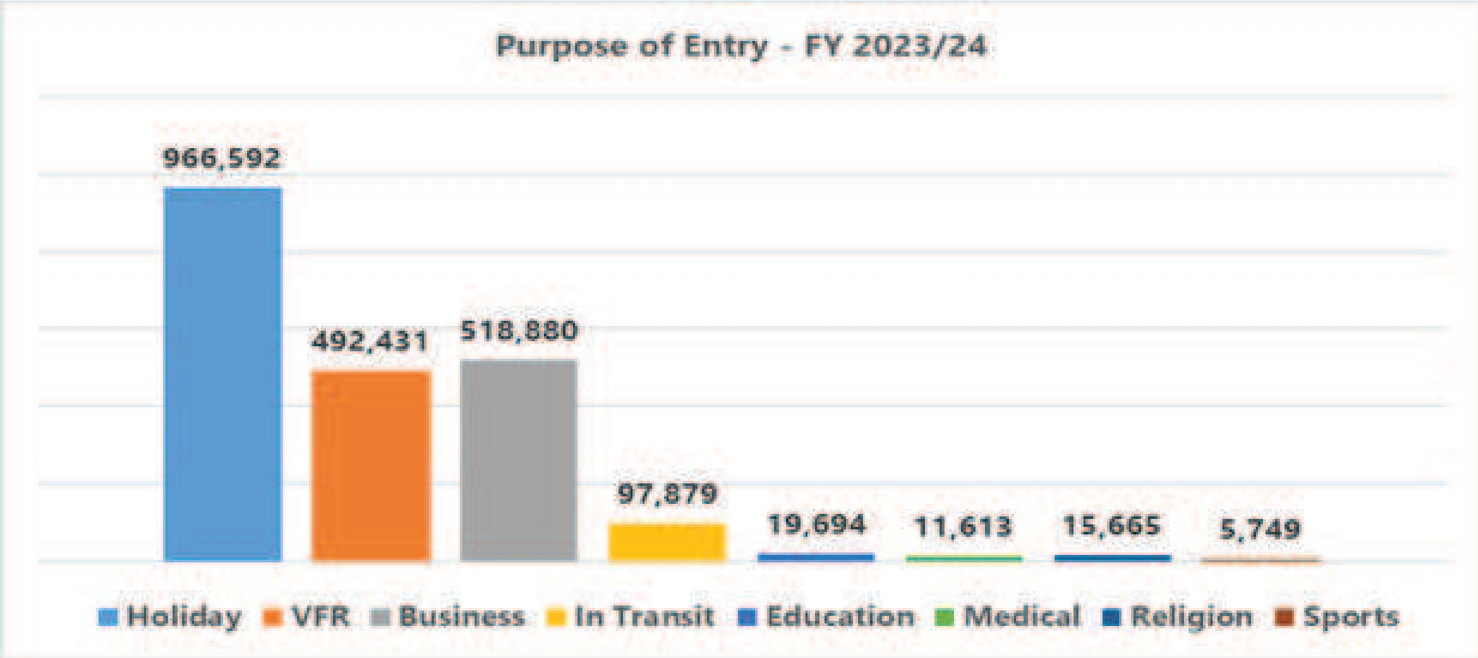
The top purpose of entry for these visitors were:

Holiday - holiday arrivals made up a significant portion of total tourist arrivals with a total of **966,592** (**45%** of the market share of total visitor arrivals).

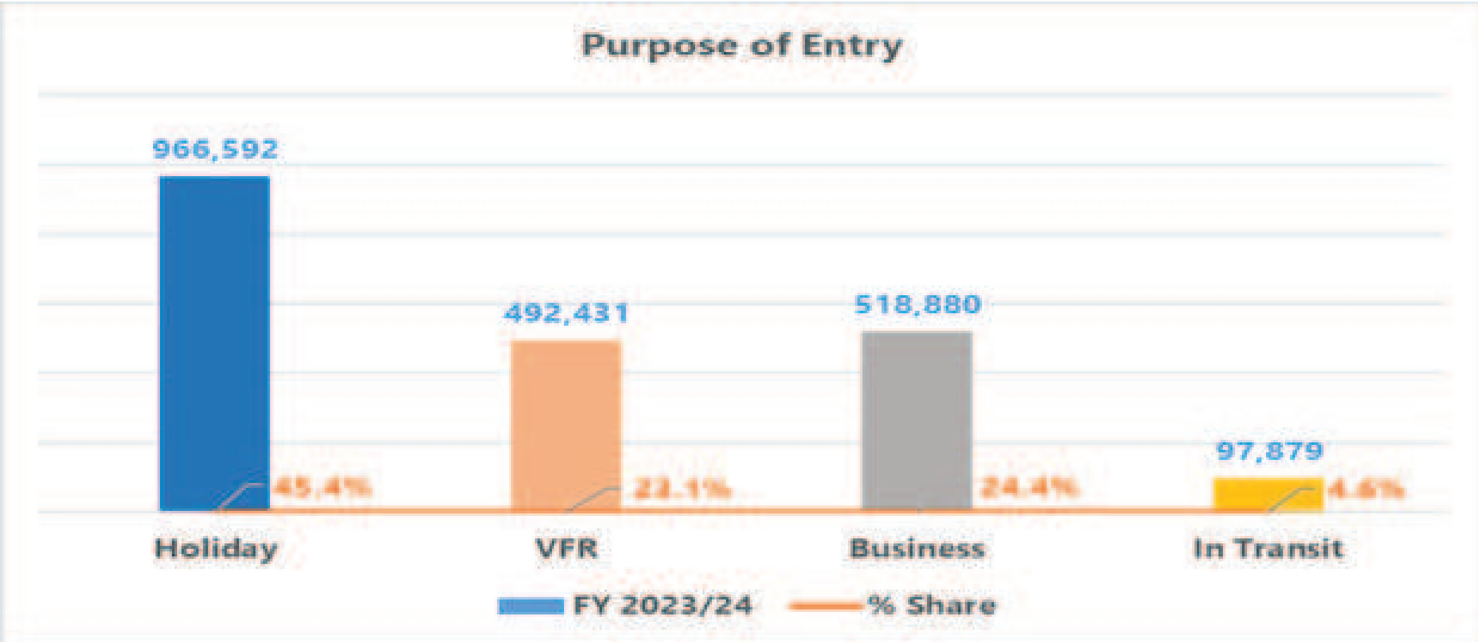
Visiting Friends and Relatives (VFR) accounted for **492,431 arrivals** (**23%** of the total arrivals). This indicates the significance of personal connections and family ties in attracting visitors to Kenya.

Business & MICE (Meetings, Incentives, Conferences, and Exhibitions) accounted for **24%** of arrivals, with a total of **518,888** visitors. The MICE tourism sector is expanding, with Nairobi positioning itself as a regional hub for business events. The country successfully hosted prominent conferences, including the Africa Climate Summit, which attracted international delegates and showcased the country as a viable destination for business tourism.

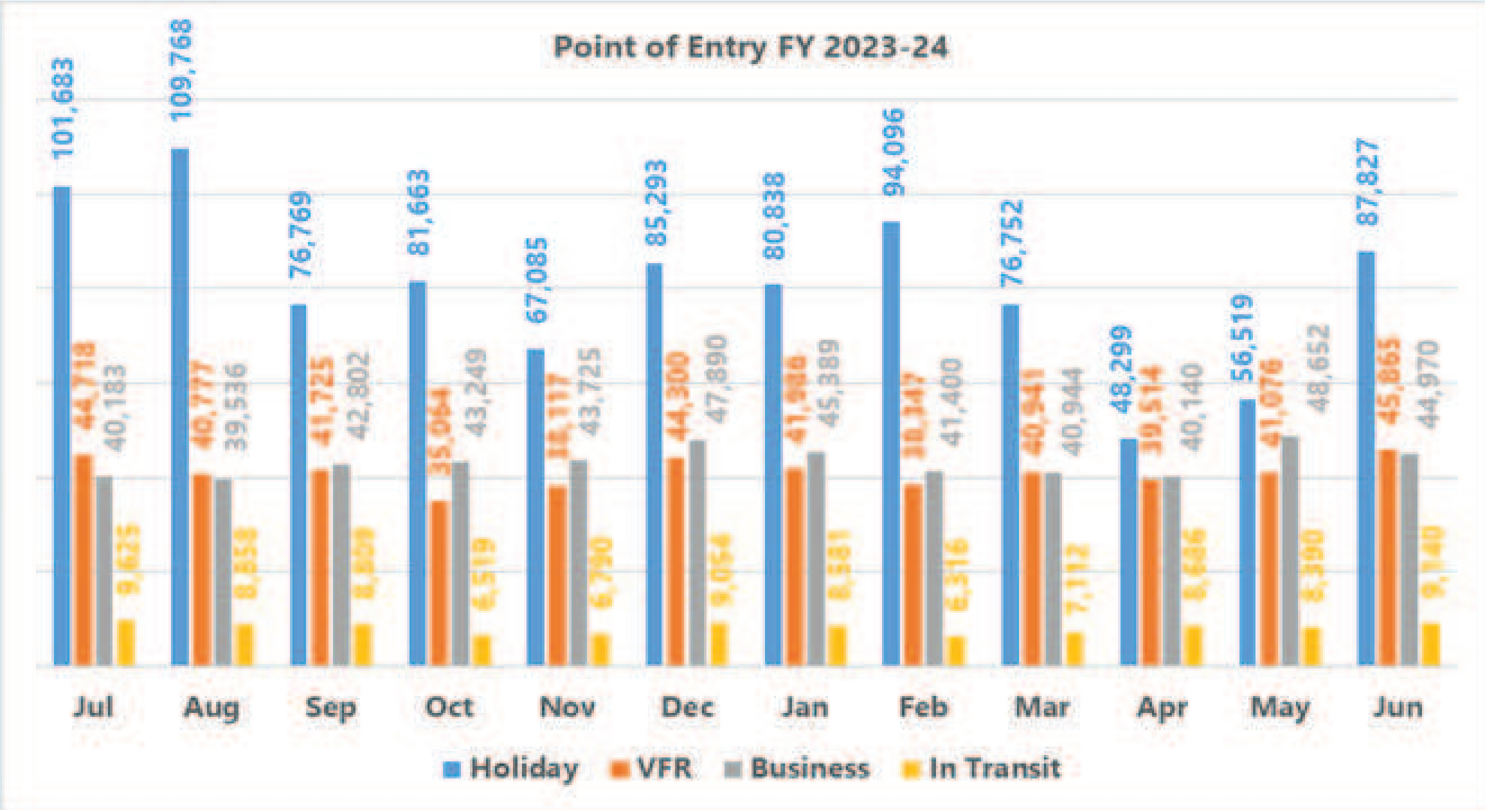
In Transit arrivals accounted for **5%** of the total, indicating Kenya's position as a transit hub for travellers connecting to other destinations.



Purpose of Entry - FY 2023/24
966,592
492,431
518,880
97,879
19,694
11,613
15,665
5,749
Holiday VFR Business In Transit Education Medical Religion Sports



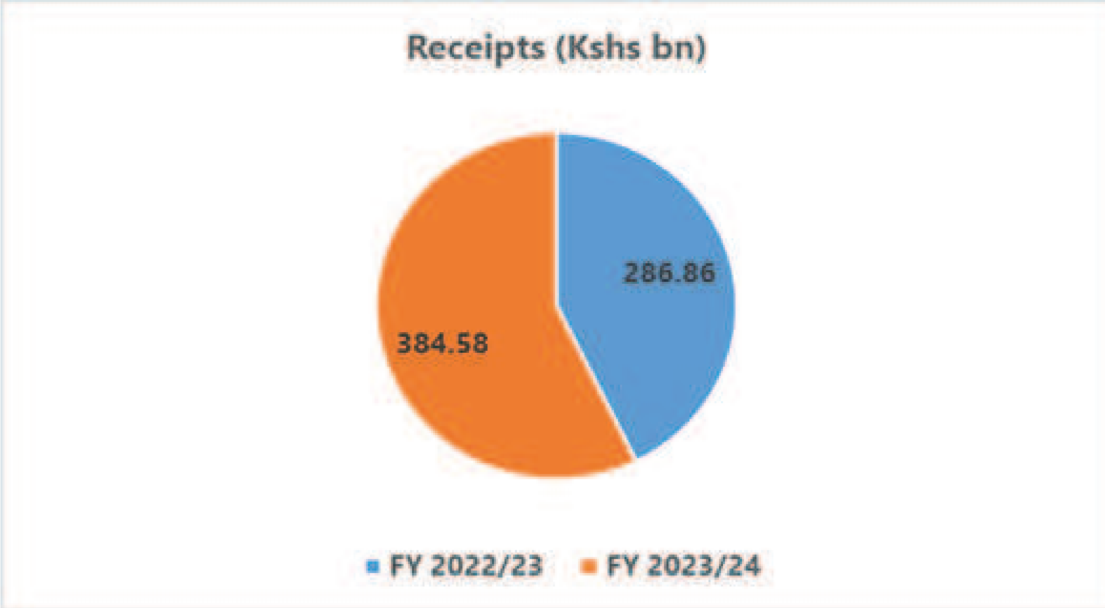
Purpose of Entry
966,592
45.4%
492,431
23.1%
518,880
24.4%
97,879
4.6%
Holiday
VFR
Business
In Transit
FY 2023/24
% Share



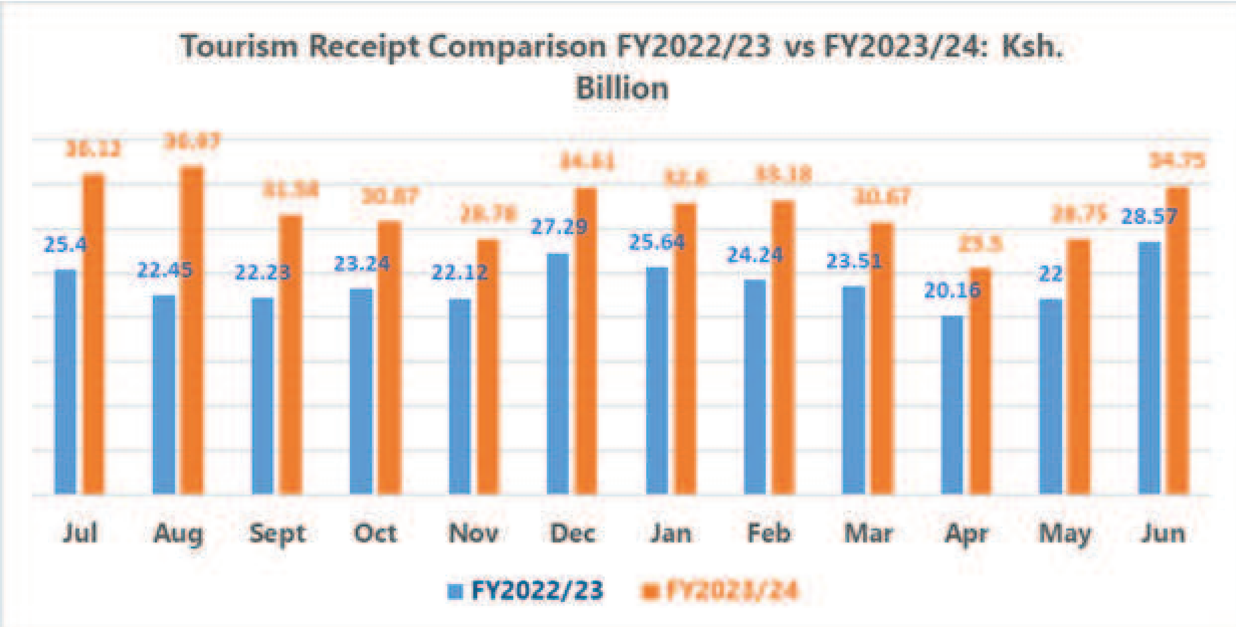
b. International Tourist Receipts Performance Analysis Report FY 2023/24

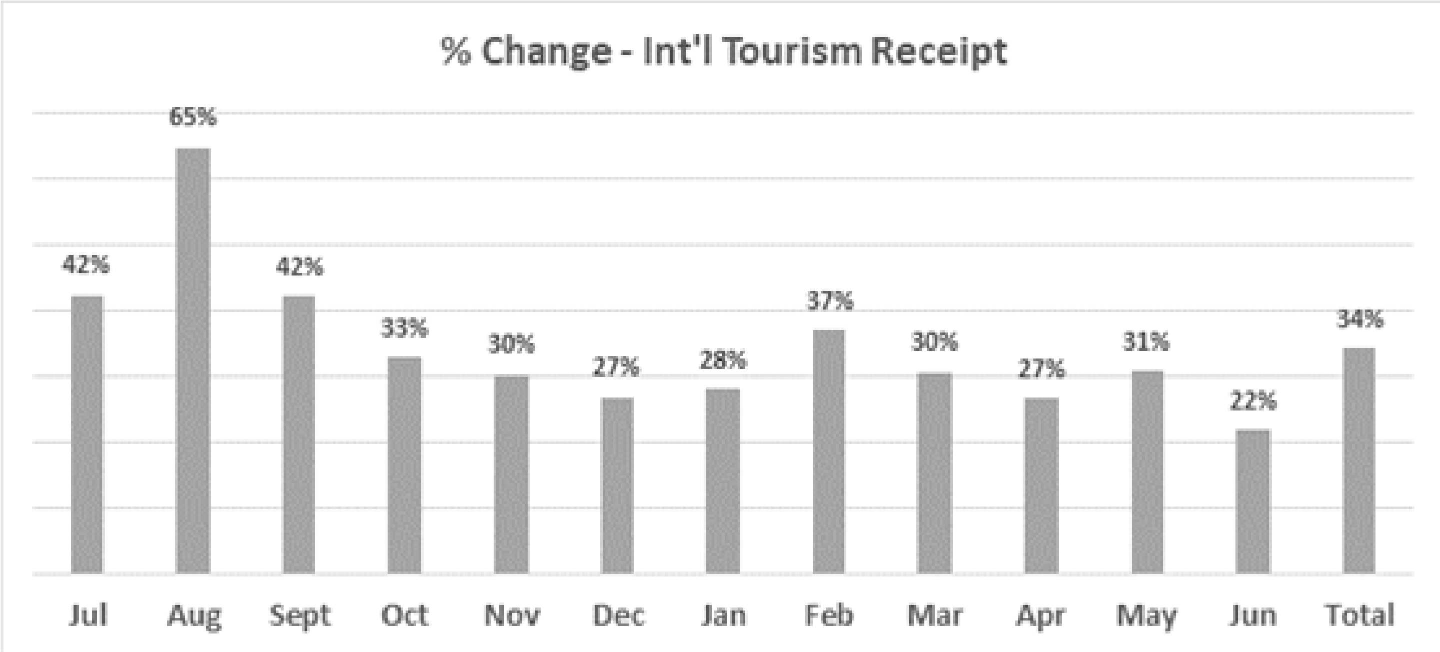
The total receipts in FY 2023/24 witnessed a substantial surge of 34.1%, indicating a significant increase in revenue generated from international tourism.

This revenue is the highest recorded since the pandemic. This rebound is attributed to strategic marketing efforts and favorable exchange rates, despite the decline in average spending per visitor.



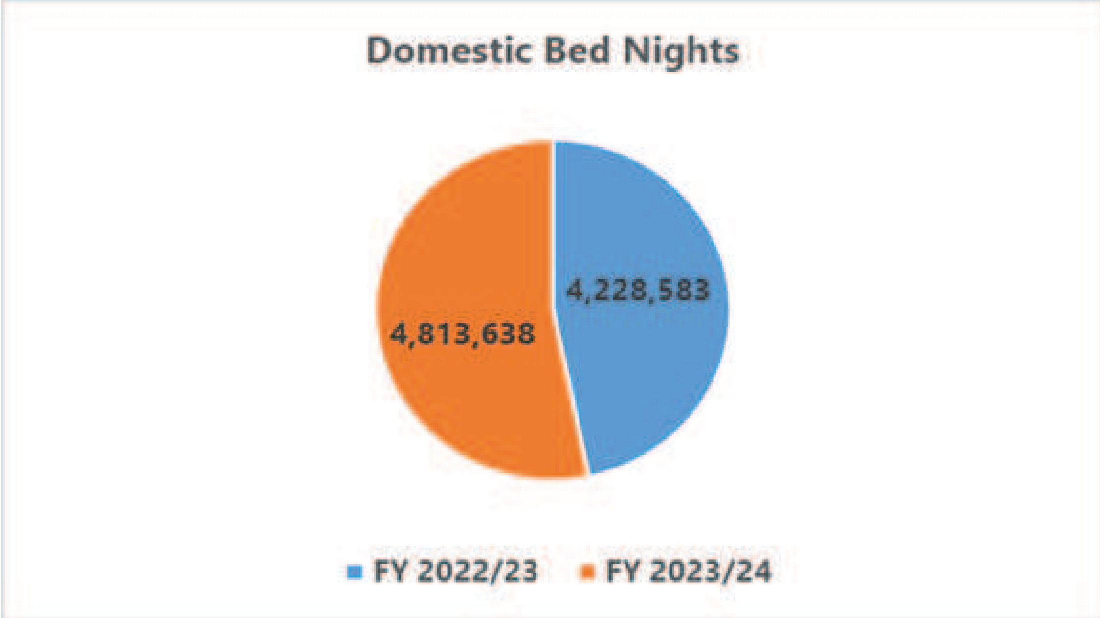
Source: Tourism Research Institute (TRI)



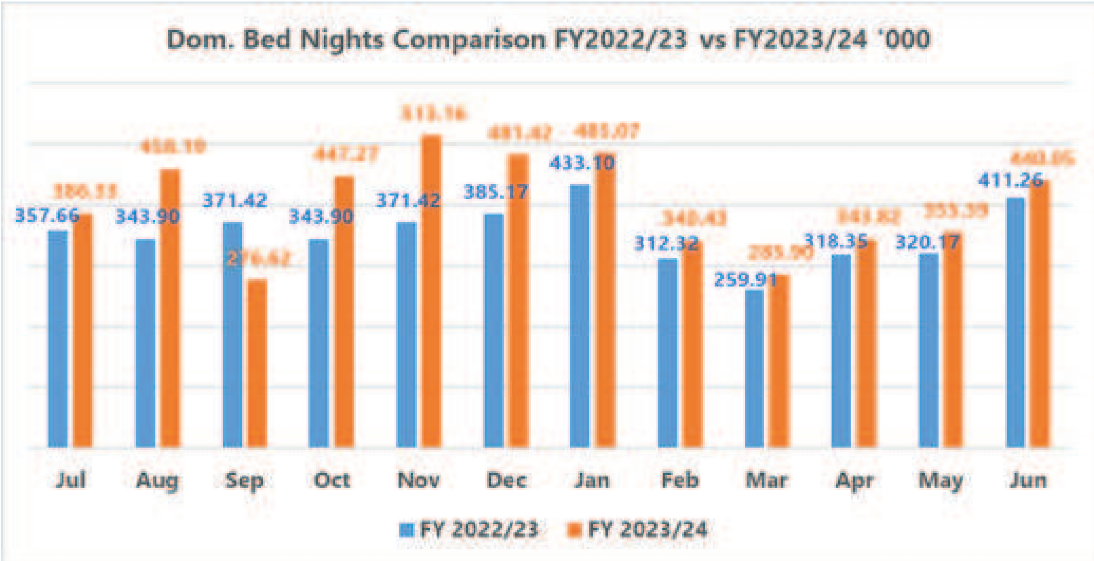


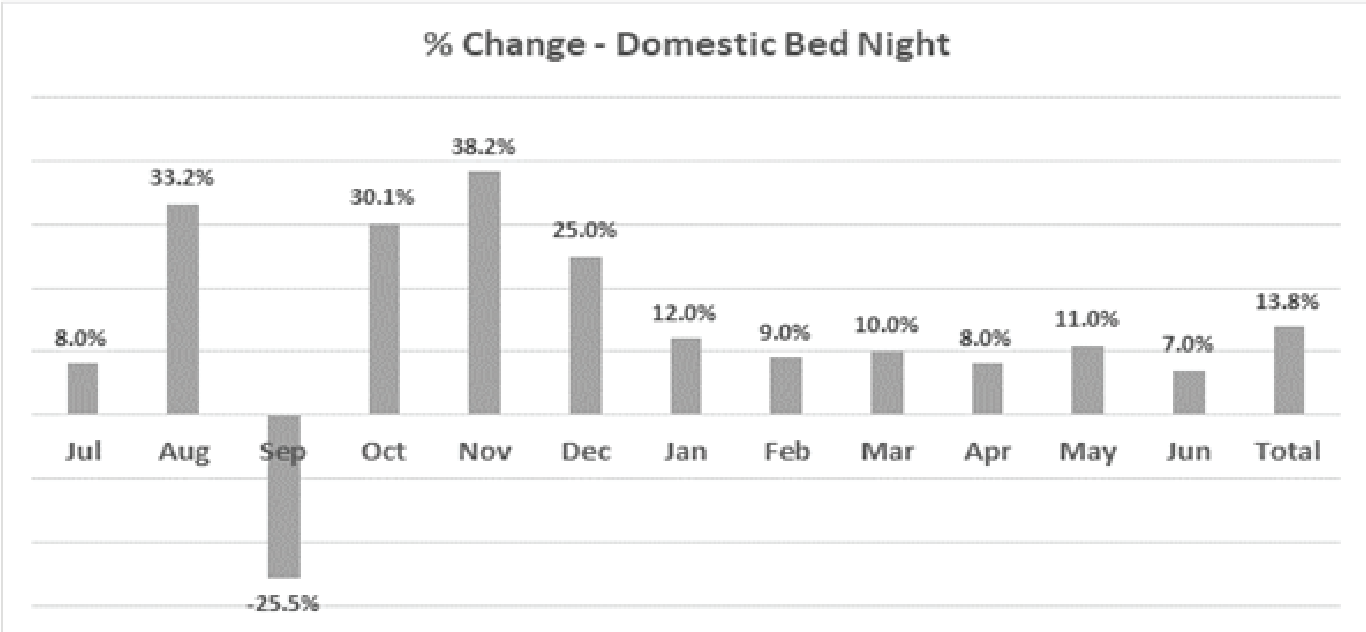
c) Domestic Bed Night Performance Analysis Report FY 2023/2024

The Kenya National Bureau of Statistics (KNBS) data reveals a mixed performance in domestic bed nights for the financial year 2023/2024 compared to 2022/2023. While the overall bed nights increased by **13.8%**, the monthly breakdown shows significant fluctuations



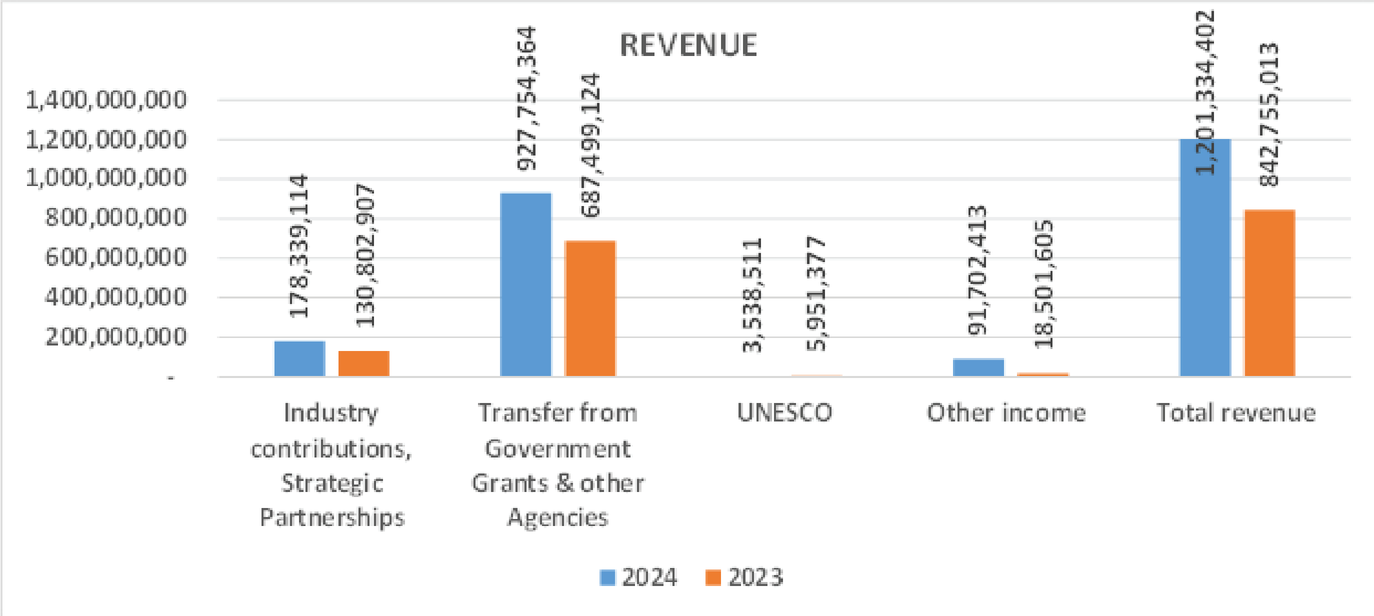
Source: Kenya National Bureau of Statistics (KNBS)

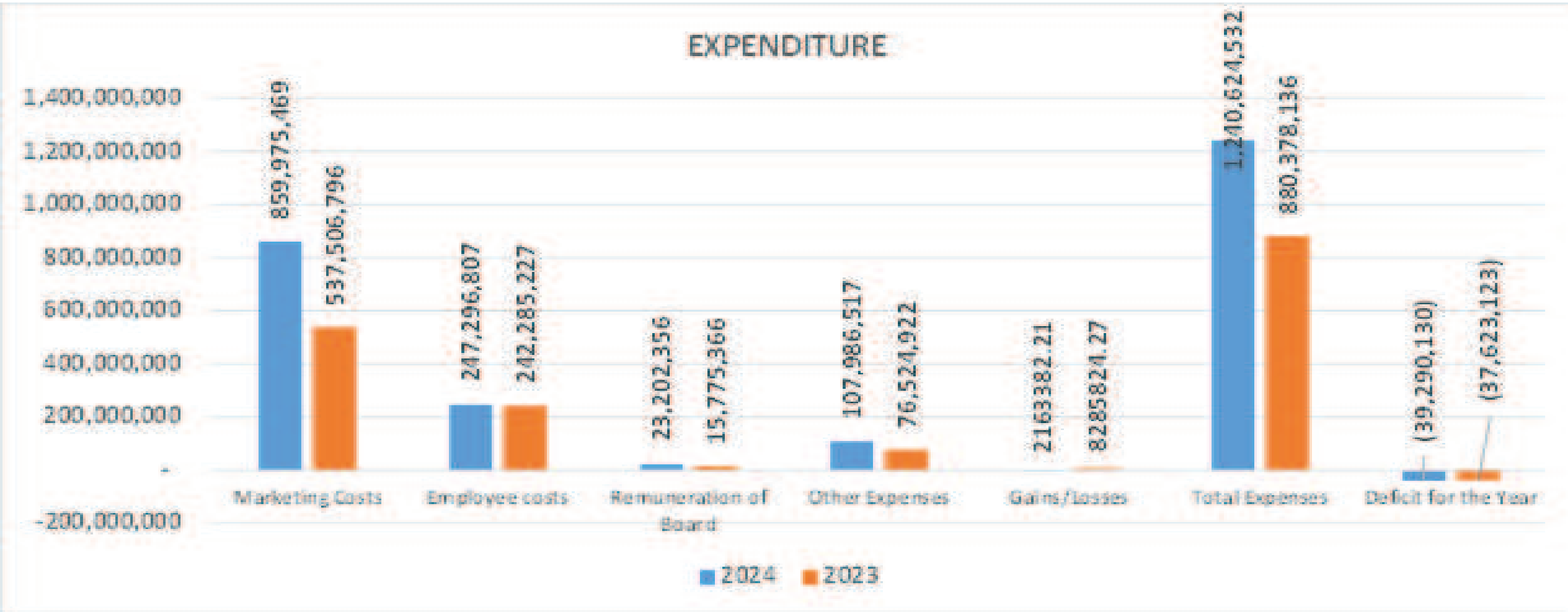




d) Financial performance

KTB received Kshs **326.65 Million** from GoK grants; Kshs **400Million** from Tourism Fund, Ksh.**485.56M** from Tourism Promotion Fund and earned Kshs **270Million** from Appropriation in Aid in FY 2023/24. KTB accrued Tourism Promotion Fund (TPF) grants of KShs **29.276M**. This amount relates to the completed project funds that had not been received at year end. As at 30th June 2024, KShs **319.98M** being funds for ongoing projects and two (2) new projects funded by TPF close to year end were deferred to FY 2024/25.


REVENUE
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
-
178,339,114
130,802,907
927,754,364
687,499,124
3,538,511
5,951,377
91,702,413
18,501,605
1,201,334,402
842,755,013
Industry contributions, Strategic Partnerships
Transfer from Government Grants & other Agencies
UNESCO
Other income
Total revenue
2024
2023


EXPENDITURE
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
-
-200,000,000
859,975,469
537,506,796
247,296,807
242,285,227
23,202,356
15,775,366
107,986,517
76,524,922
2163382.21
8285824.27
1,240,624,532
880,378,136
(39,290,130)
(37,623,123)
Marketing Costs
Employee costs
Remuneration of Board
Other Expenses
Gains/losses
Total Expenses
Deficit for the Year
2024
2023

SECTION B- REVIEW OF THE ECONOMY, TOURISM SECTOR & FUTURE DEVELOPMENTS

1. REVIEW OF THE ECONOMY

According to the 2024 Economic survey report, Real Gross Domestic Product (GDP) expanded by **5.6 percent** in 2023 compared to a revised growth of **4.9 percent** in 2022. The positive growth was notable across most sectors of the economy. Kenya's economy is projected to remain resilient in 2024 mainly supported by a robust services sector, strong performance in agriculture aided by anticipated adequate rainfall and a decline in global commodity prices that is expected to reduce the cost of production.

According to the WTTC report released in June 2024 The direct contribution of Travel & Tourism to GDP in Kenya in 2023 was **KES411.4bn (2.8% of GDP)**. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. The direct contribution of Travel & Tourism to GDP is expected to grow by **3.9%** pa to **KES665.2bn (2.9% of GDP)** from 2024 to 2034.

The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts) was **KES1,046.3bn** in 2023 **(7.0% of GDP**). It is forecast to rise by **4.0%** pa to **KES1, 695.8bn** from 2024 to 2034 (**7.4% of GDP**).

In Kenya, Travel & Tourism generated **517,610** jobs directly in 2023 (**2.6% of total employment**). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. By 2034, Travel & Tourism will account for **711,308** jobs directly (**2.7% of total employment**), an increase of **2.6%** p.a from 2024.

The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) was **1,546,629** jobs in 2023 (**7.8% of total employment**).

Like many countries across the world, Kenya faced inflationary pressures amid commodity price volatility, tightening global financing conditions that put major pressure on the exchange rate and foreign exchange reserves. Inflation was projected to reduce from **8.6%** in 2023 to **5.9%** in 2024, driven by food and energy inflation.

2. REVIEW OF THE TOURISM SECTOR

The UNWTO report released in May 2024 points to a full recovery of global travel and **2%** above the pre-pandemic levels. An estimated **285 million** tourists traveled internationally, a **20%** increase from 2023. The Middle East experienced the strongest growth, surpassing pre-pandemic levels by **36%**. Europe also saw a **1%** increase in Q1 2024 compared to 2019 while Africa welcomed **5%** more arrivals than in Q1 2019. Asia and the Pacific experienced an **82%** recovery.

Total global revenues from international tourism reached USD 1.7 trillion in 2023, **96%** of pre-pandemic levels. Tourism direct GDP also recovered, reaching an estimated **USD 3.3 trillion**, equivalent to **3%** of global GDP. Germany and the United States registered **37%** and **33%** increases on outbound travel respectively, while Italy spent **29%** more.
Africa welcomed **5%** more arrivals in the first quarter of 2024 than in Q1 2019, and **14%** more than in Q1 2023. North Africa saw the strongest performance with **23%** more international arrivals in Q1 2024 than before the pandemic; Morocco **(+32%)** and Algeria **(+17%)** all exceeded their 2019 numbers in the first three months of 2024. In East Africa, Tanzania registered the highest recovery level at **+53%**, Kenya currently stands at **100%** recovery.

The 2024 Economic Survey by the Kenya National Bureau of Statistics (KNBS) reported a revival in the tourism sector in 2023, recording a remarkable growth of **35.4%** from **1,541,000** in 2022 to **2,086,800** international visitor arrivals in 2023. For the FY 2023/24 the Kenya Tourism Board registered 2.098 indicating a recovery of about **103%**. According to the 2024 WEF: Travel and Tourism Development Index report. Kenya is ranked 5th in Africa in terms of competitiveness behind South Africa, Mauritius, Egypt and Botswana.

3. TOURISM FUTURE DEVELOPMENT AND OUTLOOK

IMF's latest World Economic Outlook (April 2024) points to a steady but slow economic recovery, though mixed by region. Global growth could remain at **3.2%** in 2024 and 2025, the same as in 2023, while inflation is expected to decline slowly. The latest UN Tourism Confidence Index shows positive prospects for May - August 2024, though economic and geopolitical headwinds continue to pose significant challenges to the complete recovery of international tourism and confidence levels. Persisting inflation, high interest rates, volatile oil prices and disruptions to trade continue to translate into high transport and accommodations costs.

According to the 2024 Economic survey report, the economic outlook is subject to considerable risks, including the effects of a prolongation of Russia's invasion of Ukraine on commodity prices, tight global financing, drought, and slow global economic recovery. Possible risk mitigation for tourism included diversifying market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.
The tourism sector in Kenya has demonstrated resilience and potential for future growth Forecasts suggest **2.4 million** tourists in 2024 and earnings reaching **Kshs 430 billion** indicating a positive outlook for future growth. Some of the key drivers for this projected growth will include:-

- Continued focus on marketing, infrastructure development,
- Continuous sustainable tourism practices.
- Adoption of digital innovations and technology to enhance visitor experience.
- Targeting African markets to enhance intra-continental travel.

4. STRATEGY 2023/24

The 2023/24 fiscal year marked the beginning of the 2023-2027 Strategic Plan implementation. The Kenya Tourism Board (KTB) planned 80 activities across four objectives to be implemented. Out of these 80 activities, KTB managed to implement 54, achieving **68%** of the planned activities. **50%** of the activities that were not implemented were affected by a lack of adequate funds, while the remaining activities were introduced later in the financial year and did not kick off in good time or were not implemented within the financial year.

Some of the key outcomes of the implementation of the strategic plan in 2023/24 included:

- Destination Kenya welcomed **2.128** international arrivals, fully recovering to pre-pandemic levels, standing **3%** above the pre-pandemic period
- Out of the **66.4 Million** in Africa, Kenya received **2.128** international arrivals being **3.2 %** arrivals compared to Destination Kenya
- Improved competitiveness of Kenya as a tourism destination; According to the 2024 WEF: Travel and Tourism Development Index report. Kenya is ranked 5th from the 7th position in Africa in terms of competitiveness
- Improved mapping and positioning of the tourism experiences in the country following the capacity building of stakeholders on tourism experience packaging
- Improved staff effectiveness through appropriate skills tools and support

SECTION C- KTB'S COMPLIANCE WITH STATUTORY REQUIREMENTS

KTB is committed to comply with all statutory requirements. During the year, there were no major non-compliance that may expose KTB to any liabilities. There were no ongoing or potential court cases as at 30th June 2024.

SECTION D - KEY PROJECTS AND INVESTMENT THAT WERE IMPLEMENTED IN FY 2023/24

I. THE MAA CULTURAL FESTIVAL: 21ST – 24TH AUGUST 2023

The inaugural Maa Cultural festival event was held from 21st - 24th August 2023. The cultural festival is held rotationally by the Maa speaking counties of Narok, Kajiado and Samburu.

The objective of KTB's participation at the event was to promote the cultural event through content collection and media mobilization to cover the event.

II. NATIONAL MUSIC FESTIVALS: 11TH – 23RD AUGUST 2023

This year's National Music Festivals took place in Nyeri's Dedan Kimathi University from 11th to 23rd August before the final podium presentation at Nakuru State House. The music festival brought together learning institutions including Primary schools, Teacher Training Colleges and Universities with diverse performance ranging from songs, dances, poem and other arts. The Kenya Tourism Board (KTB) leveraged the music festivals to drive and grow domestic tourism.

III. THE AFRICA CLIMATE SUMMIT: 4TH – 8TH SEPTEMBER 2023

The Africa Climate Summit (ACS) was held from 4th to 8th September 2023 at the Kenyatta International Convention Centre (KICC) in Nairobi and was co-hosted by the Government of Kenya and the Africa Union Commission (AUC). The inaugural Africa Climate Summit, championed by H.E. President Ruto, aimed to address the increasing exposure to climate change and its associated costs globally and particularly in Africa. KTB designed and set up the Kenya Pavilion on behalf of the Government and hosted Ministries, Departments and Agencies. The purpose of the pavilion was to showcase diverse efforts made by Kenya in addressing climate change and opportunities for climate action investment in Kenya.

IV. OPPO KENYA PARTNERSHIP: 5TH SEPTEMBER 2023

OPPO Kenya, launched the latest device in the Reno Series; OPPO Reno10 in the Kenyan market on 5th September 2023 under the theme campaign dubbed "100 Faces of Kenya". The campaign aims at demonstrating the portrait photography capability of Oppo Reno10. KTB collaborated with the global smartphone brand to showcase the destination's attractions and experiences through the mobile device high quality camera lens and build brand association between Magical Kenya and Oppo Kenya.

V. JOINT MARKETING WITH KENYA AIRWAYS: 25TH SEPTEMBER

KTB implemented joint trade workshops and trainings in East and South Africa with Kenya Airways in South Africa, Uganda and Rwanda. The aim of the workshops was to sensitize the agents on the destination's products and experiences as well as encouraging the trade to sign up for the Magical Kenya Travel Specialist program. KTB trained over 400 agents collectively and will invite 8 of the top selling agents to an educational tour of the destination

VI. DEVOLUTION CONFERENCE IN ELDORET: 15TH – 19TH AUGUST 2023

The 8th devolution conference was held in Eldoret Uasin Gishu County from 15th - 19th August 2023. The devolution conference availed an opportunity for KTB to interact with the county governments. KTB's participation included an exhibit to showcase the destination's diverse tourism offerings. The conference also provided a platform for KTB to engage the officials of the Uasin Gishu County on potential areas of collaboration

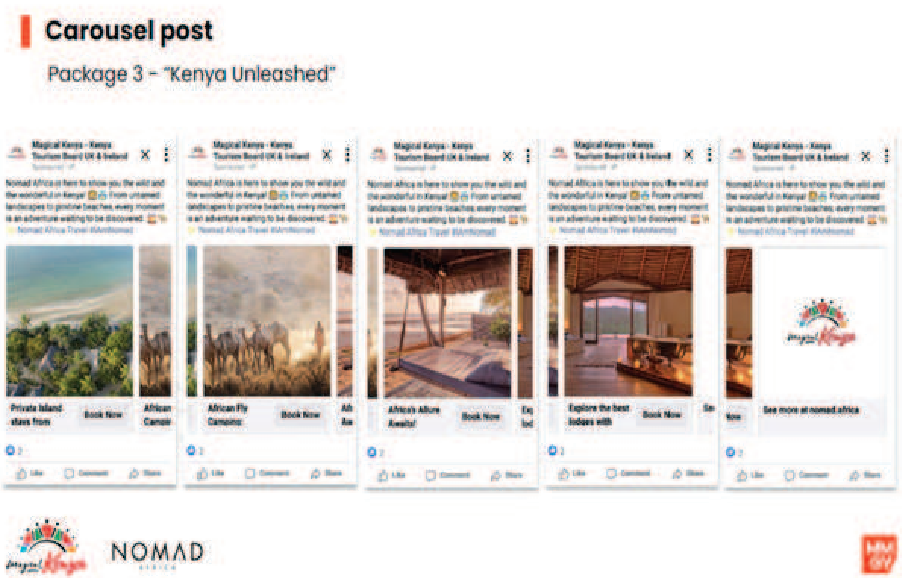
VII. EDUCATIONAL TOUR FOR AFRICAN AMERICAN TRAVEL ADVISORS & INFLUENCERS: NOVEMBER 2023

KTB in partnership with Kenya Airways hosted six (6) African American travel advisors and six (6) influencers to an educational FAM trip from 28th November to 5th December 2023. The theme of the FAM trip was centered around the Origin of Humankind and the regions visited by the travel agents included Nairobi, Lamu, Samburu and Maasai Mara while the influencers visited included Nairobi, Laikipia, Maasai Mara and Diani

VIII. UNITED STATES TOUR OPERATORS ASSOCIATION (USTOA) ANNUAL CONFERENCE & MARKET PLACE: DECEMBER 2023

The United States Tour Operators Association (USTOA) Annual Conference is a travel industry event in the United States that brings together the leading North American travel companies, tourism suppliers and destinations from around the globe in an exclusive setting. The USTOA 2023 annual conference took place from 2nd – 6th December 2023 at the JW Marriott LA Live, Los Angeles, California. The objective of KTB's participation was to identify opportunities for joint marketing with the U.S travel trade and to push Kenya sales.

IX. CONSUMER CAMPAIGN – ROYAL TOUR PHASE I (NOVEMBER – DECEMBER 2023)



During the much anticipated Royal Tour, KTB leveraged the opportunity by launching a consumer awareness campaign in the UK targeting various segments. Inspiring destination features were curated during the Royal Tour visit.

X. WORLD TRAVEL MARKET (WTM) – NOVEMBER 2023

Kenya Tourism Board (KTB) in collaboration with the Kenya Tourism Federation (KTF) participated at WTM 2023.. WTM is an important networking platform that enables participants to identify new business opportunities within the tourism sector. 30 Companies participated at the event including county government, hotels, and tour operators.

XI. JOINT TRAVEL TRADE FAMILIRIZATION VISIT – NOVEMBER 2023

KTB supported the UK familiarization visit coordinated by the UK based tour operator Tsessabe Ltd and Kenyan based luxury camp operators Atua Enkop. During the educational visit, the UK agents had the opportunity to network with their Kenyan travel trade counterparts to enable them gain knowledge on Kenya's tourism offering and establish business opportunities to grow Kenya sales bookings at the East Africa Travel Expo (EARTE) and Magical Kenya Travel Expo (MKTE) on 21st November 2023.

XII. OUTLOOK TRAVEL DECEMBER ISSUE OF THE KENYA TRAVEL GUIDE MAGAZINE – DECEMBER 2023

KTB and Outlook Travel Magazine collaborated on the publishing of the Kenya Travel Guide. The guide was published on 13th December, 2023 on the Magazine's website and social media platforms. It is a 16 page guide featuring an in-depth editorial interview with the Kenya Tourism Board, Ag. Chief Executive Officer (Ag. CEO). The article covers the developments within the industry and Kenya's offering to travelers of both business and leisure looking to visit the destination. It highlights the diverse, authentic, sustainable and memorable tourism experiences that Kenya has to offer.

XIII. OUTBOUND TOUR OPERATORS OF INDIA (OTOAI) CONVENTION 2023 – NOVEMBER 2023

Kenya Tourism Board (KTB) in Partnership with Sarova Hotels, One Above Global (DMC) and OTOAI implemented the 5th convention in Kenya from 21st -27th November 2023. Over 150 key tour operators, 8 media partners and 6 influencers from India visited Kenya for the convention and toured the country to gain product knowledge. The itinerary which was themed around wildlife, nature, landscape, culture, and adventure covered Nairobi, Maasai Mara, Naivasha, Nakuru, Coastal region, Tsavo, Amboseli and Samburu.

XIV. MAGICAL KENYA CHINA ROADSHOW 8TH – 13TH NOVEMBER 2023

Kenya keen to woo Chinese tourists

Kenya Tourism Board (KTB) in partnership with seventeen (17) Kenyan Travel Trade Partners conducted a three (3) city China Roadshow in Guangzhou, Shanghai and Beijing. The objectives of the roadshow were to reconnect with trade partners in the market, gain market insights and educate the trade with destination knowledge while providing a platform for the Kenya trade to do business.

XV. THE NAIROBI FESTIVAL: 12TH TO 17TH DECEMBER 2023

The second edition of The Nairobi Festival was held at the iconic Uhuru Park, from December 12th to 17th, 2023. The event aimed at showcasing the vibrant culture of the city through a week-long extravaganza with an array of attractions and performances which also included vendor stalls showcasing local crafts, a dedicated kids' play area and a diverse line up of live music to set the rhythm of the celebration

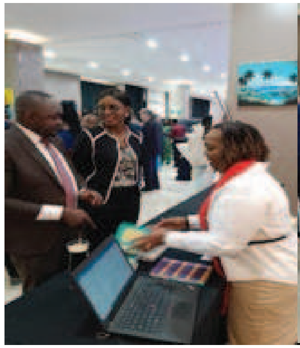
XVI. MOMBASA INTERNATIONAL FESTIVAL: 25TH – 31ST DECEMBER, 2023


The Mombasa International Festival took place from 25th to 31st December 2023 at the Mama Ngina Water front. KTB participated in support of profiling and marketing the venue for MICE activities. The event provided a platform to showcase diverse cultural experiences and culinary art from the coastal town of Mombasa and its neighbouring counties

XVII. UGANDA - KENYA COAST TOURISM CONFERENCE AND EXCURSIONS: 30TH NOVEMBER & 14TH DECEMBER 2023


The 2nd Uganda – Kenya Coast Tourism Conference was held in Diani and Uganda respectively from the 12th November to 1st December 2023. The event was organized by the Uganda Consulate and the Kenya Coast Tourism Association (KCTA). The Diani event was held at The Diani Reef Resort & Spa and was attended by over 500 delegates from Kenya and Uganda under the theme: "Consolidating Networks, Synergies & Diversity to maximize the tourism potential between the Uganda and Kenya Coastal Region".

XVIII. UGANDA & RWANDA TRADE ENGAGEMENT PROGRAMS – DECEMBER 2023



In Uganda, KTB hosted 200 guests to a Cocktail which was attended by the travel trade, members of the diplomatic corps and corporate leaders. In Rwanda, KTB in partnership with the Kenya High Commission hosted 400 trade, corporate leaders and senior government officials at the 60th Jamhuri day celebrations.

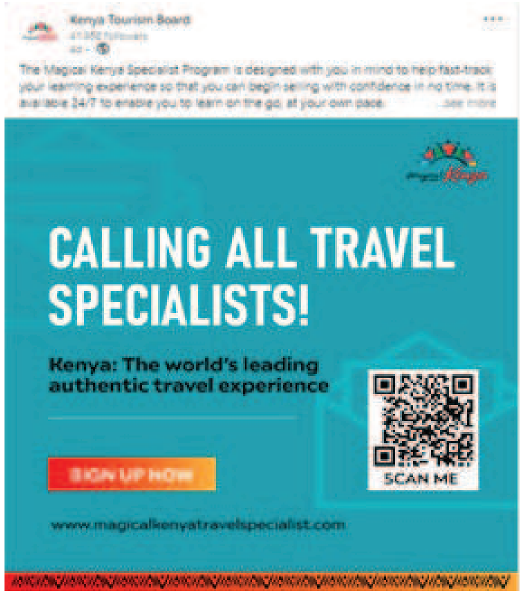
XIX. NIGERIA & GHANA SALES CALLS (30TH OCTOBER TO 3RD NOVEMBER 2023)

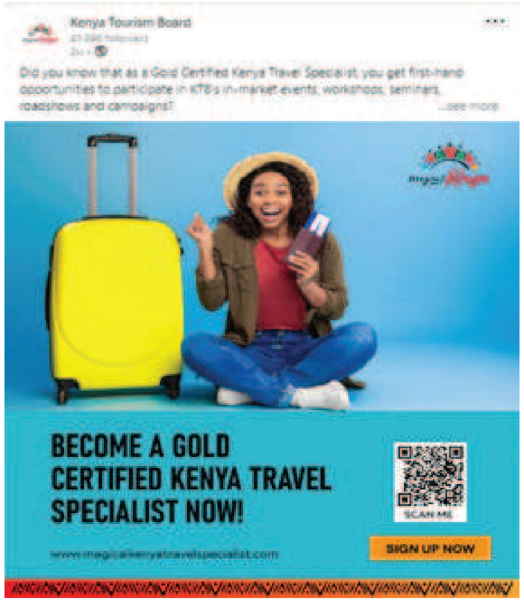
KTB conducted sales calls in Nigeria and Ghana with key stakeholders in the travel industry, including tour operators, travel agents, and hoteliers. These meetings provided valuable insights into the preferences, needs, and challenges faced by the trade in the two markets. KTB also took the opportunity to showcase the unique experiences and attractions that Kenya has to offer, highlighting its diverse wildlife, stunning landscapes, vibrant culture, and world-class hospitality

XX. MAGICAL KENYA SIGNATURE EXPERIENCES PROGRAM – UNVEIL EVENT – OCTOBER 2023

KTB hosted the MKSE event dubbed "The Experience Marketing Forum" to recognize newly enlisted experiences. The event was held on 26th October 2023 in Nairobi where 17 experiences were unveiled. A panel discussion on the Experience Economy was a bonus session for the attendees.

XXI. PROMOTION OF THE MAGICAL KENYA TRAVEL SPECIALIST PROGRAM - NOVEMBER & DECEMBER 2023





The e-Learning Travel Specialist program is an online certification program that equips tour operators/travel agents/advisors/consultants in Kenya's priority source markets with destination knowledge to enable them sell Kenya more effectively to their clients. During the year, the focus has been on curating content for additional modules and implementing a digital campaign to encourage signups

XXII. UNESCO PROJECT ON PROMOTION OF SUSTAINABLE TOURISM WITH A FOCUS ON LAMU & MOMBASA

The Project was initiated by UNESCO with funding from GIZ to support tourism recovery around UNESCO world heritage sites. Kenya was one of the beneficiaries of the project alongside seven (7) other countries. The program included a digital campaign to support signups to the UNESCO Sustainability pledge and training of trainers for tour guides and artisans.

XXIII. NATIONAL TREE PLANTING DAY – 13TH NOVEMBER 2023 THROUGH COLLABORATIONS

The Government of Kenya declared 13th November 2023 a special holiday during which the public across the country were expected to plant trees as a patriotic contribution to the national efforts to save our country from the devastating effects of climate change. KTB participated in tree planting at Jamhuri High School Nairobi, Chamasusu Dam in Baringo during the Chemasusu Half Marathon, and Tsavo West National Park. Over 4,000 seedlings were planted.

XXIV. TRAVEL TRADE WORKSHOPS IN PARTNERSHIP WITH KENYA AIRWAYS: 29TH SEPTEMBER – 13TH OCTOBER 2023

KTB in partnership with Kenya Airways jointly undertook travel trade workshops in East and South Africa namely in South Africa, Uganda and Rwanda. The objective of the workshops was to educate the agents on the destination's diverse products and experiences as well as create awareness on the Magical Kenya Travel Specialist program. The workshops were held in Johannesburg, Kampala and Kigali and a total of 178 agents were trained

XXV. CONTENT GENERATION IN PARTNERSHIP WITH COUNTIES: 30TH OCTOBER – 16TH NOVEMBER 2023

KTB conducted content shoots in Kwale, Taita Taveta and Kilifi in partnership with the respective county Governments. The objective of the content generation shoots was to capture diverse adventure, cultural and city based experiences. A total of 300 images and 16 videos were generated for use in marketing the destination locally and internationally.

XXVI. THE EAST AFRICA REGIONAL TOURISM EXPO (EARTE) AND THE MAGICAL KENYA TOURISM EXPO: 20th – 22nd NOVEMBER 2023

The East African Regional Tourism Expo (EARTE) and Magical Kenya Travel Expo (MKTE) 2023 took place from the 20th to 23rd of November 2023 at the Kenyatta International Convention Centre. The travel trade participation profile included regional and international tourism boards, county governments, tour operators, hotels and hotel groups, resorts, airlines, car hire companies, state corporations and other stakeholders in the tourism industry

XXVII. THE TURKANA CULTURAL FESTIVAL: 12TH - 14TH OCTOBER 2023

The seventh edition of Turkana Tourism and Cultural Festival took place in Lodwar from 12th to 14th October 2023. The event was a rich display of the rich cultural heritage of the Turkana people and included showcasing of traditional food, beadwork, traditional regalia, artifacts, songs and dances. The event was themed, "Celebrating our Culture and Heritage to promote Tourism, peaceful co-existence and Green Investments for inclusive Sustainable Development"

XXVIII. THE ROYAL VISIT: 6TH – 11TH NOVEMBER 2023

Kenya Tourism Board leveraged the Royal visit to Kenya by King Charles III to showcase unique tourism success stories involving communities, businesses and conservation initiatives from various regions in Kenya. Select UK and local media correspondents were engaged in media familiarization trips covering 4 regions (Amboseli, Naivasha, Laikipia and Mombasa) featuring heritage, culture, agro-tourism and conservation themes. The objective of the media engagements was to raise the profile of the destination globally and in the United Kingdom

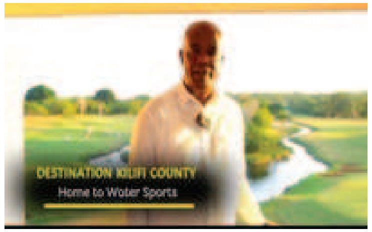
XXIX. DESTINATION AMBASSADOR ENGAGEMENT PROGRAM: 24 - 26 DECEMBER 2023

KTB hosted Ferdinand Omanyala and his family to a trip to the Maasai Mara. KTB leveraged Omanyala's social media influence to showcase the diversity of Kenya's tourism products. By identifying marathoners/athletes as destination ambassadors, KTB has been able to increase destination brand visibility globally

XXX. THE MAGICAL KENYA LADIES OPEN: 7TH– 11TH FEBRUARY 2024

The Magical Kenya Ladies Open was held at the Baobab Course at Vipingo Ridge in Kilifi County from 5th to the 11th of February 2024. A field of 108 top local and international golfers participated

XXXI. CONTENT GENERATION SHOOTS WITH COUNTIES (PHASE 2): FEBRUARY 2024

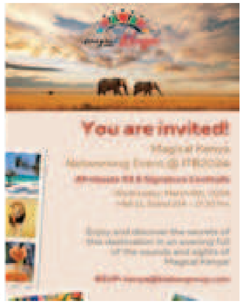


The first phase of the content generation shoots targeted 15 counties namely Kiambu, Nairobi, Kwale, Mombasa, Kilifi Taita Taveta , Makueni, Kitui, Machakos , Uasin Gishu, Nandi, Elgeyo Marakwet, Homa Bay, Kisumu and Nakuru. The objective of the shoots was to highlight the hidden gems existing in the regions. The content collected (both stills and videos) was amplified through KTB digital platforms as well as in the mainstream TV stations namely KTN, NTV, KBC, CITIZEN, TV 47, and K24.

XXXII. THE MAGICAL KENYA OPEN AT THE MUTHAIGA GOLF CLUB: 22ND – 25TH FEBRUARY 2024

144 pro golfers from around 32 countries participated at the event including two women with disabilities, bringing golf for the disabled for first time ever in Africa. The event presented a unique opportunity to leverage global viewership to showcase Kenya as a premier golf destination, thereby raising Kenya's stature in the global golf scene and promoting Kenya as a tourist destination to the approx. 9.1 million global travelling market

XXXIII. ITB BERLIN EXHIBITION: 5TH - 7TH MARCH 2024

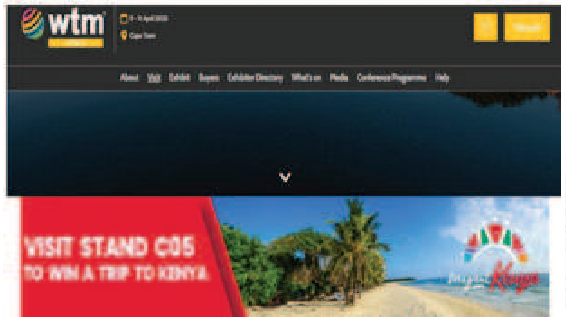


ITB Berlin brings together the global travel, tourism and hospitality partners from around the globe with the aim of increasing business opportunities within the sector. Kenya participated at the event with 42 companies from the private sector including hotels, tour operators and travel agents

XXXIV. THE WORLD RALLY CHAMPIONSHIP IN NAIVASHA: 26TH – 31ST MARCH 2024

KTB partnered with the WRC secretariat to drive visibility of the Magical Kenya brand through branded assets as well as leveraging 160 Uganda Rally fans who attended the WRCKTB partnered with the WRC secretariat to drive visibility of the Magical Kenya brand through branded assets as well as leveraging 160 Uganda Rally fans who attended the WRC

XXXV. WORLD TRAVEL MARKETS (WTM) AFRICA: 10th – 12th April 2024



WTM Africa is an annual travel trade show and exhibition that takes place in Cape Town, South Africa. The buyers attendance was diverse featuring strong representation from emerging markets like Greece, Philippines, Switzerland, Singapore, Lithuania, New Zealand, Ghana, China, Japan, and Argentina. KTB participated at the event with 18 private sector companies (tour operators, hotels, travel agent and an airline) on a custom designed stand. During the 3-day event, KTB held 22 strategic meetings focused on fostering partnerships, discussing business opportunities and promoting Kenya as a premier tourist destination

XXXVI. THE UGANDA FESTIVAL AT THE COAST: 17TH – 20TH APRIL 2024

The Uganda Consulate in Mombasa organised The Uganda Festival in three Coastal counties: Mombasa (Fort Jesus), Kwale (Diani Reef Beach Resort & Spa), and Kilifi (Ocean Beach Resort, Malindi) from 17th – 20th April 2024. The event presented a platform for Kenya and Uganda to complement tourism offerings and foster strong partnerships between the two countries particularly within the realms of tourism and sports

XXXVII. THE BMW MOTORRAD ADVENTURE SERIES LAUNCH: 20TH APRIL 2024

Inchcape Kenya, the sole retailers of BMW Motorrad in Kenya, launched their new BMW Motorrad Adventure Series motorbike on 20th April 2024. KTB supported the launch by officially flagging off the launch event in Nairobi and hosting the group of 150 bikers to lunch at Enashipai in Naivasha. This partnership aligns with KTB's objectives of showcasing Kenya as a premier travel destination and reaching affluent travelers who are passionate about adventure and exploration both locally and regionally

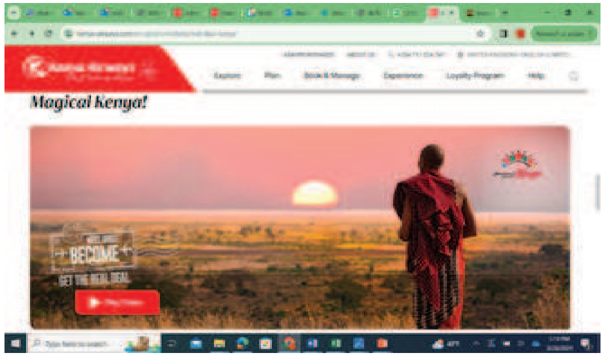
XXXVIII. THE MAGICAL KENYA SIGNATURE EXPERIENCES (MKSE) AFFILIATES BREAKFAST:

KTB held the first exclusive session for the Magical Kenya Signature Experiences Affiliates on the 26th of April 2024 at the Fairmont Norfolk Hotel. A total of 35 Affiliate organizations (55 representatives) attended. Also present at the event were the trade associations who are part of the program i.e. Kenya Association of Hotel Keepers and Caterers (KAHC), Tour Operator Society of Kenya (TOSK) and Ecotourism Kenya (EK

XXXIX. THE CHINA AFRICA ECONOMIC TRADE EXHIBITION (CAETE): 9TH – 11TH MAY 2024

The China Africa Economic Trade Exhibition (CAETE) took place from May 9th to 11th, 2024, at the Edge Convention Center in Nairobi. The CAETE 2024 aims to bolster investments and trade between China and Africa by highlighting innovative achievements and fostering economic and trade cooperation. KTB supported the event by sponsoring a cultural performance during the opening and closing ceremonies

XL. DIGITAL CONVERSION CAMPAIGN IN PARTNERSHIP WITH KENYA AIRWAYS: 28TH MARCH – 20TH JUNE 2024



KTB in partnership with Kenya Airways implemented a three-month digital campaign to push conversion among key targeted audiences. Kenya Airways offered special airfares on the New York/Nairobi route for packages booked within the campaign period

XLI EUROPE ROADSHOW: 4TH & 5TH JUNE 2024

KTB in collaboration with six (6) Kenyan travel partners hosted the Magical Kenya Roadshow series in Rome, Italy, and Paris, France, from June 4th to 5th, 2024. Key decision-makers attended the roadshow including product managers from leading travel trade organizations. The objective of the roadshow was to facilitate business-to-business meetings between the Kenyan trade partners and their counterparts in the two cities

XLII. CHINA CONSUMER CAMPAIGN: 8TH APRIL - 30TH JUNE 2024

The consumer campaign was implemented in collaboration with photography equipment brands namely Sony, Zeiss, PGYTECH, their clubs and contracted photographers. KTB and the partner brands leveraged social media platforms such as Weibo, WeChat, Little Redbook, Douyin and partner websites to create awareness. The campaign projected Kenya as the ultimate wildlife and nature photography destination among the photographers' community in China.

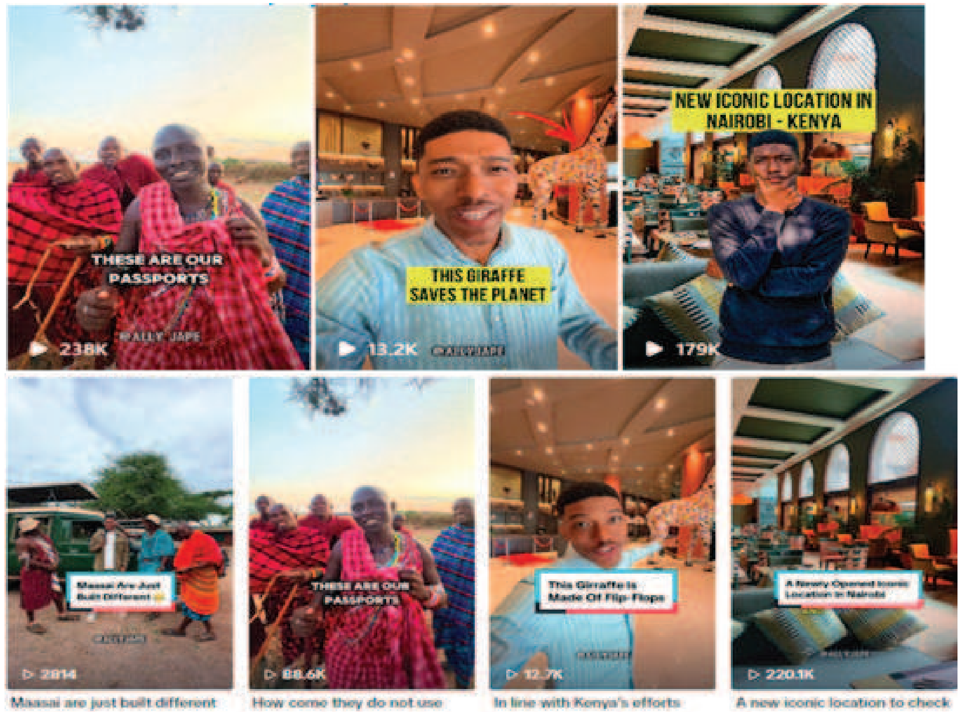
XLIII. ARABIAN TRAVEL MARKET (ATM): 6TH - 9TH MAY 2024

Kenya Tourism Board (KTB) in partnership with Kenya Association of Tour Operators (KATO) and 14 Kenyan trade partners participated at the Arabian Travel Market (ATM) 2024 which was held in Dubai at the World Trade Centre from 6th to 9th May 2024

XLIV. PEARL OF AFRICA EXPO TRAVEL EXPO (POATE): 23RD – 25TH MAY 2024

The Pearl of Africa Tourism Expo (POATE) 2024 is an annual tourism expo organized by the Uganda Tourism Board (UTB). The expo attracted participation from stakeholders in the travel and tourism industry from Uganda and the rest of Africa including hosted buyers, exhibitors, Tourism Boards & Convention Bureaus, Corporate Companies, trade visitors and consumers

XLV. EAC INFLUENCERS' TRIP TO KENYA: 1ST - 10TH JUNE 2024



KTB engaged eight (8) influencers to promote Kenya's diverse tourism offerings. The influencers were hosted to urban adventure (shopping & nightlife), wildlife, adventure, beach and culinary experiences. The influencers shared their experiences with their followers in real-time for continued engagement. The objectives of the campaign were to position Kenya as a top-of-mind holiday destination and to increase the value and volume of arrivals from the regional markets

XLVI. WEST AFRICA WINNERS FAM TRIP: 20TH - 28TH JUNE 2024

Kenya Tourism Board (KTB) in partnership with the Kenya Tourism Federation (KTF) and the Tourism private sector partners participated in the West Africa Roadshow 2024, in Accra – Ghana, Abuja & Lagos – Nigeria. During the roadshow, KTB conducted a raffle where 3 winners were selected per city

XLVII. BRIDE & GROOM EXPO IN UGANDA: 28TH – 30TH JUNE 2024

KTB participated at the Bride & Groom Consumer Expo from the 28th – 30th June 2024 in Kampala, Uganda. KTB held a session with wedding planners in Kampala to push Kenya as a top of mind weddings and honeymoon destination in the region. Four companies participated and sold their honeymoon packages during the show

XLVIII. WEIZO EXPO IN GHANA: 24TH – 29TH JUNE 2024

KTB participated at the seventh edition of the ACCRA WEIZO 2024 that featured trade visitors from across West Africa. The expo is Ghana's leading tourism expo organized by the Ghana Tourism Authority (GTA). KTB in partnership with Kenya Airways exhibited and conducted meetings with the 100-travel trade from across West Africa

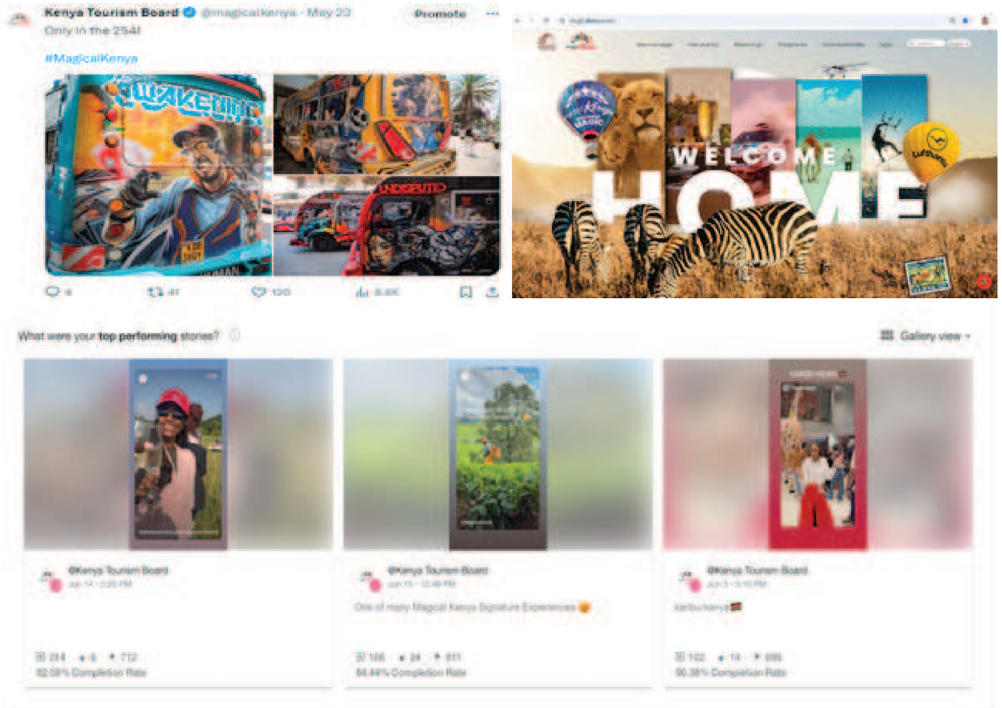
XLIX. STAKEHOLDER ENGAGEMENT ON MICE & VIBRANT CITIES

As part of product diversification, KTB focused on packaging and promoting Meetings, Incentives, Conferences & Exhibition (MICE) and Vibrant Cities among other key products and experiences. MICE is aimed at increasing business tourism while vibrant cities initiative is aimed at promoting Kenya's key cities and towns as vibrant destinations in their own right. This year the focus was on Nairobi, Mombasa, Kisumu and Nakuru

L. MOMBASA BEACH MANAGEMENT BILL VALIDATION WORKSHOP AND DESTINATION MOMBASA MARKETING & BRAND WORKSHOP

KTB is a member of the Mombasa Tourism Council (MTC), which was launched in April 2024. KTB collaborated with the County and MTC to host the Mombasa Beach Management Bill Validation Workshop on 24th June 2024 with the objective of ensuring the quality of the beach experience is improved. In addition, KTB supported the Mombasa Marketing and Brand Workshop on 25th June 2024 at Swahili Pot.

LI. DIGITAL ACTIVATION ON SOCIAL MEDIA AND WEBSITE



During the financial year, KTB continued with always-on digital marketing on social media and the website **www.magicalkenya.com** . The objectives were to create awareness and deliver conversion.

LII. JOINT TRADE FAMILIARIZATION TRIP WITH KQ

KTB and KQ collaborated to host a familiarization trip to Kenya from June 1st to 8th 2024. The trip rewarded 14 top-performing travel agents from Uganda, Rwanda, and South Africa who had successfully completed the 16-module Magical Kenya Travel Specialist (MKTS) program following joint trade workshops held in these countries from September 29 to October 13, 2023.

LIII. NATIONAL DESTINATION MARKETING FORUM

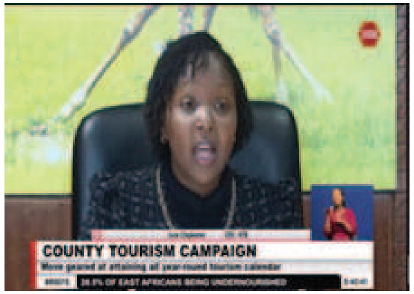
KTB held a two-day marketing forum in Naivasha on June 11th – 12th 2024 with the aim of fostering collaboration with county governments. The objective was to equip counties with knowledge and tools enabling them to develop and package uniquely diverse tourism experiences in line with the changing global consumer trends so that they can remain competitive in the global marketplace

LIV. KILIFAIR ARUSHA 2024

The exhibition took place from 7th to 9th June 2024 at the Magereza Grounds in Arusha, Tanzania. KTB collaborated with 9 private sector companies to showcase Kenya at this event.

LV. COUNTY CONTENT SHOOT MEDIA FAMILIARIZATION TRIP

Media coverage



Media in action during the FAM Group photo

KTB hosted a media familiarization trip covering Makueni, Taita and Kilifi counties. 13 reporters and journalists' participated in the familiarization trip

Sample features: https://youtu.be/7y509dSQP0A?si=94imiO4icpsdzhu2

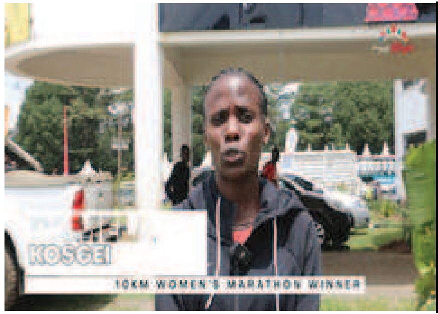
LVI. ABBOT MARATHONS: BOSTON & LONDON MARATHONS- APRIL, 2024

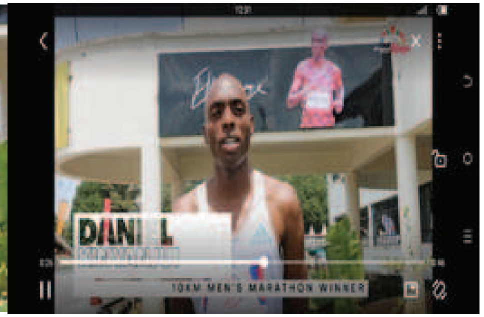
The objective of KTB's participation was to promote Kenya as a prime tourist destination for American and international visitors, positioning it as a safe and secure travel hub, celebrating its status as the "home of champions," and showcasing Kenya's diverse offerings.

LVII. RECEPTION OF BRUSSELS AIRLINE - 3RD JUNE , 2024

A member of the Lufthansa Group and Star Alliance, SN Brussels inaugural flight landed at JKIA with 288 passengers, boosting connectivity between Kenya and Belgium. KTB launched a publicity campaign which included a familiarization trip for Brussels Airlines representatives and selected tour operators

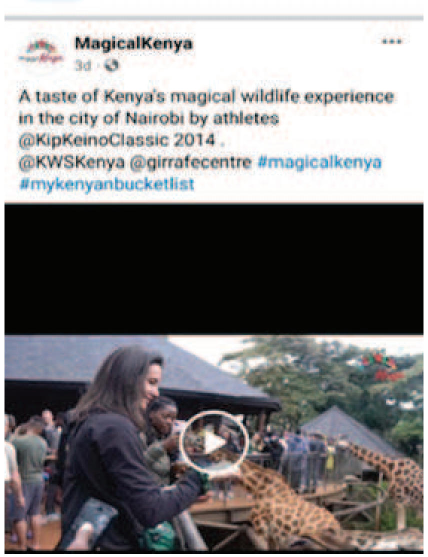
LVIII. KAPSABET HALF MARATHON





The inaugural Kapsabet half Marathon was unveiled on 31st March, 2024 in Nandi County attracting close to 1,000 athletes. The Marathon was geared towards nurturing the young talents for the sustainability of the sport and resonates with KTB's strategy on sustainability of the destination's unique selling proposition

LIX. KIP KEINO CLASSIC 2024



The fourth edition of Kip Keino Classic took place at Nyayo stadium on 20th April, 2024. KTB undertook branding at the event venue (strategic entrance points and destination video running on LED screens in the stadium), and engaged the athletes in a familiarization trip to Nairobi National Park and Giraffe center.

LX. FISH FIESTA FESTIVAL

The event took place in Kisumu County from 25th to 27th April, 2024 with a line-up of cultural activities and showcases to mark the celebrations. KTB participated at the event that seeks to increase visitation to the lake region county. KTB also joined the county in the unveiling of a promotional video showcasing the gems of Kisumu

LXI. STAKEHOLDER ENGAGEMENT: TAXI DRIVER AND SWAHILI POT HUB YOUTH 27TH JUNE, 2024 AT PRIDE INN RESORT MOMBASA

The objectives of the session were to equip taxi drivers based in Moi international Airport Mombasa and the youth based at the Swahili pot hubs with knowledge and skills to enhance the visitor experience. The session also incorporated the latest updates from various agencies that support tourism delivery such as KAA, KPA, and KTF among others.

PLANNED MARKETING ACTIVITIES FY IN THE FINANCIAL YEAR 2024/25

- Tembea Kenya Campaign – July 2024
- Curation of New Products & Experiences – July & August 2024
- Adventure Tourism Product Clubs – Regional Forums In Central, Kenya Coast And The North Rift – July 2024
- Kenya My Bucket List Influencer Campaign Targeting Africa – August 2024
- Motorcycle Riders Family Festival For Destination Promotion – August 2024
- Maa Cultural Festival – August 2024
- Airline Campaigns – August 2024
- One Kenya Diaspora One Tourist Campaign – August 2024
- Summer Last Minute Campaign – August 2024
- Medical Roadshows – September 2024
- Association for the Promotion of Tourism to Africa (APTA) Global Forum In Oregon, California: 19th - 22nd September 2024
- Travel Trade Incentive Campaign in India – September 2024
- Middle East Trade Engagements - September 2024
- Always on Social Media Campaign in China - September 2024
- Trade Forum for MICE in India – September 2024
- Digital Marketing Always on Social Media Campaign in China – September 2024
- Association for the Promotion of Tourism to Africa Annual Conference - September 2024
- Black Travel Summit – October 2024
- MICE Engagements in China – October 2024
- UK Trade Workshop – November 2024
- International Tourism & Travel Show – November 2024
- Sales Campaign in China - November 2024
- Sales Campaign and Destination Forums in India - November 2024
- Magical Kenya Signature Experiences Audits – December 2024
- United States Tour Operators Association Annual Conference - December 2024
- UK Influencer Campaign – January 2025
- Outbound Travel Mart in India – February 2025
- ITB Berlin Exhibition – March 2025
- Magical Kenya Travel Specialist Content Curation – March 2025
- World Rally Championships - March 2025
- Magical Kenya Ladies Open and Magical Kenya Open - March 2025
- Let's Talk Africa Series – May 2025
- West Coast Roadshow in the United States – June 2025
- Phase 2 Kenya My Bucket List Digital Campaign – October 2024
- Stakeholder Satisfaction Survey – September 2024
- Social media always-on paid media activation – September 2024
- Foreign Missions Engagement – September 2024
- County Engagements - September 2024
- Welcome Home Campaign – October 2024
- One Kenyan in Diaspora, One Tourist Campaign – November 2024
- Digital Nomad Campaign - November 2024
- Magical Kenya Loyalty Rewards Program: 2023/2024 Awards – October 2024
- Stakeholder outreach program - September 2024
- Stakeholder crisis management capacity building - September 2024
- Re-launch of Tourism category in the Annual Journalist Excellence Awards (AJEA) in partnership with Media Council of Kenya (MCK) – May 2025
- Editors Guild Conference familiarization trip - December 2024
- Destination 'Welcome Home' Magazine - October 2024
- Run with Kenyans Experiences Activations - October 2024
- Magical Kenya photography Contest & Campaign - September 2024
- Abbot World Major Marathons Activations - September 2024
- Magical Kenya Travel Expo 2024 - October 2024
- Global Entrepreneurship Youth Summit - October 2024
- Kenya Innovation Week - November 2024

These programs will be funded from grants from the Government, Tourism Fund, Tourism Promotion Fund and A-I-A (industry contribution, strategic partnerships and marketing joint campaigns).
KTB continues to play its part towards promoting and implementing best practice in conservation and sustainable tourism through different initiatives.

INVESTMENT DECISIONS

Where KTB finds itself with funds in its Bank Accounts not required for immediate operating needs, the surplus funds shall be placed invested in line with National Treasury Circular No. 4/ 2017. During the year, KTB maintained a call deposit of KShs 100M from October 2023 upto 25th June 2024 when an amount of KShs 50M was uplifted to meet payments. The balance as at 30th June 2024 was therefore KShs 50M. Interest income was earned on the call deposit and current account balances at the rates negotiated with the bank.

SECTION F- MAJOR RISKS FACING KTB

KTB has the responsibility of identifying internal risk exposures and developing measures to mitigate against the identified risks. KTB reviews and monitors the development and implementation of systems of internal controls. KTB ensures that it has gained an understanding of these risks and mitigates them by implementing sound internal controls and risk management practices.

Consequently, KTB developed a Risk Management Framework, which identifies the risks and prescribes measures for the management of the identified risks. KTB recognizes that information technology forms an integral part of the risk management process and has developed a business continuity plan and disaster preparedness plan among other ICT policies.

During the year, the Board reviewed the internal controls, policies and procedures and was satisfied that appropriate controls and procedures were in place. The Board has delegated the day to day management of risks to management through systems and processes carried out on a day to day basis.

RISKS	LIKELIHOOD/ PROBABILITY	RISK IMPACT	MITIGATION STRATEGIES
Negative perception of Kenya as a tourism destination.	High	High	• Perform reassurance communication in the source markets • Destination endorsements by influencers • Government to Government engagements
Inadequate funding of destination marketing.	High	High	• Enhance effective resource mobilization
Negative brand associations	Medium	High	• Perform due diligence with proposed associations
Political instability	High	High	• Timely Communication • Crisis management
Inadequate brand assets	High	High	• Perform Assets audit • Development of relevant assets
Insecurity	High	High	• Reassurance messaging and guidance
Loss of market share	High	High	• Sustained marketing efforts • Continuous review of marketing strategies
Fast changing consumer preferences	Medium	Medium	• Consumer research to ensure adoptability to changing consumer preferences
Inadequate market intelligence	High	High	• Increase research capacity(HR and funding)
Lack of stakeholder goodwill	Medium	High	• Stakeholder education and involvement
Inadequate engagement of tourism stakeholders in destination marketing	High	High	• Develop platforms for engagement with the trade (industry microsite, briefing, e-newsletter, webinars on specific topics, educational and training efforts) • Optimization of the CRM tool.
Mistrust from stakeholders and low influence of stakeholders	High	High	• Stakeholder education and involvement • Increase organizational capacity to advocate for issues affecting the industry
Inadequate human resource	High	High	• Develop and implement a succession plan • Implement the organizational structure • Capacity building • Review and implement rewards and sanctions policy.
Weak organizational culture	Medium	High	• Implement recommendations from the culture assessment report
Litigations	Low	Medium	• Comply with policy legal and regulatory framework
Insecure information assets	Medium	High	• Continuous review of the ICT environment and implement the recommendations from the assessment

SECTION G- MATERIAL ARREARS IN STATUTORY/ FINANCIAL OBLIGATIONS

There were no material arrears in statutory/ financial obligations as at 30th June 2024.

SECTION H- KTB'S FINANCIAL PROBITY & SERIOUS GOVERNANCE ISSUES

Strong and effective corporate governance is integral to the KTB's long-term success and is essential in delivering KTB's overall strategy. The various board committees continue to serve a vital tool for the discharge of the Board's functions.

KTB Board and management ensure financial probity and there have been no serious governance issue among the Board or member of the Board and top management including conflict of interest during the year

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya's tourism is highly dependent on the cultural and natural environment as its base resource that needs to be protected to ensure that communities, businesses and tourists will continue to benefit now and in the future.

KTB through its sustainability committee has developed a policy that endeavours to identify areas of interest for the organization as well as modalities and mechanisms through which it selects, implement and evaluate KTB's involvement in sustainability initiatives. Key areas of concern for KTB are in sustainable tourism, environmental protection and community involvement.

In conclusion, KTB sustainability committee exists to transform lives with a purpose of being a driving force behind everything we do. Below is an outline of the organisation's policies and activities that promote sustainability.

1. Sustainability strategy and profile

Crisis reveal the underbelly of any sector/economy in general causing devastating impact(s) on the tourism sector worldwide. This has exposed the weaknesses in terms of business models, competitive positioning, product development and its dependence on other sectors of the economy. Sustainability has brought to the fore all conversations at local and global levels with regards to restart and gradual recovery of the sector.

Nature (inclusive of wildlife, landscapes and seascapes) and Culture are Kenya's base resources for tourism and their preservation is key in ensuring sustainability of the sector. Currently over 70% tourism in Kenya and in sub-Saharan Africa is dependent on wildlife. For this reason, Sustainability is a key consideration in tourism destination development, management and marketing. Sustainability strives to ensure a delicate balance between people, planet and profits. To facilitate this, KTB`s Sustainability Committee acts as an interfaces with product owners and partners to drive the sustainability agenda at both organizational and destination levels.

As an organization, we are an active member of Ecotourism Kenya, an association that champions responsible/best practices in the tourism sector through an eco-rating scheme, annual eco-warrior awards, annual ecotourism forums and projects focused on capacity building, and certification of destinations and tour operations among others. In its marketing efforts, sustainability is a key theme to address the consumer trends and demand for sustainable products/experiences/destinations especially among the millennials who form two thirds of the world's population.

KTB has thus far become a major campaigner in driving the sustainability agenda by working closely with strategic partners in executing the planned/identified activities and leverage on opportunities for corporate and destination marketing such as promoting environmental Conservation through involvement in conservation initiatives by participating in National Tree planting Day, World Desertification Day, World Environmental Day and/or participation in activities that is aligned towards contributing to the presidential campaign of planting 15 Billion Trees.

The above initiatives will help towards addressing the Sustainable development goals 8, 11 and 12.

Adoption of market and product diversification strategies have also helped in sustaining the sector especially during the low season focusing on domestic and regional markets, in addition, to the international markets. On the product front, diversifying the offering beyond the traditional beach and safari; moving beyond the popular circuits to new and less known circuits hence ensuring tourism benefits are spread across the country and throughout the year. This meets the basic requirement of sustainability, which is to meet the needs of current and future generations but also benefit everyone across the country. The Magical Kenya Signature Experiences program (in its 4th Phase) has incorporated sustainability criteria thereby ensuring a Signature Collection of unique and diverse Kenyan travel experiences that are responsible with environment and communities.

Capacity building amongst staff and trade partners through the various forums has played a key role in enhancing appreciation for sustainability and mentoring the youth through partnerships.

2. Environmental Performance

Environmental Sustainability is no longer a distant phenomenon but a reality that destinations must face. Issues such as Climate Change, increased Populations, Diminishing Resources, and Seasonality of demand as well as Changing Consumer Trends dictate that destinations must adopt to sustainability practises across the tourism value chain. Kenyan Government has come up with a raft of measures geared towards environmental conservation such as introduction of Electric Vehicles in our Kenyan roads to reduce on carbon emissions.

KTB has been part of the Single Use Plastic Ban campaign and implementation of the Cop26 declarations through ban of plastic cups in the office and being in the forefront on tree planting initiatives and promotion of tourism that feature enriching experiences in pristine environments.

3. Employee welfare

The HR Policy and procedure manual and the Gender Mainstreaming Policy guides on the hiring process and affirms on matters pertaining to gender ratio. Staff and other stakeholders' inputs/ engagements (NGEC, NACADA, NCPWD and NACC) and the Board of Directors are involved in improving the Policies when reviewed from time to time. The Gender Based Violence (GBV) in the workplace policy whose overall goal is to attain elimination of GBV and sexual harassment at the workplace, and is aligned with the provisions and principles of the National Policy on Gender and Development, 2019.

KTB staff skills and competencies are continuously improved through training, coaching and mentoring. Reward and Sanctions policy in place to guide on the reward system. KTB also has road safety and compliance policy. KTB complies with policy on Occupational and Safety and Health Act of 2007.

4. Market place practices

a) Responsible competition practice.

KTB adheres to the requirements of the PPADA 2015 and the PPADR 2020, which stipulates transparency and fairness in all procurement activities. All participants involved in the procurement processes are treated equally in terms of information submission and responses to queries.

KTB ensures transparency through the publishing and advertisement its tenders in the Public procurement information portal as well as in the organization's website. This ensures fair competition among potential suppliers

b) Responsible Supply chain and supplier relations

Kenya Tourism Board undertakes its procurement processes in line with the requirements of the PPADA 2015 and PPADR 2020. Award of tenders is based on fairness, transparency and objectivity as per the requirements of the Act. KTB maintains open communication line with all its suppliers via email, telephone, website publications and supplier sensitizations. KTB also has set credit terms that is disclosed to all bidders before award of contracts and the same is duly maintained. KTB honours contracts and ensures that payments are made within the agreed timelines subject to satisfactory delivery of goods and services.

c) Responsible marketing and advertisement-efforts to maintain ethical marketing practices

KTB ensures ethical marketing practices by seeking to promote honesty, fairness, and responsibility in all advertising. This is ensured through the following:

a. Truthful and Accurate Information: KTB ensures that all our marketing and advertising materials are truthful and accurate.
b. Consent Forms: KTB obtains explicit consent from individuals featured in our marketing or advertising campaigns. Consent forms clearly outline the purpose of the campaign, how their images or information will be used, and the potential benefits and risks involved. KTB ensures that individuals understand the implications of their consent and have the option to withdraw it at any time.
c. Cultural Sensitivity: KTB is mindful of cultural differences and avoid any marketing practices that could be offensive or disrespectful to different cultures.
d. Sustainable Tourism: KTB promotes sustainable tourism practices that minimize environmental impact and support local communities. KTB encourages our partners to adopt eco-friendly initiatives and prioritize responsible tourism.

d) Product stewardship- efforts to safeguard consumer rights and interests

The consumer is at the center of KTB's initiatives ensuring that the needs and interests of consumers are considered when designing destination products and experiences. This is achieved through:

i. **Quality Assurance:** Through our Magical Kenya Signature Experiences (MKSE) programme, KTB works closely with the tourism industry partners to ensure that they adhere to the highest standards of quality and safety. KTB conducts regular inspections and audits to verify compliance with industry regulations and best practices.

ii. **Emergency Preparedness:** KTB is a member of the national tourism crisis committee that is the custodian of crafting and implementing emergency preparedness plans to respond to any unforeseen circumstances. The team is trained to handle various emergencies and coordinate with local authorities/partners to ensure the safety of visitors.

iii. **Feedback and Complaints:** KTB actively encourages visitor feedback and complaints. The information is used to i dentify and address any issues with as pertains to tourism to improve their overall experience of the destination.

5. Community Engagement

KTB has deliberately engaged and supported local Communities in various aspects under the community enterprise development initiative by purchasing locally made handicrafts as giveaways that includes Maasai Beads, necklaces among others during the Narok Tree planting event that was held in Kilgoris.

The board further purchased over Two Thousand (2,000) indigenous seedlings as well as engaging local community in digging of holes and during the planting exercise at Osinoni Secondary Schools and Mapashi Primary School.

KTB is determined to champion the sustainable tourism narrative and use it as a tool that promotes economic growth, social inclusion as well as environmental conservation in a manner that supports the achievement of Bottom up Economic Transformation Agenda (BETA).

KTB is also in the process of identifying communities to act as campaign centers for the "One Tourist, One Tree Campaign" that is designed to not only promote sustainability but also to enhance environmental conservation that encourages sustainable travel thus contribute to the government`s goal of achieving 30% forest cover.

11. REPORT OF THE DIRECTORS

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

I. PRINCIPAL ACTIVITIES

The principal activity of the Tourism Board continues to be marketing Kenya as a tourist destination.

QUALITY POLICY

Kenya Tourism Board is committed to supporting and serving the tourist industry through marketing Kenya's unique physical and non-physical attractions with diligence, dedication and professionalism for the benefit of all stakeholders.

In pursuit of this commitment, quality objectives that have been established and communicated to all employees are being implemented and monitored.

KTB EMPLOYEES

KTB employees exhibit the highest levels of integrity and professionalism. In meeting the service needs of our customers, our employees "get it right the first time, every time".

CUSTOMER FOCUS

We are a customer driven organization that views every customer contact as an opportunity to add value and enhance our relationship. We listen to our customers, learn and understand their needs thereby enabling us to anticipate and pro-actively offer attractive solutions.

We continuously strive to offer the best services for our customers.

COMMUNICATION

We offer open, honest and constructive communication throughout the organization by supporting healthy debate and personal participation on issues affecting our business. We communicate with our customers in a fresh and informative way.

SERVICE

We optimize the use of relevant technology to deliver attractive customer solutions, increase efficiency and minimize cost base.

We offer reliable service delivery channels that provide a comfortable, secure and user-friendly environment for both customers and employees alike. We constantly seek ways to improve the delivery of service to our customers.

ii. Results

The results of the Kenya Tourism Board for the year ended June 30, 2024 are set out on page 1-46.

iii. Directors

The members of the Board of Directors who served during the year are shown on page IX to XIV. The Chief Executive Officer was appointed during the year with effect from 2nd April 2024.

iv. Auditors

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

By Order of the Board

Allan Njoroge
Date: 26.09.2024
COMPANY SECRETARY

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act and The Tourism Act No.28 of 2011 Section 32(4) require the Directors to prepare financial statements in respect of KTB, which give a true and fair view of the state of affairs of KTB at the end of the financial year and the operating results of KTB for that year. The Directors are also required to ensure that KTB keeps proper accounting records, which disclose with reasonable accuracy the financial position of KTB. The Directors are also responsible for safeguarding the assets of KTB.

The Directors are responsible for the preparation and presentation of KTB's financial statements, which give a true and fair view of the state of affairs of KTB for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

i. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
ii. maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
iii. designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
iv. safeguarding the assets of the entity;
v. selecting and applying appropriate accounting policies; and
vi. making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for KTB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that KTB's financial statements give a true and fair view of the state of KTB's transactions during the financial year ended June 30, 2024, and of KTB's financial position as at that date.

The Directors further confirm the completeness of the accounting records maintained for KTB, which have been relied upon in the preparation of KTB's 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 KTB will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

KTB's financial statements were approved by the Board on 26.09.2024 and signed on its behalf by:

Francis Gichaba
CHAIRPERSON OF THE BOARD

June Chepkemei
CHIEF EXECUTIVE OFFICER

13. REPORT OF THE AUDITOR-GENERAL ON KENYA TOURISM BOARD FOR THE YEAR ENDED 30 JUNE 2024

PREAMBLE

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

a. **Report on 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 the 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 the Government achieves value for money and that such Boards are applied for the intended purpose.
c. **Report on the Effectiveness of Internal Controls**, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Tourism Board set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Tourism Board as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,283,617,706 and Kshs.1,411,682,833 respectively, resulting to an over-funding of Kshs.128,065,127 of the budget. However, the Board spent Kshs.1,097,685,612 against actual receipts of Kshs.1,411,682,833 resulting in under-utilization of Kshs.313,997,221 or 22 % of the actual receipts.

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

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, two (2) issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in use of Public Resources and Effective of Internal Controls, Risk Management and Governance. However, the Management had not resolved one issues as at 30 June, 2024.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 for Conclusion

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

REPORT ON THE 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, except for the effect of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Oversight Board Not Fully Constituted

Review of board records revealed that the oversight Board was not fully constituted as two (2) members of the Oversight Board had not been appointed by the Cabinet Secretary. This was contrary to Regulation 14(1)(h) of the Public Finance Management (Kenya Tourism Board) Regulations, 2019 which states that two persons of opposite gender to be appointed by the Cabinet Secretary responsible for matters relating to tourism in accordance with Article 27 of the Constitution.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

The Board of Directors is responsible for overseeing the Boards financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.
Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: **https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/**. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL
Nairobi
30 December, 2024

FINANCIAL STATEMENTS

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 KShs	2023 KShs
Revenue from non-exchange transactions			
Industrycontributions, Strategic Partnerships	11	178,339,114	130,802,907
Transfer from Government Grants & other Agencies	12	927,754,364	687,499,124
		1,106,093,478	**818,302,031**
Revenue from exchange transactions			
Public Contributions & Donations	13 (a)	3,538,511	5,951,377
Finance income	13(b)	10,290,215	11,766,398
Otherincome	13(c)	81,840,007	7,735,437
		95,668,732	25,453,212
Total revenue		**1,201,762,210**	**843,755,243**
Expenses			
Marketing Costs	14	833,842,069	537,506,796
Employee costs	15	248,788,109	242,285,227
Remunerationof Board	16	23,476,859	15,775,366
Depreciationand amortization expense	17	7,511,143	9,344,991
Repairs and maintenance	18	4,337,709	2,633,882
General expenses	19	95,157,476	63,404,736
Finance costs	20	980,189	1,141,314
Total expenses		**1,214,093,555**	**872,092,311**
Other gains/(losses)			
Net Gain on sale of assets	21	-	24,713
Loss on foreignexchange transactions	22	(2,163,382)	(8,310,537)
Deficit for the Year		**(14,494,727)**	**(36,622,892)**

Prior year deficit of the year was adjusted by KShs. 1,000,231 being the interest earned from Staff Mortgage Scheme account. The mortgage fund balances have been reclassified as staff receivables.
The notes set out on pages 14 to 58 form an integral part of these Financial Statements.
The Financial Statements set out on pages 3 to 12 were signed on behalf of the Board of Directors by:

Accounting Officer	Director Finance & Admin	Chairman of the Board
June Chepkemei	Mary Maina	Francis Gichaba
I	CPAK M/No: 4589	
26th September 2024	26th September 2024	26th September 2024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Kawasaki

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 KShs	2023 KShs
Assets			
Current assets			
Cash and Cash equivalents	23/24	477,988,407	151,755,764
Prepayments	25	10,005,444	7,696,051
Receivables from exchange transactions	26(a)	31,425,089	9,672,588
Receivables from non-exchange transactions	26(b)	52,166,129	45,499,766
Inventories	27	7,734,635	4,856,496
Total Current Assets		**579,319,704**	**219,480,664**
Non-current assets			
Property,plant and equipment	28	33,630,659	37,842,852
Intangibleassets	29	9,541,010	2,000,637
Total Non- Current Assets		**43,171,669**	**39,843,489**
Total Assets		**622,491,375**	**259,324,154**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	30(a)	213,652,481	115,807,303
Payments received in advance	30(b)	5,634,963	4,928,017
Provisions	31	7,851,180	32,671,309
Deferred income	32	319,987,450	18,296,821
Total Current Liabilities		**547,126,075**	**171,703,451**
Total liabilities		**547,126,075**	**171,703,451**
Net Assets			
Accumulatedsurplus	34	27,415,502	34,399,086
Capital Fund	35	7,990,804	6,997,450
Sinking Fund	36	22,000,000	22,000,000
Revaluation Reserve	41	17,958,992	24,224,166
Total Net Assets		**75,365,298**	**87,620,702**
Total Net Assets and Liabilities		**622,491,375**	**259,324,155**

The Financial Statements set out on pages 3 to 12 were signed on behalf of the Board of Directors by:

Accounting Officer	Director Finance & Admin	Chairman of the Board
June Chepkemei	Mary Maina	Francis Gichaba
	ICPAK M/No: 4589	
26th September 2024	26th September 2024	26th September 2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Sinking Reserves Kshs	Accumulated Reserves Kshs	Capital Fund KShs	Revaluation Reserves Kshs	Total Kshs
As at 1st July 2022		**20,000,000**	**63,676,988**	**12,131,917**	**16,564,200**	**112,373,105**
Deficit for the period		-	(36,622,892)	-	-	(36,622,892)
Capital/Development grants received during the year	35	-	-	4,210,524	-	4,210,524
Transfer of depreciation/amortisation from capital fund to retained earnings	17	-	9,344,991	(9,344,991)	-	-
Revaluation gain	28	-	-	-	11,140,000	11,140,000
Transfer of ammortization on revaluation		-	-	-	(3,480,034)	(3,480,034)
Transfers to/from accumulated surplus/(Deficit)	36	2,000,000	(2,000,000)	-	-	-
Balance as at 30 June 2023		**22,000,000**	**34,399,086**	**6,997,450**	**24,224,166**	**87,620,702**
As at 1st July 2023		**22,000,000**	**34,399,086**	**6,997,450**	**24,224,166**	**87,620,702**
Deficit for the period		-	(14,494,727)	-	-	(14,494,727)
Capital/Development grants received during the year	35	-	-	8,504,497	-	8,504,497
Transfer of depreciation/amortisation from capital fund to retained earnings	17	-	7,511,143	(7,511,143)	-	-
Transfer of ammortization on revaluation		-	-	-	(6,265,174)	(6,265,174)
Balance as at 30 June 2024		**22,000,000**	**27,415,502**	**7,990,804**	**17,958,992**	**75,365,298**

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Cash flows from operating activities			
Receipts			
Exchequer Releases: Government grants and subsidies	33 a(i)	346,482,500	355,855,834
Transfer from other government entities- Tourism Fund	12 (a) & 32(i)	400,000,000	300,000,000
Transfer from other government entities- Tourism Promotion Fund	12 (a) & 32(i)	#REF!	-
Sale of goods- Industry Contribution & Strategic Partnerships	33 a. (ii)	108,935,171	85,039,143
Other income	33 a. (iii)	10,823,931	13,381,603
Public Contributions & Donations	33 a. (iv)	-	9,489,888
Receivables from Other Government Entities	33 a. (v)	(17,533,400)	-
Total receipts		**1,334,269,717**	**763,766,467**
Payments			
Marketing Costs	33 (c)	602,963,866	627,921,080
Other Payments	33 (d)	92,418,995	197,198,900
Employee costs	33 (b)	271,275,147	250,587,851
Board Expenses	16	22,516,859	14,819,730
Repairs and maintenance	10	4,337,709	2,633,882
Total payments		**993,512,577**	**1,093,161,443**
Net cash flows from/(used in) operating activities		**340,757,140**	**(329,394,976)**
Cash flows from investing activities			
Purchase of PPE and Intangible assets	28/29	(14,524,497)	(4,210,524)
Proceeds from sale of PPE	21	-	81,226
Purchase of investments		(50,000,000)	-
Net cash flows from/(used in) investing activities		**(64,524,497)**	**(4,129,298)**
Cash flows from financing activities		**-**	**-**
Increase in deposits		50,000,000	-
Net cash flows from financing Activities		**50,000,000**	**-**
Net increase/(decrease) in cash & Cash equivalents		**326,232,643**	**(333,524,274)**
Cash and cash equivalents at 1 July 2023	23	151,755,764	485,280,039
Cash and cash equivalents at 30 June 2024	**23**	**477,988,407**	**151,755,765**

Kenya Tourism Board presents its cash flow statement using the direct method as recommended in IPSAS 2.

For the purposes of these financial statements, cash and cash equivalents includes interest accrued on bank balances and staff advances (imprests and perdiem).

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

	Annual Revised Budget 2023/24 Cummulative	Cummulative Actual As a 30.06.2024 Cumulative	Variance	Explanation of material variances
	Kshs	KShs	KShs	
Government grants and subsidies	376,650,000	326,650,000	(50,000,000)	Recurrent grant is upto date. Kshs 50Million Development Grants of KShs 50M had not been disbursed by 30th June 2024.
Rendering of services- Industrial Contribution , Marketing Joint Campaigns & Strategic partnerships	142,650,000	178,339,114	35,689,114	Trade contribution for exhibitions. The amount also includes FOCs during MKTE & EARTE expo and trade and influencer famtrips, strategic parnerships contributions and joint marketing campaigns with airlines and online travel agencies.
Tourism Promotion Fund	224,000,000	414,838,000	190,838,000	TPF disbursed full amounts to KTB plus an additional KShs 190.838M received on 25th June 2024. This amount was rolled over to FY 2024/25.
Tourism Fund	460,000,000	400,000,001	(59,999,999)	KShs 60M not disbursed.
Finance Income & other Miscelleneous income	80,317,706	91,855,718	11,538,012	The target for interest income was not met due to low bank balances during the year. Amnesty for the Tax penalties and interest was approved in February 2024, the provision was written back to income.
Other Income		-	-	
Total income	**1,283,617,706**	**1,411,682,833**	**128,065,127**	
Expenses				
Compensation of employees	270,054,848	226,526,307	43,528,541	Savings relate to replacement positions which were not filled during the year.
Marketing Expenditure	837,122,364	717,045,248	120,077,116	Some of the committed campaigns funded from TF & TPF were rolled over to next FY.
Finance cost	2,000,040	3,143,572	(1,143,532)	Spend is high due to the shilling depreciation to the forex currencies
Rent paid	32,423,599	26,571,894	5,851,705	The savings are due to credit note on service charges for previous 3 years.
Remuneration of Board	22,500,000	22,516,859	(16,859)	Spend within expectations.
Depreciation and amortization expense	8,594,065	7,511,143	1,082,922	Savings due to revalued assets which are amortized against revaluation reserve.
Repairs and maintenance	4,400,000	4,337,709	62,291	Spend within expectations.
Other payments	99,592,790	83,981,021	15,611,769	Savings on insurance and other operational budget lines
Capital Expenditure	6,930,000	6,051,858	878,142	Spend within expectations. The balance relates to an ongoing procurement of capital items as at 30th June 2024.The amount was rolled over to 2024/25.
Total expenditure	**1,283,617,706**	**1,097,685,612**	**185,932,094**	
Surplus/ (Deficit) for the period	**(0)**	**313,997,221**	**(57,866,967)**	

Budget notes

i.Budget Variances (Performance difference)
The material variances (below 90% underutilization) and over-utilization are explained above alongside each budget line category.

ii.Changes between original and final budgets
Explanation of changes between original and final budgets are explained above alongside each budget line category.

iii.Explanations where actuals do not tie to the statement of financial performance due to differences in accounting basis, the reconciliation is as provided below:

	2023 KShs
Cummulative Deficit as per Financial Statement	(14,494,727)
Operational expenditure funded from Deferred Expenditure	1,500,000
Marketing expenditure funded from Deferred Expenditure	116,796,821
Deffered Income transferred from FY 2022/23 to FY 2023/24	(118,296,821)
Deffered Income transferred to FY 2024/25	319,987,451
Amount transferred to Capital Grant	8,504,497
Surplus as per Statement of Budget Comparison	**313,997,221**
	313,997,221

19. NOTES TO THE FINANCIAL STATEMENTS

1.GENERAL INFORMATION

Kenya Tourism Board is established by and derives its authority and accountability from Tourism Act No.28 of 2011, sections 29-39. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to effectively market Kenya's tourism products.

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, financial instruments at fair value and impaired assets at their estimated recoverable amounts. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the KTB's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 10 of these financial statements.

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

3.ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1 st January 2023:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.....**Not applicable**
IPSAS 42: Social Benefits	**Applicable: 1 st January 2023** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. **Not applicable**

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2023:**Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued......Not applicable
Other improvements to IPSAS	**Applicable 1st January 2023**IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	**Applicable 1st January 2025** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Not effective, applicable from 1st January 2025
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	**Applicable 1st January 2025** **The Standard requires,** Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. **Not effective, applicable from 1st January 2025**

Early adoption of standards
KTB did not early — adopt any new or amended standards in the financial year

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) REVENUE RECOGNITION

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

KTB receives some of its marketing budget from the development grant. The budget vote "Sustaining new markets and Sitting Booths" is a strategic intervention that was approved by the National Treasury in 2015 as part of tourism recovery programs. The strategic intervention was approved under the development grant. These specific marketing activities are treated as projects. For financial reporting, the total marketing expenditure including marketing project expenses are reported in the Statement of Financial Performance.

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 have been acquired using such funds.

ii) Revenue from exchange transactions

Industry Contributions

KTB recognizes revenue from industry contributions by reference to the stage of completion of the exhibition/ event. The stage of completion is measured by reference to whether the event had been completed.

Where the event has not been implemented, the industry contribution is reported as liabilities.

Sale of goods

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

Interest income

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

B) BUDGET INFORMATION

The original budget for FY 2023/24 was approved by the National Assembly on 21/7/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities in August 2023 and January 2024. The additional appropriations was added to or reduced from the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of KShs 684M on the 2023/24 budget, approval for the revised budget was sought from the governing body.

The entity'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 XVII of these financial statements.

C) PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.
When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

(I)	Motor vehicles	25%
(II)	Office equipment	12.5%
(III)	Furniture	12.5 %
(IV)	Computers	33.3 %

The depreciation charge is prorated in the year of purchase and year of disposal as follows:

- The delivery date is considered as the date of acquisition and depreciation in full in the month of acquisition.
- No depreciation is charged in the month the asset is boarded for disposal.
- No depreciation is charged on work-in-progress.

D) LEASES

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

E) INTANGIBLE ASSETS

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

The useful life of the intangible assets is assessed as either finite or indefinite. The SAP/ ERP system shall be classified as indefinite useful life; they are assessed for impairment at each reporting date.

Amortization is calculated on the straight-line basis at annual rates to write off the cost of assets over their estimated useful lives by equal annual instalments at the rate of 33.3%.

The amortization charge is prorated in the year of purchase and year of disposal as follows:

- The delivery date is considered as the date of acquisition and amortization in full in the month of acquisition.
- No amortization is charged in the month the asset is boarded for disposal.
- No amortization is charged on work-in-progress.

F) WORK IN PROGRESS ON ASSETS

KTB purchases property plant and equipment (PPE) and intangible assets for use it its operations. An asset that is not ready for use (still being developed and/ or not delivered) at the reporting date is considered as work in progress (WIP). The assets are shown in PPE & Software movement schedules but are only capitalized on delivery .The WIP assets are recognized at cost; they are not depreciated or amortized. The depreciation and amortization start on the capitalization date.

G) RESEARCH AND DEVELOPMENT COSTS

KTB expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Board can demonstrate:

i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
ii) Its intention to complete and its ability to use or sell the asset.
iii) How the asset will generate future economic benefits or service potential
iv) The availability of resources to complete the asset.
v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

H) FINANCIAL INSTRUMENTS

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

I) FINANCIAL ASSETS

Classification of financial assets

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

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

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

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

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

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

Impairment
The Board assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Board recognizes a loss allowance for such losses at each reporting date.

ii) Financial liabilities

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

i) Inventories
KTB maintains inventories mainly promotional materials for its marketing activities. Other inventories include printing and stationery materials, office utilities etc.

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board .

J) TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS
In the course of its operations, KTB enters into exchange transactions and events through purchase of goods, works or services. Trade and other payables for KTB arising from exchange transactions include: trade and other payables and customer deposits.
Recognition of expense and/ or payable:
From the purchase of goods: When significant risks and rewards have been transferred to KTB, amount of expense can be reliably measured and it is likely that the economic benefits or service potential associated with the transaction will flow to KTB, and the costs incurred or to be incurred in respect of the transaction can be measured reliably; then an expense is recognized

From the purchase of services: This is recognized in reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably.

The expense is measured at the fair value of the consideration paid or payable. Where the expense from exchange transaction is not paid for at the reporting date, it is recognised as a payable from exchange transaction.

K) PROVISIONS

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

Where KTB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

L) CONTINGENT LIABILITIES

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

M) NATURE AND PURPOSE OF RESERVES

KTB creates and maintains reserves in terms of specific requirements. KTB maintains a sinking reserve, accumulated Reserve, Capital Fund and Revaluation Reserve.

The Sinking fund reserve is a fund set aside for future replacement of assets as required in the State Corporations Act; section 16(1) requires that state corporations shall make provision for the renewal of depreciating assets by the establishment of sinking funds and for contributions to such reserve and stabilization funds as may be required. KTB provides for Kshs. 2M annually for this fund. The amount is provided from the accumulated surplus reserves, however there was no provision in the current year due to depletion of reserves. The current balance as at June 2024 is Kshs 22 Million.

KTB also maintains accumulated reserve where all surpluses net of deficits from previous year are accumulated. The fund is also net of any transfers from/ to the accumulated surplus fund.

KTB maintains capital fund for grants received for the acquirement of assets net transfer of depreciation/ amortization of the assets that have been acquired using such funds.

Revaluation reserve is maintained where all revaluation increases are credited. The revaluation reserve is reduced by subsequent depreciation and impairment losses.

N) CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

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

O) EMPLOYEE BENEFITS

Retirement benefit plans

KTB provides retirement benefits for its pensionable employees at the rate of 15% of basic pay and to the National Social Security Fund (NSSF). Contributions to NSSF are determined by local statute (NSSF Act 2013), implementation of the new rates were effected in January 2023 and will be adjusted over the next five (5) years in line with implementation schedule. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

P) EMPLOYEE ENTITLEMENT

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual/reversal. Employee entitlements to gratuity are recognized when they accrue to employees. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the Financial Position date. The gratuity provision is transferred and managed under a registered retirement benefits scheme

Q) FOREIGN CURRENCY TRANSACTIONS

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

R) RELATED PARTIES

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

S) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents includes interest accrued on bank balances , short-term deposits on call and staff advances (imprests and perdiems).

T) COMPARATIVE FIGURES

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

U) SUBSEQUENT EVENTS

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

10. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. KTB 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 KTB. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 KTB
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 26 and 31.

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.

KTB estimated the following provisions as 30th June 2024:

- Provision for bad debts based on the recoverability of the amounts. KTB makes provisions for all receivables outstanding over 365 days where recovery is doubtful.
- Provisions for staff leave balances- estimated based on the basic salaries in line with the approved terms and conditions of services
- Provision for audit fees based on uncharged audit fees

11. Sale of services	2024 KShs	2023 KShs
Industry Contributions, Strategic Parnerships & Donations		
Industry Contribution	110,489,802	77,316,629
Cash Strategic Partnership & Donations	11,662,251	8,053,771
Non-Cash Strategic Partnership & Donations	28,547,977	45,432,507
Marketing Joint Campaign	27,639,084	-
Total Industry Contributions and Strategic Partnerships	**178,339,114**	**130,802,907**

Industry contribution relates to industry partner's contributions for the tourism events. The contribution is both in cash and in kind.

Partnership revenue are sponsorships in kind by strategic partners to participate in joint events for example co-branded activities and joint marketing campaigns.

12 (a). Transfer from Government & other agencies**

	2024 KShs	2023 KShs
Unconditional grants		
Recurrent Grant	281,265,287	298,164,190
Tourism Fund	380,823,268	300,000,000
Transfer of Capital grants	(8,504,497)	-
	653,584,058	**598,164,190**
Conditional grants		
Development Grant	53,168,376	-
Development Grant-ESP	-	11,309,582
Development Grant-TPF	221,001,930	78,025,352
	274,170,306	**89,334,934**
Total	**927,754,364**	**687,499,124**

12(b): Grants Reconciliations

**Transfers from Government & other Agencies FY 2023/24-GOK	2024 KShs	2023 KShs
	Recurrent	**Recurrent**
Government Grant in 2023/24	276,650,001	306,990,000
Deferred revenue from 2022/23	4,615,286	-
Deferred Revenue to 2024/25	-	(4,615,286)
Transfer to Capital Grant		(4,210,524)
Recognized Revenue	**281,265,287**	**298,164,190**

**Transfers from Government & other Agencies FY 2023/24-Tourism Fund	2024 KShs	2023 KShs
	KShs Recurrent	**KShs Recurrent**
Tourism Fund Grant in 2023/24	400,000,000	300,000,000
Deferred revenue from 2022/23	-	-
Deferred Revenue to 2024/25	(19,176,732)	-
Transfer to Capital Grant	-	-
Recognized Revenue	**380,823,268**	**300,000,000**

**Transfers from Government & other Agencies FY 2023/24 (GOK &TPF)	2024	2023
	KShs Development	**KShs Development**
Government Grant in 2023/24	50,000,000	-
Tourism Promotion Fund 2023/24	514,838,000	
Deferred revenue from 2022/23-GOK Dev	3,168,376	-
Deferred revenue from 2021/22- ESP	-	11,309,582
Deferred revenue from 2022/23- TPF	6,974,648	78,025,352
Deferred Revenue to 2024/25-TPF	(300,810,718)	
Transfer to capital Grant- 2021/22	-	-
Recognized Revenue	**274,170,306**	**89,334,934**

12 (c):TRANSFERS FROM MINISTRIES & AGENCIES

Name of the Entity Sending the Grant	Amount Recognized in the statement of Financial Performance	Amount deferred under deferred income	Amount Recognized in Capital Fund	Total transfers Current FY 2023/24	Total Transfers 2022/23
	KShs	KShs	KShs	KShs	KShs
Ministry of Tourism & Wildlife	**326,650,001**	-	-	**326,650,001**	**306,990,000**
Tourism Fund	**372,318,771**	**19,176,732**	**8,504,497**	**400,000,000**	**300,000,000**
Tourism Research Institute	-	-	-	-	**4,840,000**
Tourism Promotion Fund	**214,027,282**	**300,810,718**	-	**485,561,515**	-
Deferred Income from 2022/23	**14,758,310**	-	-		
	927,754,364	319,987,450	8,504,497	1,212,211,516	611,830,000

The details of the reconciliation of the GOK grants is shown in 12(b) above.

13(a). Public Contributions & Donations

	2024 KShs	2023 KShs
Donations transferred to revenue on conditions being met-UNESCO	3,538,511	5,951,377
Total Transfers and Sponsorships	**3,538,511**	**5,951,377**
Reconciliation Of Public Contributions		
Balance Unspent at Beginning of The Year	3,538,511	-
Current Year Receipts- UNESCO	-	9,489,888
Conditions Met - Transferred to Revenue	(3,538,511)	5,951,377
Conditions To Be Met - Remain Liabilities	**-**	**3,538,511**

13(b). Finance income

	2024 KShs	2023 KShs
Interest (KCB Current account)	2,678,211	10,766,168
Interest (On-Call deposits)	7,458,698	-
Interest (Staff Mortgage Scheme account)	153,305	1,000,230
	10,290,215	**11,766,398**

Prior year deficit of the year was adjusted by **KShs. 1,000,231** being the interest earned from Staff Mortgage Scheme account. The mortgage fund balances have been reclassified as staff receivables

13(c). Other income

Miscellaneous Income-other	81,840,007	7,735,437
Total other income	**81,840,007**	**7,735,437**

Miscellaneous income (other) consists of tender fees, credit notes/ write backs of creditors' invoices and provisions write backs.

14. MARKETING RELATED COSTS

	2024 KShs	2023 KShs
United States & Canada	59,936,994	109,209,941.60
United Kingdom	62,628,078	36,587,825.00
China	38,900,940	1,606,691.41
Rest of Europe & EE Markets	49,802,517	21,816,257.00
India	31,865,393	12,792,340.00
Kenya & African Markets	69,983,136	78,025,352.44
Business Development	27,802,194	11,983,194.71
Special Projects	3,538,510	12,763,321.23
Public Relations & Communications	86,449,266	28,324,382.58
Online Marketing/ Global Online campaigns	106,318,723	9,194,412.29
Exhibitions & Events	195,850,749	177,045,827.02
Agency Management	30,454,988	18,221,304.02
Customer Relationship Managements	41,308,592	6,005,736.67
Research & Strategy	18,311,697	5,635,131.93
Tactical Marketing- General	10,690,291	8,295,077.98
Total-Marketing Related Costs	**833,842,069**	**537,506,796**

KTB's core activity is to market Kenya as the preferred destination of choice. Various marketing activities are implemented in both local, regional and international markets to market the destination to potential tourists with the objective of increasing tourist arrivals and therefore tourism revenue to the economy

15. Employee costs	2024 KShs	2023 KShs
Employee related costs - salaries and wages	144,692,872	148,848,016
Housing benefits and allowances	50,390,877	42,954,000
Employee related costs - contributions to Pensions and NSSF	19,193,192	16,865,630
Gratuity	10,341,743	8,821,630
Staff Group Life Policy	2,310,083	1,763,130
Staff Medical Insurance (In & Out Patient)	21,473,226	22,556,282
Group Personal Accident	386,115	476,540
Employee costs	**248,788,109**	**242,285,227**

16. Remuneration of Board Members	2024 KShs	2023 KShs
Chairman Honorarium	960,000	955,636
Sitting Allowances	8,806,000	4,648,000
Induction & Training	800,000	1,305,210
Travel and Accomodation	11,518,085	8,128,262
Medical Insurance	828,715	693,708
Board Telephone Expenses	564,059	44,550
Total	**23,476,859**	**15,775,366**

17. Depreciation and amortization expense	2024 KShs	2023 KShs
Property, plant and equipment	6,298,116	6,788,676
Intangible assets	1,213,027	2,556,315
Total Depreciation and Amortization	**7,511,143**	**9,344,991**

18. Repairs and maintenance	2024	2023
Motor Vehicle	2,048,722	907,217
Office Furniture and Equipment	1,899,819	754,966
Computers	389,168	971,699
Total repairs and maintenance	**4,337,709**	**2,633,882**

19. General expenses

	2024 KShs	2023 KShs
Audit fees	700,000	700,000
Staff welfare	2,484,333	2,719,721
Hiv aids/Positive living	389,086	462,632
Subscription and Memberships	926,054	775,987
Staff Training	9,485,711	1,128,150
Recruitment	4,306,350	1,285,134
Insurance for Motor Vehicle, Computers & Office Equip.	1,110,745	915,220
Rent	26,571,894	24,740,317
Telephone, Internet, Postal & Directories	5,250,669	5,156,305
Printing & Other Stationery cost	1,499,999	2,458,213
Official Entertainment	1,983,291	1,493,651
Committees, Conferences & Meetings	4,729,297	1,738,699
Local Traveling & Accomodotation for Product fam trips	2,303,664	1,650,792
Parking	181,189	326,990
Legal fees & Consultancies	4,971,608	221,659
ICT Software licences/ Support fees & ERP Programmes	22,330,056	12,354,743
Procurement Management	1,498,194	710,440
Motor vehicle fuel	1,192,638	1,189,247
Office general expenses	3,242,697	3,376,836
Total General expenses	**95,157,476**	**63,404,736**

20. Finance Cost

	2024 KShs	2023 KShs
Bank charges	980,189	1,141,314
	980,189	**1,141,314**

	2024	2023
21. Gain/ (Loss) on sale of assets		
Property, plant and equipment	-	24,713
Total gain on sale of assets	**-**	**24,713**

	2024	2023
22. Loss on foreign exchange transactions	KShs	KShs
Forex (Loses)	2,163,382	8,310,537
	2,163,382	**8,310,537**

23. Cash and cash equivalents	2024	2023
	KShs	KShs
Bank	427,235,418	151,049,529
Cash-on-hand and in transit	121,052	97,381
Accrued Interest Income on Current Account	-	608,853
Short-term Fixed/Call deposits	50,000,000	-
Staff Imprests	559,137	-
Staff Advances-Perdiem	72,800	-
Total cash and cash equivalents	**477,988,407**	**151,755,764**

24. Detailed Analysis of Cash & Cash Equivalent	**2023-2024**	**2022-2023**
Bank and Account Number	**KShs**	**KShs**
a) Current Accounts		
KCB Moi Avenue Branch GBP A/C 1101636912	22,548,904	7,201,658
KCB Moi Avenue Branch EURO A/C 1101689846	13,215,386	5,172,793
KCB Moi Avenue Branch-USD A/C 1101660066	13,393,407	1,648,355
KCB Moi Avenue Branch KES A/C 1108980457	28,722,346	133,379,365
KCB Moi Avenue Branch-1316650383 (MKTING PROJECTS-TPF)	344,229,152	-
Short-term Fixed/Call deposits	-	-
Sub- Total	**422,109,194**	**147,402,170**
b) Staff Mortgage		
KCB- Haile Selassie Branch	5,126,224	3,647,359
Sub- Total	**5,126,224**	**3,647,359**
Grand Total	**427,235,418**	**151,049,529**

25. Prepayments	**2024**	**2023**
	KShs	**KShs**
Prepayments	10,005,444	7,696,051
Total Prepayments	**10,005,444**	**7,696,051**

26 (a) Receivables from exchange transactions

	2024	2023
Current receivables	**KShs**	**KShs**
Exhibition debtors	6,755,629	2,732,249
Ministry of Environment-Africa Climate Summit	17,533,400	-
Other deposits/receivables	9,538,893	9,588,410
Interest on Call Deposits receivable	75,137	-
	33,903,059	**12,320,659**
Less Provisions:		
Bad Debt- Industry	2,477,970	2,648,070
Sub Total- Provisions	**2,477,970**	**2,648,070**
Total current receivables	**31,425,089**	**9,672,588**

Ageing analysis: (Receivables from exchange transactions)	2024	2023	% of the Total
	KShs	**KShs**	
Less than 1 year	21,886,196	331,257	65%
1-2 years	-	-	0%
2-3 years	-	-	0%
Over 3 years	12,016,864	11,989,401	35%
Total	**33,903,059**	**12,320,659**	**100%**

Reconciliation for Impairment Allowance of Receivables from Exchange Transactions	2024	2023
	KShs	**KShs**
At the beginning of the year	2,648,070	3,110,157
Additional provisions during the year	-	454,747
Written back during the year	(170,100)	(916,834)
At the end of the year	**2,477,970**	**2,648,070**

26 (b) Receivables from non exchange transactions

	2024	2023
Current receivables	**KShs**	**KShs**
Tourism Promotion Fund	29,276,485	-
Ministry of Tourism- Grants	-	19,832,499
Staff Advances-Salary	3,246,256	3,287,836
Imprest	-	1,518,587
Staff Mortgage balances	21,027,311	22,352,871
	53,550,052	**46,991,793**
Less Provisions:		
Bad Debt- Staff	1,383,923	1,492,028
Sub Total- Provisions	**1,383,923**	**1,492,028**
Total current receivables	**52,166,129**	**45,499,766**

Ageing analysis: (Receivables from Non-exchange transactions)

	2024 KShs	2023 KShs	% of the Total
Under one year	52,166,129	23,146,894	97%
1-2 years	-	-	0%
2-3 years	-	-	0%
Over 3 years	1,383,923	1,492,028	3%
Total	**53,550,052**	**24,638,922**	**100%**

Reconciliation for Impairment Allowance of Receivables from Non- Exchange Transactions

	2024 KShs	2023 KShs
At the beginning of the year	1,492,028	6,642,666
Additional provisions during the year		
Recovered during the year		
Reversal during the year	(108,105)	(5,150,638)
At the end of the year	**1,383,923**	**1,492,028**

27. Inventories

	2024	2023
Consumable stores	7,734,635	4,856,496
Total Inventories	**7,734,635**	**4,856,496**

28 (a). PROPERTY, PLANT & EQUIPMENT

Cost	Office Equipment KShs	Computer Hardware KShs	Furniture & Fittings KShs	Motorvehicle KShs	Total KShs
Additions	-	4,210,524	-	-	4,210,524
Revaluation	-	-		11,140,000	11,140,000
Disposals	-	(728,443)	-	-	(728,443)
As 30th June 2023	**20,860,846**	**60,083,207**	**38,553,726**	**60,649,388**	**180,147,168**
As 30th June 2023	**20,860,846**	**60,083,207**	**38,553,726**	**60,649,388**	**180,147,168**
Additions	-	7,785,102	565,995	-	8,351,097
Revaluation	-	-			-
Disposals	-	-	-	-	-
As 30th June 2024	**20,860,846**	**67,868,309**	**39,119,721**	**60,649,388**	**188,498,265**
Depreciation and impairment					
1st July 2021	**13,548,466**	**50,157,539**	**20,901,056**	**35,865,023**	**120,472,083**
Depreciation	1,355,635	4,016,528	1,674,365	6,128,477	13,175,004
Disposals	-	(939,551)	-	-	(939,551)
As At 30 June 2022	**14,904,101**	**53,234,515**	**22,575,420**	**41,993,500**	**132,707,536**
Depreciation	1,158,857	3,267,135	1,596,796	765,888	6,788,676
Revaluation	254,048	-	975,896	2,250,000	3,480,034
Disposals	-	(671,930)		-	(671,930)
As At 30 June 2023	**16,317,006**	**55,829,720**	**25,148,112**	**45,009,388**	**142,304,316**
Depreciation	987,927	3,822,559	1,487,630	-	6,298,116
Revaluation	254,068	-	976,110	5,034,996	6,265,174
Disposals	-	-	-	-	-
As At 30 June 2024	**17,559,001**	**59,652,279**	**27,611,852**	**50,044,384**	**154,867,606**
Net book values					
As at 30th June 2024	**3,301,846**	**8,216,030**	**11,507,870**	**10,605,004**	**33,630,659**
As at 30th June 2023	**4,543,841**	**4,253,487**	**13,405,614**	**15,640,000**	**37,842,852**

Valuation

Motor vehicles were valued by Ministry of Roads & Transport- State Department of Roads during the year on cost basis of valuation. These amounts were adopted on 30th April 2023. Depreciation commenced in FY 2023/24 in line with the approved policy.

28 (c) Property, Plant and Equipment at Cost

If the PPE were stated on the historical cost basis the amounts would be as follows:

		Cost or Valuation	Normal Annual Depreciation
	Motor vehicles	20,140,000	5,034,996
	Office Equiptment	2,015,200	976,110
	Furniture & Fittings	7,799,000	975,896
	Total	**29,954,200**	**6,987,002**

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

Description	Cost	Accumulated Depreciation	NBV
	KShs	KShs	KShs
Motor vehicles	60,649,388	50,044,384	10,605,004
Furniture and Fittings	39,119,721	27,611,852	11,507,870
Computer Harware	67,868,309	59,652,279	8,216,030
Office Equipment	20,860,846	17,559,001	3,301,846
Total	**188,498,265**	**154,867,516**	**33,630,749**

29. Intangible assets - Software

Cost	KShs
At 30 June 2022	**46,294,614**
Additions – internal development	
WIP	-
At 30 June 2023	**46,294,614**
At 30 June 2023	**46,294,614**
Additions – internal development	153,400
WIP	8,600,000
At 30 June 2024	**55,048,014**
Amortization and impairment	
At 30 June 2022	**41,737,662**
Amortization	**2,556,315**
At 30 June 2023	**44,293,977**
Amortization	**1,213,027**
At 30 June 2024	**45,507,004**
Net book values	
At 30 June 2024	**9,541,010**
At 30 June 2023	**2,000,637**

30.Trade and other payables from exchange transactions

30 (a) Trade and other payables

	2024 KShs	2023 KShs
Trade payables	76,944,736	41,099,306
Accruals-Marketing	125,138,983	158,450
Accruals-Operations	5,662,504	-
Other payables	5,906,259	74,549,547
Total trade and other payables	**213,652,481**	**115,807,303**

Ageing analysis: (Trade and other payables)

	2024 KShs	% of the Total	2023 KShs	% of the Total
Under one year	208,445,089	98%	34,698,833	30%
1-2 years	5,207,392	2%	3,827,992	3%
2-3 years	-	0%	7,481,387	6%
Over 3 years	-	0%	69,799,093	60%
Total	**213,652,481**	**100%**	**115,807,303**	**100%**

30 (b) Payments received in advance

	2024 KShs	2023 KShs	2022 KShs	2021 KShs
Payments received in advance- Exhibitions	4,386,878	4,928,017	4,928,017	4,002,342
Tender Bid Bond Deposit	1,248,085	-		
	5,634,963	**4,928,017**	**4,928,017**	**4,002,342**

31. Current provisions

	Leave Liability KShs	Gratuity KShs	Audit Fees KShs	Total KShs
Balance as at 30 June 2022	**7,451,417**	**34,008,781**	**1,400,000**	**42,860,198**
Additional provisions raised	-	8,821,630	700,000	9,521,630
Provision utilized	(1,186,264)	(17,124,254)	(1,400,000)	(19,710,518)
Balance as at 30 June 2023	**6,265,153**	**25,706,156**	**700,000**	**32,671,309**
Balance as at 30 June 2023	**6,265,153**	**25,706,156**	**700,000**	**32,671,309**
Additional provisions raised	886,027	10,341,743	700,000	11,927,770
Over provision reversed	-	(2,295,721)	-	(2,295,721)
Provision utilized	-	(33,752,178)	(700,000)	(34,452,178)
Balance as at 30 June 2024	**7,151,180**	**-**	**700,000**	**7,851,180**

32. i)Deffered Income

	2024 KShs	2023 KShs
GOK Grants	-	7,783,662
Tourim Fund	19,176,732	-
Tourism Promotion Fund	300,810,718	6,974,648
Unesco Funds	-	3,538,511
Total	**319,987,450**	**18,296,821**

The deferred income movement is as follows:

ii) Deferred Income	2024 KShs Recurrent	2024 KShs Development-GOK	2024 KShs Development-TPF	2024 KShs Recurrent-Tourism Fund	2024 KShs Other Grants
Balance Brought Forward	4,615,286	3,168,376	6,974,648	-	3,538,511
Additions/ Deferred to 2024/25	-	-	300,810,718	19,176,732	-
Transfer to Income Statement	(4,615,286)	(3,168,376)	(6,974,648)	-	(3,538,511)
Transfer to Capital Grants	-	-	-	-	-
Balance Carried Forward	**-**	**-**	**300,810,718**	**19,176,732**	**-**

The deferred income relates to funds transferred from the income statement to the deferred income accounts. These grants relate to funds received in the year or accrued at year end but for which the specific marketing projects had not been implemented and/or were ongoing.

	2024	2023
33 a. (i)Exchequer Releases	**KShs**	**KShs**
Total Receipts	326,650,001	306,990,000
Add Prior year Revenue receivable	19,832,499	68,698,333
Less: Accrued Receivable	-	(19,832,499)
Total Cash Inflow	**346,482,500**	**355,855,834**

33 a.(ii)Entity Own Generated Receipts(A-I-A)- Industry Contribution & Strategic Partnerships &		
Total Receipts	178,339,114	130,471,650
Less: Non Cash sponosrships	(69,403,943)	(45,432,507)
Total Cash Inflow	**108,935,171**	**85,039,143**

	2024	2023
33 a. (iii)Entity Own Generated Receipts(A-I-A)- Other Income	**KShs**	**KShs**
Miscellaneous Income-interest	10,290,215	11,766,398
Miscellaneous Income-others	81,840,007	7,735,437
Total other income	**92,130,221**	**19,501,835**
Add: Prior Revenue received	608,853	1,639,747
Less: Accrued Revenue receivable	(75,137)	(608,853)
Less: Creditors Writeback	(81,840,007)	(7,151,126)
Total Cash Inflows	**10,823,931**	**13,381,603**

33 a(iv). Public Contributions & Donations		
Unesco Project Funds	-	9,489,888
Total	**-**	**9,489,888**

33 a(v)Receivables from Other Government Entities		
Ministry of Environment-Africa Climate Summit	(17,533,400)	-
	(17,533,400)	**-**

33 (b) Compensation of employee

Description	**2023/2024**	**2022/2023**
	KShs	**KShs**
Compensation of Employees	248,788,109	242,285,227
Add: Any gratuity Commuted in the Year	33,752,178	17,124,254
Prior year leave commuted in the year	-	-
Less: Accrued cost & gratuity provision	(11,265,139)	(8,821,630)
Less: Final Dues & Leave Commutation accrued in the year	-	-
Total Cash Compensation of Employees Costs	**271,275,147**	**250,587,851**

33 (c) Marketing Costs

Description	2023/2024	2022/2023
	KShs	KShs
Use of goods and services	**833,842,069**	**537,506,796**
Add: Creditors settled from prior year	24,321,375	124,179,884
Add: Payments received in advance- Exhibitions	4,386,878	4,469,367
Add: Tender Bid Bond Deposit	1,248,085	-
less: Marketing costs in kind	(56,588,371)	-
Less: Accrued Costs during the year	(125,138,983)	(158,450)
Less: Creditors balance at year end	(79,107,188)	(38,076,518)
Total Cash Expense on Marketing Costs	**602,963,866**	**627,921,079**

33 (d) Other Payments

	2023/2024	2022/2023
Description	**KShs**	**KShs**
General Expenses	95,157,476	55,120,877
Directors remuneration	960,000	955,636
Finance cost	980,189	1,141,314
KRA Tax assessment principal payment	-	120,133,046
Staff Mortgage Disbursements	(1,325,560)	22,352,871
	95,772,106	**199,703,744**
Add: Creditors settled from prior year		-
Add: Prepayments at end year	10,005,444	7,696,051
Less: Prepayments at Beginning of year	(7,696,051)	(7,178,106)
Less: Accrued Costs during the year	(5,662,504)	-
Less: Creditors balance at year end	-	(3,022,789)
Total Other payments	**92,418,995**	**197,198,900**

33 (e) Cash generated from operations

	2024	2023
	KShs	KShs
Deficit for the year before tax	**(14,494,727)**	**(37,623,123)**
Adjusted for:		
Depreciation	6,298,116	6,788,676
Amortisation	1,213,027	2,556,315
Contribution to impairment allowance	-	454,747
Working capital adjustments:		
(Increase)/Decrease to Provisions	(24,820,129)	(10,188,889)
(Increase)Decrease in Prepayments	(2,309,394)	(517,945)
(Increase)Decrease in inventory	(2,878,140)	2,397,581
(Increase)/Decrease in Exchange receivables	(22,361,354)	3,915,822
(Increase)/Decrease in Non-exchange receivables	(6,666,363)	25,806,906
(Increase)/Decrease in interest receivables	608,853	1,030,894
Increase/(Decrease) in deferred income	301,690,629	(81,181,137)
Increase/(Decrease) in payables	103,769,675	(243,760,498)
Increase/ (Decrease) in payments received in advance	706,946	925,674
Net cash flows from operating activities	**340,757,140**	**(329,394,976)**

34. Accumulated Surplus

	2024	2023
	KShs	KShs
Balance b/f	34,399,086	63,676,988
Surplus/ (Deficit)	(14,494,727)	(36,622,892)
Transfer of depreciation/amortisation from capital fund	7,511,143	9,344,991
Transfers to Sinking Fund	-	(2,000,000)
Total Accumulated Surplus	**27,415,502**	**34,399,086**

Prior year deficit of the year was adjusted by **KShs. 1,000,231**, being the interest earned from Staff Mortgage Scheme account. The mortgage fund balances have been reclassified as staff receivables.

35. Capital Fund	**2024**	**2023**
	KShs	**KShs**
Balance b/f	6,997,450	12,131,917
Capital/Development grants	8,504,497	4,210,524
Transfer of depreciation/amortisation from capital fund to retained earnings	(7,511,143)	(9,344,991)
Total Capital Fund	**7,990,804**	**6,997,450**

36. Sinking Fund

	2024	**2023**
	KShs	**KShs**
Opening Balance	22,000,000	20,000,000
Sinking Fund Provision	-	2,000,000
Balance as at 30 June	**22,000,000**	**22,000,000**

During the year, the transfer of **KShs 2M** was not made due to the depletion of reserves.


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37. FINANCIAL RISK MANAGEMENT

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

KTB's financial risk management objectives and policies are detailed below:

i)Credit risk

KTB has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

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

Credit Risk

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	33,903,059	31,425,089	-	2,477,970
Receivables from non exchange transactions	53,550,052	52,166,129	-	1,383,923
Bank balances	477,235,418	477,235,418	-	-
Total	**564,688,530**	**560,826,636**	**-**	**3,861,894**

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Receivables from exchange transactions	12,567,738	10,374,415	-	2,193,323
Receivables from non exchange transactions	46,991,793	45,499,765	-	1,492,028
Bank balances	151,049,529	151,049,529	-	-
Total	**210,609,061**	**206,923,710**	**-**	**3,685,351**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets KTB's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

KTB requires that customers pay for their participation costs before the events thereby minimizing any risk of non-payment of industry contributions. KTB also makes provisions for all receivables outstanding over 365 days where recovery is doubtful. To avoid further loss, KTB does not allow subsequent engagement with a debtor until the previous outstanding amount is fully received.

ii) Liquidity risk management

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

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

Liquidity risk management

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	43,614,006	9,600,686	23,730,043	76,944,736
Provisions	1,586,027	-	6,265,153	7,851,180
Deferred income	319,987,450	-	-	319,987,450
Total	**365,187,483**	**9,600,686**	**29,995,196**	**404,783,366**

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade payables	(38,245,892)	(11,157,080)	90,502,278	41,099,306
Provisions	700,000	-	31,971,309	32,671,309
Deferred income	18,296,821	-	-	18,296,821
Total	**(19,249,071)**	**(11,157,080)**	**122,473,587**	**92,067,437**

(iii) Market risk

KTB has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.
Market risk is the risk arising from changes in market prices, such as interest rate and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Board Audit and Risk Management Committee.

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

Risk management analysis is done for all major projects (above **KShs 10M**) at the onset of the projects.

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

a) Foreign currency risk

KTB has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of KTB's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial assets			
Cash	428,198,774	49,157,697	477,356,470
Debtors	75,336,322	8,254,895	83,591,218
Total financial assets	**503,535,096**	**57,412,592**	**560,947,688**
Financial Liabilities			
Trade and other payables	51,085,593	25,859,143	76,944,736
Total financial liabilities	**51,085,593**	**25,859,143**	**76,944,736**
Net foreign currency asset/(liability)	**452,449,503**	**31,553,449**	**484,002,952**

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets			
Cash	137,026,724	14,022,805	151,049,529
Debtors	55,172,354	-	55,172,354
Total financial assets	**192,199,078**	**14,022,805**	**206,221,883**
Financial Liabilities			
Trade and other payables	34,846,206	6,253,100	41,099,306
Total financial liabilities	**34,846,206**	**6,253,100**	**41,099,306**
Net foreign currency asset/(liability)	**157,352,872**	**7,769,705**	**165,122,577**

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	17,958,992	24,224,166
Sinking Fund	22,000,000	22,000,000
Retained earnings	27,415,502	34,399,086
Capital Fund	7,990,804	6,997,450
Total Funds	**75,365,298**	**87,620,702**
Total borrowings	-	-
Less: cash and bank balances	477,988,407	151,755,764
Net debt/(excess cash and cash equivalents)	(477,988,407)	(151,755,764)
Gearing	**-634%**	**-173%**

38. Related parties

Nature of related party relationships
KTB regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over KTB, or vice versa over its operating and financial decisions. Related parties include directors, management personnel, their associates and close family members.

Government of Kenya

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

i. The National Government
ii. Ministry of Tourism & Wildlife
iii. Tourism Fund
iv . Tourism Promotion Fund
v. County Governments
vi. Board of Directors
vii. Senior Management

	2023-2024 Kshs	2022-2023 Kshs
Transactions with related parties		
a) Sales to related parties	-	-
Total	-	-
b) Purchases from related parties		
Rent Paid to govt. agencies (Kenya Reinsurance Corporation & Kenya Airport Authority)	26,571,894	24,740,317
Training and conference fees paid to govt. agencies	41,272,179	174,200
Others- Advertising, Telephone, Postage	2,112,150	1,618,218
Total	**69,956,223**	**26,532,734**
b) Grants /Transfers from the Government		
Grants from National Govt	326,650,001	306,990,000
Grants from Tourism Fund	400,000,000	300,000,000
Grants from Tourism Promotion Fund	485,561,515	-
Total	**1,212,211,515.95**	**606,990,000**
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for National Convention Bureau employees	-	3,690,336
Total	**-**	**3,690,336**
d) Key management compensation		
Directors' emoluments	960,000	955,636
Compensation to the CEO	2,740,800	7,255,550
Compensation to key management	53,647,587	56,619,438
Total	**57,348,387**	**64,830,625**

TPF grants of Kshs 29.276 Million relating to a destination PR & digital communication phase 1 was accrued in KTB books and reported as due from TPF at 30th June 2024.

39. Contingent Liabilities

In 2016/17, KRA undertook an assessment of KTB operations covering the period July 2012 to October 2016 and thereafter raised a tax assessment of **KSh. 182,568,010** relating to withholding tax on fees paid to the Market Development Representatives (MDRs). KTB raised an objection to the assessment.

The mediation with KRA facilitated by the Attorney General's (AG) office process took place in April 2022. Thereafter in July 2022, the Attorney General gave in his recommendation stated that payments made by KTB to MDRs are subject to taxation and that KTB is under obligation to withhold and remit the said taxes to KRA. KTB then paid the total principal tax of **KShs 120M** and applied for full amnesty of interest and penalties totaling **KShs 62,317,706** in line with the Finance Act, 2023. The amnesty was granted in February 2024. The withholding tax assessment liability provision was written back to miscellaneous income in FY 2023/24.

39. Contigent Liabilities	**2023-24**	**2022-23**
	KShs	**KShs**
Statutory Obligations- Withholding tax assessment	-	62,317,706
Total	**-**	**62,317,706**

The withholding tax assessment liability was provided for in 2019/20. KTB was granted full wiaver in FY 2023/24 and the amount written back to miscellenous income

40. Capital Commitments	**2023-24**	**2022-23**
	KShs	**KShs**
Authorized for	878,142	500,000
Authorized & Contracted for	-	-
TOTAL	**878,142**	**500,000**

Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. They include capital expenditure that had been authorized by the Board but at the end of the year had not been contracted and/or those already contracted for and ongoing

41. Revaluation Reserve

	2024	2023
	KShs	KShs
Balance b/f	24,224,166	16,564,200
Revaluation gain	-	11,140,000
Transfer of depreciation on revaluation	(6,265,174)	(3,480,034)
Total Revaluation Reserve	**17,958,992**	**24,224,166**

42. EVENTS AFTER THE REPORTING PERIOD

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

43. ULTIMATE AND HOLDING ENTITY

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

44. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS/OTHER MATTER

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and current status updates. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
Unresolved prior year issues	**Long Outstanding Receivables** As previously reported, the receivables from exchange transaction includes an amount of Kshs 4,581,775 in relation to bad debts- industry and KShs 1,723,846 for former staff. In addition, a review of evidence of follow up on the debts and the effort taken to recover them were noted not to be fruitful since only one debtor has paid despite the entity engaging the services of a debt collector.	The long outstanding receivables stand at KShs 3,614,814 as at 30th June 2024. Write off request of KShs 683,205 relating to two defunct companies submitted to National Treasury as per the PFM Act in FY 2019/20. Follow ups done with Director Accounting Services who confirmed that the approval letter sill be issued. The approval is still awaited from National Treasury. **Ex-Staff Balances** Former staff debtors balances reduced to KShs 1,383,923; The case are being handled by DCIO, EACC & Inspectorate of State Corporation for recovery-	**DFA/CEO/ BOD**	**Partly Resolved**	**December 2024**

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)
		The BOD approved write off on 2nd November 2023 subject to approval by National Treasury. Approval by National Treasury is awaited. We also wish to confirm that management strengthened controls relating to staff exits and all staff fill clearance forms before their terminal dues are processed.	DFA/CEO/ BOD	Partly Resolved	December 2024
Other Matters	**Contingent Liability** I draw attention to Note 29 to the financial statements which discloses a tax assessment from the Kenya Revenue Authority (KRA) relating to the financial year 2016/2017. In August 2017 KRA gave a demand notice of Kshs.187,014,569. Of this amount, Kshs. 182,568,010 related to withholding tax on the marketing development agencies appointed to represent Kenya Tourism Board in various markets. Although the Board made an appeal on the tax assessment, the same was not provided for in the financial years 2016/2017, 2017/2018, 2018/2019, however, the amount has been provided for during the year 2019/2020. KTB received a copy of an agency notice by KRA to KTB's bankers, Kenya Commercial Bank (KCB) on 30 June, 2020 declaring KCB as the payer of Kshs.182,456,743. KTB applied to the High court and was granted a stay of the enforcement of the Agency notice.	In 2016/17, KRA undertook an assessment of KTB operations covering the period July 2012 to October 2016 and thereafter raised a tax assessment of KSh. 182,568,010 relating to withholding tax on fees paid to the Market Development Representatives (MDRs). KTB paid the total principal tax of KShs 120M in July 2022. KTB applied for full amnesty of interest and penalties totalling KShs 62,317,706; the decision is awaited as provided in the Finance Act 2023. The waivers was approved in February 2024 and the provision was then written back to income	/CEO/ DFA/ CS(Legal)	Cleared	N/A

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	person to resolve the issue (Name and designation)	(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Financial Statements not signed by Chairperson	The financial statements were not signed by the Chairperson of the Board as required by the Public Sector Accounting Standards Board Reporting Template. In the circumstance, the management was in breach of the Public Sector Accounting Standards Board guideline/	KTB submitted the draft KTB Annual Report & Financial Statements for the FY ended June 30, 2022 on 29th September 2022. As at 30th June 2022, there was no operational Board of Directors, with the Chairperson term having ended on 2nd May 2022. Despite the appointments of a Chairperson and new directors in July and August 2022, a directive issued on September 2, 2022 by the Cabinet Secretary of the Ministry of Tourism and Wildlife stated that all individuals appointed to agency boards under the ministry must receive appointment letters from the appointing authority, sign and return those letters before their appointment becomes effective, and engage in board matters accordingly. As a result, it was not possible to hold a board meeting to discuss and approve the KTB Annual Report & Financial Statements for the FY ended June 30, 2022. In the absence of a Board of Directors, the draft annual report and financial statements were signed by the PS, Ministry of Tourism & Wildlife. The accounts were audited in January/ February 2023 and finalized on 7th March 2023; KTB still did not have an operational BOD during the audit period and after consultations, the accounts were signed by Mr. Anthony Muriu, PS, National Treasury (Alternate). The signed accounts were then submitted to and received by the Office of the Auditor General on April 20th, 2023.	**CS- MOTW**	**Resolved**	**N/A**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	person to resolve the issue (Name and designation)	(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Marketing Costs on Special Projects	Note 14 to the financial statements reflects marketing costs amount of KShs 537,506,796 which further includes KShs.12,763,321 for special projects. However, the following anomalies were noted: i. In the month of May 2023, the Cabinet Secretary requested Management of KTB to pay two suppliers a total of KShs 6,222,445 for provision of one (1) business class return ticket (KShs 1,595,745) and four (4) economy class return tickets KShs 4,626,700 from Nairobi to Punto Cana (Dominica Republic). The request was dated 9th June 2023 that took place from 15th to 21st May 2023. However, the payment was not supported by request for quotations, LSO, evaluation report and certificate of professional opinion. ii. On 30th June 2023, the Principal Secretary's office requested KTB to pay two suppliers KShs 2,179,235 for one (1) business class return ticket (KShs 999,065) and three (3) economy return tickets (KShs 1,180,170) from Nairobi to Kingston (Jamaica). However, the return air tickets were not supported by supporting documents such as request for quotations, evaluation report, LSO and certificate of professional opinion. iii. Procurement records as outlines by Section 68 of the Public Procurement and Assets Disposal Act, 2015 were not availed. In the circumstances, value for money in the expenditure of KShs 8,041,680 could not be confirmed and the management was in breach of the procurement law.	Adequate procurement documents were not availed. The Board therefore approved write back of the amount.	**Cleared**	**N/A**	**N/A**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	person to resolve the issue (Name and designation)	(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Composition of Board Members	Review of composition of Board members revealed that out of the five (5) members whose appointment were gazette by the cabinet Secretary (Gazette Notice No. 2886), none was from a registered national tourism associations required by Section 32 subsection 1(f) (i) of the Tourism Act, 2011. In the circumstances, the Board was not properly constituted to provide adequate guidance on tourism matters	As explained during the audit and in the response to the management letter, appointment of Board Members under S.31 (1) (f) of the Tourism Act is the role of the Cabinet Secretary in charge of matters relating to tourism and is thus not within the purview of the KTB Accounting Officer. Management will however bring the matter to the attention of the Board of Directors and Cabinet Secretary	**Unresolved**	**CS**	**N/A**

CHIEF EXECUTIVE OFFICER
9th September 2024

APPENDIX II- PROJECTS IMPLEMENTED BY KTB

Status of Project Completion

Project	Total project cost	Total Expended to date	Completion %age to date	Budget 2023-24	Cumulative to date	Source of funds: Gok,A.I.A, dev. Partners, Borrowings
	Project costs					
Ongoing Projects						
Developing new and sustaining markets and sitting booths in Tourism Target Markets	6,424,090,000	2,824,883,889	44%	50,000,000	2,824,883,889	GOK
Other Capital Items						
Purchase of Furniture, Refurbishment of offices, office equipment & Motor vehicles	144,020,000	141,261,987	98%	-	141,261,987	GOK
Computer Hardware & Softwares	100,890,000	81,554,124	81%	-	81,554,124	GOK
	244,910,000	**222,816,111**		**-**	**222,816,111**	
Total Capital Cost/ Budget	**6,669,000,000**	**3,047,700,000**	**46%**	**50,000,000**	**3,047,700,000**	
Source of funds for the capital project						
Government Grants-Development	**6,669,000,000**	**3,047,700,000**	**46%**	**50,000,000**	**3,047,700,000**	**GOK**

GOK Development grants for 2023/24 was approved at Kshs 100M. The Government disbursed Khs 50 Million

****Expected date of Completion- The timeline is likely to be extended until the project is fully funded.**

APPENDIX III- QUARTERLY STATEMENT OF FINANCIAL PERFORMANCE

	Notes	Q1-September 2023	Q2- December 2023	Q3- March 2024	Q4- June 2024	Cummulative
		KShs	KShs	KShs	KShs	KShs
Revenue from non-exchange transactions						
Transfer from Government Grants & other Agencies	6	178,535,043	205,776,375	442,328,370	101,114,576	927,754,364
		178,535,043	**205,776,375**	**442,328,370**	**101,114,576**	**927,754,364**
Revenue from exchange transactions						
Industry contributions and Partnerships	7	1,750,000	82,540,523	36,266,144	57,782,447	178,339,114
Public Contributions & Donations	8	3,538,511	-	-	-	3,538,511
Finance income - external investments	9	1,841,537	2,812,718	2,815,737	2,820,223	10,290,215
Other income	10	-	175,900	67,004,616	14,659,491	81,840,007
		7,130,048	**85,529,141**	**106,086,497**	**75,262,160**	**274,007,846**
Total revenue		**185,665,091**	**291,305,516**	**548,414,867**	**176,376,736**	**1,201,762,210**
Expenses						
Marketing Cost	12	51,876,826	210,867,469	151,805,444	419,292,330	833,842,069
Employee costs	13	57,000,641	61,103,946	60,931,679	69,751,843	248,788,109
Remuneration of Board	14	8,135,429	7,976,102	4,461,381	2,903,947	23,476,860
Depreciation and amortization expense	15	1,598,967	1,883,999	2,006,039	2,022,138	7,511,143
Repairs and maintenance	16	1,508,893	1,258,561	1,073,011	497,245	4,337,709
Contracted Services	17	229,945	218,245	141,484	189,139	778,814
General expenses	18	20,660,035	23,746,181	16,843,791	33,128,656	94,378,663
Finance costs	19	153,857	251,324	270,262	304,746	980,189
Total expenses		**141,164,592**	**307,305,827**	**237,533,091**	**528,090,044**	**1,214,093,555**
(Gain)/ Loss on sale of assets	11					
Loss/ (gain) on foreign exchange transactions	20	(103,714)	(1,327,446)	4,302,241	(5,034,463)	(2,163,382)
Surplus/ Deficit for the period		**44,604,213**	**(14,672,865)**	**306,579,535**	**(346,678,845)**	**(14,494,727)**

APPENDIX IV: INTER-ENTITY TRANSFERS-MINISTRY OF TOURISM & WILDLIFE/ STATE DEPARTMENT OF TOURISM

KTB/4/10 Vol.VI (3) (301)

July 19, 2024

Mr. John Ololtuaa, CBS
Principal Secretary
State Department for Tourism
Ministry of Tourism & Wildlife
NAIROBI

Dear

RE: CONFIRMATION OF GRANTS FOR FY 2023/24

Reference is made to your letter ref. no: MOT/ACCTS/1/5/21 VOL.III/ (151).

We confirm that the State Department for Tourism disbursed to KTB Recurrent grants of KShs. 276,650,001 and Development grants of KShs 50M in the FY 2023/24.

You are requested to confirm to us that the disbursements are as indicated herein for year-end closure and audit purposes.

Date Received	Amount	Recurrent	Development	Total	F/Y Recognized
17.08.23	23,054,167	23,054,167		23,054,167	2023/24
01.09.23	23,054,166	23,054,166		23,054,166	2023/24
12.10.23	23,054,167	23,054,167		23,054,167	2023/24
14.11.23	23,054,167	23,054,167		23,054,167	2023/24
08.12.23	23,054,170	23,054,170		23,054,170	2023/24
19.01.24	23,054,167	23,054,167		23,054,167	2023/24
15.02.24	23,054,167	23,054,167		23,054,167	2023/24
11.03.24	23,054,166	23,054,166		23,054,166	2023/24
20.03.24	50,000,000	-	50,000,000	50,000,000	2023/24
19.04.24	23,054,166	23,054,166		23,054,166	2023/24
03.05.24	23,054,167	23,054,167		23,054,167	2023/24
28.05.24	23,054,166	23,054,166		23,054,166	2023/24
28.06.24	23,054,166	23,054,166		23,054,166	2023/24
	326,650,001	276,650,001	50,000,000	326,650,001	

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

Yours

JUNE CHEPKEMEI
CHIEF EXECUTIVE OFFICER

APPENDIX V- RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES- TPF

REPUBLIC OF KENYA

TOURISM PROMOTION FUND
Fostering Tourism Development in Kenya

Tourism Fund Building 1st Floor West Wing
P.O. Box 50293-00100
020 400 600
info@tpf.go.ke
www.tpf.go.ke

OFFICE OF THE CHIEF EXECUTIVE OFFICER

Telephone: 254-20-2724646
Email.ceotpf@tourism.go.ke
When replying please quote

Ref: TPF/FM/6/1 (53) **29th July, 2024**

June Chepkemei
Chief Executive Officer
Kenya Tourism Board
NAIROBI

Dear June,

INTER ENTITY TRANSFERS CONFIRMATION FOR FY 2023/2024

Reference is made to your letter **Ref: KTB/2/31 Vol.1 (37)** dated **19th July,2024** on the above captioned subject matter and The National Treasury Circular **Ref: AG.3/88/Vol. VII (32)** dated **15th May, 2024** on guidelines on end year closing procedures for the FY 2023/2024.

We are in receipt of your letter confirming a total disbursement of Kshs. 485,561,515.00 disbursed to your account in the FY 2023/24. This is therefore to confirm that the amount (Kshs.485,561,515.00) is correctly captured in the format provided.

Attached herewith please find a signed copy of the same for your further necessary action.

Yours sincerely

Stephen Kinyanjui
CHIEF EXECUTIVE OFFICER

@TPF_tourismKE tourismpromotionfund_Kenya tourismpromotionfund_Kenya

APPENDIX VI - RECORDING OF TRANSFERS FROM OTHE GOVERNMENT ENTITIES- TPF

REPUBLIC OF KENYA

TOURISM FUND

OUR REF: TF / CONF/125 VOL.II190 (116)   24th July 2024

Mrs. June Chepkemei,
Chief Executive Officer,
Kenya Tourism Board,
P.O. BOX 30630-00100
Nairobi, Kenya

Dear Madam,

RE: INTER-ENTITY TRANSFERS CONFIRMATION FOR FY 2023/2024

Reference is made to your letter, **KTB/4/9/Vol. I (18)**, dated 19th July 2024 regarding the above matter.

We acknowledge that the tabulated disbursements by yourselves as per your letter are a true reflection of our records at Tourism Fund.

We further confirm to yourselves that the approved annual budget for KTB was **Kshs 360 Million**. **Supplementary I** budget had enhanced your annual budget to **Kshs 460 Million**. However, the Supplementary I was not approved by The National Treasury, thus **restricting** your approved annual budget at **Kshs 360 Million** and which by your own affirmation as per your above referenced letter, Tourism Fund had disbursed the full amounts.

Sincerely,

David K. Mwangi, MBS
Ag. Chief Executive Officer.

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KENYA
Tourism Board

2024

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Tourism Board

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