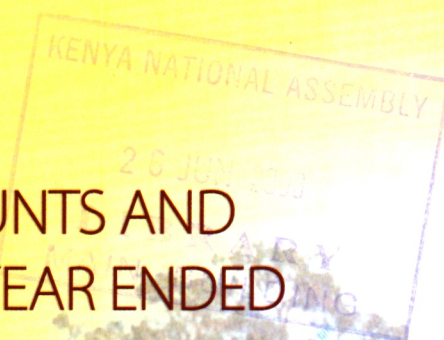
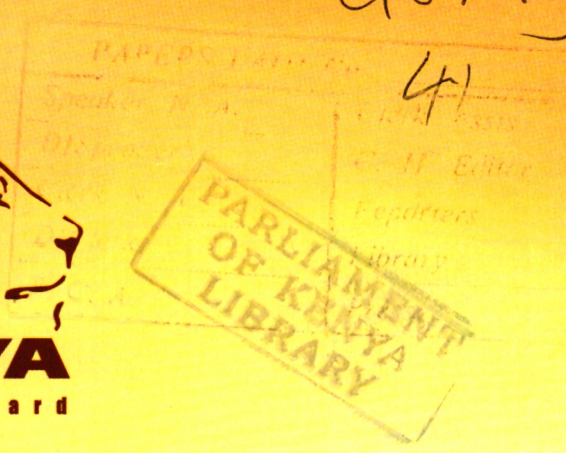


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ANNUAL ACCOUNTS AND
REPORT FOR THE YEAR ENDED
30TH JUNE 2007

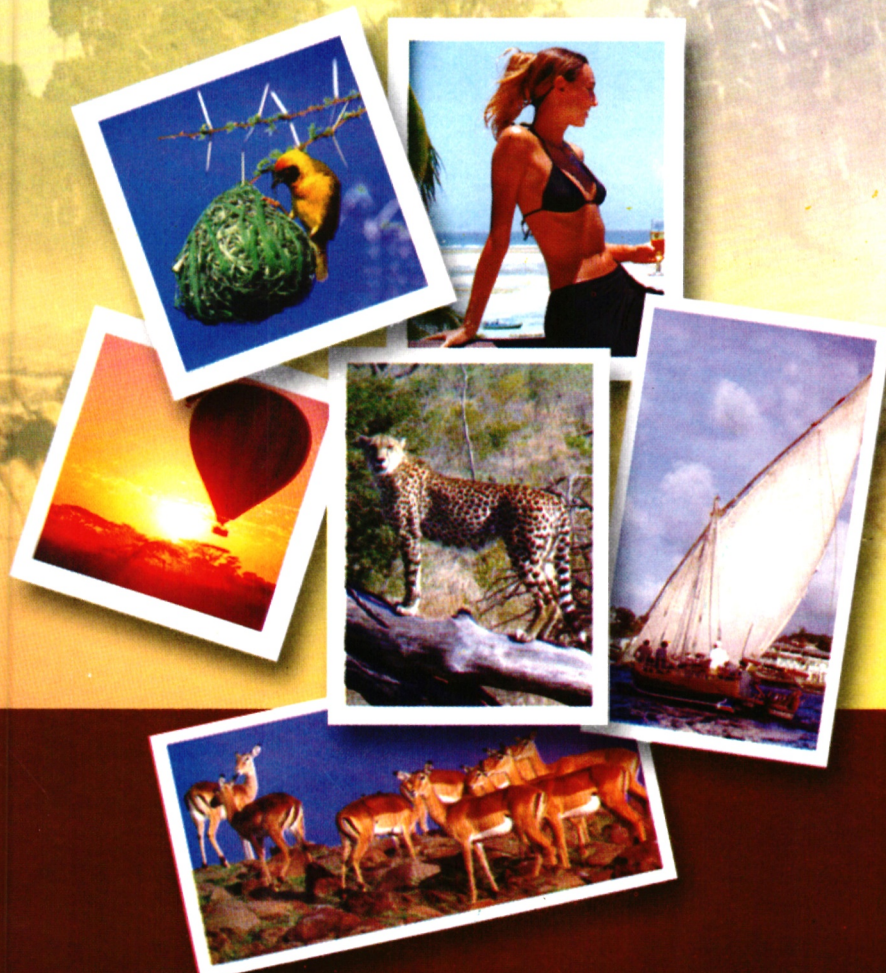
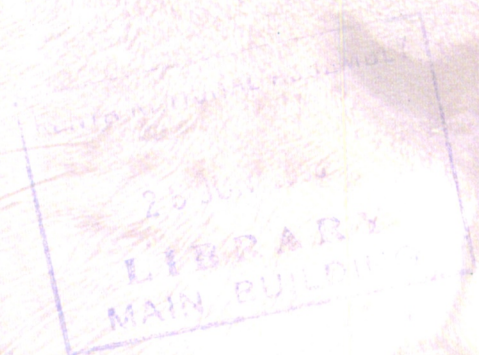


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INFORMATION FOR THE YEAR ENDING 30TH JUNE 2007

PRINCIPAL PLACE OF BUSINESS

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

BANKERS

Kenya Commercial Bank Ltd.

Moi Avenue Branch
P.O Box 484 – 00100
NAIROBI

Commercial Bank of Africa

Commercial Bank Building
Wabera Street
P.O Box 30437 – 00100
NAIROBI

SOLICITORS

Kaplan & Stratton

Williamson House, 9th Floor
P.O Box 40111 – 00100
NAIROBI

AUDITORS

Controller and Auditor General

Kenya National Audit Office
Kencom House
P.O Box 30084 – 00100
NAIROBI

REPORT OF THE DIRECTORS FOR THE YEAR ENDING 30TH JUNE 2007

The Directors submit their report together with the audited financial statements for the year ended 30th June 2007, which show the state of the Board's affairs.

1. PRINCIPAL ACTIVITIES

Kenya Tourist Board was formed as a State Corporation, through Kenya Gazette Supplement No. 9 dated February 1997. The mandate of Kenya Tourist Board as per the Gazette supplement is:-

- (a) To promote and market Kenya as a tourist destination locally and Internationally.
- (b) To establish public relations services to address issues concerning the image of the tourism industry in Kenya and facilitate the resolutions of conflicts within the industry.
- (c) To work in partnership with national, regional and International organizations, and local authorities in order to improve the tourism environment.
- (d) To monitor the quality and standards of facilities available to both local and international tourists and advise the private and government agencies on how to improve the facilities for the targeted markets.
- (e) To develop and maintain professional personnel to deal with issues that adversely affect the targeted markets.
- (f) To initiate education and awareness programmes on tourism locally and abroad.

2. RESULTS


The results for the year are shown from page 7.

3. DIRECTORS

The Directors who served during the year and to date of this report are:-

- | | | |
|--------|-----------------------------------|---|
| (i) | Mr. Jake Grieves-Cook, MBS | - Chairman |
| (ii) | Dr. Ongong'a Achieng, MBS | - Managing Director |
| (iii) | Mr. Cyrus Gituai, CBS | - Alternate Mr. Samuel. K Maina |
| (iv) | Ms. Rebecca Nabutola, CBS. | - Alternate Ms. Wanjiru Munene |
| (v) | Mr. Peter Karanja, | - Alternate Maj. (Rtd) William Kamunge, HSC |
| (vi) | Mr. Alan Dixson, | (Appointed 8th May 2007) |
| (vii) | Mrs. Mia Dunford, | (Retired 13th December, 2006) |
| (viii) | Mr. Joseph Kinyua, CBS | - Alternate Mr. James Tuamwari |
| (ix) | Dr. Julius Kipngetich, | - Alternate Mr. Judah Abeka |
| (x) | Mr. Khalid Shapi | |
| (xi) | Ms. Lucy Karume, | - Alternate Mr. Mike Macharia |
| (xii) | Mr. Obondo Kajumbi, OGW | - Alternate Abraham Muthogo Kamau |
| (xiii) | Mr. Duncan Muriuki, | (Appointed 13th December 2006) |
| (xiv) | Mr. Titus Naikuni, | - Alternate Mr. Michael Okwiri. |

By order of the Board



Managing Director

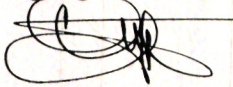
**STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR
ENDING 30TH JUNE 2007**

It is the responsibility of the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of its operating results for that year. It is also the Directors' responsibility to ensure that the Board keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Directors are of the opinion that the financial statements give a true and fair view of the State of the financial affairs of the Board and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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


Dr. Ongong'a Achieng'



24/08/2007
.....
DATE

.....
MANAGING DIRECTOR

Duncan Muriuki



24/08/2007
.....
DATE

.....
DIRECTOR



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA TQIJRIST BOARD FOR THE YEAR ENDED 30 JUNE 2007

I have audited the financial statements of Kenya Tourist Board set out on pages 7 to 17 which comprise the balance sheet as at 30 June 2007, the profit and Loss account, the statement of changes in equity, the cash flow statement for the year then ended, together with a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and am belief, were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Board and its operating results in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement.

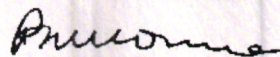
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall representation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

Bank Account

Included in the bank account figure of Kshs.156,164,236 as at 30 June 2007 are long outstanding reconciling credits of Kshs.179,296.85 and debits of Kshs.1,403,971.62. The transactions relate to the period between April 11, 2004 and May 29, 2006. The matter remains unresolved even though it was included in the report on the accounts for 2005/2006. In view of the unexplained long outstanding items, it has not been possible to confirm the accuracy of the bank account balance standing at Kshs.156,164,236 as at the balance sheet date.

Opinion

Except for the foregoing reservation, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of affairs of the Board as at 30 June 2007 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Kenya Tourist Board Order, 1997.



P. N. Komora, C.B.S.

Controller And Auditor General

Nairobi

22 January 2008

CONTROLLER & AUDITOR GENERAL REPORT

BALANCE SHEET AS AT 30TH JUNE 2007

	NOTES	30-Jun-07 KSHS	30-Jun-06 KSHS
PROPERTY, PLANT & EQUIPMENT	3	18,677,539	18,742,388
		18,677,539	18,742,388
CURRENT ASSETS			
PETTY CASH	17	9,336	29,141
BANK ACCOUNT	4	156,164,236	33,967,340
TREASURY BILLS	18	2,367,983	-
INVENTORY	19	2,086,177	5,366,087
PREPAYMENT	5	1,845,526	3,647,697
RECEIVABLES	6	142,750,294	148,728,568
		305,223,551	191,738,833
CURRENT LIABILITIES			
UNEARNED REVENUE	10 (b)	127,202,048	-
CREDITORS AND ACCRUALS	7	100,895,564	135,229,022
BANK OVERDRAFT	4	449,283	381,482
AUDIT FEE PAYABLE	15	487,500	400,000
		229,034,395	136,010,504
		76,189,156	55,728,329
NET CURRENT ASSETS			
		94,866,695	74,470,717
TOTAL ASSETS			
FINANCED BY:			
GENERAL FUND	21	91,341,695	72,670,217
REVALUATION RESERVE	22	3,525,000	1,790,000
CAPITAL GRANTS (EU)	23	-	10,500
		94,866,695	74,470,717

The Financial accounts were approved by the Board on the 24/08/2007 and signed on it's behalf by

Dr. Ong'ong'a Achieng: _____

Dancun Muriuki: _____

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	30-Jun-07 KSHS	30-Jun-06 KSHS
INCOME			
GOVERNMENT GRANT-ANNUAL	10 (a)	270,000,000	280,110,000
TOURIST TRUST FUND GRANT-AMP	11	-	134,706,548
CATERING LEVY	13	264,853,524	98,146,476
OTHERS	8	48,706,593	35,329,598
		583,560,117	548,292,622
EXPENDITURE			
RECURRENT EXPENDITURE	9	560,992,025	483,882,916
DIRECTORS EXPENSES	14	4,304,681	4,792,139
DEPRECIATION	3	6,852,863	5,826,469
AUDIT FEE	15	280,160	430,160
		572,392,230	494,931,684
SURPLUS / (DEFICIT)			
GENERAL FUND		11,167,887	53,360,938
OPENING BALANCE		72,670,217	9,161,613
PRIOR PERIOD ADJUSTMENT	16	7,503,591	10,147,666
SURPLUS / (DEFICIT) FOR THE YEAR		11,167,887	53,360,938
CLOSING BALANCE		91,341,695	72,670,217

STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED 30 JUNE 2007

	EUROPEAN UNION KShs.	REVALUATION RESERVE KShs.	GENERAL KShs.	TOTAL KShs.
As at 1st July 2005	19,500	1,790,000	9,161,613	10,971,113
Prior year adjustment	-	-	10,147,666	10,147,666
Reinstated Balance	19,500	1,790,000	19,309,279	21,118,779
Surplus/ (Deficit) for the year	(9,000)	-	53,360,938	53,351,938
Balance as at 30th June 2006	10,500	1,790,000	72,670,217	74,470,717

As at 1st July 2006	10,500	1,790,000	72,670,217	74,470,717
Prior year adjustment	-	-	7,503,591	7,503,591
Reinstated Balance	10,500	1,790,000	80,173,808	81,974,308
Surplus/ (Deficit) for the year	(10,500)	1,735,000	11,167,887	12,892,387
Balance as at 30th June 2007	-	3,525,000	91,341,695	94,866,695

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007

	30-Jun-07 KSHS	30-Jun-06 KSHS
NET CASH FLOW FROM OPERATING ACTIVITIES		
OPERATING SURPLUS / (DEFICIT)	11,167,887	53,360,938
ADJUSTMENT		
DEPRECIATION	6,852,863	5,826,469
AMORTIZATION-EU CAPITAL GRANT	(10,500)	(9,000)
UNREALIZED FOREIGN CURRENCY GAIN	(3,290,073)	(662,657)
GAIN ON DISPOSAL OF ASSETS	(328,803)	16,753
INTEREST INCOME	(1,868,773)	(279,783)
CHANGES IN WORKING CAPITAL		
UNREALISED REVENUE	127,202,048	-
(INCREASE) / DECREASE IN DEBTORS	4,689,168	(90,446,534)
(INCREASE) / DECREASE IN INVENTORIES	3,279,910	2,066,249
INCREASE / (DECREASE) IN CREDITORS	(23,651,090)	7,224,517
NET CASH FLOW FROM OPERATING ACTIVITIES	124,042,638	(22,903,048)
INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(5,339,312)	(8,702,066)
INTEREST INCOME	1,868,773	-
DISPOSAL OF FIXED ASSETS	615,101	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,855,439)	(8,702,066)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	121,187,199	(31,605,114)
NET FOREIGN EXCHANGE ADJUSTMENT	3,290,073	662,657
CASH & CASH EQUIVALENTS 1ST JULY	33,614,999	64,557,456
	158,092,272	33,614,999
ANALYSIS OF BALANCES OF CASH & CASH EQUIVALENTS		
PETTY CASH	9,336	29,141
BANK BALANCE	156,164,236	33,967,340
OVERDRAFT	(449,283)	(381,482)
TREASURY BILLS	2,367,983	-
	158,092,272	33,614,999

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007 – continued

1. ACCOUNTING POLICIES FOR THE YEAR ENDED 30TH JUNE 2007

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless stated.

(a) Basis of Accounting

The financial statements prepared under the historical cost convention basis of accounting as modified by valuation of motor vehicles.

(b) Depreciation

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 installments at the following rates:-

i.	Motor vehicles	25%
ii.	Office equipment	12.5%
iii.	Furniture	12.5 %
iv.	Computers	30 %

(c) Foreign Currency Transactions

Revenue received and expenditure incurred in foreign currencies is translated into Kshs. at the rates of exchange prevailing on the transaction dates. Assets and liabilities at the balance sheet date, which are expressed in foreign currencies are translated into Kshs. at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income and expenditure statement in the year in which they arise.

(d) Inventories

Inventories are valued at fair value using the First in First Out (FIFO) formula.

(e) Revenue Recognition

Income recognized on accrual basis. Grants from the Government of Kenya and Catering Levy Trustees are recorded when realized. Grants from the European Union are recognized once the conditions for disbursements are met.

(f) Retirement Benefit Costs

The Board contributes to a defined contribution pension scheme, at the rate of 15% of basic pay and to the National Social Security Fund, (NSSF). Contributions are determined by local statute and are currently limited to Kshs. 200.00 per employee per month.

The Board's contributions to the above scheme are charged to the income and expenditure account in the period to which they relate.

(g) Employee entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007 – continued

(h) Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 91 days of maturity from the balance sheet date.

2. GENERAL INFORMATION

Kenya Tourist Board is a legal entity established by Kenya Gazette Supplement No. 9 dated 7th February 1997 and mandated to, among other duties, promote and market Kenya as a tourist destination

3. FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2007

DETAILS

	OFFICE EQUIP. KSHS	COMPUTERS KSHS	FURNITURE KSHS	MOTOR VEHICLES KSHS	TOTAL KSHS
COST / VALUATION					
As at 1st July 2006	5,099,418	11,379,486	14,799,664	18,700,606	48,189,175
Additional during the year	2,151,426	2,003,232	1,184,654	-	5,339,312
Revaluation	-	-	-	1,735,000	1,735,000
Disposals	-	(247,800)	-	(5,001,087)	(3,458,887)
Total as at 30th June 2007	7,250,844	13,134,918	15,984,319	15,434,519	51,804,600
DEPRECIATION					
As at 1st July 2006	2,518,644	8,016,306	9,675,662	11,026,174	31,236,786
Charge for the year	639,758	1,955,716	1,881,564	2,662,124	6,852,863
Disposals	-	(247,800)	-	(5,001,087)	(4,962,589)
Total as at 30th June 2007	3,158,402	9,724,222	11,557,226	8,687,210	33,127,061
NBV as at 30th June 2007	4,092,442	3,410,696	4,427,092	6,747,309	18,677,539
NBV as at 30th June 2006	2,580,744	3,363,180	5,124,002	7,674,432	18,742,358

4. BANK ACCOUNTS

	30-Jun-07 KSHS.	30-Jun-06 KSHS.
Kenya Shillings Accounts	154,497,861	24,969,333
Euro Accounts	1,387,552	8,347,375
USD Accounts	264,772	650,632
GB Pounds Account	14,051	-
	156,164,236	33,967,340

The bank balances exclude unexplained transactions by the bank totaling to a credit amount of **Kshs. 149,145.30** the effect of which would increase the cash balance to **Ksh. 156,313,381**. One of the bank A/c 017 432000374 and A/c No. 229970883 was overdrawn on the cash book to the tune of Ksh 114,424.80 and Kshs. 334,858.25 respectively. This is shown as an overdraft in the accounts.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007 – continued

5. PREPAYMENTS & DEPOSITS

	30-Jun-07 KSHS.	30-Jun-06 KSHS.
Insurances	1,484,186	2,524,448
Others	361,340	155,740
	1,845,526	2,680,188

6. RECEIVABLES

	30-Jun-07 KSHS.	30-Jun-06 KSHS.
Debtors	7,861,731.82	8,707,506
Jim Flannery	208,284.00	208,284
EU/TTF -AWP GRANT Receivable	134,706,548	134,706,548
Staff Advances	2,118,687.39	5,301,344
Mediplus	605,552	605,552
Imprest	1,215,611	967,508
Eroneous Bank Draft	281,865	
	146,998,280	150,496,742
Provision for bad debts	(4,247,986)	(800,666)
	142,750,294	149,696,076

The increase in provision for bad debts of Kshs. 3,447,320 reflects specific debtors the Board feels it's unable to collect. For a long time the debts has been outstanding. The Board faces difficulties as most of the debtors had no signed contracts binding them to KTB as the web Advertising was being done on a trial bases at the initial stages.

7. CREDITORS AND ACCRUALS

	30-Jun-2007 KSHS.	30-Jun-06 KSHS.
Creditors	75,963,535	110,982,528
Accruals	15,551,081	14,697,788
Payroll Deductions	9,380,947	7,551,799
Advances Recoveries Provision	–	1,787,520
Imprest Recoveries Provision	–	208,060
	100,895,564	135,229,022

8. OTHER INCOME

	30-Jun-2007 KSHS.	30-Jun-06 KSHS.
Industry contribution	29,037,363	32,861,455
Interest income	1,868,773	279,783
TSP	6,147,952	–
Tourism Information /statistic	4,000,000	–
Miscellaneous	7,549,322	2,179,360
EU/TTF Interest	92,684	–
EU Grant Amortization	10,500	9,000
	48,706,593	35,329,598

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007 – continued

9. RECURRENT EXPENDITURE

	30-Jun-2007	30-Jun-06
	KSHS.	KSHS.
Bank charges	1,438,332	1,408,123
Salaries and wages	74,725,384	59,016,322
Pension and NSSF Contribution	4,945,324	3,878,106
Gratuity	3,534,000	3,441,000
Staff Group Life Policy	1,090,563	1,189,705
Staff Medical Insurance	1,652,464	2,266,252
Group Personal Accident	684,668	480,486
Subscriptions & Donations	500,339	943,796
Staff Training & Recruitment	6,660,179	6,090,622
R & M for Motor Vehicle, Computers & Office Equip.	3,639,792	3,413,761
Insurance for Motor Vehicle, Computers & Office Equip.	898,918	431,938
Rent	8,908,732	7,239,320
Postage	253,516	186,675
Telephone	6,007,604	5,398,159
Stationery	1,900,646	1,339,666
Office general expenses	2,813,633	2,489,451
Entertainment	985,513	1,057,404
Committees, Conferences & Meetings	4,526,216	-
Local Traveling & Accommodation	2,813,756	1,888,753
Legal, Consultancy fees	4,650,857	1,557,842
Marketing and promotion	427,638,033	380,152,055
Purchase price variance-stock	917,398	659,383
Inventory Adjustment	(22,284)	-
Loss/gain on disposal	(328,803)	16,753
Exchange Loss/(Gain)	(3,290,073)	(662,657)
Provision for bad debts	3,447,320	-
Total	560,992,025	483,882,916

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2007 – continued

10 (a). GOVERNMENT GRANT-ANNUAL

Government Grant-annual Grants to the Board as voted for in the Government budget for the financial year. The expected receipts from the Government are thus well known before the start of the year and the same are released on a quarterly basis.

10 (b). TOURISM SUSTAINABILITY PROGRAMME (TSP)

This represents the component of the GoK under TSP. The release of the funds was done through TTF hence subject to certain conditionality as captured in the financing agreement. The funds cover a period of nine months to March, 07. Only the expensed portion in the month of June has been recognized as revenue for the reporting period. The balance of Kshs. 127,202,048 has been treated as un-earned revenue.

11. TOURISM TRUST FUND GRANT – ANNUAL WORK PLAN (AWP)

The Tourism Trust Fund (AWP) grant is meant to supplement Government budgetary allocations to the Board to support the marketing programmes. No funds were released by the donor for the financial year 2006/07.

12. THE HOTEL MASTER FILE SURVEY

The Hotel master file survey was funded by the Tourism Trust Fund to enable the Central Bureau of Statistics and the Kenya Tourist Board collect data on a timely basis for planning, policy making, marketing and promotion purposes. The aim of the survey was to improve on the frame used to conduct studies for the tourism sector since the last frame was developed in 1997.

13. CATERING LEVY

The revenue from the Catering Levy Trustees is a share of the Hotel Catering levy of 2% levied to the Hotel establishments. The enhanced collection is a reflection of the performance of the tourism sector.

14. DIRECTORS' EXPENSES

The Directors' expenses relate to sitting allowances paid to Directors and other expenses incurred in transacting Directors' activities as far as they relate to the Board.

15. AUDIT FEES

This comprises of the fees expected to be paid to our Auditors for the work done in relation to the financial year.

16. PRIOR PERIOD ADJUSTMENT

The credit year adjustment of Kshs 7,503,591 relates to the previous year over provision of creditors and debtors adjusted in the current Financial year.

17. PETTY CASH

Petty cash is held to enable the Board pay for minor expenses of less than Kshs. 5,000.00 and where such expenses cannot be well planned for in advance.

18. TREASURY BILLS

Treasury bills amounting to Kshs. 2,367,983 are held as security for the staff car loan scheme as approved. The bills matured towards the end of the year and the proceeds credited back to the bank account. They were however purchased in the current financial year.

19. INVENTORY

The inventory comprises of stationery and promotional giveaways.

20. CONTINGENT LIABILITIES

As at 30th June 2007, there was a contingent liability arising from a claim by a former employee representing damage for alleged wrongful dismissal (the subject of a court case). It is not practicable to estimate the eventual liability. The company has been advised by its lawyers that it is possible, but not probable, that the decision will succeed and accordingly no provision for any liability has been made in this financial statement.

21. GENERAL FUND

The general fund is composed of the accumulated surplus over the period of the Board's existence.

22. REVALUATION RESERVE

The revaluation surplus presents solely the surplus on revaluation of property, plant and Equipment (Motor vehicles) and is non-distributable

23. CAPITAL GRANTS (EU)

The capital grants (EU) arose from donations made by the European Union in form of equipment and whose value will be amortized over their useful lives. The capital grants account will thus be amortized over the same time.

24. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, the comparative figures have been adjusted to take into account the effect of the prior year adjustment.

25. CAPITAL COMMITMENTS

The Board is not involved in any capital projects and has therefore no capital commitments outstanding.

26. TAX EXEMPTION

The Board's income is exempt from tax by the Minister for Finance under section 13(2) of the Income Tax Cap 470 vide Kenya Gazette Supplement No. 121 dated 20th December 2002

27. EMPLOYEES

The average number of employees for the Board during the period was sixty one (61) (June 2006 – 55).

28. CURRENCY RISK

The Board operates within and without Kenya and its assets and liabilities are reported in the local currency. It held no significant foreign currency exposure as at 30th June 2007.

29. CURRENCY

These financial statements are presented in Kenya Shillings (Kshs.)

