

THE KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS
(An Association Limited by Guarantee and Not Having a Share Capital)

FINANCIAL STATEMENTS

31 DECEMBER 2019

**THE KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS
(A Company Limited by Guarantee and not having Share Capital)**

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

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**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

DIRECTORS AND ADMINISTRATORS

BOARD OF DIRECTORS

| | | | |
|-----|-------------------|---|----------------------------------|
| 1. | Christopher Musau | - | National Chairman |
| 2. | Wasike Wasike | - | National Vice Chairman |
| 3. | Solomon Mugwe | - | Finance Committee Chairman |
| 4. | Rupert Elliott | - | Nairobi Region Chairman |
| 5. | Harald Kampa | - | Coast Region Chairman |
| 6. | Vickram Korla | - | Neptune Hotels |
| 7. | Maureen Awour | - | Malindi / Watamu Region Chairman |
| 8. | - | - | Western Region Chairman |
| 9. | Ali Kibwana | - | Sopa Logdes |
| 10. | Walter Reif | - | Perak Representative |
| 11. | Fairman Muhingi | - | Rift Valley Region Chairman |
| 12. | Willie Mwadilo | - | Amboseli- Tsavo Region Chairman |
| 13. | Edward Wangeci | - | Mt. Kenya Region Chairman |
| 14. | Mike Macharia | - | Chief Executive Officer |

REGISTERED OFFICE

Heidelberg House
2nd Floor
Mombasa Road
P.O. Box 9977 - 00100
NAIROBI

COMPANY SECRETARIES

Azali Certified Public Secretaries
Hillside Apartments, 1st Floor
Ragati Rd, Suite 4
P.O Box 6219 – 00200
NAIROBI

AUDITORS

Kang'ethe & Associates
Museum Hill Centre
4th Floor
Muthithi Road
P.O Box 40868 - 00100
NAIROBI

BANKERS

Barclays Bank of Kenya Limited
P. O. Box 30018
NAIROBI

Co- Operative Bank of Kenya
Mombasa Road Branch
NAIROBI

**THE KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS
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**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

REPORT OF THE FINANCE COMMITTEE

The Finance Committee submits its report together with the audited financial statements for the year ended 31 December 2019.

1. PRINCIPAL ACTIVITIES

The principal activity of the company is to promote the interest of proprietors and other interested parties in hotels, restaurants, catering and allied trades.

2. MEMBERSHIP

| | 2019 | 2018 |
|----------------------|-------------|-------------|
| At start of the year | 214 | 210 |
| New Entrants | 9 | 9 |
| Leavers | (5) | (5) |
| | <hr/> | <hr/> |
| At end of the year | 218 | 214 |
| | <hr/> <hr/> | <hr/> <hr/> |

3. RESULTS

The results for the year are as shown:-

| | |
|----------------------|-------------------|
| Deficit for the year | Kshs. (1,052,055) |
| | <hr/> <hr/> |

4. BOARD OF DIRECTORS

The members of the committee who served during the year are shown on page 2.

5. AUDITORS

Kang'ethe & Associates, Certified Public Accountants, have expressed their willingness to continue in office in accordance with Section 159(2) of the Companies Act.

BY ORDER OF BOARD

AZALI CERTIFIED PUBLIC SECRETARIES

..... 2020

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YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for The Kenya Association of Hotel Keepers and Caterers and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the **Board of Directors on** 2020 and signed on its behalf by:

..... **NATIONAL CHAIRMAN**

..... **CHAIRMAN, FINANCE COMMITTEE**

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**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the accompanying financial statements of The Kenya Association of Hotel Keepers and Caterers, set out on pages 6 to 13, which comprise the balance sheet as at 31 December 2019, the profit and loss account and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act, 2015*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) the company's balance sheet and profit and loss account are in agreement with the books of account.

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FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditor's responsibilities for the audit of the financial statements (continued)

The engagement partner responsible for the audit resulting in this independent auditor's report was
CPA Catherine Maina, Practising Certificate No. 1867

**KANG'ETHE & ASSOCIATES
Certified Public Accountants
Nairobi**

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