

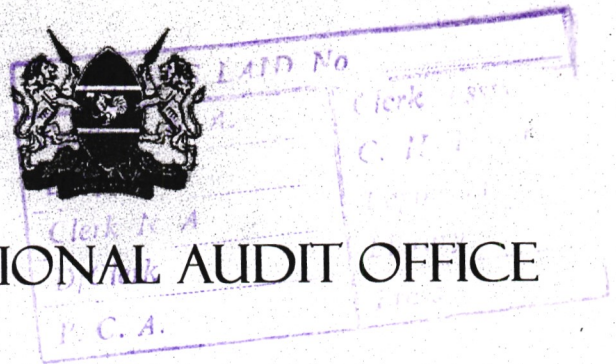
**EWASO NG'IRO NORTH RIVER BASIN DEVELOPMENT
AUTHORITY**



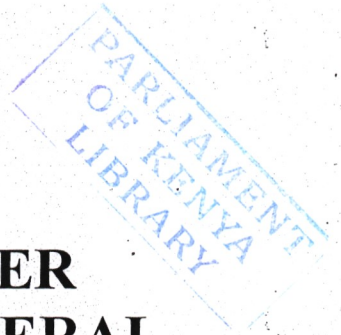
**ANNUAL ACCOUNTS AND REPORT
2008/2009**

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REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**FINANCIAL STATEMENTS OF
EWASO NGIRO NORTH
DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED
30 JUNE 2009**

EWASO NG'IRO NORTH RIVER BASIN DEVELOPMENT AUTHORITY

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CORPORATE INFORMANTION

Ewaso Ng'iro North Development Authority (ENNDA) is a statutory body created through the ENNDA Act (Cap 448) of 1989. Inter alia, the mandate of ENNDA as specified in Cap 448 of 1989 is to promote economic development within the Ewaso Ngiro River Basin.

RIGISTERED OFFICE

Ewaso Ngiro North Development Authority
P.O. BOX 203, FAX 06452509

ISIOLO.

TEL.06452002

Email:ennda@kenyweb.com

BANKERS

BARCLARYS BANK OF KENYA
P.O. BOX 92

MERU.

CONSOLIDATED BANK OF KENYA

P.O. BOX 102,

ISIOLO

AUDITORS

KENYA NATIONAL AUDIT OFFICE

P.O. BOX 30084 00100

NAIROBI

AREA OF JURISDICTION

Semi arid and Districts of Isiolo, Marsabit, Wajir, Garissa, Mandera, Samburu, Nyandarua Laikipia, Meru, Moyale and Nyeri.

BOARD OF DIRECTORS

- | | |
|------------------------------|----------|
| 1. Hon. Dr. Abdullahi H Wako | Chairman |
| 2. Mr. Gidole Katelo | Member |
| 3. Mr. Mohamed Haji Wario | Member |
| 4. Mr. Hussein Dayib Mohamed | Member |
| 5. Mr. Alois Leariwa | Member |
| 6. Mr. Abdullahi Gulied | Member |
| 7. Mr. Hussein B. Shill | Member |
| 8. Mrs Halima Hussein | Member |
| 9. Mr. Isaack Gabow | Member |
| 10. Mr. Ali Boru Guyo | Member |
| 11. Mr. A H Shabure | Member |
| 12. Mr.Rashid K Amin | Member |

EX-OFFICIAL MEMBERS

Permanent Secretary	Ministry of Regional Dev.
Permanent Secretary	Ministry of Planning & National Dev.
Permanent Secretary	Ministry of Finance
Permanent Secretary	Ministry of Agriculture
Permanent Secretary	Ministry of Livestock & Fisheries Dev.
Permanent Secretary	Ministry of Health
Permanent Secretary	Min. of Environment, National Resources & Wildlife
Permanent Secretary	Ministry of Water Resources & Dev.
Permanent Secretary	Ministry of Energy
Inspector –General (Corporation)	Office of the President
Provincial Commissioner	Rift Valley Province
Provincial Commissioner	Central Province
Provincial Commissioner	North Eastern Province
Provincial Commissioner	Eastern Province

SENIOR MANAGERS

1. Mr. Josiah W Mulwa	Technical Services Manger (TSM)
2. Mr Shem Okong'o	Planning Manager
3. Mr. Ali Jattani Boru	Water Officer
4. Mr. Kiema Mwandia	Agronomist
5. Mr. Omar Shiekh	Senior Livestock Officer (SLO)
6. Mr. Abdi Jabar	Senior Accountant
7. Mr. Bonaya .G. Hurri	Environmental Officer
8. Mr. Hersi .H. Bante	Internal Auditor

DIRECTOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 2009

The Director's hereby submit their report with the financial statements for the year ended 30th June 2009.

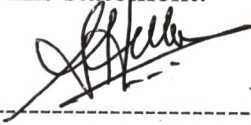
STATEMENT OF DIRECTORS RESPONSIBILITIES

The Ewaso Ng'iro North Development Authority Act requires Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Authority as at the end of the financial year. It also requires the directors to ensure the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

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 (IFRS) and the requirement of the ENDA Act.

The Directors are of the opinion that the financial statement gives a true and fair view of the state of the financial affairs of the Authority and the Authority's surplus for both Recurrent and Development funds for the year ended 30th June 2008. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial controls.

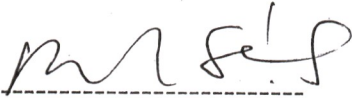
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve (12) months from the date of this statement.



ABDULLAHI HAJI WAKO
CHAIRMAN

21/1/2010

DATE



RASHID KASSIM AMIN
MANAGING DIRECTOR

21/1/2010

DATE

MANDATES OF EWASO NG'IRO NORTH RIVER BASIN DEVELOPMENT AUTHORITY

Ewaso Ng'iro North Development Authority (ENNDA) is a statutory body created through the ENNDA Act (Cap 448) of 1989. Inter alia, the mandate of ENNDA as specified in Cap 448 of 1989 is to promote economic development within the Ewaso Ngiro River Basin. Further, the ENNDA Act identifies twelve (12) statutory functions to be served by the Authority which could be summarized into three (3) broad categories as follows:-

(1) Development Planning and Coordination

- 1) To plan for the development and initiate project activities identified from such planning in the area through the government generally;
- 2) To develop an up-to-date long range development plan for the area.
- 3) To coordinate working studies of schemes within the area such that human, water, animal, and land and other resources are utilized to the best advantage and to monitor the design and execution of planned projects within the area;
- 4) To coordinate the present abstraction and use of natural resources, especially water within the area and set-up an effective monitoring of abstraction and usage;
- 5) To ensure that landowners in the area undertake all the measures to protect water and soils of the areas;
- 6) To maintain a liaison between the government, the private sector and other interested agencies in the matter of the development of the area with a view to limiting the duplication of effort and to ensuring the best use of the available technical resources.

(2) Generation of Strategic Data and Information

- 1) Initiate study, carry out surveys, initiate, operate and implement projects as may be considered necessary by the government or the Authority to assess alternative demands within the area on the natural resources thereof, and to initiate, operate or implement such projects as may be necessary to exploit those natural resources including agriculture (both irrigated and rainfed), forestry, wildlife and tourism industries, electric power generation, mining and fishing and to recommend economic priorities.

- 2) To identify, collect, collate and correlate all such data related to the use of the water and other resources and also economic and related activities within the areas as may be necessary for the efficient forward planning of the area;
- 3) To consider all aspects of the development of the area and its effects on the rivers inflow and outflow.

(3) Monitoring, Evaluation and Implementation of Projects

- 1) To effect a program of both monitoring and evaluation performance of the projects within the area so as to improve such performance and establish responsibility thereof, and to improve future planning.
- 2) To cause and effect the construction of any works deemed necessary for the protection and utilization of water and soil in the area;
- 3) To examine the hydrological and ecological effects of development programmes and evaluate how they affect the economic activities of the person dependent on river environment.



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF EWASO NGIRO NORTH DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accompanying financial statements of Ewaso Ngiro North Development Authority set out at pages 7 to 19 which comprise the Balance Sheet as at 30 June 2009, the Recurrent, Development and Projects Income and Expenditure Accounts, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, 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 belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such 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.

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 about whether 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 judgement, 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 Authority's internal controls. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

1. Property, Plant and Equipment

As previously reported, the Property, Plant and Equipment balance of Ksh.58,759,782 as at 30 June 2009 excludes undetermined value of three (3) developed and three (3) undeveloped parcels of land in Isiolo and Garissa. Further, the Authority has not secured in its name ownership documents for four (4) parcels of land measuring a total of 4.4.hectares all in Isiolo and two (2) others of 10 acres each in Garissa and Isiolo. Apart from the fact that the Property, Plant and Equipment balance of Kshs.58,759,782 as at 30 June 2009 is understated to the extent of the undetermined value of these parcels of land, the ownership of the properties is still in doubt.

2. Creditors

Included in the Trade Creditors and Other Payables balance of Kshs.1,197,304 is an amount of Kshs.677,336 in respect of balances which have been outstanding for a considerably long period of time. Although the Management has explained that creditors for some of the balances are not traceable, no evidence in this regard has been seen. Further, it has not been clarified why appropriate steps to write back the amounts to the respective accounts have not been taken. In the circumstances, it has not been possible to confirm that the Creditors and Other Payables balance of Kshs.1,197,303 as at 30 June 2009 is fairly stated.

Opinion

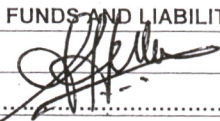
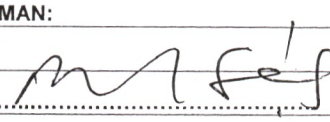
Except for the foregoing reservations, in my opinion the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Ewaso Ngiro North Development Authority Act, Cap 448 of the Laws of Kenya.



A.S.M Gatumbu
CONTROLLER AND AUDITOR GENERAL

Nairobi
19 March 2010

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
BALANCE SHEET AS AT 30th JUNE 2009

		30thJUNE 2009	30thJUNE 2008
<u>NON CURRENT ASSETS</u>	<u>NOTES</u>		
Property, Plant and Equipment	2	58,759,782.28	65,378,025.90
Biological Assets	8	964,500.00	890,000.00
Work- in -Progress	4	1,661,197.00	1,661,197.00
TOTAL NON CURRENT ASSETS		61,385,479.28	67,929,222.90
<u>CURRENT ASSETS</u>			
Stock/Inventories	9	91,104.00	69,300.00
Bank balance - GOK	5	8,378,166.55	2,825,612.70
Bank balance - ADF loan and Grant	5 (b)	2,559,838.45	77,529,827.80
TOTAL CURRENT ASSETS		11,029,109.00	80,424,740.50
TOTAL ASSETS		72,414,588.28	148,353,963.40
<u>FUNDS AND LIABILITIES</u>			
<u>FUNDS</u>			
Recurrent Fund	3 (a)	(23,227,211.68)	(21,686,081.30)
Development Fund	(b)	33,825,855.30	31,767,208.10
Asal fund	(c)	5,033,474.95	879,854.95
ENNNCRP	(d)	38,825,226.11	119,435,738.05
<u>Capital reserve</u>	11	16,759,940.00	16,759,940.00
TOTAL FUNDS		71,217,284.68	147,156,659.80
<u>CURRENT LIABILITIES</u>			
Trade Creditors and other payables	6	1,197,303.60	1,197,303.60
TOTAL CURRENT LIABILITIES		1,197,303.60	1,197,303.60
TOTAL FUNDS AND LIABILITIES		72,414,588.28	148,353,963.40
 DATE... 21/1/2010			
ABDULLAHI HAJI WAKO CHAIRMAN:			
 DATE... 21/1/2010			
RASHID KASSIM AMIN MANAGING DIRECTOR			

**EWSO NGIRO NORTH DEVELOPMENT AUTHORITY
RECURRENT INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30th JUNE 2009**

	30th JUNE 2009	30th JUNE 2008
INCOME		
GOVERNMENT GRANTS	34,558,232.00	34,513,235.00
Sale of Livestock milk	49,587.00	378,043.00
Sale of Bricks and Tiles		91,200.00
Sale of tenders	2,079,000.00	59,000.00
Other Miscellaneous income	54,000.00	179,427.00
Interest Received		
TOTAL INCOME: A	36,740,819.00	35,220,905.00
EXPENDITURE		
(A) STAFF COSTS		
Personnel Emoluments	12,930,863.90	11,018,630.00
Gratuity and Pension	1,234,923.50	2,093,577.00
House Allowance	3,620,456.00	3,617,700.00
Other Personal Allowances	1,696,483.00	1,517,711.00
Passage and Leave	15,200.00	75,600.00
Medical Allowances	1,956,280.00	1,788,482.00
Board Expenses	5,418,271.70	5,073,669.60
Chairman's Honoraria	780,000.00	600,000.00
Casual Wages	383,870.85	401,436.00
TOTAL STAFF COSTS	28,036,348.95	26,186,805.60
(B) ADMINISTRATION EXPENSES		
Medical In- Patient	127,082.00	32,432.50
Transport Operating Expenses	755,817.40	811,779.00
Travel and Accommodation	1,662,380.00	1,896,130.00
Postal and Telegrams	141,226.55	106,018.00
Telephone and Telex	426,545.05	524,364.00
Official Entertainment	461,133.00	288,972.00
Electricity and Water	259,934.50	148,098.40
Publishing and Printing	256,400.00	165,010.00
Uniform and Clothing		
Library Expenses	100,330.00	51,125.00
Stationery	383,623.60	461,809.00
Advertising and Publicity		147,301.00
Show	489,830.00	127,370.00
Rent and Rates: Non-Residential	180,000.00	180,000.00
Miscellaneous and other charges	373,520.90	249,276.00
Insurance	1,902,879.00	1,136,125.00
Repairs and Maintenance of Equipment	383,821.55	294,131.80
Training, Courses and Seminars	28,800.00	135,100.00
Bank Charges	147,294.65	87,360.00
Audit Fees	200,000.00	200,000.00
Depreciation -Provision for the year	1,964,982.23	2,148,937.00
TOTAL ADMINISTRATION EXPENSES	10,245,600.43	9,191,338.70
TOTAL EXPENDITURE: A+B	38,281,949.38	35,378,144.30
Surplus/Deficit for the year	(1,541,130.38)	(157,239.30)

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
DEVELOPMENT INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30th JUNE 2009**

	30th JUNE 2009	30th JUNE 2008
<u>INCOME</u>	<u>kshs</u>	<u>kshs</u>
GOK GRANT	76,925,000.00	65,399,911.00
Interest Received		2,726.70
KKV	11,177,010.00	
Total Income	88,102,010.00	65,402,637.70
<u>Expenditure</u>		
Water supplies and Development	4,248,053.50	3,571,745.00
Bricks and Tiles making	4,491,196.60	1,777,075.00
Livestock Development	4,580,629.00	4,902,406.20
Dam Construction	1,804,355.60	1,286,109.00
Minor Irrigation	3,676,800.00	1,944,337.00
Minerals resources survey	3,160,990.00	3,827,093.00
ENNDA Catchments & Water Resources Management	11,926,050.00	9,767,692.00
BADEA	7,762,462.25	5,251,806.50
KKV Expenditure	7,841,750.00	
	49,492,286.95	32,328,263.70
<u>ENNNCRP</u>		
Meeting of the Project steering committee	1,273,588.80	
National Launching	37,382.15	
Transport operating at PCT HQS	3,683,427.35	
Office Operations at PCT Hqs	500,399.90	
Staff Remuneration & Top Up Allowances	7,118,979.65	
Staff Traveling and Subsistence Expenses	5,253,334.25	
Meeting of the DPTs	26,740.00	
Office Operations at PCT Hqs	955,391.50	
Developments of water Points	11,891,050.50	
office Accommodations (Renovations	5,810,781.75	
TOTAL	36,551,075.85	36,481,800.90
TOAL EXPENDITURE	86,043,362.80	68,810,064.60
Surplus/ Deficit for the year (A-B)	2,058,647.20	(3,407,426.90)

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE ACCOUNT FOR ASAL PROJECT
FOR THE YEAR ENDED 30TH JUNE 2009**

	30th June 2009	30th June 2008
GRANT FROM: ASAL PROJECT	17,060,000.00	9,000,000.00
	17,060,000.00	9,000,000.00
<u>EXPENDITURE</u>		
Transport Operating	7,282,534.00	3,170,864.90
Traveling & Accommodation	4,877,374.00	3,171,109.75
Stationeries		-
Office operations	734,622.00	1,894,837.40
Bank Charges	11,850.00	10,700.00
TOTAL EXPENDITURE	12,906,380.00	8,247,512.05
SURPLUS/ DEFICIT FOR THE YEAR	4,153,620.00	752,487.95

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE ACCOUNT FOR ENNCRP FOR THE YEAR ENDED 30TH JUNE 2009

	30th JUNE 2009	30th JUNE 2008
	<u>Kshs.</u>	<u>Kshs.</u>
INCOME		
<u>INTEREST EARNED</u>		13,412.45
ADF GRANT	2,780,750.00	63,830,130.70
ADF LOAN	11,440,800.00	230,135,509.50
DIRECT PAYMENT-LOAN	34,091,403.00	
ENNDA FUNDS		2,523.10
	48,312,953.00	293,981,575.75
<u>EXPENDITURE</u>		
CAPACITY BUILDING		
PCT OPERATIONS		15,054,298.85
DPT OPERATION		7,440,629.00
SERVICES	887,363.00	
MISCELLENIOUS	20,370,137.15	
TOTAL	21,257,500.15	22,494,927.85
WATER RESOURCES		134,466,108.00
WATER RESOURCES		
SERVICES	23,436,484.00	
SERVICES- Direct Payment	32,503,256.00	
MISCELLENIOUS	2,385,752.00	
TOTAL	58,325,492.00	134,466,108.00
CATCHMENT CONSERVATION		
FORESTRY MANAGEMENT		9,638,939.00
BEE KEEPING		10,928,267.00
COMMUNAL FUEL WOOD		5,252,451.00
Quality Gum & Resins		3,483,480.00
Early Warning System		2,466,780.00
SERVICES	36,005,039.46	
MISCELLENIOUS	5,422,833.00	
TOTAL	41,427,872.46	31,769,917.00
Depreciation chrg for the year	8,318,386.84	10,170,048.10
BANK CHARGES	396,934.35	458,481.00
TOTAL	8,715,321.19	10,628,529.10
TOTAL EXPENDITURE	129,726,185.80	199,359,481.95
EXCESS OF INCOME / EXPENDITURE	(81,413,232.80)	94,622,093.80

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2009

	30th JUNE 2009	30th JUNE 2008
CASH INFLOW FROM OPERATING ACTIVITIES	Kshs.	Kshs.
SURPLUS/ (DEFICIT) DURING THE YEAR	(76,742,095.99)	91,809,915.55
ADD: DEPRECIATION	10,283,369.08	12,318,985.10
LESS INCREASE IN STOCK	(21,804.00)	-
LESS INCREASE IN BIOLOGICAL ASSETS	(74,500.00)	65,500.00
DECREASE IN DEBTORS		145,848.00
INCREASE IN CREDITORS		167,777.60
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(66,555,030.91)	104,508,026.25
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSET	3,665,125.50	52,075,957.00
WORK IN PROGRESS		-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	3,665,125.50	52,075,957.00
NET INCREASE/ (DECREASE) IN CASH EQUIVALENT	(70,220,156.41)	52,432,069.25
RECONCILIATION		
CASH AND CASH EQUIVALENT AT THE BEGINNING	81,158,162.35	27,923,372.25
ADD INCREASE/(DECREASE)	(70,220,156.41)	52,432,069.25
PRIOR YEAR ADJUSTMENT		802,720.85
CASH AND CASH EQUIVALENT AT THE END	10,938,005.94	81,158,162.35

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2009

	RECURRENT FUND	DEVELOPMENT FUND	ASAL	ENNNCRP	CAPITAL RESERVE	TOTAL
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
AS AT 1 JULY 2007	(21,528,842.25)	35,174,635.00	127,367.00	24,813,643.00	16,759,940.00	55,346,742.75
SURPLUS/DEFICIT FOR THE YEAR	(157,239.30)	(3,407,426.90)	752,487.95	94,622,094.00	-	91,809,915.75
AS AT 30TH JUNE 2008	(21,686,081.55)	31,767,208.10	879,854.95	119,435,737.00	16,759,940.00	147,156,658.50
AS AT 30TH JUNE 2008	(21,686,081.55)	31,767,208.10	879,854.95	119,435,737.00	16,759,940.00	147,156,658.50
PRIOR YEAR ADJUSTMENT				802,720.85	-	802,720.85
SURPLUS/DEFICIT FOR THE YEAR	(1,541,130.38)	2,058,647.20	4,153,620.00	(81,413,232.80)	-	(76,742,095.99)
AS AT 30TH JUNE 2009	(23,227,211.93)	33,825,855.30	5,033,474.95	38,825,225.05	16,759,940.00	71,217,283.37

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs).

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost basis of accounting. The financial statements are presented in the functional currency, Kenya Shillings (KShs).

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires directors to exercise judgments in the process of applying the accounting policies. Although these estimates are based on the directors' knowledge of current events and actions, actual results may differ from these estimates. Accounting policies 1 (b) and 1(c) below on 'critical accounting estimates and assumptions' and 'critical accounting judgments' highlight the areas that involve a higher level judgment, or where the estimates or assumptions used are significant to the financial statements.

b) Critical Accounting Estimates and Assumptions

In the process of applying the accounting policies, directors make certain assumptions about the future events. In practice, the estimated assumed results differ from the actual results. Such estimates and assumptions, 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:-

Property and Equipment

The directors make estimates in determining the depreciation rates for property and equipment. The rates used are set out in the accounting policy (e) below for property and equipment.

These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances.

c) Critical Accounting Judgments

In the process of applying the accounting policies, directors make certain judgments that are continuously assessed based on experience and other determinants including expectations of future events that, under the circumstances are deemed to be reasonable as described below:-

(i) Provision for doubtful debts

The organization reviews its travel advances portfolio to assess the likelihood of impairment. Where necessary, an estimation of the amounts irrecoverable is made.

(ii) Other provisions

Other provisions are recognized when the Board has legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

d) Revenue Recognition

Revenue for the ENNDA includes receipts from GOK, receipts from Donor funding and A in A. The GOK grants and donor funds are recognized on receipt basis while interest income and other income are recognized on accrual basis.

e) Property and Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation impairment in value. Depreciation is calculated on straight line basis at annual rates estimated to write off the carrying value of the assets over their expected useful lives. The annual depreciation rates in use are:-

<u>Rate</u>	
Computer Equipment	12.5 %
Office Equipment	12.5%
Motor Vehicles	25.0%
Furniture & Fittings	12.5%

Property and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or losses on de-recognition of the asset is included in the income and expenditure statement in the period the item is de-recognized.

f) Cash and Cash equivalents

For purposes of the cash flow statement, cash equivalents include cash held at the bank and balances with less than three months maturity from the balance sheet date.

Foreign Currency

The ENNDA does not have any foreign operations.

g) Subsequent Events

There have been no subsequent events that would have an impact on the financial statements for the year ended 30th June 2009.

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
ASSETS MOVEMENT SCHEDULE FOR THE YEAR ENDED 30TH JUNE 2009

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2009 CONT.				
2. Non-Current Assets				
Property plant and equipment	BUILDING	MOTOR VEHICLES	FURNITURE	TOTAL
			FITTINGS & EQUIP.	
COST	Kshs.	Kshs.	Kshs.	Kshs.
1st July, 2008 -GOK	16,291,497.00	17,964,355.00	19,032,184.00	53,288,036.00
Additions	-	-	987,260.00	987,260.00
	16,291,497.00	17,964,355.00	20,019,444.00	54,275,296.00
1st July, 2008 -ENNRCP	-	29,284,427.00	22,791,530.00	52,075,957.00
Additions	-	-	2,677,865.50	2,677,865.50
	-	29,284,427.00	25,469,395.50	54,753,822.50
TOTAL VALUE	16,291,497.00	47,248,782.00	45,488,839.50	109,029,118.50
ACC. DEPRECIATION				
30th June 2008- GOK	3,197,539.50	16,228,708.00	10,389,671.65	29,815,919.15
charge for year- GOK	327,348.94	433,911.75	1,203,721.54	1,964,982.23
	3,524,888.44	16,662,619.75	11,593,393.19	31,780,901.38
ACC. DEPRECIATION				
31st June 2008- ENNRCP	-	7,321,106.75	2,848,941.25	10,170,048.00
charge for year- ENNRCP	-	5,490,830.06	2,827,556.78	8,318,386.84
	-	12,811,936.81	5,676,498.03	18,488,434.84
TOTAL ACC.	3,524,888.44	29,474,556.56	17,269,891.23	50,269,336.23
1. NET BOOK VALUE				
30th June 2009 -GOK	12,766,608.56	1,301,735.25	8,426,050.81	22,494,394.62
30TH JUNE,2009-ENNRCP	-	16,472,490.19	19,792,897.47	36,265,387.66
	12,766,608.56	17,774,225.44	28,218,948.28	58,759,782.28
30TH JUNE,2008				
GOK	13,093,957.50	1,735,647.00	8,642,512.35	23,472,116.85
ENNRCP	-	21,963,320.25	19,942,588.75	41,905,909.00
	13,093,957.50	23,698,967.25	28,585,101.10	65,378,025.85
3. ACCUMULATED FUND				
	30th JUNE 2009	30th JUNE 2008		
(a) RECURRENT:		Kshs.		
Balance brought forward	(21,686,081.30)	(21,528,842.00)		
add ;surplus for the year	(1,541,130.38)	(157,239.30)		
	(23,227,211.68)	(21,686,081.30)		
(b) DEVELOPMENT				
Balance brought forward	31,767,208.10	35,174,635.00		
add; Surplus for the year	2,058,647.20	(3,407,426.90)		
	33,825,855.30	31,767,208.10		
(b)ASAL FUND				
Balance brought forward	879,854.95	127,367.00		
Surplus/ Deficit for the year	4,153,620.00	752,487.95		
	5,033,474.95	879,854.95		
ACCUMULATED FUND- ENNRCP				
	30TH JUNE 2009	30th JUNE 2008		
CUMM FUND B/F	120,238,458.91	24,813,644.25		
EXCESS OF INCOME/EXP	(81,413,232.80)	94,622,093.81		
*add Prior Year Adjustment	-	802,720.85		
	38,825,226.11	120,238,458.91		
4.WORK IN PROGRESS				
		30th JUNE 2008		
Balance B/F		1,661,197.00		
Materials incurred in the year		-		
TOTAL		1,661,197.00		

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2009

5. BANK BALANCES:	30th JUNE 2009		Kshs.	30th JUNE 2008	Kshs.
Savings Account -BBK MERU			2,079,836.10		377,423.00
Current Account - BBK MERU			154,567.60		66,850.00
Consolidated Bank			204,138.50		299,590.00
Kenya Commercial Bank- Garissa Office (Saving)			171,615.00		150,127.00
Project account bank balances			734,534.40		1,051,767.75
Asal current account- Consolidated Bank			5,033,474.95		879,854.95
GOK BANK BALANCE			8,378,166.55		2,825,612.70
					743,863.00
5 (b). ADF LOAN AND ADF GRANT BANK BALANCES					30TH JUNE 2008
ADF GRANT BANK ACCOUNTS					
ADF Grant Main Account			1,231,964.65		30,534,934.65
ISIOLO OFFICE					
Consolidated Bank - Isiolo Branch	14,342.55			3,849.30	
Consolidated Bank -Maua Branch	14,681.40			14,011.15	
Kenya Commercial Bank - Meru Branch	13,415.00	42,438.95		390,865.00	408,725.45
NANYUKI OFFICE					
Kenya Commercial Bank - Nanyuki Branch	13,824.50			31,586.50	
Kenya Commercial Bank -Maralal Branch	10,518.55	24,343.05		2,973.55	34,560.05
NAROMORU OFFICE					
Barclays Bank - Nyeri Branch	8,292.00			372,348.00	
Barclays Bank - Nyahururu Branch	3,547.55	11,839.55		907,730.65	1,280,078.65
GARISSA OFFICE					
Kenya Commercial Bank -Garissa Branch	220,457.80	220,457.80			42,309.30
WAJIR OFFICE					
Kenya Commercial Bank - Wajir Branch	278,469.70			609,976.20	
Kenya Commercial Bank -Mandera Branch	288,692.35	567,162.05		1,845,295.65	2,455,271.85
MARSABIT OFFICE					
Kenya Commercial Bank - Marsabit Branch	101,624.35			324,834.00	
Kenya Commercial Bank -Moyale Branch	13,768.00	115,392.35		22,702.00	347,536.00
TOTAL A	981,633.75	2,213,598.40			35,103,415.95
ADF LOAN BANK ACCOUNTS					
ADF Loan Main Account			213,481.75		37,402,908.10
ISIOLO OFFICE					
Consolidated Bank - Isiolo Branch	5,266.85			211,464.65	
Consolidated Bank -Maua Branch	15,654.30			5,021.30	
Kenya Commercial Bank - Meru Branch	13,733.45	34,654.60		284,283.40	500,769.35
NANYUKI OFFICE					
Kenya Commercial Bank - Nanyuki Branch	10,641.80			310,325.55	
Kenya Commercial Bank -Maralal Branch	8,321.65	18,963.45		(1,862.35)	308,463.20
NAROMORU OFFICE					
Barclays Bank - Nyeri Branch	18,051.55			292,668.55	
Barclays Bank - Nyahururu Branch	4,183.05	22,234.60		904,911.10	1,197,579.65
GARISSA OFFICE					
Kenya Commercial Bank -Maralal Branch	17,619.30	17,619.30			232,116.45
WAJIR OFFICE					
Kenya Commercial Bank - Wajir Branch	14,093.55			530,604.40	
Kenya Commercial Bank -Mandera Branch	12,638.80	26,732.35		1,668,331.75	2,198,936.15
MARSABIT OFFICE					
Kenya Commercial Bank -Marsabit Branch	7,997.50			572,949.45	
Kenya Commercial Bank -Moyale Branch	4,556.50	12,554.00		12,689.50	585,638.95
TOTAL B	132,758.30	346,240.05	4,791,387.30		42,426,411.85
PROJECT BANK BALANCE			2,559,838.45		77,529,827.80
TOTAL			10,938,005.00		80,355,440.50

EWASO NGIRO NORTH DEVELOPMENT AUTHORITY

NOTES CONT.				30th JUNE 2009	30th JUNE 2008
6. CREDITORS:					Kshs
Insurance Co. of E A				167,777.60	167,777.60
sundry Creditors				1,029,526.00	1,029,526.00
TOTAL				1,197,303.60	1,197,303.60
8. Biological Assets					
Cost of Livestock Sale:					Kshs
	96 Opening Stock			890,000.00	955,500.00
	add 14 New born			98,000.00	105,000.00
	Less 1 dead medium 9500/=			(9,500.00)	(28,000.00)
	Less 2 dead small 7000/=			(14,000.00)	(142,500.00)
	107 Closing Value of Livestock *			964,500.00	890,000.00
CLOSING STOCK-LIVESTOCK *					
	CAMELS				
	28 big size @ 10500/=	294,000.00			
	47 medium size @ 9500/=	446,500.00			
	32 Small Size @ 7000/=	224,000.00		964,500.00	
	107 Camels			964,500.00	890,000.00
(b) Biological assets are stated at their fair values less estimated point of sale costs					
9. INVENTORIES (Bricks and Tiles)					30th JUNE 2008
BRICKS					
Garissa Office	full block		2400 Pieces @ 11.5		27,600.00
Isiolo Office	full block		3728 Pieces @ 11.5		42,872.00
	half block		160 pieces @ 5.75		920.00
					71,392.00
TILES					
Isiolo Office	648 piece @ 14/=				9,072.00
Isiolo Office	532 pie @ 20/=				10,640.00
					19,712.00
CLOSING STOCK					91,104.00
10. Lease land and building excludes the value of land which has not been valued.					
11. These are fixed assets donated by Nippon Koei under the ADB funding :					
	Motor vehicle				9,752,000.00
	Equipment & furniture's				5,682,500.00
					15,434,500.00
	Land and building (Bore hole)				1,325,440.00
					16,759,940.00